



DATE: September 18, 2025
TO: Intercity Transit Funding Working Group (ITFWG)
FROM: Ron Grassi, Director of Programs
Mary Pryor, STA Consultant
RE: Solano Express Intercity 5-Year Operating Budget Forecast and Solano Express Service Hours for FY 2026-27

Background:

The Solano Express Intercity Transit Funding Agreement provides for the annual funding of four intercity transit routes, known as Solano Express. Every year, a draft forecast is presented to the Intercity Transit Finance Working Group (ITFWG) and to the Consortium prior to adoption by the STA Board. The attached five-year forecasts are presented to the Consortium for discussion of the financial sustainability of the Solano Express service. Three scenarios with different annual service hours are included as Attachments A, B, and C.

Discussion:

Draft five-year forecasts for the FY 2026-27 to FY 2030-31 Solano Express Operating Budget are presented to the Consortium for discussion of financial sustainability. During and after the COVID-19 pandemic, Solano Express service, ridership, and revenues have changed substantially from the pre-pandemic timeframe. Hourly operating costs have increased, service levels and operators have changed, and ridership patterns throughout the region have shifted. The Federal Transit Administration's (FTA) temporary COVID relief funding for transit operations has been fully expended. Regional Measure 3 funds have provided a new revenue stream for Solano Express. The three attached Solano Express scenarios provide a forecast of costs, revenues, and financial sustainability.

Solano Express Operating Revenues

The three scenarios share the same revenue assumptions, described below.

Fares

The draft budget scenarios increase fare revenue by 2% annually from the FY 2025-26 budget. Data from SolTrans indicates that actual fares for FY 2024-25 are approximately 5% greater than the FY 2025-26 budget. The preliminary average fare for Route 82 and the Blue, Green, Red, and Yellow lines for FY 2024-25 is \$2.15, ranging from \$3.17 on Route 82 to \$1.68 on the Blue Line.

Regional Measure 2 & Regional Measure 3 (RM2 & RM3) Funds

The draft five-year Solano Express budget forecast includes the same amount of RM2 and RM3 funds as the FY 2025-26 budget.

TDA Contributions

The local jurisdictions served by Solano Express have contributed TDA funds through a formula, with 20% based on population and 80% based on Solano Express ridership. For this forecast, the total TDA from all jurisdictions increases by 2% annually. The shares of TDA from each jurisdiction were updated using the most recent demographic data. The ridership survey data is unchanged from the FY 2025-26 budget, as a new survey has not been conducted. Attachment D provides the data and revised shares. The changes in each jurisdiction's shares are negligible.

The Solano County TDA contribution which has been escalated based on a 3.5% inflation factor, as the County contribution has historically increased based on the Consumer Price Index (CPI).

State Transit Assistance Funds (STAF)

On July 10, 2024, the STA Board established a Solano Express Operating Reserve of \$8.1 million to fill the funding gap once the FTA COVID relief funds were expended. Following the use of the Solano Express Operating Reserve, approximately \$2,670,000 in STAF would be available annually for ongoing Solano Express operating costs. Each of the budget forecast scenarios uses a different amount of STAF.

Solano Express Hourly Operating Cost

The Solano Express FY 2025-26 budget assumes an operating cost of \$230.37 per hour. Each of the five-year forecasts assumes that the hourly operating cost will increase by an inflation factor of 3.5% per year.

Scenario 1: Continuation of 45,000 Annual Service Hours

Scenario 1 provides a forecast for the continuation of Solano Express service with no change in annual service hours. In this scenario, the STAF Solano Express Operating Reserve is fully depleted in FY 2027-28, and shortfalls begin in FY 2028-29. The first annual shortfall is approximately \$1.5 million, and grows to more than \$2 million by FY 2030-31, the fifth year of the forecast.

Scenario 2: Reduction to 40,000 Annual Service Hours

Scenario 2 reduces service hours in FY 2026-27 by 5,000 hours, to 40,000 annual service hours. In Scenario 2, the STAF Solano Express Operating Reserve is depleted in FY 2028-29. Shortfalls begin in FY 2029-30, with a shortfall of approximately \$500,000. In FY 2030-31, the shortfall grows to approximately \$784,000.

Scenario 3: Convert Green Line to Van Pool and End Route 82

Scenario 3 would reduce service hours in FY 2026-27 by converting the Green Line to a van pool (a reduction of 6,108 annual service hours), and eliminating Route 82 from the Solano Express services (a reduction of 2,337 annual service hours). These two changes would bring the Solano Express annual service hours to 36,555. In this scenario, the STAF Solano Express Operating Reserve would be depleted in FY 2027-28. The current projection reflects that sufficient annual STAF revenue would be available to maintain the reduced level of service through the next five-year period.

Fiscal Impact:

None at this time. The FY 2026-27 Solano Express operating budget will be used as the basis for the Solano Express funding plan and incorporated in the FY 2026-27 TDA Matrix.

Recommendation:

Forward a recommendation to the Solano County Intercity Transit Consortium, STA TAC, and Board regarding Solano Express Service Hours for FY 2026-27.

Attachments:

- A. Solano Express 5-Year Forecast Scenario 1: No Service Changes
- B. Solano Express 5-Year Forecast Scenario 2: 40,000 Hours of Service
- C. Solano Express 5-Year Forecast Scenario 3: Convert Green Line to Van Pool, End Route 82
- D. Solano Express Population and Ridership Calculations

Scenario 1: No Service Changes

	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Est. Actual	FY 25-26 Budget	FY 26-27 Estimate	FY 27-28 Estimate	FY 28-29 Estimate	FY 29-30 Estimate	FY 30-31 Estimate
Solano Express Service									
Revenue Service Hours	48,003	44,539	44,872	45,000	45,000	45,000	45,000	45,000	45,000
IFA Cost/Hr	\$ 207.80	\$ 204.96	\$ 220.26	\$ 230.37	\$ 238.43	\$ 246.78	\$ 255.42	\$ 264.35	\$ 273.61
Total Estimated Cost	\$ 9,974,831	\$ 9,128,532	\$ 9,883,465	\$ 10,366,650	\$ 10,729,483	\$ 11,105,015	\$ 11,493,690	\$ 11,895,969	\$ 12,312,328
Revenues									
Fares	\$ 1,360,229	\$ 1,490,659	\$ 1,120,804	\$ 1,060,068	\$ 1,081,269	\$ 1,102,894	\$ 1,124,952	\$ 1,147,451	\$ 1,170,400
RM-2	\$ 2,142,151	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916
RM-3	\$ 1,840,625	\$ 655,951	\$ 1,018,325	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
STAF	\$ 388,145		\$ 2,722	\$ 3,150,131	\$ 3,230,304	\$ 3,871,846	\$ 2,670,000	\$ 2,670,000	\$ 2,670,000
STAF Carryover				\$ 145,889	\$ 348,136				
Solano College Pass	\$ 114,845	\$ 50,471	\$ 50,471	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Benicia	\$ 213,730	\$ 143,923	\$ 143,923	\$ 146,629	\$ 149,517	\$ 152,507	\$ 155,558	\$ 158,669	\$ 161,842
Dixon	\$ 99,102	\$ 65,603	\$ 65,603	\$ 37,913	\$ 39,460	\$ 40,249	\$ 41,054	\$ 41,875	\$ 42,712
Fairfield	\$ 710,755	\$ 624,215	\$ 624,215	\$ 537,074	\$ 547,146	\$ 558,089	\$ 569,251	\$ 580,636	\$ 592,249
Suisun City	\$ 134,087	\$ 188,536	\$ 188,536	\$ 126,648	\$ 129,153	\$ 131,736	\$ 134,371	\$ 137,058	\$ 139,799
Vacaville	\$ 594,048	\$ 315,617	\$ 315,617	\$ 336,036	\$ 343,053	\$ 349,914	\$ 356,912	\$ 364,051	\$ 371,332
Vallejo	\$ 859,029	\$ 1,272,858	\$ 1,272,858	\$ 1,426,451	\$ 1,454,637	\$ 1,483,730	\$ 1,513,404	\$ 1,543,673	\$ 1,574,546
Balance of County	\$ 182,606	\$ 182,606	\$ 198,776	\$ 199,895	\$ 206,892	\$ 214,133	\$ 221,628	\$ 229,385	\$ 237,413
FTA ARP	\$ 1,335,479	\$ 2,255,221	\$ 2,958,680	\$ -					
Total Revenue	\$ 9,974,831	\$ 9,395,576	\$ 10,110,446	\$ 10,366,650	\$ 10,729,483	\$ 11,105,015	\$ 9,987,046	\$ 10,072,713	\$ 10,160,210
Balance	\$0	\$267,044	\$226,981	\$0	\$0	\$0	(\$1,506,644)	(\$1,823,256)	(\$2,152,119)
Cut in Service to Balance Revenues				0	0	0	(5,899)	(6,897)	(7,866)
Revised Service Hours				45,000	45,000	45,000	39,101	38,103	37,134
Percent Cut in Service				0%	0%	0%	-13%	-15%	-17%
Annual Rate of Change		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Cost per Hour		1.1%	7.5%	4.6%	3.5%	3.5%	3.5%	3.5%	3.5%
Fares		9.6%	-24.8%	-5.4%	2.0%	2.0%	2.0%	2.0%	2.0%
RM-2		0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RM-3		-64.4%	55.2%	-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
STAF		-100.0%		115628.6%	2.5%	19.9%	-31.0%	0.0%	0.0%
TDA		0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
STAF Reserve Balance			\$ 8,162,058	\$ 5,009,205	\$ 1,778,901	\$ (2,092,946)			

Scenario 2: 40,000 Hours of Service

	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Est. Actual	FY 25-26 Budget	FY 26-27 Estimate	FY 27-28 Estimate	FY 28-29 Estimate	FY 29-30 Estimate	FY 30-31 Estimate
Solano Express Service									
Revenue Service Hours	48,003	44,539	44,872	45,000	40,000	40,000	40,000	40,000	40,000
IFA Cost/Hr	\$ 207.80	\$ 204.96	\$ 220.26	\$ 230.37	\$ 238.43	\$ 246.78	\$ 255.42	\$ 264.35	\$ 273.61
Total Estimated Cost	\$ 9,974,831	\$ 9,128,532	\$ 9,883,465	\$ 10,366,650	\$ 9,537,318	\$ 9,871,124	\$ 10,216,613	\$ 10,574,195	\$ 10,944,292
Revenues									
Fares	\$ 1,360,229	\$ 1,490,659	\$ 1,120,804	\$ 1,060,068	\$ 1,081,269	\$ 1,102,894	\$ 1,124,952	\$ 1,147,451	\$ 1,170,400
RM-2	\$ 2,142,151	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916
RM-3	\$ 1,840,625	\$ 655,951	\$ 1,018,325	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
STAF	\$ 388,145		\$ 2,722	\$ 3,150,131	\$ 2,038,139	\$ 2,637,955	\$ 2,899,568	\$ 2,670,000	\$ 2,670,000
STAF Carryover				\$ 145,889	\$ 348,136				
Solano College Pass	\$ 114,845	\$ 50,471	\$ 50,471	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Benicia	\$ 213,730	\$ 143,923	\$ 143,923	\$ 146,629	\$ 149,517	\$ 152,507	\$ 155,558	\$ 158,669	\$ 161,842
Dixon	\$ 99,102	\$ 65,603	\$ 65,603	\$ 37,913	\$ 39,460	\$ 40,249	\$ 41,054	\$ 41,875	\$ 42,712
Fairfield	\$ 710,755	\$ 624,215	\$ 624,215	\$ 537,074	\$ 547,146	\$ 558,089	\$ 569,251	\$ 580,636	\$ 592,249
Suisun City	\$ 134,087	\$ 188,536	\$ 188,536	\$ 126,648	\$ 129,153	\$ 131,736	\$ 134,371	\$ 137,058	\$ 139,799
Vacaville	\$ 594,048	\$ 315,617	\$ 315,617	\$ 336,036	\$ 343,053	\$ 349,914	\$ 356,912	\$ 364,051	\$ 371,332
Vallejo	\$ 859,029	\$ 1,272,858	\$ 1,272,858	\$ 1,426,451	\$ 1,454,637	\$ 1,483,730	\$ 1,513,404	\$ 1,543,673	\$ 1,574,546
Balance of County	\$ 182,606	\$ 182,606	\$ 198,776	\$ 199,895	\$ 206,892	\$ 214,133	\$ 221,628	\$ 229,385	\$ 237,413
FTA ARP	\$ 1,335,479	\$ 2,255,221	\$ 2,958,680	\$ -					
Total Revenue	\$ 9,974,831	\$ 9,395,576	\$ 10,110,446	\$ 10,366,650	\$ 9,537,318	\$ 9,871,124	\$ 10,216,614	\$ 10,072,713	\$ 10,160,210
Balance	\$0	\$267,044	\$226,981	\$0	\$0	\$0	\$0	(\$501,482)	(\$784,082)
Cut in Service to Balance Revenues				0	0	0	0	(1,897)	(2,866)
Revised Service Hours				45,000	40,000	40,000	40,000	38,103	37,134
Percent Cut in Service				0%	0%	0%	0%	-5%	-7%
Annual Rate of Change		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Cost per Hour		1.1%	7.5%	4.6%	3.5%	3.5%	3.5%	3.5%	3.5%
Fares		9.6%	-24.8%	-5.4%	2.0%	2.0%	2.0%	2.0%	2.0%
RM-2		0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RM-3		-64.4%	55.2%	-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
STAF		-100.0%		115628.6%	-35.3%	29.4%	9.9%	-7.9%	0.0%
TDA		0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
STAF Reserve Balance			\$ 8,162,058	\$ 5,009,205	\$ 2,971,066	\$ 333,110	\$ (2,566,458)		

Scenario 3: Green Van Pool, No Route 82

	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Est. Actual	FY 25-26 Budget	FY 26-27 Estimate	FY 27-28 Estimate	FY 28-29 Estimate	FY 29-30 Estimate	FY 30-31 Estimate
Solano Express Service									
Revenue Service Hours	48,003	44,539	44,872	45,000	36,555	36,555	36,555	36,555	36,555
IFA Cost/Hr	\$ 207.80	\$ 204.96	\$ 220.26	\$ 230.37	\$ 238.43	\$ 246.78	\$ 255.42	\$ 264.35	\$ 273.61
Total Estimated Cost	\$ 9,974,831	\$ 9,128,532	\$ 9,883,465	\$ 10,366,650	\$ 8,715,916	\$ 9,020,974	\$ 9,336,708	\$ 9,663,492	\$ 10,001,715
Revenues									
Fares	\$ 1,360,229	\$ 1,490,659	\$ 1,120,804	\$ 1,060,068	\$ 1,081,269	\$ 1,102,894	\$ 1,124,952	\$ 1,147,451	\$ 1,170,400
RM-2	\$ 2,142,151	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916	\$ 2,149,916
RM-3	\$ 1,840,625	\$ 655,951	\$ 1,018,325	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
STAF	\$ 388,145		\$ 2,722	\$ 3,150,131	\$ 1,564,874	\$ 1,787,805	\$ 2,019,662	\$ 2,260,780	\$ 2,511,505
STAF Carryover				\$ 145,889					
Solano College Pass	\$ 114,845	\$ 50,471	\$ 50,471	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Benicia	\$ 213,730	\$ 143,923	\$ 143,923	\$ 146,629	\$ 149,517	\$ 152,507	\$ 155,558	\$ 158,669	\$ 161,842
Dixon	\$ 99,102	\$ 65,603	\$ 65,603	\$ 37,913	\$ 39,460	\$ 40,249	\$ 41,054	\$ 41,875	\$ 42,712
Fairfield	\$ 710,755	\$ 624,215	\$ 624,215	\$ 537,074	\$ 547,146	\$ 558,089	\$ 569,251	\$ 580,636	\$ 592,249
Suisun City	\$ 134,087	\$ 188,536	\$ 188,536	\$ 126,648	\$ 129,153	\$ 131,736	\$ 134,371	\$ 137,058	\$ 139,799
Vacaville	\$ 594,048	\$ 315,617	\$ 315,617	\$ 336,036	\$ 343,053	\$ 349,914	\$ 356,912	\$ 364,051	\$ 371,332
Vallejo	\$ 859,029	\$ 1,272,858	\$ 1,272,858	\$ 1,426,451	\$ 1,454,637	\$ 1,483,730	\$ 1,513,404	\$ 1,543,673	\$ 1,574,546
Balance of County	\$ 182,606	\$ 182,606	\$ 198,776	\$ 199,895	\$ 206,892	\$ 214,133	\$ 221,628	\$ 229,385	\$ 237,413
FTA ARP	\$ 1,335,479	\$ 2,255,221	\$ 2,958,680	\$ -					
Total Revenue	\$ 9,974,831	\$ 9,395,576	\$ 10,110,446	\$ 10,366,650	\$ 8,715,917	\$ 9,020,974	\$ 9,336,708	\$ 9,663,493	\$ 10,001,715
Balance	\$0	\$267,044	\$226,981	\$0	\$0	\$0	\$0	\$0	\$0
Cut in Service to Balance Revenues				0	0	0	0	0	0
Revised Service Hours				45,000	36,555	36,555	36,555	36,555	36,555
Percent Cut in Service				0%	0%	0%	0%	0%	0%
Annual Rate of Change		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Cost per Hour		1.1%	7.5%	4.6%	3.5%	3.5%	3.5%	3.5%	3.5%
Fares		9.6%	-24.8%	-5.4%	2.0%	2.0%	2.0%	2.0%	2.0%
RM-2		0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RM-3		-64.4%	55.2%	-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
STAF		-100.0%		115628.6%	-50.3%	14.2%	13.0%	11.9%	11.1%
TDA		0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
STAF Reserve Balance			\$ 8,162,058	\$ 5,009,205	\$ 3,444,331	\$ 1,656,526	\$ (363,136)		