

Agenda Item # 6

To: Administration & Finance Committee

Date: December 31, 2025

From: Andrew M. Smith, Director of Planning & Marketing

Reviewed by: 

SUBJECT: Complementary Paratransit Options

Background:

County Connection currently operates seven “fare-free” routes on weekdays and four fare-free routes on weekends. Revenue to offset the loss of fares on these routes comes from a variety of sources, with the revenues for two routes paid by the City of Walnut Creek, one route paid by the Shadelands Business Park, and seven routes paid with cap-and-trade funds through the Low Carbon Transit Operations Program (LCTOP).

County Connection’s Link paratransit is a shared-ride service for people who are unable to use regular buses and trains independently due to a disability. Federal regulations require the provision of paratransit service within three-quarter miles of all fixed-route bus service; however, County Connection provides paratransit service within a one-and-one-half mile area of fixed-route service as a matter of Board policy. Federal regulations permit transit agencies to charge paratransit fares of up to twice the regular adult cash fixed-route fares, however there are currently no fare-free paratransit zones to match the fare-free fixed routes.

As part of County Connection’s Fiscal Year (FY) 2023-2025 Triennial Review, the Federal Transit Administration (FTA) issued a finding requiring County Connection to provide by February 25, 2026 an analysis of establishing “a fare comparability zone for paratransit, where trips that are comparable to those taken on the fixed-route system in the Monument Corridor are not charged a fare”. While the Triennial Review specifically called out the LCTOP-funded routes on Monument Boulevard, the FTA’s interpretation of the applicable federal regulations arguably would apply to all of County Connection’s “fare-free” sponsored or grant-funded routes.

Anticipated Paratransit Costs:

At their December 3, 2025 meeting, staff provided the Administration & Finance Committee with an estimate of the projected reduction in fare revenue resulting from the establishment of fare-free paratransit zones, and options for how to address these projected costs. While the cost estimate considered a projected increase in paratransit ridership resulting from the free fares (induced demand), it did not evaluate the resulting increase in operating expenses. Unlike fixed-route service which can accommodate a significant increase in ridership without the need to increase the number of buses on the road, paratransit is a high-contact door-to-door service that does not normally have the capacity to accommodate additional ridership without a correlating increase in vehicle revenue hours and related expenses.

Very little published research exists regarding the induced demand resulting from free paratransit fares. Further, there is virtually no published research regarding the impact on demand by offering free paratransit fares as a complement to free fixed-route bus fares within a specific corridor. Based on recently obtained anecdotal evidence from other Bay Area operators' paratransit fare subsidy programs for very low-income riders, for the purpose of this analysis, staff estimates between a 10% and 30% increase in demand for paratransit service within the free fixed-route corridors.

Table A: Projected annual costs for providing free paratransit service (keeping all existing free routes)

Paratransit service area and funding source	Projected annual cost of free paratransit fares	Projected increase in annual operating expenses	TOTAL ADDITIONAL COSTS
Routes 4 and 5 (City of Walnut Creek)	\$4,000 - \$4,500	\$5,000 - \$14,500	\$9,000 - \$19,000
Route 7 (Shadelands Business Park)	\$9,000 - \$10,000	\$11,000 - \$34,000	\$20,000 - \$44,000
SUBTOTAL:	\$13,000 - \$14,500	\$16,000 - \$48,500	\$29,000 - \$63,000
Routes 11, 14, 16 (LCTOP)	\$89,000 - \$105,000	\$117,000 - \$350,000	\$206,000 - \$455,000
Routes 311, 314, and 316 (LCTOP)	\$5,000 - \$6,000	\$6,000 - \$19,000	\$11,000 - \$25,000
Route 99X (LCTOP)	\$10,000 - \$12,000	\$13,000 - \$39,000	\$23,000 - \$51,000
SUBTOTAL:	\$104,000 - \$123,000	\$136,000 - \$408,000	\$240,000 - \$531,000
TOTAL:	\$117,000 - \$137,500	\$152,000 - \$456,500	\$269,000 - \$594,000

Paratransit Funding Options (Routes 4, 5, and 7):

As discussed at the December 3rd A&F meeting, the projected increase in costs related to lost fare revenue for free paratransit trips originating along Routes 4, 5, and 7 is relatively small and falls close to the maximum annual reimbursements allowed by the current fare subsidy agreements. However, the additional operating expenses anticipated as a result of induced demand are significantly higher than the cost of lost fare revenue on its own. As it is the Board's policy that all fare programs be revenue neutral, staff recommends negotiating revised fare subsidy agreements with the City of Walnut Creek (for Routes 4 and 5) and the Shadelands Business Park (for Route 7) to cover paratransit operating costs over and above an FY25 baseline. If either the City or the business park are unable to cover these costs, staff recommends discontinuing the associated fixed-route fare-free programs.

Paratransit Funding Options (Routes 11, 14, 16, 99X, 311, 314, and 316):

At the December 3rd meeting, the Committee accepted staff's recommendation to cover the loss of fare revenue for LCTOP-funded routes by charging fares on Route 99X and temporarily using agency reserves for a one-year period to see if paratransit ridership does increase as a result of induced demand, thereby necessitating additional cost cutting or funding resources. However, as noted above, the projected increase in operating expenses resulting from additional ridership is significantly higher than the projected loss of fare revenue, with a total projected cost of approximately \$240,000 to \$531,000 per year to provide free paratransit service along these seven routes. Consequently, additional measures will be necessary to address this projected deficit.

Staff previously identified multiple potential funding options, including County Connection’s operational budget, Contra Costa County’s Measure X, CCTA’s Measure J Program 20a, the federal Community Development Block Grant (CDBG) program, and Concord/Pleasant Hill Healthcare District (CPHHCD) funding, however as discussed at the December 3rd meeting, there is a low likelihood of receiving funding through these sources. Due to the full cost implications (lost fare revenue + increased operating expenses), staff believes there are no feasible alternatives to enacting cost-cutting measures specific to the LCTOP-funded free routes. Therefore, in addition to charging fares on the weekday-only Route 99X, staff also recommends charging fares on weekend Routes 311, 314, and 316 as shown in Table B (below). While undesirable, this would preserve free fares on the weekday Routes 11, 14, and 16, all of which serve the Monument Corridor.

Table B: Projected annual costs of preserving free fares on Routes 11, 14, and 16

Paratransit and fixed-route service area and fares	Change in fixed-route fare revenue*	Additional costs for free paratransit (fares + operations)**	NET REVENUE or EXPENSE
Routes 11, 14, 16 (Fare-free)	n/a	(\$268,000) – (\$593,000)	(\$268,000) – (\$593,000)
Routes 311, 314, and 316 (charge fares)	\$181,000 - \$204,000	n/a	\$181,000 - \$204,000
Route 99X (charge fares)	\$41,000 - \$46,000	n/a	\$41,000 - \$46,000
TOTAL	\$222,000 – \$250,000	(\$268,000) – (\$593,000)	(\$46,000) – (\$343,000)

* The fixed-route fare revenue projections assume a 10% - 20% loss in ridership on routes that are no longer free.
 ** The free paratransit cost projections for Routes 11, 14, and 16 are lower than those shown in Table A because there will be fewer free paratransit destinations when Routes 99X, 311, 314, and 316 are no longer free.

Though not enough to fully cover these anticipated costs, it is reasonable to assume that an increase in paratransit trips resulting from induced demand will appear gradually, rather than immediately upon the start of free paratransit service. Therefore, staff does not recommend taking any further cost-cutting measures until the resulting paratransit ridership can be evaluated over the course of the first year of operation.

Financial Implications:

The fiscal impacts vary, as described above.

Recommendation:

Staff recommends:

1. Addressing the FTA Triennial Review finding to address the application of required corrective action, by providing free paratransit along all of County Connection’s “fare-free” fixed-route services,
2. Funding this action by (a) ending the “fare-free” program on the weekday-only Route 99X and the weekend-only Routes 311, 314, and 316; (b) negotiating new agreements with the City of Walnut Creek and the Shadelands Business Park to pay the fares and operating expenses for paratransit trips originating within three-quarter miles of Routes 4,5 and 7, or ending those “fare-free” programs; and (d) seeking grant funding to further offset these costs.

Staff further recommends reviewing fare-free paratransit ridership levels and expenses after one year.

Action Requested:

Staff requests the Committee forward their recommendation to the Board of Directors.

Attachments:

None.