

To: Board of Directors

Date: March 11, 2026

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

Reviewed by: *Ref*

SUBJECT: Draft Alternative Service Plan

Background:

County Connection's operating budget is currently in a deficit position, with ongoing expenses exceeding available revenues. The reason for this structural imbalance is simply that expense growth is outpacing revenue growth. County Connection is heavily dependent on sales tax revenue, which has not kept up with inflation, and is currently relying on reserves to balance its budget. COVID funding and a 15% service reduction in 2020 have allowed County Connection to build a larger than normal reserve, delaying fiscal uncertainties. However, if no new funding is identified this reserve will only last through Fiscal Year (FY) 2028, after which it will fall below the Board policy of keeping 25% of operating expenses in reserves. This memo provides options for an Alternative Service Plan should Bay Area voters not approve the Connect Bay Area Transit Initiative in November.

Alternative Service Plan:

Based on County Connection's Five Year Financial Forecast, it will be necessary to implement an approximately \$6.5 million reduction in the Authority's annual operating budget by the start of FY 2029. Accordingly, staff has prepared the following two scenarios for reducing fixed route and paratransit service to achieve this budget goal. Each scenario specifies fixed routes where service will be reduced or discontinued entirely, and it is assumed that paratransit service will be discontinued in areas no longer located within 1½ miles of a fixed route.

Scenario 1 - Eliminate Lower Productivity Routes (end school service)

This scenario discontinues service on the 600-series school routes, and ten local and express routes with lower rates of productivity (passengers per revenue hour). While the 600-series routes have the highest rates of productivity due to the unique nature of the service, it is not possible to do an "apples-to-apples" comparison with other routes because their unique schedules (generally one run during the AM peak and one run mid-afternoon, with early releases on Wednesdays) make them more costly to operate. Because the morning runs coincide with the AM peak, County Connection must maintain a larger bus fleet and staff of bus operators, even though the 600-series routes only run once or twice a day. Additionally, the staff and fleet resources necessary for their continued operation are left idle during the summer break, school holidays, teacher in-service days, and following early school releases on most Wednesdays. The routes affected under this scenario are listed in descending order of productivity in Attachment 1 and shown on the map contained in Attachment 2.

Scenario 2 - Eliminate Lowest Productivity Routes and Reduce Frequency Elsewhere (keep school service)

This scenario maintains the 600-series school routes, discontinues service on seven local and express routes with low rates of productivity (below seven passengers per revenue hour), and reduces the frequency of 13 local and express routes with the next lowest rates of productivity (down to every 30 minutes for routes which currently operate more than one bus every 30 minutes, down to every 60 minutes for routes which currently operate more than one bus every 60 minutes, and no change to routes which currently operate less than one bus every 60 minutes). The routes affected under this scenario are listed in descending order of productivity in Attachment 1 and shown on the map contained in Attachment 3.

Notably, Routes 96X, 98X, and 99X remain unaltered in both scenarios as they can be operated using Measure J funding that is restricted to express bus service (and therefore cannot be used for other purposes), and these three routes maintain the core of County Connection's existing network of express service while eliminating overlapping routes and maximizing productivity. Similarly, weekday service on Route 4 remains unchanged because County Connection receives significant outside funding for maintaining 15-minute headways on that route.

While every route serves a vital need for those who ride it (72% of County Connection passengers are transit dependent), the cost of operating a bus in revenue service is generally the same regardless of the route or number of passengers on board (with the notable exception of school service as discussed above). Therefore, the same reduction in service between two different routes can have a drastically different impact on the number of affected passengers while producing the same amount of cost savings. Both the scenarios presented above focus their cuts and reductions in service to lower-performing routes (the routes with the lowest number of passengers per revenue hour) in order to minimize the impact for the greatest number of passengers.

Operating & Scheduling Committee Feedback:

The Operating & Scheduling Committee considered the two Scenarios at their March 6, 2026 meeting. Staff explained how this is the first step in adopting an Alternative Service Plan and that they would return in April with a revised scenario or scenarios based upon the direction provided by the Committee and the Board of Directors. After considering the various tradeoffs of each, the Committee expressed a preference for Scenario 2 because it spread the proposed cuts and reductions more equitably across the geography of County Connection's service area. They also specifically noted how Scenario 2 would maintain a greater level of service to the San Ramon Valley area than Scenario 1.

BART's Alternative Service Plan:

On February 26, 2026, the BART Board of Directors adopted its own Alternative Service Plan. The plan's first phase, which would begin in January 2027, would reduce train frequencies to every 30 minutes (currently every 10 minutes on weekdays and every 20 minutes on weekends on the Yellow Line, and every 20 minutes on the Blue Line), end service after 9pm, and increase fares by 30%. The second phase, which would begin in July 2027, would close up to 15 stations and/or up to 25% of system track miles. A potential third phase, which would only come into use if BART found itself unable to safely or legally operate with available resources, would end all service and use available tax revenues to secure systems assets and other ongoing obligations. This would have a dramatic impact on County Connection's passengers, 34% of whom transfer to/from BART, and may also necessitate changes to County

Connection's route structure as all but one of County Connection's non-school routes serve at least one BART station.

Financial Implications:

Either of the two scenarios presented above are expected to close anticipated budget gap should the Connect Bay Area Transit Initiative fail at the ballot box in November.

Recommendation:

The Operating & Scheduling Committee and staff recommend the Board provide input and feedback on the two scenarios. Based on this feedback, staff will prepare the Final Alternative Service Plan for Board adoption at the April 2026 meeting.

Action Requested:

Provide direction to staff on the scenarios presented in the Draft Alternative Service Plan.

Attachments:

Attachment 1: Scenarios 1 & 2 by route (listed in descending order of productivity)

Attachment 2: Map of Scenario 1

Attachment 3: Map of Scenario 2



