Chapter 12
SHORT RANGE TRANSIT PLAN

This Short Range Transit Plan for SLO RTA is the result of extensive analysis, outreach, and discussion with the RTA staff, stakeholders, and the public. As shown in the following tables, operating expenses for the base case scenario will increase by 19 percent over the seven-year planning period. With limited additional transit operating revenue available, this short range transit plan does not include any major service expansions. Some of the plan elements will reduce overall operating costs through gains in efficiency. Other proposed plan elements represent reinstating services which were suspended during the COVID-19 pandemic. Although it is anticipated that ridership will continue to recover, it is not likely that RTA will reach pre-pandemic levels during this planning period.

The following service plan recommendations are divided into two categories: Financially constrained and financially unconstrained. Unconstrained plan recommendations should be considered if additional funding becomes available or as warranted through the SLOCOG unmet transit needs process.

In summary, the nine service changes presented in the financially constrained service plan will increase ridership by one percent over the planning period with a small annual operating cost increase. This plan will improve mobility for residents of San Luis Obispo County through increased frequency and school tripper service, as well as changes to the Regional Routes fare program.

PLAN ASSUMPTIONS

- Forecasts of annual operating and administrative costs were developed as presented in Table 57. "Base case" or "status quo" operating and administrative cost forecasts were estimated based on the projected RTA 2025-26 Budget. An annual inflation escalator of three percent was applied to project operating costs for each following year of the planning period. The Plan also presumes that Express trips operated prior to the pandemic will be restored as overcrowding on the regular hourly routes is encountered.

- Ridership and corresponding fare revenue for each SRTP element was estimated as presented in Tables 58 and 59. Ridership is assumed to grow at a rate of 2 percent annually between FY 2025-26 and FY 2027-28. This reflects both the projected population growth rate of 0.7 percent annually and a continued post-COVID increase in ridership. Ridership growth is assumed to slow to a growth rate of 1 percent annually after FY 2027-28.

- All fiscally constrained plan elements are recommended for implementation in FY 2025-26.

FINANCIALLY CONSTRAINED SERVICE PLAN

Operating costs, ridership, and fare revenue estimates for RTA service plan elements are shown in Tables 57, 58, and 59 described below. The reader is encouraged to review Chapter 7: RTA Service Alternatives for more detailed information on how each plan element was developed. Figures 31-33 present all plan elements graphically.

Table 57: RTA Short Range Transit Development Plan Operating Costs

Plan Element	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 2029-30	FY 30-31	FY 31-32
Base Case Operating Cost [1]							
Marginal Systemwide Operating Costs	$10,247,580	$10,555,000	$10,871,700	$11,197,900	$11,533,800	$11,879,800	$12,236,200
Fixed Costs	$4,748,780	$4,891,200	$5,037,900	$5,189,000	$5,344,700	$5,505,000	$5,670,200
RTA Administration and Contingency Costs	$3,256,200	$3,353,900	$3,454,500	$3,558,100	$3,664,800	$3,774,700	$3,887,900
Total	**$18,252,560**	**$18,800,100**	**$19,364,100**	**$19,945,000**	**$20,543,300**	**$21,159,500**	**$21,794,300**
Financially Constrained Plan Costs							
Streamline Route 10 in Santa Maria - All but 2 weekday runs	-$27,000	-$27,800	-$28,600	-$29,500	-$30,400	-$31,300	-$32,200
Provide Route 10 Southbound 6:03 AM Run	$19,700	$20,300	$20,900	$21,500	$22,100	$22,800	$23,500
End 7:33 PM Run at Nipomo and Eliminate Route 10 8:33 PM Southbound Trip	-$84,000	-$86,500	-$89,100	-$91,800	-$94,600	-$97,400	-$100,300
Route 9 Mid-Day Service to Cal Poly	$1,700	$1,800	$1,900	$2,000	$2,100	$2,200	$2,300
Paso Robles High School and Daniel Lewis Middle School Tripper	$19,700	$20,300	$20,900	$21,500	$22,100	$22,800	$23,500
Add Saturday Paso Robles Route A Service, 7:45 AM to 6 PM	$49,800	$51,300	$52,800	$54,400	$56,000	$57,700	$59,400
Arroyo Grande Tripper	$26,100	$26,900	$27,700	$28,500	$29,400	$30,300	$31,200
Fare Structure Changes - Discount Fare Verificat	$100,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Financially Unconstrained Plan Costs							
Paso Robles Route B Sunday Service, 8:30 AM to 5:30 PM	$39,700	$40,900	$42,100	$43,400	$44,700	$46,000	$47,400
Rt 9 - Add 1 Roundtrip on Saturday	$21,200	$21,800	$22,500	$23,200	$23,900	$24,600	$25,300
Rt 10 - Add 1 RT on Saturday	$22,500	$23,200	$23,900	$24,600	$25,300	$26,100	$26,900
Rt 27- Add Saturday Service 7:30 AM to 8:15 PM	$46,400	$47,800	$49,200	$50,700	$52,200	$53,800	$55,400
Total Financially Constrained Marginal Service Plan Costs	**$106,000**	**$56,300**	**$56,500**	**$56,600**	**$56,700**	**$57,100**	**$57,400**
Total Financially Unconstrained Marginal Operating Costs	**$129,800**	**$133,700**	**$137,700**	**$141,900**	**$146,100**	**$150,500**	**$155,000**
Total Operating Cost for Constrained Plan	**$18,358,560**	**$18,856,400**	**$19,420,600**	**$20,001,600**	**$20,600,000**	**$21,216,600**	**$21,851,700**

Note 1: Base Case (status quo) costs based upon FY 2025-26 RTA Budget. Assumes 3% annual inflation rate for the planning period.

Source: LSC Transportation Consultants, Inc.

Table 58: RTA Short Range Transit Plan Ridership Projections

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 2029-30	FY 30-31	FY 31-32
Annual Ridership							
Base Case	793,100	809,000	825,100	833,400	841,700	850,100	858,600
Financially Constrained Service Plan Elements							
Streamline Route 10 in Santa Maria - All but 2 weekday runs	-1,700	-1,700	-1,800	-1,900	-2,000	-2,100	-2,300
Provide Route 10 Southbound 6:03 AM Run	3,600	3,700	3,800	4,000	4,200	4,500	4,900
End 7:33 PM Run at Nipomo and Eliminate Route 10 8:33 PM Southbound Trip	-5,100	-5,200	-5,400	-5,700	-6,000	-6,400	-6,900
Route 9 Mid-Day Service to Cal Poly	400	410	430	450	480	510	550
Paso Robles High School and Daniel Lewis Middle School Tripper	2,300	2,350	2,440	2,560	2,720	2,920	3,160
Add Saturday Paso Robles Route A Service, 7:45 AM to 6 PM	5,700	5,800	6,000	6,300	6,700	7,200	7,800
Arroyo Grande Tripper	1,100	1,100	1,100	1,200	1,300	1,400	1,500
Impact of Fare Structure Changes (Flat Fare)	*2,700*	*2,800*	*2,800*	*2,800*	*2,900*	*2,900*	*2,900*
Subtotal Impact of Constrained Plan Service Elements	*9,000*	*9,260*	*9,370*	*9,710*	*10,300*	*10,930*	*11,610*
Financially Unconstrained Service Plan Elements							
Paso Robles Route B Sunday Service, 8:15 AM to 5:15 PM	4,400	4,500	4,700	4,900	5,200	5,600	6,100
Rt 9 - Add 1 Roundtrip on Saturday	1,700	1,700	1,800	1,900	2,000	2,100	2,300
Rt 10 - Add 1 RT on Saturday	1,700	1,700	1,800	1,900	2,000	2,100	2,300
Rt 27- Add Saturday Service 7:30 AM to 8:15 PM	4,200	4,300	4,500	4,700	5,000	5,400	5,800
Subtotal Impact of Unconstrained Plan Service Elements	*12,000*	*12,200*	*12,800*	*13,400*	*14,200*	*15,200*	*16,500*
Total Ridership with Constrained Service Plan	**802,100**	**818,260**	**834,470**	**843,110**	**852,000**	**861,030**	**870,210**
Total Ridership with Unconstrained Service Plan	**814,100**	**830,460**	**847,270**	**856,510**	**866,200**	**876,230**	**886,710**

Table 59: RTA Short Range Transit Plan Fare Revenue Impacts

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 2029-30	FY 30-31	FY 31-32
Fare Revenues (Passenger Revenues)							
Base Case	$1,124,050	$1,146,500	$1,169,500	$1,181,200	$1,193,000	$1,204,900	$1,216,900
Financially Constrained Service Plan Elements							
Streamline Route 10 in Santa Maria - All but 2 weekday runs	-$2,700	-2,800	-2,900	-3,000	-3,200	-3,400	-3,700
Provide Route 10 Southbound 6:03 AM Run	$5,600	$5,700	$5,900	$6,200	$6,600	$7,100	$7,700
End 7:33 PM Run at Nipomo and Eliminate Route 10 8:33 PM Southbound Trip	-$8,000	-$8,200	-$8,500	-$8,900	-$9,400	-$10,100	-$10,900
Route 9 Mid-Day Service to Cal Poly	$500	$510	$530	$560	$590	$630	$680
Paso Robles High School and Daniel Lewis Middle School Tripper	$2,400	$2,400	$2,500	$2,600	$2,800	$3,000	$3,200
Add Saturday Paso Robles Route A Service, 7:45 AM to 6 PM	$6,000	$6,100	$6,300	$6,600	$7,000	$7,500	$8,100
Arroyo Grande Tripper	$900	$900	$900	$900	$1,000	$1,100	$1,200
Impact of Fare Structure Changes (Flat Fare)	*-$9,000*	-$9,200	-$9,600	-$10,100	-$10,700	-$11,500	-$12,500
Subtotal Fare Impact of Plan Service Elements	*-$4,300*	*-$4,590*	*-$4,870*	*-$5,140*	*-$5,310*	*-$5,670*	*-$6,220*
Financially Unconstrained Service Plan Elements							
Paso Robles Route B Sunday Service, 8:30 AM to 5:30 PM	$4,600	$4,700	$4,900	$5,100	$5,400	$5,800	$6,300
Rt 9 - Add 1 Roundtrip on Saturday	$2,200	$2,200	$2,300	$2,400	$2,500	$2,700	$2,900
Rt 10 - Add 1 RT on Saturday	$2,200	$2,200	$2,300	$2,400	$2,500	$2,700	$2,900
Rt 27- Add Saturday Service 7:30 AM to 8:15 PM	$3,400	$3,500	$3,600	$3,800	$4,000	$4,300	$4,700
Subtotal Impact of Unconstrained Plan Service Elements	*$12,400*	*$12,600*	*$13,100*	*$13,700*	*$14,400*	*$15,500*	*$16,800*
Total Fare Revenue with Constrained Service Plan	**$1,119,750**	**$1,141,910**	**$1,164,630**	**$1,176,060**	**$1,187,690**	**$1,199,230**	**$1,210,680**
Total Fare Revenue with Unconstrained Service Plan	**$1,132,150**	**$1,154,510**	**$1,177,730**	**$1,189,760**	**$1,202,090**	**$1,214,730**	**$1,227,480**

Source: LSC Transportation Consultants, Inc.

Figure 31
RTA Regional Plan

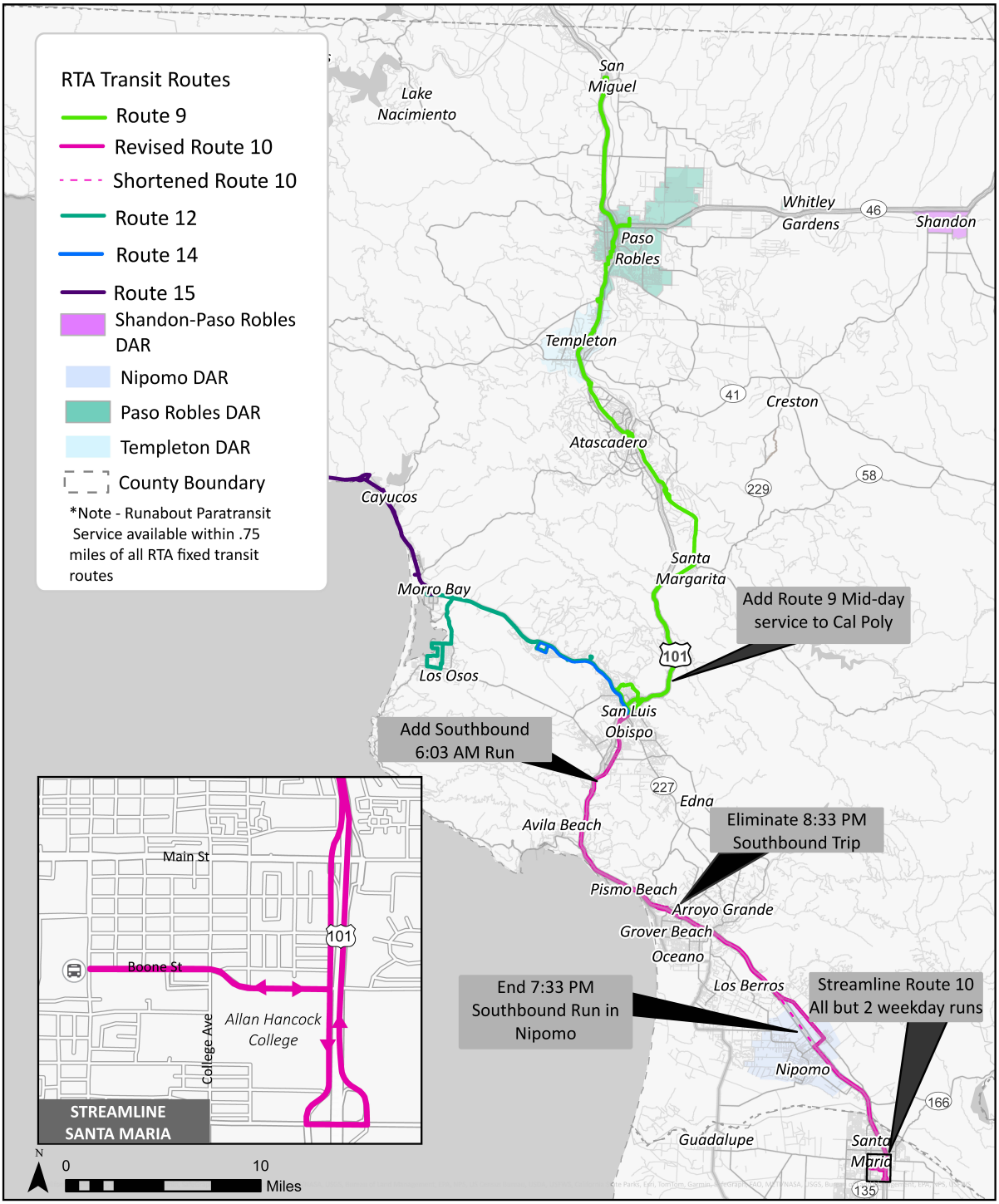


Figure 32
RTA Paso Robles Routes

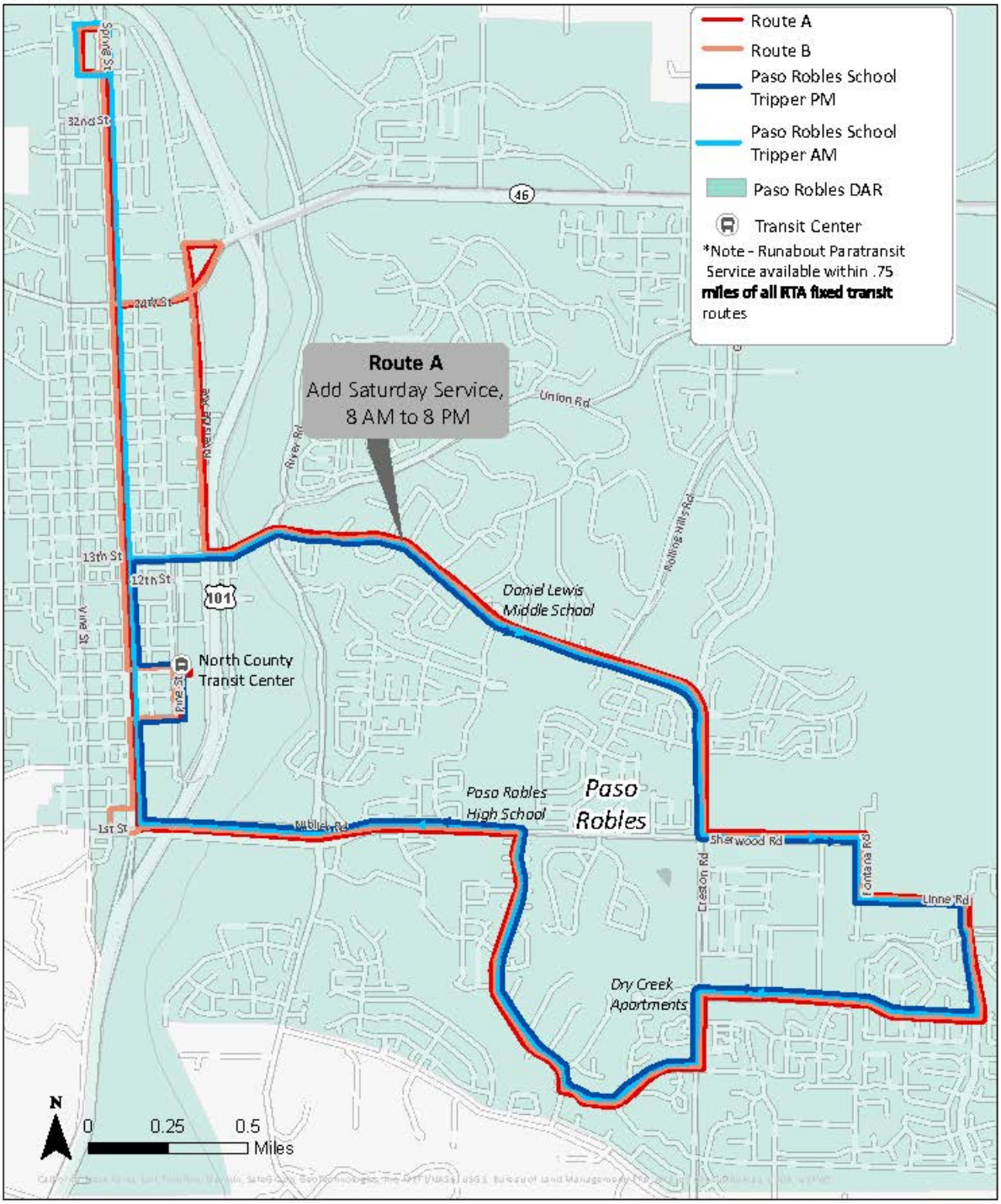
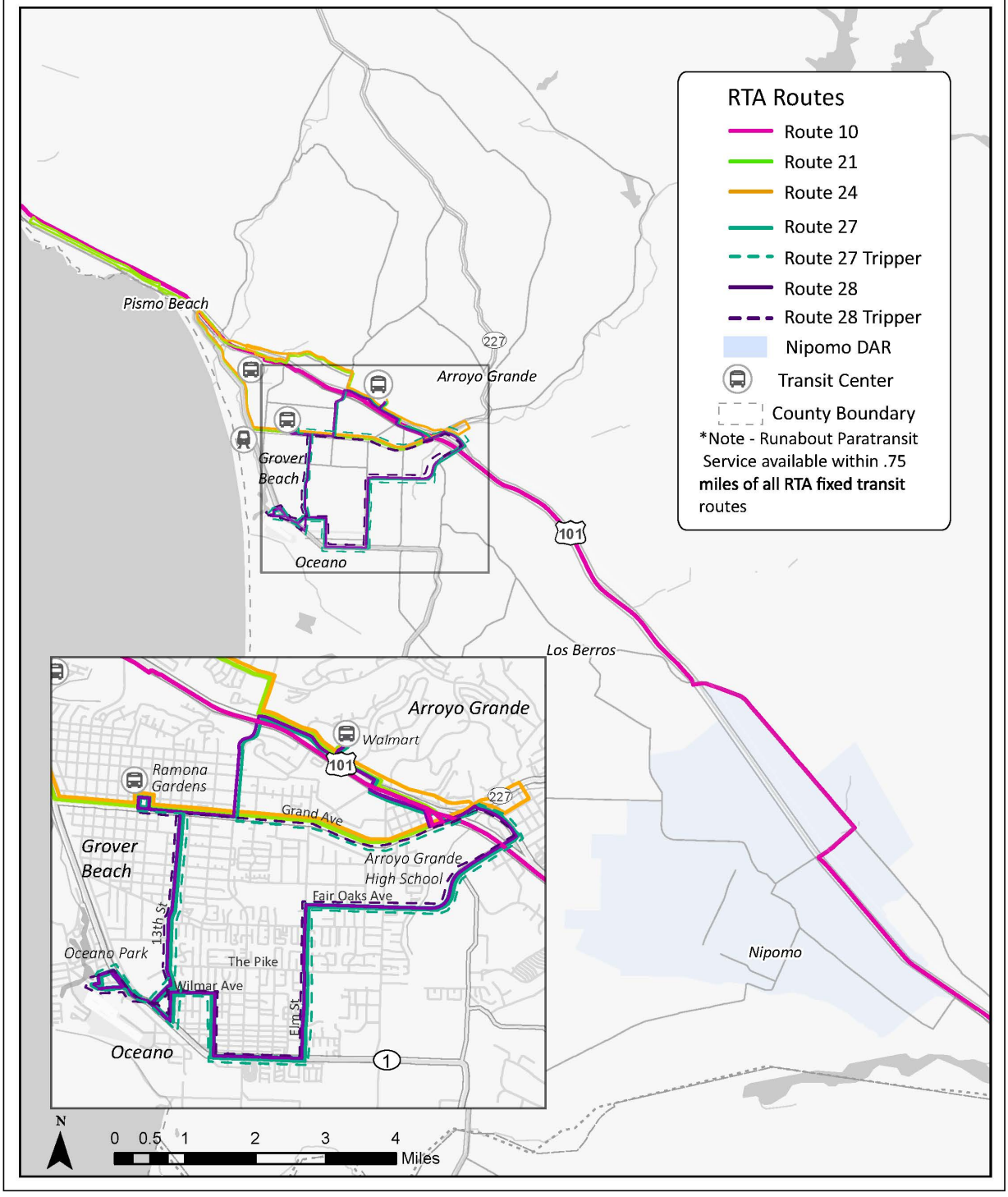


Figure 33
RTA South County Transit Services Plan



Streamline Route 10 in Santa Maria – All but 2 weekday runs

Historically, the City of Santa Maria has helped subsidize Route 10 service with (FTA) Section 5307 funds. The Santa Maria City Council voted in April 2024 to stop providing funds for Route 10 operations and instead directed staff to operate SMRT services between the cities of Santa Maria and San Luis Obispo. In order to mitigate the loss of revenue for Route 10, it is recommended that Route 10 streamline service in Santa Maria for all but two weekday runs. The revised route would eliminate the Marian Medical Center, and the Amtrak bus stop except for the southbound run departing Santa Maria northbound at 8:14 AM and the southbound run departing San Luis Obispo at 5:33 PM. By leaving these two runs in place, there still remains a connection to Route 10 for residents of the neighborhoods near the Marian Medical Center. It is estimated that this plan element will reduce annual operating costs by $27,000 annually (FY 2025-26) and lose around 1,700 passenger-trips annually.

Provide Route 10 Southbound 6:03 AM Run

The first daily weekday southbound Route 10 run under the current schedule departs San Luis Obispo at 6:33 AM and arrives at the Santa Maria Transit Center at 7:43 AM. While this may be early enough for San Luis Obispo County residents reporting to work at 8:00 AM in downtown Santa Maria, it does not serve earlier work start times in downtown or access 8:00 AM start times for those needing to transfer to SMRT routes to reach other work locations. As part of this plan element, the Route 10 bus which operates the second northbound run, currently "deadheads" to Santa Maria. Instead, this bus would begin passenger service to Santa Maria from the SLO Government Center at 6:03 AM. This run would serve all Route 10 stops, including service to Arroyo Grande at 6:36 AM and Nipomo at 6:49 AM, before arriving at the Santa Maria Transit Center at 7:13 AM.

Opening the doors for one southbound Route 10 run is anticipated to increase ridership by 3,600 passenger-trips over base-case while increasing operating costs by $19,700 annually.

End 7:33 PM Run at Nipomo and Eliminate Route 10 8:33 PM Southbound Trip

This service plan element is recommended to address both the loss of funding from Santa Maria as well as low ridership during the evening hours on Route 10. The final two southbound departures (7:33 PM and 8:33 PM) do not arrive at the Santa Maria Transit Center until 8:43 PM and 9:43 PM, well after SMRT fixed route operations have ceased for the day. Thus, making it impossible for passengers who rely on SMRT to get to their final destinations. Ridership is much lower on the Route 10 8:33 PM southbound trip than on the prior runs. If the 7:33 PM run terminates in Nipomo and the final Route 10 southbound trip (8:33 PM departure from the Government Center) is eliminated, approximately $84,000 in annual operating costs could be saved while losing around 5,100 passenger-trips per year.

Route 9 Mid-Day Service to Cal Poly

Direct RTA service to the Cal Poly campus from North County is currently limited: southbound service is provided to Cal Poly on three morning runs (arriving at 7:12 AM, 7:18 AM, and 8:12 AM) and on four afternoon runs (arriving at 2:17 PM, 3:17 PM, 4:17 PM, and 6:17 PM). These runs all serve Cal Poly before continuing to the Government Center. In the northbound direction, only one run (the last run of the day) serves Cal Poly, departing the Government Center at 8:33 PM and serving Cal Poly at 8:40 PM. Other than this last run, passengers departing Cal Poly and traveling north to Atascadero and Paso Robles must catch

the previous southbound RTA run at the campus before heading northbound. This adds 14 minutes of travel time that would be avoided if more direct Route 9 northbound service was provided to the campus. After a review of driver schedules and timed connections with other routes, it is recommended to add a stop on Route 9 at the Cal Poly campus in the southbound direction at 12:17 PM. This would provide mid-day service between the 8:12 AM service time and the 2:17 PM service time. This service plan element will increase annual operating costs by $1,700 and increase ridership by 400 trips annually.

Paso Robles High School and Daniel Lewis Middle School Tripper

Ridership on Paso Robles Routes A and B drastically increased after the City suspended school bus service in 2021. Schools start and end at specific times, therefore most student ridership is concentrated on the trips that occur right before and after the school day.

To alleviate overcrowding concerns and to better serve both student and non-student passengers alike, RTA should implement a supplemental tripper service to Paso Robles High School and Daniel Lewis Middle School with one morning and one afternoon run. This plan element is anticipated to increase ridership by 2,300 passenger-trips and increase annual operating costs by $19,700. An additional vehicle would be needed for peak service.

Arroyo Grande Tripper

It is recommended that RTA reinstate the tripper runs during the school year to serve Arroyo Grande High School (AGHS) at the regular bell times. This will consist of one morning run of Route 28 and one afternoon run of Route 27. With this plan element, RTA would serve an additional 1,100 passenger-trips and cost around $25,200 in marginal operating subsidy.

Add Saturday Paso Robles Route A Service 7:45 AM to 6:00 PM

Given the recent positive ridership growth trends on the Paso Robles Routes, it is recommended that RTA reinstate Route A Saturday Service from 7:45 AM to 6:00 PM, as funding and drivers become available. Currently, only Route B (counterclockwise one-direction loop) is operated on Saturdays, which makes for long travel times for some passengers. Adding Route A will allow for travel in either direction around the loop. The Saturday Route A schedule should follow the pre-pandemic schedule to maintain good connections with Route 9 Northbound. The service plan element would increase ridership by 5,700 trips annually and increase operating costs by $49,800. An additional bus/driver would be needed for peak Saturday service.

Another option would be to instead implement Route B service on Sunday from 8:15 AM to 5:15 PM. This would have the benefit of seven-day/week local service in Paso Robles, along with connections to Route 9 on Sundays. Annual operating costs of this option would be less than the Saturday Route A Service element ($39,700) but would yield a lower ridership increase (4,400 trips). With this service span, passengers would have a good connection with the 12:10 Route 9 departure to San Luis Obispo with a return trip arriving at Pine and 8th at 4:10 PM. Prior to increasing weekend service in Paso Robles, it is recommended that RTA conduct public outreach to determine if Sunday service is preferable to the additional Saturday service.

FINANCIALLY UNCONSTRAINED SERVICE PLAN

Increase Saturday Service on Route 9

RTA currently provides limited weekend regional service; in general, five roundtrips are offered on Saturdays and three on Sundays. Additional weekend service was one of the top requested service improvements during public outreach and was the most requested improvement by regional passengers who participated in the onboard survey. Current Route 9 Saturday service consists of five daily roundtrips operated every two to three hours. If one additional round trip were provided, service would be closer to every two hours. This would increase ridership by 1,700 trips annually and increase operating costs by $21,200. One additional vehicle/driver would be required for peak Saturday service. This financially unconstrained plan element should be considered as part of the SLOCOG unmet transit needs process. In developing this element, serving Cal Poly on at least one round trip on Saturday should be considered.

Increase Saturday Service on Route 10

Similarly, increasing Route 10 Saturday service by adding one round trip would increase ridership by 1,700 trips and operating costs by $22,500. One additional vehicle/driver would be required. This financially unconstrained plan element should be considered as part of the SLOCOG unmet transit needs process.

Add Saturday Service on Route 27 – 7:30 AM to 8:15 PM

In the South County region, Routes 21, 24, and 28 currently operate seven days per week, whereas Route 27 only operates Monday through Friday. Through the annual unmet transit needs process, the region should consider Saturday Route 27 service during similar hours as Route 28. This would have the impact of increasing annual operating costs by $46,400 and annual ridership by 4,200. One additional vehicle/driver would be required. Prior to implementing this service option, RTA should monitor ridership trends on Routes 21 and 24 to see if bi-directional Saturday service in the South County region is necessary to meet mobility needs.

CAPITAL IMPROVEMENTS

Transit services require ongoing capital investment in facilities and vehicles. Capital investments in both vehicles and passenger facilities can attract additional riders while improving the quality of service and safety of existing riders. Of note, California's Innovative Clean Transit regulation will go into effect during the plan period, requiring RTA to transition to zero-emission buses (ZEBs).

Fleet Replacement

Transit vehicles must be regularly replaced to maintain a safe and reliable fleet. The RTA Transit Asset Management Plan sets a target to allow no more than 40% of the revenue vehicle fixed route fleet to exceed the FTA-defined useful life. As the vehicle procurement process can take multiple years, transit agencies must identify their vehicle needs well in advance. A detailed fleet replacement table is presented in Chapter 8. The vehicle replacement schedule is shown by year of purchase order, not year of actual expenditure. In summary, RTA will need to replace 28 fixed-route and 40 demand response/cutaway vehicles during the planning period. Fifteen of the fixed-route vehicles will be 40-foot battery electric buses (BEB), which cost on the order of $1.4 million each, while 20 of the demand

response/cutaway fleet replacement vehicles will be EVs. Fleet replacement will cost on the order of $39 million during the seven-year planning period.

Fleet Additions

The plan elements described above will require two more fixed route vehicles to be in service on weekdays (the Paso Robles Tripper and the Arroyo Grande Tripper). Additionally, four more vehicles will be required for peak Saturday service with the implementation of all financially unconstrained plan elements. Currently, 41 vehicles are needed for maximum service. The RTA fleet consists of 68 fixed route and demand response vehicles. Even with the addition of two more vehicles for maximum service on weekdays, RTA will be able to maintain a 25 percent spare ratio. Therefore, expansion of the fixed route fleet will not be required to implement fiscally constrained SRTP elements.

Other Capital Improvements

Table 41 in Chapter 8 presents a seven-year capital improvement plan for all items outside of revenue fleet replacement. This includes support vehicles, maintenance equipment, bus stop improvements, and EV charging infrastructure. This seven-year capital improvement program totals $15 million.

Long-Term Plan for Relocated Transit Center

As noted in this report, there are deficiencies with the Government Center Transfer Point. There is inadequate space for all RTA buses at peak times, resulting in buses that park around the corner on Palm Street. Transferring between the SLO Transit and RTA systems requires walking across two streets. The number of bays available for SLO Transit limits the ability to schedule services to maximize direct bus-to-bus transfers. In 2012, the Coordinated Downtown San Luis Obispo Transit Center Study recommended a facility consisting of up to 16 bus bays, indoor/outdoor passenger waiting areas, driver break areas, restrooms, and a transit information counter. The larger transit center would allow for more buses to be able to pulse in and out of the transit center, which would enable enhanced route timing coordination. In 2017 the SLO City Council adopted the Downtown Concept Plan which also envisions a relocated transit center on Higuera Street between Santa Rosa Street and Toro Street. In November of 2023, the SLO City Council approved the purchase of a property on this block on the northwest corner of Higuera Street and Toro Street (1166 Higuera Street). This is the same property identified in the 2012 Coordinated Downtown San Luis Obispo Transit Center Study as the preferred alternative to advance into environmental review (Alternative 6). Initially, this site is envisioned for parking. A transit center would require using the northern part of Higuera Street which is currently striped for parking and a bike lane and was previously one of three one-way travel lanes and parking.

Project development for a relocated transit center would need to involve close coordination between the City of SLO and RTA along with SLOCOG. This would include the development of joint funding applications, environmental clearance, design, project phasing, and construction. A key feature not fully envisioned in the 2012 study is the addition of bus charging at bus bays. This will be important to support the transition to a BEB fleet by both SLO Transit and RTA. A placeholder for the planning and construction of a new transit center in Downtown San Luis Obispo is included in the RTA financial plan below.

New South County Transfer Point

Currently, all four South County Transit fixed-routes meet at the Ramona Garden Transfer Point at around 30 minutes past the hour, allowing for timed connections. It is possible to transfer between Routes 10, 21, and 24 at the Premium Outlets but Routes 27 and 28 do not stop there. Stakeholders have expressed interest in shifting the Ramona Gardens transfer point to another location. Ideally, this location should serve all four South County Routes, as well as Route 10. The alternatives analysis reviewed two options for a potential new South County Transfer Point: Grover Beach Train Station and Walmart. The analysis showed that moving the transfer point to the Grover Beach Train Station would increase operating costs and reduce ridership. Additionally, it is not efficient to use a regional route to divert Route 10 off of the main 101 corridor to serve the Grover Beach station.

If Walmart becomes the new transfer point, time would need to be added into the Route 10 schedule, along with schedule adjustments for the South County Routes. For the Pismo Outlets to serve as a transfer point, Routes 27 and 28 would need to be realigned. Regardless of the location, capital improvements (bus bays, passenger amenities) will be required for a new South County Transfer Point. The financial plan for this SRTP includes a placeholder for New South County Transfer Point improvements.

FARE CHANGES

A fare peer review in Chapter 4 showed that RTA's fixed-route and Runabout fares are below the peer average. Additionally, RTA fares have not increased since 2017. Several fare alternatives to increase fares and change the fare structure were reviewed in earlier chapters. However, there is a trend among some regions to eliminate fares for all passengers or certain categories of passengers who may be disadvantaged, as a method of encouraging ridership. Eliminating fares for RTA could have significant impacts on vehicle capacity. The additional demand on the Runabout system could lead to large operating cost increases. Passenger fares represent roughly 11 percent of marginal operating costs. In light of all these factors, it is recommended that further study be conducted to determine a fare structure which is appropriate and financially responsible for RTA.

Implement Cal-ITP Open-Loop Contactless Fare-Capping System

As noted in Chapter 10 Fare Alternatives, the California Integrated Travel Project (Cal-ITP), and the California Department of General Services have collaborated to simplify the process for transit providers to implement a contactless fare-capping system. Cal-ITP has also negotiated lower-cost credit card processing fees than would be possible by individual agencies.

Transit fare capping is a fare payment model that sets a maximum amount a rider pays for fares over a specific period, such as a day, week, or longer. Once this cap is reached, the rider does not pay for additional trips taken during that period. The rider is also charged as you go, eliminating the need to pay for the full cost of a 31-Day Pass in advance. One final advantage for RTA and SLO Transit is that, over the long term, the transit operators could curtail or even discontinue the use of the electronic Genfare validating fareboxes. Some transit agencies that have implemented the Cal-ITP program have set a goal of a fully cashless fare system, including Monterey-Salinas Transit (2027). RTA staff has expressed a desire to

follow M-ST's example since this would reduce the staff time needed for the fare counting process as well as the increasing cost of maintenance for the complicated and occasionally unreliable Genfare fareboxes.

In 2024, SLOCOG led an effort to establish and fund the Cal-ITP system on all countywide fixed-routes using SB125 funds. This project will fund the upfront costs – including the purchase and installation of contactless payment hardware and related software – as well as fees for the first five years of operation. The RTA and SLO Transit began the contracting phase to implement the Cal-ITP system in early 2025. It is anticipated that the system will be fully operational by the end of the calendar year 2025. No operating cost or capital cost is reflected in this Plan, although relatively minor processing fees and maintenance costs will be incurred in years 6 and 7 of the Plan period.

In order to offer a fare payment option for unbanked or underbanked passengers, in the short-term the RTA will promote *BankOn* certified financial institutions in SLO County so that riders can obtain a contactless EMV chipped bank card through a low-fee and easy-entry bank account. *BankOn* is an initiative by the Cities for Financial Empowerment (CFE) Fund that works to ensure everyone has access to safe and affordable banking accounts using national account standards for low-fee banking accounts. When banks and credit unions offer accounts that meet these standards, they can receive *BankOn* certification. There are over 350 certified accounts available with 46,000 branches nationwide. Longer term, the RTA will investigate partnerships with a third party to offer a prepaid card that can be reloaded at RTA pass outlets and possibly other organizations. The target to launch a prepaid card is FY26-27.

Implement a Discount Fare Verification Process

When RTA passengers purchase a multi-ride pass on Token Transit or at pass outlets throughout the County, the passenger has the option to choose which fare category they fall under, general public or discount. Similarly, bus operators are instructed to avoid fare-related conflicts and generally to accept the word of cash-paying riders. RTA staff have observed general public passengers paying the discounted cash fare when there is no obvious reason the person qualifies for the discounted fare. As such there is likely some abuse of the fare system.

In an effort to reduce fare evasion, the RTA will implement a program to distribute a discount fare verification card in conjunction with the launch of the Cal-ITP system and the re-establishment of in-person ADA eligibility verification. Passengers can sign up in person at a pre-arranged location (possibly revolving around the county at existing pass outlets) or through an online portal, which will reduce the potential burden for qualifying passengers who may face mobility challenges. This new program will require an increase in staff resources – especially at the outset of the validation and subsequent enforcement process. The RTA should explore directly hiring a staff person or contracting with a third-party organization that has close ties to the elderly and/or disabled community. Token Transit and the Cal-ITP system allow agencies to restrict the ability of users to purchase discounted fares by providing a "good list" of passengers who qualify for discounted fares, and persons buying a discounted pass at a pass outlet would be required to show their eligibility card during purchase. Qualified applicants could submit their documentation via an online portal or in person at an office to be added to the "good list". As shown in Table 57, a total cost of $100,000 is shown in year 1 of the Plan period to launch the discount fare verification program, and $50,000 per year thereafter beginning in year 2.

Implement Flat Fare Over a 2-hour Boarding Period

With the advent of advanced "tap on" fare technologies (see Cal-ITP discussion above), public transit systems operating intercity/regional routes are increasingly converting to a time-period-based fare structure. Passengers using a card or their phone to tap on can board additional buses within a set period (typically two hours) without additional charges. A good example is Monterey-Salinas Transit which converted in 2022 to a fare structure providing boardings within a 2-hour period for $2 general public / $1 for discount-eligible passengers.

On the RTA Regional Routes, this approach would replace the current zone fare structure. With a $2 time-based fare for the general public and $1 for discount passengers, this would result in an effective fare increase for those riding within a single zone, but an effective decrease for those riding in multiple zones – particularly for those traveling through 4 zones, such as from San Luis Obispo to Paso Robles. For cash-paying riders, the $2 general public / $1 discount fare would be paid each time the passenger boards a Regional Route.

An evaluation of the impact of this change in fares on ridership currently paying cash fares was provided in Table 52 of Chapter 10. As shown, the overall existing fare per passenger varies between the various routes, but the overall average fare per passenger is not far above the time-based fares, at $2.24 for full-fare passengers and $1.06 for discount passengers. The impact of the fare changes on ridership levels was analyzed using an elasticity analysis, indicating a small net increase in ridership of 2,700 passenger boardings per year (3.1 percent). The overall impact on fare revenue (including both the change in fares and the change in ridership) is estimated to be a relatively modest reduction of $8,930 per year (6.1 percent).

Another factor to consider when making changes to the RTA fare structure is the impact on Runabout. Per ADA law, Runabout fares can not be more than twice the comparable fixed route fare. Under the flat fare model, the Runabout fare would not be increased for local trips. However, for longer trips Runabout passengers could effectively have a significant fare discount to the current fare structure under the time-based flat fare model. As the majority of Runabout trips begin and end with the City of San Luis Obispo area, the flat fare proposal would not have a significant impact on Runabout fares and corresponding demand for services.

The actual impact on fare revenues would depend on the potential for this fare change to increase revenue by reducing fare evasion, specifically, those passengers paying a cash fare for a single zone but then riding into additional zones. There is no data available on the extent of this pattern, but it is thought to be insignificant. By requiring all passengers on regional routes (not using a pass or eligible for another fare reduction) to pay $2 general public / $1 discount, this strategy may well result in a net increase in fare revenues, while also speeding the boarding process because passengers would no longer need to feed coins into the farebox. It also has the benefit of significantly simplifying the fare structure, reducing the stress on drivers of having to handle fare issues, and reducing the administrative costs of tracking so many fare categories.

Considering the large service area for both RTA regional routes and Runabout, it is recommended that RTA adopt a time-based flat fare structure of $2 for 1 hour instead of $2 for 2 hours (as discussed in Chapter 10). This would limit the loss of fare revenue, limit induced demand for long-distance Runabout

trips while still providing a more cost effective and simpler fare structure. It should be noted that the $1.50 general public / $0.75 discount fares on the local fixed-routes in South County, Paso Robles, Morro Bay, and San Luis Obispo would remain unchanged under this Plan element. This new fare program will require the RTA to seek public input using its established public participation process. The new fare program would be implemented along with the Cal-ITP launch in late 2025.

FINANCIAL PLAN

Table 60 presents the 5-Year Operating and Capital Financial Plan for RTA. The RTA service operating plan is fiscally constrained for the planning period with recurring operating funding sources.

As shown in the table, sufficient revenue is available for planned capital projects including vehicle replacement and other capital costs. Funding for a New Downtown Transit Center and New South County Transfer Point has not yet been secured. As these two projects are still in the visionary phase, competitive grants and partnerships with other agencies will need to be obtained. One of the recommendations in the Marketing Plan (Appendix I) was to limit or eliminate ad sales on transit vehicles going forward. Ad Sales are not a significant source of revenue for RTA and make the vehicles look less appealing.

Table 60: RTA Short Range Transit Development Plan Financial Plan

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Operating Revenues							
TDA LTF Allocation [1]	$9,467,830	$10,314,110	$10,812,390	$11,274,460	$11,740,330	$12,224,390	$12,704,040
Passenger Fares Base Case[2]	$1,124,050	$1,146,500	$1,192,800	$1,253,400	$1,330,200	$1,425,900	$1,543,700
SoCo Management Contract[3]	$149,210	$153,700	$158,300	$163,000	$167,900	$172,900	$178,100
County Management Contract[3]	$128,610	$132,500	$136,500	$140,600	$144,800	$149,100	$153,600
North County Management Contract[3]	$62,400	$64,300	$66,200	$68,200	$70,200	$72,300	$74,500
Interest[4]	$60,000	$61,200	$62,400	$63,600	$64,900	$66,200	$67,500
State Transit Assistance (STA) Including SB 1[5]	$1,497,060	$1,497,100	$1,497,100	$1,497,100	$1,497,100	$1,497,100	$1,497,100
Rural Transit Fund (Administration)	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000
Rural Transit Fund (Operating Funds)[6]	$0	$0	$0	$0	$0	$0	$0
Federal Transit ADM (FTA) (Section 5311) - Operating [6]	$816,700	$837,200	$837,200	$844,700	$850,400	$853,000	$855,600
Total Federal Transit Administration (FTA) 5307[7]	$4,376,300	$4,311,000	$4,311,000	$4,341,700	$4,371,000	$4,384,000	$4,397,100
Cuesta Contribution for Route 12 and 14[3]	$155,060	$159,700	$164,500	$169,400	$174,500	$179,700	$185,100
Cuesta Contribution North County	$40,580	$40,580	$40,580	$40,580	$40,580	$40,580	$40,580
Special Events/Revenue Other[3]	$110,000	$113,300	$116,700	$120,200	$123,800	$127,500	$131,300
Subtotal	*$18,017,800*	*$18,861,190*	*$19,425,670*	*$20,006,940*	*$20,605,710*	*$21,222,670*	*$21,858,220*
Fund Balance	$345,060	$0	$0	$0	$0	$0	$0
Total Operating Revenue	**$18,362,860**	**$18,861,190**	**$19,425,670**	**$20,006,940**	**$20,605,710**	**$21,222,670**	**$21,858,220**
Status Quo Operating Expenditures	**$18,252,560**	**$18,800,300**	**$19,364,300**	**$19,945,200**	**$20,543,700**	**$21,159,900**	**$21,794,600**
SRTP Plan Elements Operating Costs	**$106,000**	**$56,300**	**$56,500**	**$56,600**	**$56,700**	**$57,100**	**$57,400**
SRTP Plan Elements Fare Revenue	**-$4,300**	**-$4,590**	**-$4,870**	**-$5,140**	**-$5,310**	**-$5,670**	**-$6,220**
Balance	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
Total Capital Revenue Available	**$12,333,130**	**$10,313,610**	**$5,368,170**	**$5,468,210**	**$4,726,900**	**$2,428,030**	**$6,943,730**
Fleet Replacement Costs	*$6,358,300*	*$5,501,400*	*$4,586,700*	*$4,635,200*	*$3,911,800*	*$1,456,700*	*$6,117,900*
Other Capital Costs	*$5,974,830*	*$4,812,210*	*$781,470*	*$833,010*	*$815,100*	*$971,330*	*$825,830*
New Downtown Transit Center	*$0*	*$0*	*$0*	*$20,000,000*	*$0*	*$0*	*$0*
New South County Transfer Point	*$0*	*$0*	*$10,000,000*	*$0*	*$0*	*$0*	*$0*
Total Capital Project Costs	**$12,333,130**	**$10,313,610**	**$15,368,170**	**$25,468,210**	**$4,726,900**	**$2,428,030**	**$6,943,730**
Balance	*$0*	*$0*	*-$10,000,000*	*-$20,000,000*	*$0*	*$0*	*$0*

Source: RTA FY 2024-25 budget.

Note 1: TDA LTF revenue based on budgeted need for FY 25-26 . LTF revenue available for transit operations varies each year and is dependent on the level of funding from other sources.

Note 2: Passenger fares escalated at projected ridership increase of 2% annually through FY 2027-28 to account for small population increase and rebound from the pandemic. Passenger fares and ridership escalated by 1% annually for the remainder of the planning period.

Note 3: FY 2025-26 budgeted revenues projected at the assumed rate of inflation, 3% annually.

Note 4: Interest escalated at 2% annually.

Note 5: STA revenue growth based on SLOCOG projections of flat growth

Note 6: Based on SLOCOG FTA 5311 revenue projections (-.05% to 3%).

Note 7: Based on SLOCOG FTA 5307 revenue projections (-.05% to 3%).

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