



San Luis Obispo Regional Transit Authority and City of San Luis Obispo Transit Short Range Transit Plans

Working Paper 5: Financial Alternatives and Projections

Prepared for the
RTA and SLO Transit

November 26, 2024

Prepared by LSC Transportation Consultants



**San Luis Obispo Regional Transit Authority
and
City of San Luis Obispo Transit**

Short Range Transit Plans

*Working Paper 5:
Financial Alternatives and Projections*

Prepared for

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INTRODUCTION

This is the fifth in a series of working papers being prepared as part of the Joint Short Range Transit Plan study for the San Luis Obispo Regional Transit Authority (RTA) and the City of San Luis Obispo's transit program (SLO Transit). This working paper focuses on existing financial conditions (including fare considerations) and presents "base case" financial forecasts. Once service and capital strategies have been finalized, this information will be used as the basis for specific financial plans to support system enhancements.

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EXISTING OPERATING COSTS (FY 2025-26)

Table 1 presents FY 2025-26 RTA cost formula factors used to calculate marginal operating costs by type of service. Costs and service levels are based on RTA FY 2024-25 budget projections for FY 2025-26. At a systemwide level, the marginal operating costs for any changes to RTA services are approximately \$72.16 per vehicle service hour and \$2.10 per vehicle service mile; no impacts to fixed costs are presented in Table 1.

Table 1: RTA Marginal Operating Cost Formula Factors FY 2025-26						
	Regional Routes	Paso Robles Services	South County Routes	County- Funded Services ¹	Runabout	Total
Hourly Costs ²	\$2,487,890	\$512,880	\$1,040,790	\$334,200	\$1,817,630	\$6,193,390
Mileage Costs ³	\$2,462,880	\$187,790	\$469,320	\$89,000	\$845,200	\$4,054,190
Vehicle Service Hours ⁴	34,780	7,170	14,550	3,924	25,410	85,834
Vehicle Service Miles ⁴	1,176,710	89,720	224,230	33,961	403,820	1,928,441
Marginal Cost per Vehicle Service Hour	\$71.53	\$71.53	\$71.53	\$85.17	\$71.53	\$72.16
Marginal Cost per Vehicle Service Mile	\$2.09	\$2.09	\$2.09	\$2.62	\$2.09	\$2.10
Source: RTA FY 2024-25 Budget Assumptions Note 1: Includes the Avila/Pismo Trolley, Nipomo DAR, Cambria Trolley, and Shandon/Templeton DARs. Note 2: Includes operations labor costs and cost of workers compensation. Note 3: Includes fuel, insurance, maintenance parts and supplies, and maintenance contract costs. Note 4: Based on projected FY 2025-26 operations totals per RTA FY 2024-25 Budget Assumptions. County Services vehicle service hours and miles based on FY 2022-23 operations.						

Table 2 projects the total operating costs for RTA services over the seven-year planning period assuming existing service levels. FY 2025-26 figures are based on the expenses from the RTA budget as noted above. Fixed costs are included to show a total projected operating cost of \$18.2 million for FY 2025-26. An inflation escalator of 3 percent is applied to FY 2025-26 operating costs to project operations budget requirements for RTA services in a “status quo” or baseline scenario.

OPERATING REVENUES

Table 3 presents RTA's projected operating revenue for the 7-year planning period. FY 2025-26 revenues were obtained from the RTA FY 2024-25 budget. Revenue projection assumptions applied in Table 3 are as follows:

- Low Carbon Transit Operations Program (LCTOP) projections were based on SLOCOG projections for these revenue sources (0 – 1 percent annual growth rate)
- Transportation Development Act (TDA) forecasts based on budgeted need for FY 2025-26 and status quo scenario. The amount of TDA Local Transportation Funds (LTF) claimed for operating purposes varies from year to year and is dependent on funding from other sources.

Table 2: RTA Short Range Transit Development Plan Operating Costs

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Base Case Marginal Operating Cost¹							
<u>Regional Routes</u>							
Hourly Costs	\$2,487,890	\$2,562,500	\$2,639,400	\$2,718,600	\$2,800,200	\$2,970,700	\$3,059,800
Mileage Costs	\$2,462,880	\$2,536,800	\$2,612,900	\$2,691,300	\$2,772,000	\$2,940,900	\$3,029,100
Fixed Operations Costs	\$2,292,830	\$2,361,600	\$2,432,400	\$2,505,400	\$2,580,600	\$2,737,700	\$2,819,800
<i>Subtotal Regional Routes</i>	<i>\$7,243,600</i>	<i>\$7,460,900</i>	<i>\$7,684,700</i>	<i>\$7,915,300</i>	<i>\$8,152,800</i>	<i>\$8,649,300</i>	<i>\$8,908,700</i>
<u>Paso Robles Services</u>							
Hourly Costs	\$512,880	\$528,300	\$544,100	\$560,400	\$577,200	\$612,300	\$630,700
Mileage Costs	\$187,790	\$193,400	\$199,200	\$205,200	\$211,400	\$224,200	\$230,900
Fixed Operations Costs	\$308,690	\$318,000	\$327,500	\$337,300	\$347,400	\$368,500	\$379,600
<i>Subtotal Paso Robles</i>	<i>\$1,009,360</i>	<i>\$1,039,700</i>	<i>\$1,070,800</i>	<i>\$1,102,900</i>	<i>\$1,136,000</i>	<i>\$1,205,000</i>	<i>\$1,241,200</i>
<u>South County Routes</u>							
Hourly Costs	\$1,040,790	\$1,072,000	\$1,104,200	\$1,137,300	\$1,171,400	\$1,242,700	\$1,280,000
Mileage Costs	\$469,320	\$483,400	\$497,900	\$512,800	\$528,200	\$560,300	\$577,100
Fixed Operations Costs	\$671,650	\$691,800	\$712,600	\$734,000	\$756,000	\$802,100	\$826,200
<i>Subtotal South County</i>	<i>\$2,181,760</i>	<i>\$2,247,200</i>	<i>\$2,314,700</i>	<i>\$2,384,100</i>	<i>\$2,455,600</i>	<i>\$2,605,100</i>	<i>\$2,683,300</i>
<u>County Funded Services⁽²⁾</u>							
Hourly Costs	\$334,200	\$344,200	\$354,500	\$365,100	\$376,100	\$399,000	\$411,000
Mileage Costs	\$89,000	\$91,700	\$94,500	\$97,300	\$100,200	\$106,300	\$109,500
Fixed Operations Costs	\$289,530	\$298,200	\$307,100	\$316,300	\$325,800	\$345,700	\$356,100
<i>Subtotal County Services</i>	<i>\$712,730</i>	<i>\$734,100</i>	<i>\$756,100</i>	<i>\$778,700</i>	<i>\$802,100</i>	<i>\$851,000</i>	<i>\$876,600</i>
<u>Runabout</u>							
Hourly Costs	\$1,817,630	\$1,872,200	\$1,928,400	\$1,986,300	\$2,045,900	\$2,170,500	\$2,235,600
Mileage Costs	\$845,200	\$870,600	\$896,700	\$923,600	\$951,300	\$1,009,200	\$1,039,500
Fixed Operations Costs	\$1,186,080	\$1,221,700	\$1,258,400	\$1,296,200	\$1,335,100	\$1,416,500	\$1,459,000
<i>Subtotal Runabout Services</i>	<i>\$3,848,910</i>	<i>\$3,964,500</i>	<i>\$4,083,500</i>	<i>\$4,206,100</i>	<i>\$4,332,300</i>	<i>\$4,596,200</i>	<i>\$4,734,100</i>
RTA Administration Costs	\$2,527,380	\$2,603,200	\$2,681,300	\$2,761,700	\$2,844,600	\$3,017,800	\$3,108,300
Contingency and Other Fixed Costs⁽³⁾	\$728,820	\$750,700	\$773,200	\$796,400	\$820,300	\$870,200	\$896,300
Total Operating Costs	\$18,252,560	\$18,800,300	\$19,364,300	\$19,945,200	\$20,543,700	\$21,794,600	\$22,448,500
 <i>Projected Annual Service Hours</i>	 85,834						
<i>Projected Annual Service Miles</i>	1,928,441						
<p>Note 1: Base Case costs based upon FY 2025-26 Budget Assumes 3% annual inflation rate for the planning period. This is a decrease from the rate of inflation in prior years.</p> <p>Note 2: Includes the Avila/Pismo Trolley, Nipomo DAR, Cambria Trolley, and Shandon/Templeton DARs.</p> <p>Note 3: Includes contingency, PERS buyout and management contracts</p> <p>Source: LSC Transportation Consultants, Inc.</p>							

- Roughly half of RTA’s Federal Transit Administration (FTA) 5307 allocation allocated for operating purposes and half for capital purposes. Growth of total FTA 5307 revenues were based on SLOCOG Regional Transportation Plan Projections (less than one percent annually).
- Management contracts RTA holds with other jurisdictions to operate public transit in their region are assumed to increase at the projected rate of inflation (3 percent annually).
- The contribution Cuesta College makes to the RTA program in exchange for students riding fare free was also anticipated to remain the same over the planning period.
- Interest is increased at the rate of 2 percent annually.
- Special Events/Revenue Other and Rural Transit Fund administration are projected to remain flat over the planning period.

OPERATING REVENUE TO EXPENDITURE COMPARISON

The bottom of Table 3 compares projected revenue during the planning period with projected total operating costs from Table 2 (status quo scenario). As shown, RTA services as operated today are funding throughout the planning period.

CAPITAL REVENUES

Capital revenues for the planning period are presented in Table 4. As shown, the amount of capital revenue RTA receives varies by year and what projects are implemented. Recurring capital revenue sources are shown separately from competitive sources. A significant amount of funding (\$17 million over a four-year period) has been allocated by SLOCOG through the SB 125 Transit and Intercity Rail Capital Program TIRCP/ Zero Emission Transit Capital Program (ZETCP) for the transition of the diesel fleet to zero-emission vehicles (ZEVs).

CAPITAL REVENUE TO EXPENDITURE COMPARISON

Capital program costs (described in more detail in Working Paper 7) are compared to projected capital revenues at the bottom of Table 4. As shown, RTA’s capital plan is funded. However, as progression to ZEV continues, capital costs may expand. Additionally, large projects such as a Downtown Transit Center (with SLO Transit) will require a large amount of capital funding.

Table 3: RTA Short Range Transit Development Plan Operating Revenues

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
TDA LTF Allocation ⁽¹⁾	\$9,357,560	\$10,269,990	\$10,808,520	\$11,325,120	\$11,861,820	\$12,435,120	\$13,025,920
Passenger Fares ⁽²⁾	\$1,124,050	\$1,129,700	\$1,135,300	\$1,141,000	\$1,146,700	\$1,152,400	\$1,158,200
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
Federal Transit Administration (FTA) (Section 5307) - San Luis Obispo	\$850,500	\$867,600	\$867,600	\$867,600	\$873,400	\$875,900	\$878,400
FTA (Section 5307-N. County) - Operating	\$1,519,300	\$1,549,700	\$1,549,700	\$1,563,500	\$1,574,100	\$1,578,800	\$1,583,600
FTA (Section 5307-Santa Maria) - Operating	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTA(Section 5307) - S. County Operating	\$2,006,500	\$1,893,700	\$1,893,700	\$1,910,600	\$1,923,500	\$1,929,300	\$1,935,100
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
<i>Subtotal</i>	<i>\$17,907,530</i>	<i>\$18,800,270</i>	<i>\$19,364,300</i>	<i>\$19,945,200</i>	<i>\$20,543,700</i>	<i>\$21,159,900</i>	<i>\$21,794,600</i>
Fund Balance	\$345,060	\$30	\$0	\$0	\$0	\$0	\$0
Total	\$18,252,590	\$18,800,300	\$19,364,300	\$19,945,200	\$20,543,700	\$21,159,900	\$21,794,600
Total Operating Costs from Table 2	\$18,252,560	\$18,800,300	\$19,364,300	\$19,945,200	\$20,543,700	\$21,159,900	\$21,794,600
<i>Balance available for Capital Projects and SRTP Plan Elements</i>	<i>\$30</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Source: RTA FY 2024-25 budget.							
Note 1: TDA LTF revenue based on budgeted need for FY25-26 . 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 the SLOCOG projected countywide population growth rate of 0.5% annually.							
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%).							

Table 4: RTA Short Range Transit Development Plan Capital Revenues

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	Total
Estimated Capital Fund Balance	\$986,200	\$1,097,050	\$1,097,050	\$1,933,420	\$1,968,250	\$3,137,190	\$6,318,400	\$16,537,560
Capital Projects Reserve Cost	\$1,097,050	\$1,097,050	\$1,933,420	\$1,968,250	\$3,137,190	\$6,318,400	\$3,190,810	\$18,742,170
<i>Fund Balance Available</i>	<i>-\$110,850</i>	<i>\$0</i>	<i>-\$836,370</i>	<i>-\$34,830</i>	<i>-\$1,168,940</i>	<i>-\$3,181,210</i>	<i>\$3,127,590</i>	<i>-\$2,204,610</i>
<u>Recurring Revenue Sources</u>								
State Transit Assistance (STA) with SB1 Augmentation ⁽¹⁾	\$509,010	\$509,010	\$509,010	\$509,010	\$509,010	\$509,010	\$509,010	\$3,563,070
State of Good Repair ⁽¹⁾	\$569,870	\$569,870	\$569,870	\$569,870	\$569,870	\$569,870	\$569,870	\$3,989,090
FTA 5307 - Capital	\$2,946,110	\$4,188,800	\$3,994,400	\$4,033,700	\$4,060,500	\$4,072,300	\$4,084,100	\$4,095,900
FTA 5339 - Bus and Bus Facilities	\$4,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal</i>	<i>\$8,324,990</i>	<i>\$5,267,680</i>	<i>\$5,073,280</i>	<i>\$5,112,580</i>	<i>\$5,139,380</i>	<i>\$5,151,180</i>	<i>\$5,162,980</i>	<i>\$39,232,070</i>
<u>Competitive/Non-Recurring Revenue Sources</u>								
SB 125 (TIRCP/ZETB) ⁽³⁾	\$15,419,000	\$877,000	\$800,000	\$843,000	\$0	\$0	\$0	\$17,939,000
Rural Transit Fund (Capital)	\$1,117,510	\$653,340	\$0	\$0	\$0	\$0	\$0	\$1,770,850
Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Volkswagon (VW) funding	\$1,122,000							\$1,122,000
<i>Subtotal</i>	<i>\$17,658,510</i>	<i>\$1,530,340</i>	<i>\$800,000</i>	<i>\$843,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$20,831,850</i>
<u>TDA Funding (Capital)</u>	\$458,060	\$458,060	\$458,060	\$458,060	\$458,060	\$458,060	\$458,060	\$3,206,420
Total Revenue Available for Capital Projects	\$26,330,710	\$7,256,080	\$5,494,970	\$6,378,810	\$4,428,500	\$2,428,030	\$8,748,630	\$61,065,730
Capital Costs (From Working Paper 7)	\$26,330,710	\$7,256,080	\$5,494,970	\$6,378,810	\$4,428,500	\$2,428,030	\$8,748,630	\$61,065,730
Net Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: RTA 2024-25 Budget

Note 1: Flat growth assumed per SLOCOG projections.

Note 2: Based on SLOCOG FTA 5311 revenue projections (-.05% to 3%).

Note 3: Per SLOCOG SB 125 Funding Recommendations

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SLO TRANSIT FINANCIAL CONDITIONS

PROJECTED OPERATING EXPENDITURES AND REVENUES

Table 5 presents the projected FY 2025-26 operating costs which were used to analyze service alternatives in Working Paper 4. The total operating budget is projected to be \$5.7 million with \$2.6 million of this amount representing fixed costs (costs that do not increase if service levels increase). Purchased transportation costs (per hour costs) amount to \$1.9 million and mileage-related costs such as fuel and maintenance total to around \$1 million.

Table 6 presents projected operating expenses for the seven-year planning period. An inflation escalator of three percent was applied to FY 2025-26 costs. Also presented in Table 6 is the projected operating revenue for SLO Transit. These figures are based on the City of San Luis Obispo FY 2024-25 Supplemental Budget, historical growth, and SLOCOG projections. As presented, there is sufficient operating revenue available throughout the planning period, if public transit services were to continue as is (status quo). In fact, during the early years of the planning period, there is a surplus of around \$700,000 potentially available to implement some of the service alternatives discussed in Working Paper 4 or alternatively to fund capital projects.

CAPITAL REVENUES

Recurring capital revenues are presented at the bottom of Table 6. These figures are based on the City of San Luis Obispo FY 2024-25 budget and SLOCOG forecasts. Recurring revenue sources such as FTA 5307 funds are projected to amount to around \$3.7 million annually.

SLO Transit capital expenditures are discussed in greater detail in Working Paper 7. Total capital plan expenditures from Working Paper 7 are compared to projected capital revenues in Table 6. As shown, sufficient funding is available for vehicle replacement and charging infrastructure projects, particularly in the latter years of the planning period when fewer capital projects are planned.

Table 5: SLO Transit Operating Costs

Expenditures and Obligations	Projected FY 2025-26	Cost Variable		
		Vehicle Service Hours	Vehicle Service Miles	Fixed
Staffing	\$345,108			\$345,108
Other Contract Services	\$169,680			\$169,680
Purchased Transportation	\$3,856,773	\$1,980,814	\$222,045	\$1,653,914
Fuel	\$365,000		\$365,000	
Maintenance	\$355,775		\$355,775	
Other Operating Expenditures	\$144,931		\$144,931	
CalPERS ADP	\$12,555			\$12,555
Transfers Out	\$474,427			\$474,427
RTA, SLOCOG, and other Off-the-top contributions from the TDA	\$0			
Total Operating Costs	\$5,724,249	\$1,980,814	\$1,087,751	\$2,655,684
Annual Service Quantity		38,000	398,400	
Cost per Unit by Variable (Cost Model)		\$52.13	\$2.73	\$2,655,684
Source: City of SLO 2023-25 Financial Plan Supplement				

Table 6: SLO Transit Short Range Transit Development Plan Revenues

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<u>Operating Revenues</u>							
Passenger fare revenue ⁽¹⁾	\$260,000	\$265,200	\$275,900	\$292,800	\$316,900	\$349,900	\$394,000
Cal Poly Transit Agreement ⁽²⁾	\$750,000	\$750,000	\$772,500	\$772,500	\$772,500	\$795,675	\$795,675
Interest	\$32,815	\$22,648	\$43,017	\$43,000	\$43,000	\$43,000	\$43,000
Transportation Development Act (TDA) - Local Transportation Fund (LTF) ⁽³⁾	\$2,000,000	\$2,024,000	\$2,048,300	\$2,072,900	\$2,097,800	\$2,123,000	\$2,148,500
Transportation Development Act (TDA) - State Transit Assistance (STA) ⁽³⁾	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000
Other State Grants	\$8,722	\$8,722	\$8,722	\$8,700	\$8,700	\$8,700	\$8,700
FTA 5307 Preventative Maintenance ⁽³⁾	\$210,765	\$214,980	\$219,280	\$223,700	\$228,200	\$232,800	\$237,500
FTA 5307 Operating ⁽³⁾	\$2,357,125	\$2,440,400	\$2,512,250	\$2,594,900	\$2,676,700	\$2,745,263	\$2,822,763
Total Operating Revenue	\$6,344,427	\$6,450,950	\$6,604,969	\$6,733,500	\$6,868,800	\$7,023,338	\$7,175,138
Available Operating Balance	\$0	\$620,178	\$1,175,128	\$1,707,197	\$2,185,597	\$2,611,597	\$2,998,834
Status Quo Operating Expenditures	\$5,724,249	\$5,896,000	\$6,072,900	\$6,255,100	\$6,442,800	\$6,636,100	\$6,835,200
Balance	\$620,178	\$1,175,128	\$1,707,197	\$2,185,597	\$2,611,597	\$2,998,834	\$3,338,772
<u>Capital Revenues</u>							
FTA 5307 (Capital) ⁽³⁾	\$2,984,435	\$4,503,627	\$4,109,525	\$4,091,994	\$4,054,653	\$4,005,601	\$3,928,101
State of Good Repair ⁽²⁾	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Capital Fund Balance	--	\$124,635	\$2,334,361	\$4,664,586	\$7,135,979	\$9,569,133	\$13,077,333
Total Capital Recurring Revenue	\$2,984,435	\$4,631,261	\$6,446,886	\$8,759,579	\$11,193,633	\$13,577,733	\$17,008,434
Capital Plan Expenditures Status Quo	\$2,859,800	\$2,296,900	\$1,782,300	\$1,623,600	\$1,624,500	\$125,400	\$126,600
New Vehicles Required for SRTP Plan⁴						\$375,000	
Capital Balance with no Discretionary Funding	\$124,635	\$2,334,361	\$4,664,586	\$7,135,979	\$9,569,133	\$13,077,333	\$16,881,834
Source: FY 2024-25 Supplemental Budget							
Note 1: Passenger fares escalated at the SLOCOG projected city population growth rate of 1% annually.							
Note 2: Based on City Budget							
Note 3: Assumes FTA 5307 is used to pay for half of total operating expenses minus fare revenues. Total FTA 5307 projected at SLOCOG annual growth rate.							
Note 4: If microtransit pilot is successful and City decides to operate their own vehicles for the service.							

OTHER FUNDING SOURCES

In recent years, funding sources such as grants, tax credits, and incentives have become available to assist local jurisdictions with transitioning to a Zero-Emission fleet. These sources would add to the capital revenue estimates above. One example is the **Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)**. Administered by CARB, this program aims to accelerate the adoption of cleaner, more efficient trucks and buses by providing fleets based in California with vouchers when they purchase zero-emission buses. The amount of the voucher depends on vehicle weight class, type of use, and whether or not it is in a disadvantaged community. For a large transit vehicle purchase, a transit agency could receive around a \$150,000 voucher.

RTA

RTA Fare Structure Overview

One-Trip Cash Fares

South County (SoCo) Transit System, the Paso Robles Route A/B, and the regional RTA routes currently have varying fare structures. RTA regular fares for fixed routes 9, 10, 12, 14, and 15 begin at \$1.75 and progressively go up to \$3.25 as trip length increases. Seniors (65-79), riders with disabilities, Medicare cardholders, and K-12 students are eligible for reduced fare rates which range from \$0.85 to \$1.60 depending upon trip length. Seniors over the age of 80 and ADA cardholders with valid ID ride free as part of a VIP Pass program. Children who are under 44" tall and accompanied by an adult rider also ride free. A one-way general public fare on Routes A and B is \$1.50, and \$0.75 for seniors, disabled, and youth K-12. SoCo Transit's fare structure is the same as the Paso Robles routes with the exception that K-12 students must pay the full general public fare.

RTA Fare Passes

For frequent riders, RTA offers unlimited rides daily, weekly, and monthly passes. Physical passes are available for purchase at the RTA office and numerous other government offices in the area. Passes can also be purchased online and obtained in a physical format via USPS or electronically through Token Transit.

A helpful fare option for passengers occasionally traveling long distances across jurisdictional boundaries is the Regional Day Pass. This includes unlimited rides on all RTA, SoCo Transit, SLO Transit, Paso Robles Routes A & B, and Morro Bay Transit routes for the price of \$5.50. Day passes are also available for just SoCo Transit routes for the price of \$3.00 (general public) and \$1.50 (discount). Note there is no day pass option for just RTA regional routes and/or Paso Robles routes.

The following multi-day discount pass options are available for riders who use the services on a more frequent basis:

- RTA 31-Day Pass
- SoCo Transit 31-Day Pass
- SoCo Transit 20-Ride Pass
- RTA 7 Day Pass
- Regional 31-Day Pass (SoCo, RTA, Paso Robles, Morro Bay Transit and SLO Transit)

Stored value cards are also available for purchase at outlets and online.

RTA Peer Fare Review

Earlier working papers included a peer review of RTA operating data and performance as a way to help gauge the efficiency of RTA services. The same peer systems (as used in the general peer analysis) were used here to review RTA’s fare structure.

RTA Fixed-Route Peer Analysis

Table 7 illustrates the fare structures (regular and discounted) and pass options for RTA and the seven peer systems. As shown, the average peer one-way base fare ranges from \$1.89 - \$4.13. Three of the systems (including RTA) offer regular fares under \$2.00. “The Bus” offers the lowest fare among the peer systems at \$1.50. The highest regular fare is \$7.00, on Santa Cruz Metro Route 17 which connects downtown Santa Cruz to San Jose. RTA’s general public fare range of \$1.75-\$3.25 is slightly below that of the peer systems analyzed. Almost all of the peer systems offer discounted fares at 50% of the regular fare. The Bus offers free rides to all discount groups through a local tax measure. Peer transit agency discount fares average from \$0.84 to \$2.23.

	One-Way Fares			Fare Media Types Offered			Pass Costs	
	Regular Fare	Discount Fare	% Discount	Day Pass	Punch Pass	Multiday Pass	Day Pass Fare (Reg)	Monthly Pass Fare (Reg)
B-Line	\$1.75 - \$2.40	\$0.85 - \$1.20	51%	Y	10-ride	30-day	\$5.00	\$43.50
Monterey Salinas Transit	\$2.00	\$1.00	50%	Y	--	7-day 31-day	\$6.00	\$70.00
Santa Cruz Metro	\$2.00 - \$7.00	\$1.00 - \$3.50	50%	Y	15-ride	3-day 7-day 31-day	\$7.00 - \$14.00 (local or regional)	\$65.00-145.00 (local or regional)
Livermore Amador Valley Transit Authority	\$2.00	\$1.00	50%	Y	--	monthly	\$3.75	\$60.00
Yolobus	\$2.00	\$1.00	50%	Y	--	monthly	\$7.00	\$84.00 - \$93.50 (local or regional)
Gold Coast Transit	\$2.00	\$1.00	50%	Y	15-ride	31-day	\$5.00	\$65.00
Peer Average	\$1.89 - \$4.13	\$0.84 - \$2.23	56%	--	--	--	\$5.25 - \$10.00	\$63.93 - \$119.25
RTA	\$1.75-\$3.25	\$0.85-\$1.60	51%	Y	--	7-day 31-day	\$3.00- \$5.50	\$37.00 - \$68.00 (local or regional)
Note: RTA Day Pass represents Regional Day Pass for RTA, SLO Transit and Morro Bay Transit. There are separate 31 day passes for RTA/Paso Routes and South County Routes. Source: Websites of respective transit agencies								

The pass information illustrated in Table 7 grants insight into the types and costs of passes among RTA’s peers. As shown, most of the peer systems offer day passes, punch passes, and multi-day passes. All of the systems analyzed offer day passes. SLOCOG’s Regional Day Pass is \$5.50, falling just above the lower end of the peer average range. All TDA recipients are required to accept the Regional Pass options.

Monthly passes are available for each peer system and some offer additional multi-day passes for a period of less than 30 days. Peer monthly/30-31-day passes range average at \$63.93 - \$119.25, depending on whether a pass is valid for local routes only or both local and regional routes. The cost of

RTA's 31-day passes cost falls below the peer average, ranging from \$37.00 for South County transit services to \$47.00 for RTA and Paso Robles services to \$68.00 for the Regional 31-Day Pass.

RTA Runabout Peer Analysis

As shown in Table 8, the peer paratransit fares range from free to a high of \$5.75. Runabout's low fare of \$3.00 is therefore 7% lower than the peer average low; Runabout's high fare is 91% higher than the peer average high. Among the peers, The Bus offers the lowest paratransit fare at no charge and B-Line requires the highest paratransit fare of \$12.75. Several of the peer systems require extra charges for same-day reservations or re-dispatched vehicles (surplus charges not included in table).

Table 8: Runabout Fare Structure Peer Analysis			
	Lowest Fare	Highest Fare	Rider Eligibility
B-Line	\$3.50	\$12.75	ADA and Riders 70+
Monterey Salinas Transit	\$2.00	\$2.00	ADA
Santa Cruz Metro	\$2.00	\$6.00	ADA
Livermore Amador Valley Transit Authority	\$3.75	\$3.75	ADA
Yolobus	\$4.00	\$6.00	ADA
Gold Coast Transit	\$4.00	\$4.00	ADA and Riders 65+
Peer Average	\$3.21	\$5.75	--
Runabout	\$3.00	\$11.00	ADA
Source: Websites of respective transit agencies			

SLO TRANSIT

SLO Transit Fare Structure Overview

One Way Fares

SLO Transit offers one-way general public fares of \$1.50 for the general public and \$0.75 for seniors and persons with disabilities. The City recently launched a pilot program to extend 50 percent discount fares to K-12 students. Children under 5 (up to two children per fare-paying adult) also ride for no charge. Through the regional VIP pass, passengers eighty years and older can ride all fixed-route bus systems for free in the County.

Multi-Ride Passes

One-day passes are available for local in-network routes for \$3.25, or 2.2 times the one-way trip fare. The Regional Day Pass and 31-Day Pass options discussed in the RTA section include SLO Transit.

SLO Transit also sells 3, 5, and 7-day passes for local routes at \$7.00, \$12.00, and \$15.00, respectively. No discount rate is available for those passes. Additionally, the organization sells 16 ride passes for the price of \$24.00 offering a savings of \$6.00 compared to paying individual one-way fares. A 15-ride pass is

available to seniors, persons with disabilities, and K-12 students at a 50% discount. Thirty-one day passes are also available for local routes only, at the price of \$40.00 for the general public, \$25.00 for K-12 students with ID, \$11.25 for 15-ride for seniors, persons with disabilities, and K-12, and \$20.00 for seniors (ages 65 – 79), persons with disabilities, and Medicare cardholders with ID.

SLO Transit Peer Fare Review

As part of the San Luis Obispo Joint Short Range Transit Plan peer analysis, a fare comparison is included to gauge the SLO Transit fare levels relative to other similar transit agencies. The same peer systems (as used in the general peer analysis) were used to analyze the fares within SLO Transit.

SLO Transit Analysis

On SLO Transit, regular one-way fares are \$1.50 and discounted fares are \$0.75. As shown in Table 9, the average regular one-way fare among the SLO Transit peer systems is \$1.44 (slightly below SLO Transit) and the average peer discounted fare is \$0.75. For both SLO Transit and the peer average, the discounted fare is 50% lower than the original fare. Terre Haute Transit Utility (THTU), Billings Metropolitan Transit, and the City of Bowling Green are the three transit agencies with higher fares than SLO Transit.

Information on the pass options for SLO Transit and the peer systems is also presented in Table 9. All of the transit systems reviewed offer a day pass with the exception of THTU. The peer average price for a day pass is \$3.25, which matches SLO Transit's day pass price.

The majority of systems include multi-ride punch passes in their fare structure. All of the peer systems provide multiple-day passes, including 10-day, 35-day, monthly, and semester passes. The peer monthly (including 30-35 day) passes range from \$25.00 - \$45.00, averaging at \$35.75. SLO Transit's local monthly pass cost of \$40.00 exceeds the peer average.

Table 9: SLO Transit Fare Structure Peer Analysis								
	One-Way Fares			Fare Media Types Offered			Pass Costs	
	Regular Fare	Discount Fare	% Discount	Day Pass	Punch Pass	Multiday Pass	Day Pass Fare (Reg)	Monthly Pass Fare (Reg)
City of Pocatello - Pocatello Regional Transit (PRT)	\$1.00	\$0.50	50%	Y	40-ride	monthly	\$2.00	\$25.00
Pueblo Transit System (PT)	\$1.25	\$0.60	52%	Y	22-ride	35-day	\$3.75	\$44.00
Northern Arizona Intergovernmental Public Transit Authority (NAIPTA)	\$1.25	\$0.60	52%	Y	--	10-day 30-day	\$2.50	\$34.00
Terre Haute Transit Utility (THTU)	\$1.75	\$0.85	51%	N	14-ride	31-day	--	\$45.00
City of St. George (SunTran)	\$1.00	\$0.50	50%	Y	10-ride	semester monthly	\$2.50	\$30.00
Billings Metropolitan Transit (Billings MET Transit)	\$2.00	\$1.00	50%	Y	10-ride	monthly	\$4.00	\$28.00
The City of Bowling Green (GOBG)	\$2.00	\$1.00	50%	Y	4-ride 9-ride	monthly	\$5.00	\$40.00
Bloomington-Normal Public Transit System	\$1.25	Free	100%	Y	--	monthly	\$3.00	\$40.00
Average Peer Fare	\$1.44	\$0.72	50%	--	--	--	\$3.25	\$35.75
SLO Transit	\$1.50	\$0.75	50%	Y	15 ride 16-ride	3-day 5-day 7-day 31-day	\$3.25 - \$5.50	\$40.00
Source: Websites of respective transit agencies								

FARE STRATEGIES

Comparison of RTA and SLO Transit Fares

RTA regional routes, Paso Robles local routes, South County Transit local routes, and SLO Transit's combined services create a cohesive transit network within San Luis Obispo County. While routes are well-connected across providers with ample transfer opportunities, the fare structures differ a bit. A summary of each provider's fare structure is illustrated in Table 10.

The base fare is \$1.50 for all services with the exception of RTA's regional routes (\$1.75 to \$3.25). Another notable difference is the fact that RTA and Paso Robles routes do not have day pass options specific to those services, whereas South County and SLO Transit do. Simplifying and unifying fare structures across this largely cohesive transportation network would allow riders to easily make multi-ride pass purchase decisions and reduce the workload on administrative staff.

RTA Fare Strategies

The following section presents a range of fare alternatives for the RTA system. As background to this discussion, Table 11 presents the current ridership by fare type for the various routes and services. In addition to highlighting the extensive range of fare alternatives, this data reflects the difference in fare instrument use on the various services with a high reliance on cash fares in Paso Robles and on the South County routes (particularly discounted cash fares) and a high reliance on pass use on the regional routes.

Table 11: RTA Ridership by Fare Type

July 1 2023 to June 30 2024

Route	Route/Service												Subtotals by Service			Proportion of Boardings by Service			
	Paso Express		Regional					SoCo Transit				TOTAL	Paso			Paso			
	A	B	9	10	12	14	15	21	24	27	28		Regional	Robles	SoCo	Regional	Robles	SoCo	TOTAL
Ridership	43,259	52,347	122,582	111,531	86,983	643	9,686	13,500	11,257	9,488	16,000	477,276	331,425	95,606	50,245				
Passenger Revenue	\$31,482	\$39,824	\$85,831	\$93,594	\$48,971	\$114	\$10,233	\$7,301	\$7,149	\$6,438	\$12,305	\$343,244	\$238,743	\$71,307	\$33,194				
Annual Boardings by Fare Type																			
Regional Daypass Issued & Used	194	450	2,848	4,182	1,679	4	442	162	152	53	76	10,242	9,155	644	443	2.8%	0.7%	0.9%	2.1%
Free	2,110	1,674	10,259	22,253	5,682	91	343	1,226	664	1,153	917	46,372	38,628	3,784	3,960	11.7%	4.0%	7.9%	9.7%
ADA	1,474	951	2,363	2,074	633	12	464	520	425	198	636	9,750	5,546	2,425	1,779	1.7%	2.5%	3.5%	2.0%
VIP Pass	545	605	694	663	524	0	187	380	208	174	279	4,259	2,068	1,150	1,041	0.6%	1.2%	2.1%	0.9%
Short Fare	1,690	1,307	4,895	4,295	2,609	6	181	258	223	179	600	16,243	11,986	2,997	1,260	3.6%	3.1%	2.5%	3.4%
Promo Pass	2,458	2,426	3,718	2,410	1,684	35	280	413	190	392	672	14,678	8,127	4,884	1,667	2.5%	5.1%	3.3%	3.1%
Cuesta Route 9	3,792	2,285	12,482	6,152	25,738	157	317	348	276	70	139	51,756	44,846	6,077	833	13.5%	6.4%	1.7%	10.8%
Regional Daypass Used	785	852	6,724	8,510	4,601	8	292	657	590	101	316	23,436	20,135	1,637	1,664	6.1%	1.7%	3.3%	4.9%
Regional 31-Day Regular Pass	585	698	5,311	5,866	4,523	13	72	475	501	138	313	18,495	15,785	1,283	1,427	4.8%	1.3%	2.8%	3.9%
Regional 31-Day Discount Pass	2,833	3,354	15,235	11,887	7,701	33	536	1,405	1,249	351	890	45,474	35,392	6,187	3,895	10.7%	6.5%	7.8%	9.5%
RTA 31-Day Regular Pass	346	813	3,515	3,305	2,057	2	184	4	0	0	0	10,226	9,063	1,159	4	2.7%	1.2%	0.0%	2.1%
RTA 31-Day Discount Pass	8,332	5,485	9,798	2,876	2,617	8	528	5	0	0	0	29,649	15,827	13,817	5	4.8%	14.5%	0.0%	6.2%
7-Day Pass	17	20	168	333	150	0	14	15	7	1	9	734	665	37	32	0.2%	0.0%	0.1%	0.2%
SoCo 31-Day Regular Pass	0	0	0	0	0	0	0	118	94	253	520	985	0	0	985	0.0%	0.0%	2.0%	0.2%
SoCo 31-Day Discount Pass	0	0	0	0	0	0	0	571	379	465	782	2,197	0	0	2,197	0.0%	0.0%	4.4%	0.5%
SoCo 20-Ride Regular	0	0	0	0	0	0	0	14	49	186	213	462	0	0	462	0.0%	0.0%	0.9%	0.1%
SoCo 30-Ride Discount	0	0	0	0	0	0	0	27	37	39	68	171	0	0	171	0.0%	0.0%	0.3%	0.0%
Stored Value Card	28	32	334	139	433	0	110	0	22	4	12	1,114	1,016	60	38	0.3%	0.1%	0.1%	0.2%
Transfer	0	1	21	15	357	0	112	6	4	1	2	519	505	1	13	0.2%	0.0%	0.0%	0.1%
Full Cash Fare	5,826	10,273	10,066	2,451	4,336	12	689	1,774	1,692	1,617	3,317	42,053	17,554	16,099	8,400	5.3%	16.8%	16.7%	8.8%
Full Cash Fare + 1 Addl Zone	1	24	5,906	8,471	1,405	8	655	7	0	0	0	16,477	16,445	25	7	5.0%	0.0%	0.0%	3.5%
Full Cash Fare + 2 Addl Zones	0	3	930	3,039	4,302	3	78	3	0	0	0	8,358	8,352	3	3	2.5%	0.0%	0.0%	1.8%
Full Cash Fare + 3 Addl Zones	0	6	1,185	2,608	115	1	57	1	0	0	0	3,973	3,966	6	1	1.2%	0.0%	0.0%	0.8%
Discount Cash Fare	10,866	20,044	11,249	4,009	3,277	7	1,125	1,391	1,037	511	1,149	54,665	19,667	30,910	4,088	5.9%	32.3%	8.1%	11.5%
Discount Cash Fare + 1 Addl Zone	4	6	3,652	5,607	722	4	983	2	0	0	0	10,980	10,968	10	2	3.3%	0.0%	0.0%	2.3%
Discount Cash Fare + 2 Addl Zones	0	7	1,096	2,514	3,538	3	176	0	0	0	1	7,335	7,327	7	1	2.2%	0.0%	0.0%	1.5%
Discount Cash Fare + 3 Addl Zones	0	3	1,012	1,328	413	1	185	0	0	0	0	2,942	2,939	3	0	0.9%	0.0%	0.0%	0.6%
Riding Through From Previous Route	0	0	0	0	0	0	0	108	16	34	10	168	0	0	168	0.0%	0.0%	0.3%	0.0%
RTA Employee/Dependent	2	14	203	164	269	0	0	4	22	5	44	727	636	16	75	0.2%	0.0%	0.1%	0.2%
Youth Ride Free	56	341	299	24	13	0	0	3	40	3	12	791	336	397	58	0.1%	0.4%	0.1%	0.2%
SoCo Day Pass Regular Issued & Used	0	0	0	0	0	0	0	237	307	454	562	1,560	0	0	1,560	0.0%	0.0%	3.1%	0.3%
SoCo Day Pass Discount Issued & Used	2	6	0	0	0	0	0	637	814	910	1,581	3,950	0	8	3,942	0.0%	0.0%	7.8%	0.8%
SoCo Day Pass Regular Used	0	0	0	0	0	0	0	510	428	209	526	1,673	0	0	1,673	0.0%	0.0%	3.3%	0.4%
SoCo Day Pass Discount Used	1	6	0	0	0	0	0	1,150	938	886	1,087	4,068	0	7	4,061	0.0%	0.0%	8.1%	0.9%
Amtrak Transfer	0	0	2	10	20	0	0	1	1	2	1	37	32	0	5	0.0%	0.0%	0.0%	0.0%

Source: RTA EVENT_SUMMARY_(ROUTESUM)_REPORT-BY_ROUTE_(JULY_1_2023-June_30_2024).csv

Increase RTA Fares Across the Board

As discussed above, RTA fares are currently lower than the peer average, particularly for cash fares. In particular, many of the peer systems have a base fare of \$2.00 per general public boarding, compared with the RTA fare of \$1.50 for services in South County and Paso Robles and \$1.75 for the regional services. A fare increase to \$2.00 base general public fare (and corresponding increases in other fare instrument costs) would still be well within the range of peer data. This would be equivalent to a 14 percent fare increase.

RTA fares were last increased at the end of 2017 when base fares were increased by \$0.25 (with corresponding increases in pass prices). An additional planned fare increase was considered in early 2020 but put on hold due to the uncertain impacts of the pandemic. Since 2017, the US Bureau of Labor Statistics (bls.gov/data/inflation_calculator.htm) indicates that consumer price inflation has increased by 29.5 percent. This indicates that the base fare of \$1.75 in 2017 dollars is equivalent to \$2.27 in 2024 dollars.

Table 12 presents a summary of the cost of the various fare instruments with a roughly 14 percent increase (rounded to provide convenient values). For instance, a regional 31-day regular pass would be increased from \$68 to \$78. This table also presents an evaluation of the ridership and fare revenue impacts, based on an elasticity analysis. As shown, overall, this fare increase would generate a net increase in fare revenues of \$29,850 per year (or 9 percent). Ridership would be reduced by an estimated 14,300 boardings per year or 5 percent. Note that no additional revenue is assumed for the re-negotiation of pass agreements spurred by the increase in fares.

Table 12: Analysis of RTA Systemwide Fare Increase

Based on Ridership July 1 2023 to June 30 2024

Excludes Fare Categories With No Change

Annual Boardings by Fare Type	Fare/Cost			Annual Ridership					Annual Fare Revenue		
	Existing	With Fare Increase	% Change	Existing	Elasticity	With Fare Increase	Change	% Change	Existing	With Fare Increase	Change
Regional Daypass	\$5.50	\$6.25	14%	33,700	-0.35	32,200	-1,500	-4%	\$56,300	\$61,100	\$4,800
Regional 31-Day Regular Pass	\$68.00	\$78.00	15%	18,500	-0.35	17,600	-900	-5%	\$23,500	\$25,600	\$2,100
Regional 31-Day Discount Pass	\$34.00	\$39.00	15%	45,500	-0.40	43,100	-2,400	-5%	\$28,900	\$31,400	\$2,500
RTA 31-Day Regular Pass	\$47.00	\$54.00	15%	10,200	-0.35	9,700	-500	-5%	\$8,900	\$9,700	\$800
RTA 31-Day Discount Pass	\$23.50	\$27.00	15%	29,600	-0.40	28,000	-1,600	-5%	\$13,000	\$14,100	\$1,100
7-Day Pass	\$16.00	\$18.25	14%	730	-0.35	700	-30	-4%	\$1,000	\$1,100	\$100
SoCo 31-Day Regular Pass	\$37.00	\$42.00	14%	990	-0.35	950	-40	-4%	\$700	\$800	\$100
SoCo 31-Day Discount Pass	\$18.50	\$21.00	14%	2,200	-0.40	2,100	-100	-5%	\$700	\$800	\$100
SoCo 20-Ride Regular	\$24.00	\$27.50	15%	460	-0.35	440	-20	-4%	\$550	\$600	\$50
SoCo 20-Ride Discount	\$12.00	\$13.75	15%	170	-0.40	160	-10	-6%	\$100	\$100	\$0
Full Cash Fare - RTA Regional	\$1.75	\$2.00	14%	17,600	-0.35	16,800	-800	-5%	\$30,800	\$33,600	\$2,800
Full Cash Fare - Paso Robles	\$1.50	\$1.75	17%	16,100	-0.35	15,300	-800	-5%	\$24,200	\$26,800	\$2,600
Full Cash Fare - SoCo	\$1.50	\$1.75	17%	8,400	-0.35	8,000	-400	-5%	\$12,600	\$14,000	\$1,400
Full Cash Fare + 1 Addl Zone	\$2.00	\$2.25	13%	16,500	-0.35	15,800	-700	-4%	\$33,000	\$35,600	\$2,600
Full Cash Fare + 2 Addl Zones	\$2.25	\$2.50	11%	8,400	-0.35	8,100	-300	-4%	\$18,900	\$20,300	\$1,400
Full Cash Fare + 3 Addl Zones	\$2.50	\$2.75	10%	4,000	-0.35	3,900	-100	-3%	\$10,000	\$10,700	\$700
Discount Cash Fare - RTA Regional	\$0.85	\$1.00	18%	19,700	-0.40	18,500	-1,200	-6%	\$16,700	\$18,500	\$1,800
Discount Cash Fare - Paso Robles	\$0.75	\$0.85	13%	30,900	-0.40	29,400	-1,500	-5%	\$23,200	\$25,000	\$1,800
Discount Cash Fare - SoCo	\$0.75	\$0.85	13%	4,100	-0.40	3,900	-200	-5%	\$3,100	\$3,300	\$200
Discount Cash Fare + 1 Addl Zone	\$1.10	\$1.25	14%	11,000	-0.40	10,500	-500	-5%	\$12,100	\$13,100	\$1,000
Discount Cash Fare + 2 Addl Zones	\$1.35	\$1.50	11%	7,300	-0.40	7,000	-300	-4%	\$9,900	\$10,500	\$600
Discount Cash Fare + 3 Addl Zones	\$1.60	\$1.75	9%	2,900	-0.40	2,800	-100	-3%	\$4,600	\$4,900	\$300
SoCo Day Pass Regular	\$3.00	\$3.50	17%	1,600	-0.35	1,500	-100	-6%	\$4,700	\$5,100	\$400
SoCo Day Pass Discount	\$1.50	\$1.75	17%	4,000	-0.40	3,800	-200	-5%	\$5,900	\$6,500	\$600
				294,550		280,250	-14,300	-5%	\$343,350	\$373,200	\$29,850
										Percent Change	9%

Source: RTA EVENT_SUMMARY_(ROUTESUM)_REPORT-BY_ROUTE_(JULY_1_2023-June_30_2024).csv

Reduce RTA Fares to Be Consistent with SLO Transit Fares in the City of San Luis Obispo

The base cash fare for trips within San Luis Obispo is different for travel on RTA services versus travel on SLO Transit. As shown in Table 10, RTA's regional route base fare for a trip within a single community (including San Luis Obispo) is \$1.75 general public / \$0.80 discount, while the SLO Transit cash fare is \$1.50 general public / \$0.75 discount. Reducing the RTA fare for trips within San Luis Obispo to match the SLO Transit fare could be accomplished by reducing the current \$1.75 cash fare for a trip within San Luis Obispo from \$1.75 to \$1.50 (and to \$0.75 for discount passengers). RTA fares should not be lower than SLO Transit as SLO Transit is the local operator, and riders should be encouraged to use that service. Only 3 percent of riders on the RTA regional routes make trips within San Luis Obispo, based on the onboard surveys of rider boarding and alighting pairs. At present, approximately 9,400 trips are made within San Luis Obispo which generate approximately \$7,800 in cash fares.

As shown in Table 13, an elasticity analysis indicates that this fare reduction would result in a modest increase of approximately 500 additional boardings per year. Between the additional ridership and the reduction in fares for all such riders, this option would reduce annual fare revenues by roughly \$800 per year. This option also makes RTA fares within San Luis Obispo in line with the \$1.50 base fare charged for trips within the Five Cities and within Paso Robles.

	Fare			Boardings				Annual Fare Revenue			
	Existing	Alternative	% Change	Existing	Alternative	Change	% Change	Existing	Alternative	Change	% Change
Reduce RTA Fare in San Luis Obispo	\$1.75	\$1.50	-14%	9,400	9,900	500	5%	\$7,800	\$7,000	-\$800	-10%
Discount K-12 Student Fare on SoCo Transit	\$1.50	\$0.75	-50%	4,600	6,100	1,500	33%	\$6,800	\$4,500	-\$2,300	-34%
Day Pass for RTA Only (RTA Intercity)											
Existing 2-Zone Riders Full	\$5.50	\$4.00	-27%	5,500	6,100	600	11%	\$9,500	\$7,700	-\$1,800	-19%
Existing 2-Zone Riders Discount ⁽¹⁾	\$2.75	\$2.00	-27%	4,800	5,400	600	13%	\$4,100	\$3,400	-\$700	-17%
Existing Regional Day Pass Riders	\$5.50	\$4.00	-27%	23,400	26,200	2,800	12%	\$40,200	\$32,700	-\$7,500	-19%
Total						4,000				-\$10,000	
Day Pass for Paso Robles (RTA Local)											
Full ⁽²⁾	\$3.15	\$3.00	-5%	6,200	6,300	100	2%	\$6,100	\$5,900	-\$200	-3%
Discount ⁽²⁾	\$1.58	\$1.50	-5%	19,000	19,400	400	2%	\$9,400	\$9,100	-\$300	-3%
Total						500				-\$500	
RTA Passes for SLO City Employees	\$68 / 31 Days	\$0.00	-100%	3,600	5,400	1,800	50%	\$3,900	\$5,850	\$1,950	50%

Note 1: Existing represents cash fare needed to pay currently for a one-way trip for two zones.

Note 2: Equivalent of what a Paso Robles passenger are paying now for the estimate number of trips they would take using a day pass. (Based on SCT).

Provide a Discount Fare for K-12 Students on SoCo Transit

Kindergarten through Grade 12 (K-12) students currently are eligible for half-price fares on RTA's regional routes and the Paso Robles routes. However, K-12 students on SoCo Transit pay full fares. The City of San Luis Obispo recently introduced a program to offer half-priced fares for K-12 students on SLO Transit Routes. The countywide fare system would be more consistent if K-12 students were also provided discount fares on SoCo Transit. This would apply to the cash fare (dropping to \$0.75), the South County Day Pass (dropping to \$1.50 for K-12), the SoCo Transit 31-Day Pass (dropping to \$18.50 for K-12), and 20-Ride Pass (dropping to \$12.00 for K-12). (Other fare options do not have a discount option.)

The onboard survey of passengers on the SoCo routes indicates that 9 percent of riders are K-12 students. These riders currently generate roughly 4,600 boardings and \$6,800 in fare revenues per year. Giving this discount would increase ridership by an estimated 1,500 annual boardings, with a net loss of \$2,300 in fare revenues.

Offer An RTA Local and Intercity Day Pass

Day passes are a convenient fare option for transit riders who make occasional trips that include multiple transfers. They are also useful for social service programs and other organizations that want to provide an individual with transportation without entrusting them with cash or a high-priced fare option like a 31-Day Pass. At present, the following day pass options are provided:

- A SLOCOG initiated Regional Day Pass that is good on all countywide fixed-route services (including RTA, SoCo Transit and Paso Robles, SLO Transit, and Morro Bay Transit). This costs \$5.50, and there is no discount option.
- A South County Day Pass is good on the four SoCo Transit routes, at a cost of \$3.00 for the general public and \$1.50 for seniors (age 65 to 79) and persons with disabilities.

Regional Day Pass use constitutes 8.9 percent of RTA intercity service boardings, with the average Regional Day Pass purchaser making 3.2 trips over the course of the day.

An option would be to expand the day pass option to passengers using only Paso Robles Routes or RTA Regional Routes with no need to use SLO Transit or Morro Bay. It would be reasonable to have an RTA Intercity Day Pass which is good for the RTA regional routes, at a rate lower than the existing \$5.50 for a regional day pass. In an effort to maximize the ridership benefit of a day pass, this price could be set at \$4.00 for the general public and \$2.00 for discount passengers. Additionally, an RTA Local Day Pass could be offered which would be valid for trips on Pasos Robles and South County Routes only. The RTA Local Day Pass should be the same price as the existing South County Day Pass.

The cost of a day pass is typically set to be equal to twice the one-way base fare, or slightly higher. With the current RTA zone fare system, however, twice the base fare for a 3-zone one-way trip is \$6.50, indicating that 3-zone riders (such as San Luis Obispo to Paso Robles or to Santa Maria are already benefitting from a substantial discount on a single round-trip). Providing an RTA-only day pass for \$4.00 (and \$2.00 for discount passengers) would also provide a reduced total fare for riders making a 2-zone round-trip (currently requiring a base fare of \$5.50) and would likely generate a substantial shift from one-way fares to day pass use for 2-zone rides.

Considering both the shift in 2-zone riders as well as the reduction in fare for 3-zone RTA riders, this alternative is estimated to increase annual boardings by 4,000 per year and reduce overall fare revenue by \$10,000 annually. While it would provide a 19 percent effective fare reduction for RTA longer-distance riders, it would make an already complicated RTA fare schedule even more complicated.

In order to analyze the impact of an RTA Local Day Pass for existing Paso Robles passengers, SoCo Transit data was reviewed. On SoCo Transit, day pass users make up 22.4 percent of all boardings, making 2.1 trips per pass sold. Most of the day pass users (71 percent) are Seniors or persons with disabilities. This low number of trips per pass sold indicates that many passengers opt for a day pass for convenience

(such as not having to have correct change for a return trip) rather than to make three or more transit trips per day.

Given the observed day pass use on the SoCo Transit routes and relatively high proportion of Paso Robles ridership consisting of K-12 students, 20 percent of Paso Robles route ridership would shift to discount day passes and 6 percent would shift to non-discounted day passes. Reflecting the low level of passengers making more than two daily trips, ridership would increase by 500 boardings per year while annual fare revenue would decrease by a modest \$500 per year. This option would provide a small benefit to occasional riders on the Paso Robles routes as well as a convenience to passengers but would again add an additional complication to the RTA fare schedule.

Subsidized RTA Fares for City of San Luis Obispo Employees

A fare subsidy program could be established for employees of the City of San Luis Obispo. The city currently employs approximately 475 full-time staff, along with 200 part-time staff. (In comparison, Cal Poly's San Luis Obispo campus employs approximately 3,100 total staff.)

The *2024 Commuter Survey – City of San Luis Obispo* provides the results of a survey of 222 City employees. It indicated that 63 percent of City employees commute from outside San Luis Obispo, including 15 percent from Atascadero, 10 percent from Arroyo Grande, and 10 percent from Los Osos. By RTA regional route corridor, 25 percent live along the Route 9 corridor, 25 percent live along the Route 10 corridor and 12 percent live along the Route 12 corridor. The most prevalent commute mode is driving alone (77 percent), with only 1 percent commuting by bus. Employees indicated some interest in transit, with 17 percent indicating that a free or discounted transit pass would encourage them to use alternative transportation to get to work. However, when asked why they drive alone, the most prevalent answers reflect factors that would not be affected by a bus pass program, such as “I need a car before/after work for errands or childcare/family responsibilities” (43 percent), “The bus trip takes too long compared to driving my car” (30 percent), “I want my car in case of emergencies” (25 percent) and “The bus travels too infrequently” (18 percent). Considering these factors, the low existing transit commute mode among City employees, and the typical impact of eliminating fares (a 40 to 50 percent increase in ridership), a free pass program would increase existing transit use by 50 percent. This equals approximately 4 employees, making roughly 1,800 one-way trips per year. Including the cost of providing Regional 31-Day Passes for existing transit riders, this strategy would require the purchase of approximately \$5,850 in passes per year, with a net increase in farebox revenue to RTA of \$1,950.

Convert the Existing Zone Fare System to a Flat Fare Over a 2 Hour Boarding Period

With the advent of advanced “tap on” fare technologies (as discussed in detail below), public transit systems 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 full fare / \$1 for discount passengers (even for the long Paso Robles – Kings City Route).

On RTA, this approach would replace the current 3-zone fare structure on the Regional Routes. 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 3 zones, such as San Luis Obispo to Paso Robles. An evaluation of the impact of this change in fares on ridership currently paying cash fares is shown in Table 14. 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).

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 not 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. 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.

Table 14: Impact of a \$2 Fare for 2 Hours on Annual RTA Fare Revenue

	Route					Total	
	9	10	12	14	15		
Percent of Cash Fare Boardings by # of Zones							
Full Cash Fare	56%	15%	43%	50%	47%	38%	
Full Cash Fare + 1 Addl Zone	33%	51%	14%	33%	44%	36%	
Full Cash Fare + 2 Addl Zones	5%	18%	42%	13%	5%	18%	
Full Cash Fare + 3 Addl Zones	7%	16%	1%	4%	4%	9%	
Discount Cash Fare	66%	30%	41%	47%	46%	48%	
Discount Cash Fare + 1 Addl Zone	21%	42%	9%	27%	40%	27%	Effective Change in Average Fare
Discount Cash Fare + 2 Addl Zones	6%	19%	45%	20%	7%	18%	
Discount Cash Fare + 3 Addl Zones	6%	10%	5%	7%	7%	7%	
Avg Full Fare	\$ 2.06	\$ 2.43	\$ 2.26	\$ 2.10	\$ 2.08	\$ 2.24	
Avg Discount Fare	\$ 0.98	\$ 1.12	\$ 1.13	\$ 1.07	\$ 1.04	\$ 1.06	-11%
							-6%
Annual Ridership							
Existing - Full Fare	18,100	16,600	10,200	20	1,500	46,420	
Existing - Discount	17,000	13,500	8,000	20	2,500	41,020	
Existing - Total	35,100	30,100	18,200	40	4,000	87,440	
\$2 for 2 hours - Full Fare	18,300	17,800	10,600	20	1,500	48,220	
\$1 for 2 hours - Discount	16,900	14,100	8,400	20	2,500	41,920	
\$2/\$1 for 2 hours - Total	35,200	31,900	19,000	40	4,000	90,140	
Impact of \$2 Fare - Full Fare	200	1,200	400	0	0	1,800	
Impact of \$2 Fare - Discount	-100	600	400	0	0	900	
Impact of \$2 Fare - Total	100	1,800	800	0	0	2,700	
Percent Change in Annual Riders	0.3%	6.0%	4.4%	0.0%	0.0%	3.1%	
Annual Fare Revenue							
Current Revenue - Full Fare	\$37,300	\$40,200	\$23,000	\$50	\$3,100	\$103,600	
Current Revenue - Discount	\$16,700	\$15,100	\$9,000	\$20	\$2,600	\$43,400	
Current Revenue - Total	\$54,000	\$55,300	\$32,000	\$70	\$5,700	\$147,000	
\$2 for 2 hours - Full Fare	\$36,600	\$35,500	\$21,100	\$50	\$3,000	\$96,250	
\$1 for 2 hours - Discount	\$16,900	\$14,100	\$8,300	\$20	\$2,500	\$41,820	
\$2/\$1 for 2 hours - Total	\$53,500	\$49,600	\$29,400	\$70	\$5,500	\$138,070	
Impact of \$2 Fare - Full Fare	-\$700	-\$4,700	-\$1,900	\$0	-\$100	-\$7,350	
Impact of \$2 Fare - Discount	\$200	-\$1,000	-\$700	\$0	-\$100	-\$1,580	
Impact of \$2 Fare - Total	-\$500	-\$5,700	-\$2,600	\$0	-\$200	-\$8,930	
Percent Change in Annual Fare Revenue	-0.9%	-10.3%	-8.1%	0.0%	-3.5%	-6.1%	

Performance Analysis of Fare Alternatives

Fare alternatives can be evaluated and compared by assessing the ratio of change in fare revenue per change in passenger-trips. As shown in Table 15, this factor can be considered in various ways depending on the specific alternative:

- Alternatives that increase fare revenues while reducing ridership yield a negative value. As shown, increasing the RTA base fare to \$2 results in \$2.09 in new revenue for every passenger-trip lost. In other words, this option increases fare revenue by \$29,800 per year but comes at the cost of reducing ridership by 14,300 per year.

- Alternatives that result in reduced fare revenues, but increased ridership also yield a negative value. In this case, the value reflects the revenues lost for every additional passenger-trip served. A smaller absolute value reflects a “better” alternative while a larger absolute value reflects a “worse” alternative. As shown by this measure the Paso Robles day pass is the best of these alternatives, as only \$1.00 in fare revenue is lost for every new passenger-trip. On the other end, the \$2 for 2 hours of boarding fare alternative loses \$3.31 in fare revenue for every new passenger-trip (though this is without the potential additional fare revenues generated by reducing fare evasion). The RTA-only day pass also performs relatively poorly by this measure, reducing revenues by \$2.58 for every new passenger-trip.

A final alternative is providing RTA passes for City of San Luis Obispo employees. From the RTA’s perspective, this is a “win-win” – generating \$1.08 in new revenues for every net new passenger-trip. From the City’s perspective, the \$5,850 in estimated annual pass costs is equivalent to \$3.25 in cost for every additional passenger-trip.

Table 15: Performance Analysis of RTA Fare Alternatives

Fare Alternative	Annual Change		Change in Fare Revenue Per Change in Passenger-Trips	
	Fare Revenue	Ridership	Alternatives That Increase Fare Revenues While Reducing Ridership	Alternatives that Reduce Fare Revenues While Increasing Ridership
Fare Increase to \$2.00 Base Fare	\$29,850	-14,300	-\$2.09	
Reduce RTA Fare in San Luis Obispo	-\$800	500		-\$1.60
Discount K-12 Student Fare on SoCo Transit	-\$2,300	1,500		-\$1.53
Day Pass for RTA Only (RTA Intercity)	-\$10,000	4,000		-\$2.50
Day Pass for Paso Robles (RTA Local)	-\$500	500		-\$1.00
\$2/\$1 for 2 Hours of Boarding	-\$8,930	2,700		-\$3.31

Discount Fare Verification

When RTA passengers purchase a ticket on Token Transit, 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 the rider. 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. The average fare for RTA Regional Routes (9, 10, and 15) is \$1.30, and general public full fare ranges from \$1.75 to \$3.25. Only 15% of riders responding to the on-board survey indicated they were over age 58. As such there is likely some abuse of the fare system.

A 2016 survey of 90 California public transit agencies found that 56 agencies (or 62 percent of those agencies surveyed) did not enforce fare evasion laws or agency policies. Most of the agencies that did enforce fare evasion were large agencies in major cities that had in-house transit police.

Many transit agencies issue special identification cards for passengers who are eligible for half or reduced fares. Examples include the City of Santa Rosa, BART, and San Joaquin RTD. Individuals usually need to apply for these ID cards before receiving eligibility for half-fare programs. A Medicare card can also be accepted as an ID at the time of boarding. Some agencies will honor an out-of-town fare discount identification card, while other agencies will provide a temporary fare discount card for the customer to use while visiting.

In an effort to reduce fare evasion, RTA could require the use of a discount fare card. Passengers could sign up in person at a transit office facility or through an online portal (similar to the 80+ VIP Pass), which would require an increase in staff resources – especially at the outset of the validation and subsequent enforcement process. The drawback would be that it places another hurdle in front of qualifying passengers, who likely face mobility challenges (although the process could be conducted online for those able to do so). Token Transit does allow agencies to restrict the ability of users to purchase discounted fares by providing a “good list” of passengers who qualify for discounted fares. Qualified applicants could submit their documentation via an online portal or in person at an office to be added to the “good list”.

SLO TRANSIT

Expand Downtown Access Program (DAP) for SLO Transit

The City of San Luis Obispo currently provides free passes on SLO Transit for all persons employed in the downtown area who request a pass and fill out an application form which can be auto-renewed annually. This program was implemented in response to paid parking downtown. The qualifying area of employment locations is shown in Figure 1 and is loosely defined by Peach Street on the north, Toro Street on the east, Pismo Street on the south, and Carmel Street on the west. The *SLO Transit Innovation Study* (Arcadis IBI Group, 2023) identified several areas for potential expansion of the downtown access pass area. Two such areas were evaluated as part of this SRTTP study, as also shown in Figure 1:

- An eastern extension from the downtown area to encompass all areas south of US 101, west of San Luis Obispo Creek, and north of Pismo Street.
- A southern extension from the downtown area to encompass all the area south of Pismo Street, west of the Union Pacific Railroad, and north of High Street. This includes the Railroad District.

The existing DAP program participants account for a total of 4,624 annual boardings. Based on the impacts of free-fare programs in other communities, it is estimated that 40 percent of these boardings are due to the free pass program while 60 percent would have ridden anyway. The existing DAP program therefore generates approximately 1,850 boardings per year that would not otherwise have occurred. US Census data for 2021 defined through a Work Area Profile Analysis using the “onthemap” online tool (onthemap.ces.census.gov) indicates that the existing DAP area includes 5,245 employees while the eastern area has 1,528 employees and the southern area has 855 employees. Assuming these additional employees make use of the free pass program at the same rate as those in the existing DAP area, expansion in the eastern area would add approximately 500 new riders per year, while the southern area would add 300 riders per year (or a total of 800 for both). The additional passes would cost on the order of \$1,700 for the eastern area and \$1,100 for the southern area, or a total of \$2,600 for both.

The existing DAP passes are funded through the Parking Enterprise Fund up to \$20,000 annually. New funding sources would be needed beyond that amount to offset the cost of additional passes for employees in the additional areas, or existing funding (such as general funds) could be used.

Simplify Day Pass Options

Multi-day passes which provide a discounted price to the cost of buying one-trips rides are a good incentive to encourage ridership. As indicated above, SLO Transit offers 1, 3, 5, 7, and 31-day passes. Having too many fare options can be confusing to passengers as well as complicate the accounting process. A review of passes sold in Fiscal Year 2022-23 indicates that less than one percent of boardings are made with a five-day to seven-day pass. Eliminating these options simplifies the fare structure and makes riding public transit a little less complicated.

NEW FARE TECHNOLOGY

Cal-ITP Open-Loop Contactless Fare Payment System

Recent years have seen a surge in the use of contactless payment technologies, including transit fares. Studies have found that accepting contactless payments has lowered expenses for transit agencies and increased ridership. Both RTA and SLO Transit currently use the Token Transit App for fare payment. This app-based technology removes the need for passengers to go to specified locations to purchase tickets. Tickets are validated electronically, allowing the transit agencies to collect important data on ridership and boardings while also taking pressure off the already busy drivers. For passengers, the Token Transit app is free. Transit agencies must purchase on-bus validators and pay approximately annual software fees (the RTA pays approximately \$18,000 per year), and transit agencies enter into an agreement with Token Transit allowing Token Transit to retain a certain percentage of fares purchased through the app up to a set limit. There is also a per transaction fee which is paid by the transit agency.

The California Integrated Travel Project (Cal-ITP) is helping transit agencies to procure contactless payment technology. This technology can accept both agency-specific passes and contactless bank card payments and digital wallets. The benefits of contactless fare payment are improved ridership through ease of use (no need to look for \$1.50) and faster boarding. This strategy can help with fare “fairness” and equity objectives when contactless fare payment is paired with fare capping. 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 month. Once this cap is reached, the rider doesn’t 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 monthly 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 Genfare registering 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). This would reduce staff time needed for the fare counting process as well as the increasing cost of maintenance for the complicated and occasionally unreliable Genfare validating fareboxes.

In order to maintain a fare payment option for unbanked passengers, transit agencies could offer a reloadable card, which could be obtained at the transit agency office or specific outlets. Transit agencies could also continue to accept cash using a manual farebox, allowing the more costly Genfare fareboxes to be phased out.

Cal-ITP and the California Department of General Services have collaborated to establish six Master Service Agreements that allow public transit providers to purchase contactless payment hardware and

software directly from vendors rather than through competitive bidding. These Master Service Agreements can be utilized by transit providers in California. The Cal-ITP program has also negotiated lower credit card processing fees, which comprise an ever-growing proportion of transit agency operating costs as more and more riders use credit cards to pay for their rides. SLOCOG has taken the lead in procuring and implementing a regionwide contactless fare payment system using SB 125 funds. It is estimated this project will cost on the order of \$2.6 million over five years and includes “buy-down” of fare levels to encourage restoration of pre-pandemic ridership.

A nearby adopter of open-loop contactless fare payment with fare capping (procured through Cal-ITP) is Monterey Salinas Transit (MST). General public passengers can ride anywhere on the MST system for \$2 for 2 hours. Beyond the 2-hour mark, there is a \$6.00 cap for the day, a weekly cap of \$20.00, and a monthly cap of \$70.00. The \$2 for 2 hours eliminates the need to both tap on and tap off for a two-hour period in order to be charged the correct fare. Once a passenger taps on a bus, they will only be charged \$2 until they tap on after that two-hour period. The quantitative impacts of applying a \$2 for 2-hour fare structure to RTA routes is discussed above and presented in Table 14.