



Alameda-Contra Costa Transit District

DATE: August 18, 2026

TO: **City of Hayward**
Mayor Mark Salinas, Mayor Pro Tempore George Syrop; and
Councilmembers: Angela Andrews, Ray Bonilla, Dan Goldstein, Julie
Roche, and Francisco Zermeño; and City Manager Jennifer Ott

FROM: Diann Castleberry, AC Transit Legislative Affairs & Community Relations
Department

SUBJECT: AC Transit Budget & Service Update: Receive a presentation from AC
Transit on agency deficit projections and potential service and workforce
reductions.

Background

The Alameda-Contra Costa Transit District (AC Transit) is the largest public bus-only transit system in California. For 65 years, AC Transit has connected East Bay residents to jobs, schools, healthcare, and community life. However, rising costs have outpaced available funding, leaving the agency at a historic financial crossroads, facing a four-year, \$200 million deficit beginning in Fiscal Year 2027-28.

The emergency relief funding that sustained service through the pandemic is now gone. At the same time, costs of operating transit are rising – including wages and benefits, fuel, parts, and bus production – these increases are outpacing the revenues we rely on.

A recent State of California bridge loan provides temporary relief but does not solve the ongoing lack of funding. The passage of a proposed ballot measure in November could provide funding for AC Transit to continue full service. However, without sustainable, long-term funding by December 2026, our 65-year-old transit district faces unavoidable service cuts of up to 16% and potential layoffs, impacting as many as 300 employees.

Current Status

This is an informational presentation. AC Transit representatives will provide an update on the agency's financial outlook, including projected deficits, and possible service and workforce reductions, and will invite public input.