



CASHLESS FARE ANALYSIS

**Board of Directors
November 6, 2024**



FARE COLLECTION - OVERVIEW

Where Omnitrans collects fares:

- Onboard buses
- Mobile fares via app
- Omnitrans.org
- Omnitrans Headquarters
- San Bernardino Transit Center
- Pass Outlets (32) including city sites and local businesses



ONBOARD CASH COLLECTION COMPARISON

	National Average	L.A. Metro	Riverside Transit	Omnitrans Fixed Route	OmniRide Microtransit
Percentage of boardings paid with cash	21%	43%	40%	32%	40+%

DEMOGRAPHICS

20% of Californians are under- or unbanked

Profile of likely unbanked/likely cash customers:

Economically disadvantaged areas

<\$30,000 household income

Limited English proficiency

Less formal education

Community members of color

Varying month to month income

Source: 2023 L.A. Metro Fare Study

Omnitrans Service Area Profile:

19% of the Riverside/San Bernardino metropolitan area is unbanked

39% <\$25,000 household income

60+% community members of color

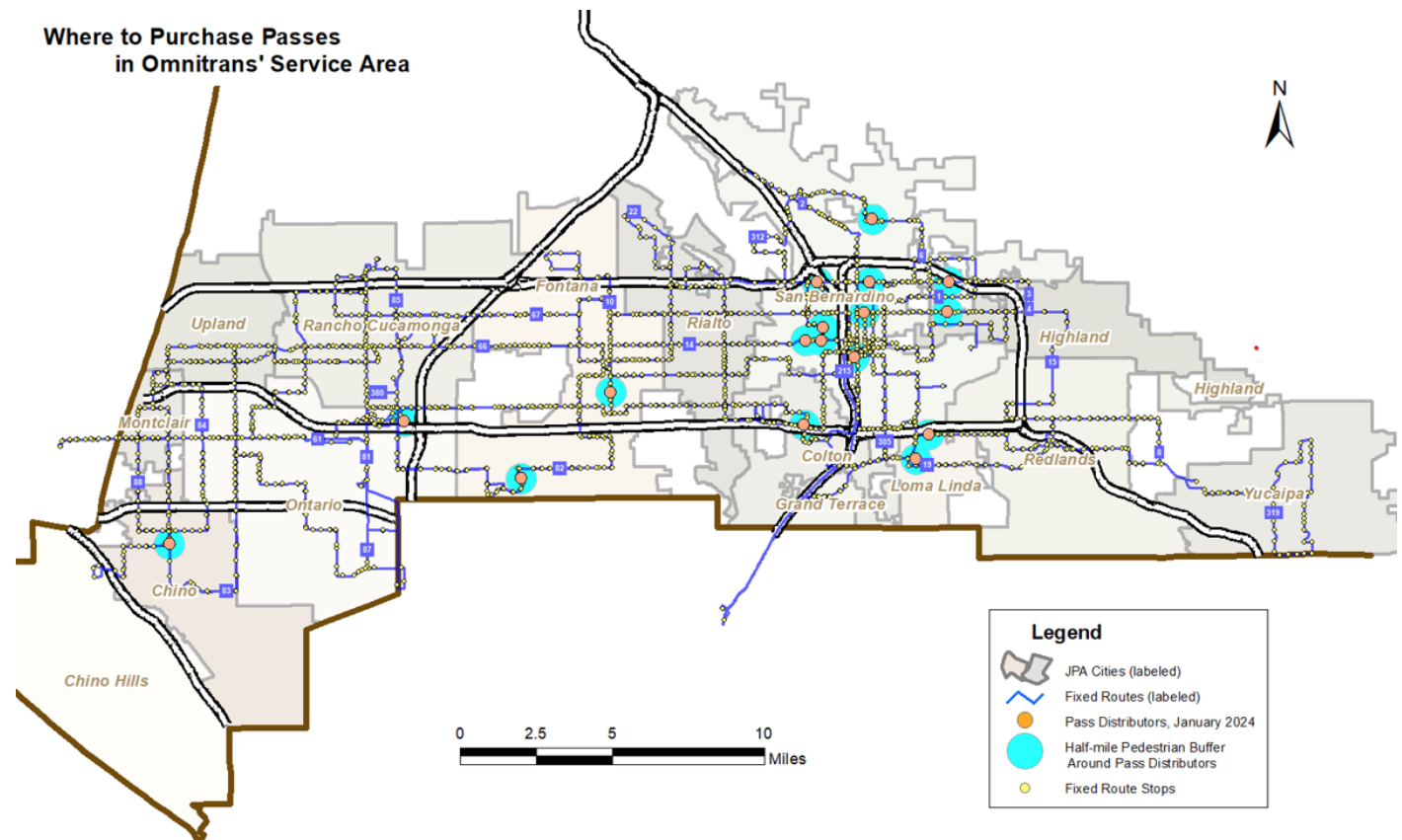
Source: 2021 FDIC National Survey



CASHLESS FARE INFRASTRUCTURE

Transition to cashless fare would require the addition of 200 pass outlets and ticket vending machine across Omnitrans' service area

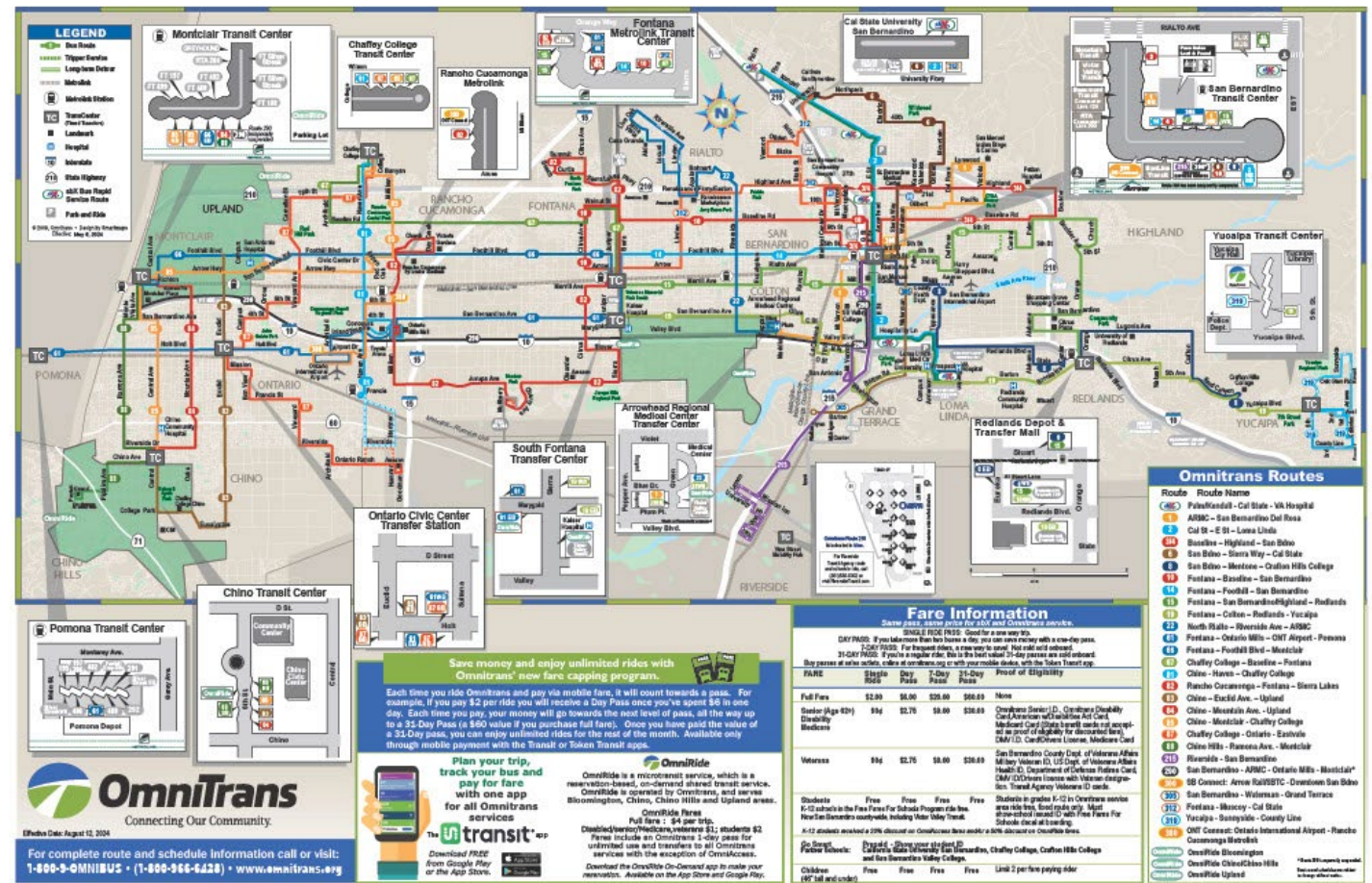
- Currently 2% of Omnitrans' service area is covered by outlets
- In contrast, L.A. Metro has 450 vendor outlets and 100 ticket vending machines for TAP Card purchases



REGIONAL CONNECTIVITY

Transition to cashless fare could impact regional connectivity convenience

- Omnitrans has 15 Transit and Transfer Centers in its service area
- 9 provide connections to neighboring public and private transit providers
- In total, Omnitrans connects to 9 regional bus and rail agencies



FARE COLLECTION – NEEDS COMPARISON

Fare Collection Necessities	Current System	Cashless System
Additional Staff	-	✓
Armored Services	✓	✓ +
Banking Fees	✓	✓ +
Fare Media	✓	✓
Farebox	✓	✓
Mobile App	✓	✓
Mobile Fare Validators	✓	✓
Ticket Vending Machines (TVMs)	✓	✓ +
Outlets	✓	✓ +
Vaults	✓	-

**Early cost estimate
(TVMs)\$12 million**

LOCAL CASHLESS FARE CASE STUDIES

2023 L.A. Metro Cash to TAP Card Conversion and Fare Capping Study

- Higher cash use/Lower income
- Primary cash customer concerns:
 - Comfort - pay or use cash for most purchases
 - TAP Card purchase = special trip/inconvenience
 - Committing cash to fare media that might be needed for another purpose
- Conclusion – continue cash, promote TAP use

LOCAL CASHLESS FARE CASE STUDIES

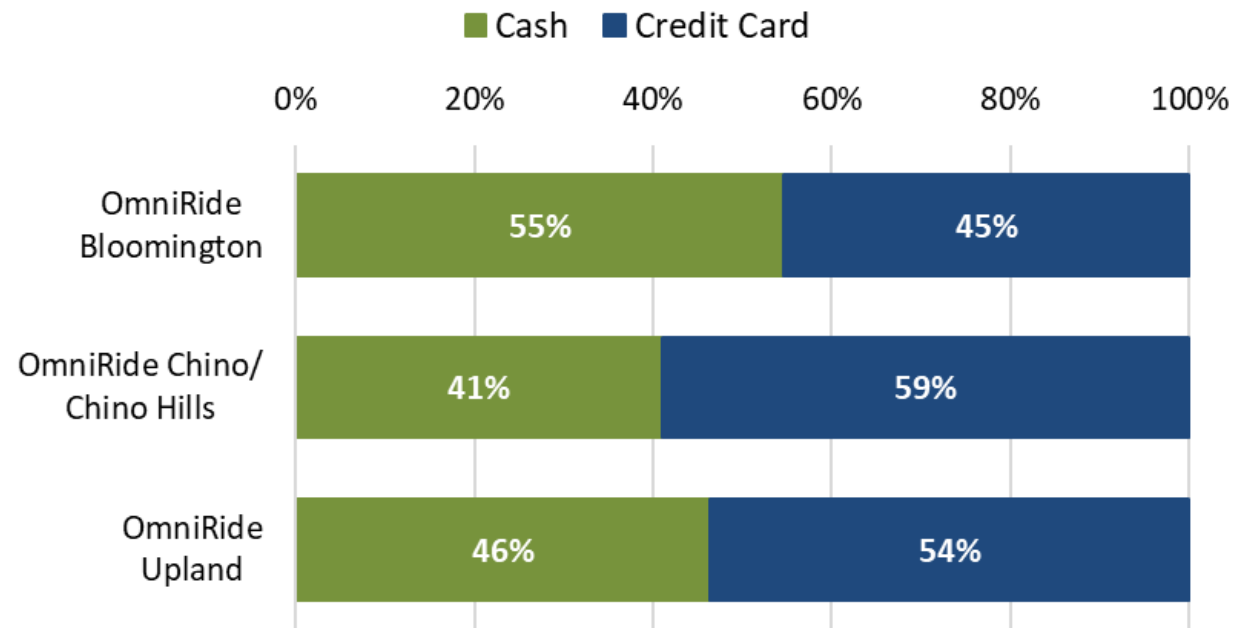
Santa Monica Big Blue Bus

- 1-year pilot program
- No cash onboard – TAP cards
- Dwell time markedly reduced
- 2/3 of customers in favor of restoring cash
- Equity concerns negatively impacted project
- Agency returned to cash following pilot



LOCAL CASHLESS FARE CASE STUDIES

OmniRide Microtransit

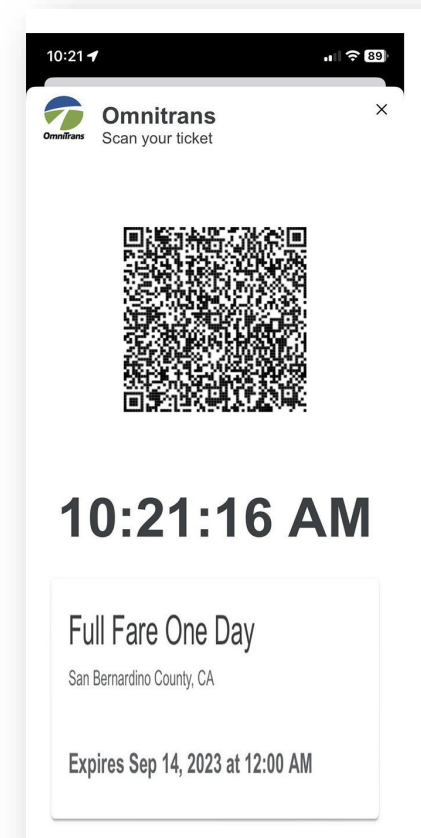


- Reservations and payment are online application-based
- Nearly half of customers choose to pay with cash

CURRENT INITIATIVES

Ongoing promotion to reduce cash collection

- Fare capping implementation
- Mobile fare promotion
- Mobile fare validator installation
- Preparation for open loop payment



OPEN LOOP PAYMENT

Open-loop payment systems allow customers to pay for their trips using a contactless card or mobile device, instead of specific transit ticket or pass.

Advantages:

- Convenience
- Efficiency
- Cost-effectiveness
- Accessibility
- Discount Administration



Challenges:

- Technological complexity
- Equipment costs



Source: "Open to Open Loop: Payments Challenges to Public Transit," Transport Findings 2024

FUTURE CONSIDERATIONS

- Fare Policy study
- Farebox replacement





THANK YOU