



BTA Transit System Performance Review

February 26, 2020

Performance Report

Butler Transit Authority d.b.a., the bus

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PUBLIC TRANSPORTATION SERVICE SUMMARY

Agency	Butler Transit Authority (d.b.a. BTA)		
Year Founded	1989		
Reporting Fiscal Year End (FYE)	2019		
Service Area (square miles)	440		
Service Area Population ¹	170,539		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	4	14	18
Operating Cost	\$1,767,353	\$212,872	\$1,980,225
Operating Revenues	\$182,286	\$16,520	\$198,806
Operating Subsidies	\$1,585,067	\$196,352	\$1,781,419
Total (Actual) Vehicle Miles	169,676	22,040	191,716
Revenue Miles of Service (RVM)	163,965	N/A	N/A
Total Vehicle Hours	16,402	1,213	17,615
Revenue Vehicle Hours (RVH)	14,480	N/A	N/A
Total Passenger Trips	180,921	6,608	187,529
Senior Passenger (Lottery) Trips	37,254	N/A	37,254
Act 44 Performance Statistics			
Passengers / RVH	12.49	5.65	11.98
Operating Cost / RVH	\$122.05	\$181.94	\$126.53
Operating Revenue / RVH	\$12.59	\$14.12	\$12.70
Operating Cost / Passenger	\$9.77	\$32.21	\$10.56
Other Performance Statistics			
Operating Revenue / Operating Cost	10.31%	7.76%	10.04%
Operating Cost / Total Vehicle Hours	\$107.75	\$175.49	\$112.42
Operating Cost / Total Vehicle Miles	\$10.42	\$9.66	\$10.33
Total Passengers / Total Vehicle Hours	11.03	5.45	10.65
Operating Cost / RVM	\$10.78	N/A	N/A
RVM / Total Vehicle Miles	96.63%	N/A	N/A
RVH / Total Vehicle Hours	88.28%	N/A	N/A
Operating Subsidy / Passenger Trip	\$8.76	\$29.71	\$9.50

*Source: dotGrants 2019 reporting

¹ Service area population is based on agency reporting to NTD (FYE 2017).

EXECUTIVE SUMMARY

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across the Commonwealth by increasing state funding for public transportation operations by about 50 percent, from \$535 million per year to \$800 million in the first year of the legislation. Public transportation organizations that had been on the verge of major service cuts and/or significant fare increases could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

Act 44 also ushered in requirements for accountability, performance improvement, and maximum return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

- Assess efficiency and effectiveness of service, financial stability, and general management/business practices.
- Agree to five-year targets for Act 44-mandated performance criteria.
- Develop an Action Plan for improvement and to achieve performance targets.
- Provide technical assistance to implement the plan at the request of the transportation organization.
- Reassess each organization on a five-year cycle.

The reassessment at the end of each five-year cycle is to evaluate:

- Whether the organization met the agreed upon performance targets; and
- The sufficiency and effectiveness of actions taken by the organization to improve performance and management practices in its efforts to meet performance targets.

Act 44 regulations address PennDOT actions regarding performance reviews, and the financial penalties for public transportation organizations that fail to meet performance targets. Section 427.12., Performance Reviews, states:

“(E) The application of funding adjustment will be as follows:

1. Operating fund reductions in Section 1513(G) of the Act (relating to operating program) may be implemented for grantees subject to this section that are not satisfying the minimum performance standards, considering all other provisions of Section 1513. A funding reduction may be assessed in cases when a local transportation organization fails to report progress of, or fails to implement the agreed upon strategic Action Plan, or both.”

PennDOT conducted a transit performance review for the Butler Transit Authority (d.b.a. BTA) in December 2014. Based on that review, PennDOT developed a performance report in 2015 that established five-year performance targets and agreed to BTA’s Action Plan to meet those targets. In September 2019, PennDOT reassessed BTA to determine whether BTA met its targets and what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

IMPORTANT CHANGES SINCE THE 2014 PERFORMANCE REVIEW

PennDOT conducted the initial review of BTA in December 2014. Since finalizing the original BTA performance report in August 2015, the following changes and other factors impacted operations, finance, and statistical reporting at BTA, as well as the performance targets established in 2015:

1. **Cut unproductive service** – Like many systems that expanded service or added frequency After Act 89 increased available funding, BTA was not able to attract the ridership or find additional sources of revenue to sustain the service. In an effort to contain operating costs, BTA cut unproductive service in 2015. Revenue vehicle hours decreased by 20.6 percent, from 17,977 in 2014 to 14,272 in 2015. Following the service cuts, ridership decreased by 9.8 percent, from 220,617 to 198,993 passenger trips. BTA experienced a 5.3 percent reduction in total expenses. Three out of four Act 44 performance metrics are based on revenue vehicle hours; cost per revenue vehicle hour increased from \$100.00 in FYE 2014 to \$119.35 in FYE 2015.
2. **Revised service contract** – The 2015 performance report highlighted that BTA’s operating costs were increasing at an unsustainable rate, and the structure of BTA’s service contract contributed to high costs. BTA developed a Request for Proposals (RFP) based on industry best practices to improve the structure and management of its service the contract. Specifically, BTA sought to:
 - a. Develop a single price per revenue vehicle hour for operations and routine maintenance;
 - b. Define explicit terms on what is covered under the contract and what is not;
 - c. Ensure the contractor assumes responsibility for all costs attributable to its employees; and,
 - d. Manage contractor reimbursement consistent with the terms of the contract.

These changes enabled BTA to reduce total fixed-route operating costs by 12.8 percent, going from \$1.9 million in 2017 to \$1.6 million in 2018. However, BTA continues to incur high overhead costs. Considering total fixed-costs, BTA operates at \$122.05 per revenue hour (FYE 2019), which is high for a rural system in suburban Pittsburgh. Management will need to continue implementing cost-control measures to ensure a sustainable, long-term financial outlook.

2014 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2014 performance review compared BTA with a group of peer agencies based on the four performance criteria required by Act 44. BTA was found to be “In Compliance” for seven performance criteria and “At Risk” for one.

Performance Criteria	FYE*	Determination	Peer Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2012	In Compliance	3	Better	13.61	9.12
	Trend	In Compliance	6	Better	1.23%	0.99%
Operating Cost / Revenue Vehicle Hour	2012	At Risk	11	Worse	\$87.18	\$63.91
	Trend	In Compliance	5	Better	1.79%	2.08%
Operating Revenue / Revenue Vehicle Hour	2012	In Compliance	4	Better	\$9.60	\$8.18
	Trend	In Compliance	9	Worse	-0.46%	2.79%
Operating Cost / Passenger	2012	In Compliance	6	Better	\$6.41	\$8.58
	Trend	In Compliance	5	Better	0.55%	1.10%

*National Transit Database (NTD) information most current at the time of the peer review is the basis of the single-year and trend peer comparisons.

The 2014 performance review determined that BTA was “In Compliance” for seven criteria and “At Risk” for one. BTA performed better than the peer group for passengers per revenue vehicle hour and operating cost per passenger for the trend and single-year determinations.

BTA developed an Action Plan to address opportunities for improvement identified in the 2015 performance review report. Among the efforts BTA undertook to improve its performance were:

1. Reduce the cost of purchased transportation through a revised service contract based on industry best practices.
2. Develop a fixed-route fare adjustment policy that annually assesses fare growth against the inflation rate.
3. Coordinate commuter service runs and use of a park-and-ride with the New Castle Area Transit Authority (NCATA) to avoid duplication of service.

PennDOT, in consultation with BTA management, established the following performance targets that the agency was to attain before its next performance review:

- Increase passengers per revenue vehicle hour by at least 2.0 percent per year on average
- Increase operating revenue per revenue vehicle hour by at least 2.0 percent per year on average
- Contain increases in operating cost per revenue vehicle hour to no more than 3.0 percent per year on average
- Contain increases in operating cost per passenger to no more than 1.0 percent per year on average

Since the 2015 report was finalized, BTA worked to meet its performance targets and implement actions listed in the 2015 Action Plan. These actions included implementing cost control measures like eliminating unproductive service and addressing the management and structure of the service contract. Additionally, BTA completed a transit-development plan (TDP) that included business development strategies for growing fixed-route ridership. BTA also implemented a robust farebox recovery policy that ties fare increases to the rate of inflation in accordance with Act 89.

The performance targets were established using the most accurate data available at the time.

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle Hour	13.69	12.49	No
Operating Cost / Revenue Vehicle Hour	\$134.39	\$122.05	Yes
Operating Revenue / Revenue Vehicle Hour	\$13.89	\$12.59	No
Operating Cost / Passenger	\$9.63	\$9.77	No

*2019 Unaudited values were used to provide BTA with targets based on the most currently available data.

2019 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2019 performance review compared BTA with a group of peer agencies based on the four Act 44 performance criteria. BTA was found to be “In Compliance” with five performance measures and “At Risk” for three.

Performance Criteria	FYE*	Determination	Peer Rank (of 9)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2017	In Compliance	3	Better	13.02	10.97
	Trend	In Compliance	4	Better	-0.88%	-2.23%
Operating Cost / Revenue Hour	2017	At Risk	12	Worse	\$127.86	\$79.36
	Trend	At Risk	11	Worse	7.96%	2.25%
Operating Revenue / Revenue Hour	2017	In Compliance	3	Better	\$12.32	\$9.46
	Trend	In Compliance	4	Worse	5.12%	5.68%
Operating Cost / Passenger	2017	At Risk	10	Worse	\$9.82	\$7.55
	Trend	In Compliance	10	Worse	8.92%	4.86%

*Note: Single-year and five-year trend peer comparisons are based on NTD information that was current at the time of peer review. Therefore, these factors differ from those presented on the Agency Profile page, which uses FYE 2019 data.

The 2019 review found BTA to be “At Risk” for three out of four cost metrics, i.e., operating cost per revenue vehicle hour for the single-year and five-year trends, and in the single-year for operating cost per passenger. BTA performed better than the peer group for increasing ridership per revenue hour, but worse at cost containment. BTA increased fixed-route revenues and performed better than the peer group for the single-year determination but not over the five-year trend period.

BTA has high operating costs for a contracted, rural fixed-route system \$127.86 per revenue vehicle hour. Operating cost per revenue vehicle hour increased by nearly 8 percent each between FYE 2012 and FYE 2017. As a contracted system, most of BTA’s expenses are relatively known (i.e., salaries and wages for admin, and as a function of the service contract). BTA revised its fixed-route service contract in 2017 to improve cost-recovery and overall fixed-route expenses decreased by 13 percent between 2017 and 2018.

The 2019 performance review examined additional steps, beyond those specified in the 2015 Action Plan, that BTA has taken to improve performance. The most important action was the revised service contract in 2017. The 2019 performance review also identified steps that BTA can take to improve overall agency performance, including:

1. Develop a long-term strategy for fiscal sustainability.
2. Ensure Act 44 performance targets are considered when assessing fare adjustment.
3. Develop service standards for local fixed-route service.

PennDOT also identified additional opportunities for improvement during the 2019 performance review. The complete list of opportunities for improvement will serve as the basis for BTA's Board-approved Action Plan.

2024 PERFORMANCE TARGETS

As required by Act 44, PennDOT and BTA management developed new five-year performance targets. Performance targets are designed to be aggressive yet achievable. BTA should work to achieve these targets, shown in the following table, over the next five years to ensure continued eligibility for full Section 1513 funding.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2018 Actual	2019 Actual	2024 Target	
Passengers / Revenue Vehicle Hour	13.28	12.49	13.79	2.0%
Operating Cost / Revenue Vehicle Hour	\$120.10	\$122.05	\$141.49	3.0%
Operating Revenue / Revenue Vehicle Hour	\$12.30	\$12.59	\$14.59	3.0%
Operating Cost / Passenger	\$9.05	\$9.77	\$10.27	1.0%

FINANCIAL REVIEW

BTA currently has a balanced operating budget. Its cash equivalent balance has decreased since 2015. Noteworthy elements of BTA's financial condition are:

- BTA has \$313,736 in local and \$453,628 in state carryover funds in FYE 2019.
- Combined carryover subsidies equal to 38.8% of total operational funding.
- BTA maintains a cash balance equal to 26.8% of total operating expenses.
- Current assets exceed current liabilities.
- Accounts payable and receivable amounts are negligible.
- Currently, BTA has no debt.
- BTA's operating cost per passenger trip of \$32.21 for ADA in FYE 2019 is roughly twice that of peer agencies.
- Nearly half of BTA's operating costs are derived from general administration.

Management should continue taking appropriate actions to manage costs (containing growth within 3.0 percent annually), achieve farebox recovery goals, and maintain cash reserves to preserve BTA's overall financial health.

NEXT STEPS

BTA's management and Board will develop an Action Plan in response to the complete list of "Opportunities for Improvement" identified in this performance review report. Some actions will be quickly implementable, while others may take several discrete steps to achieve over a more extended period. BTA's management must report to the Board and PennDOT quarterly on progress towards accomplishing the Action Plan and meeting its performance targets.

INTRODUCTION

PURPOSE

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across the Commonwealth by increasing state funding for public transportation operations by about 50 percent, from \$535 million annually to \$800 million in the first year of the legislation. Public transportation organizations that had been on the verge of major service cuts and/or significant fare increases could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

Act 44 also ushered in critical requirements for accountability, performance improvement, and maximum return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

- Assess efficiency and effectiveness of service, financial stability, and general management/business practices.
- Agree to five-year targets for Act 44-mandated performance criteria.
- Develop an Action Plan for improvement and to achieve performance targets.
- Provide technical assistance to implement the plan at the request of the transportation organization.
- Reassess each organization on a five-year cycle.

The reassessment at the end of each five-year cycle is to evaluate:

- Whether the organization met the agreed-upon performance targets; and
- The sufficiency and effectiveness of actions taken by the organization to improve performance and management practices in its efforts to meet performance targets.

Act 44 regulations address PennDOT actions regarding performance reviews, and the financial penalties for public transportation organizations that fail to meet performance targets. Section 427.12., Performance Reviews, states:

“(E) The application of funding adjustment will be as follows:

1. Operating fund reductions in Section 1513(G) of the Act (relating to operating program) may be implemented for grantees subject to this section that are not satisfying the minimum performance standards, considering all other provisions of Section 1513. A funding reduction may be assessed in cases when a local transportation organization fails to report progress of, or fails to implement the agreed-upon strategic Action Plan, or both.”

PennDOT conducted a transit performance review for BTA in December 2014. Based on that review, PennDOT developed a performance report in 2015 that established five-year performance targets and agreed to BTA’s Action Plan to meet those targets. In September 2019, PennDOT reassessed BTA to determine whether BTA met its targets and what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

AGENCY DESCRIPTION

Butler Transit Authority (d.b.a. BTA) was established in 1989 in Butler County, Pennsylvania. BTA provides fixed-route bus service in Butler Township, Butler City, and surrounding municipalities. BTA is overseen by a six-member Board of Directors appointed by the Butler County Board of County Commissioners.

In 2018, BTA amended its charter to transfer ownership of the authority from the City of Butler and Butler Township to Butler County. As part of the transfer, the City of Butler and Butler Township no longer appoint Board members and do not provide local matching funds. Butler County assumed full responsibility for BTA in 2018 and provides the local matching funds.

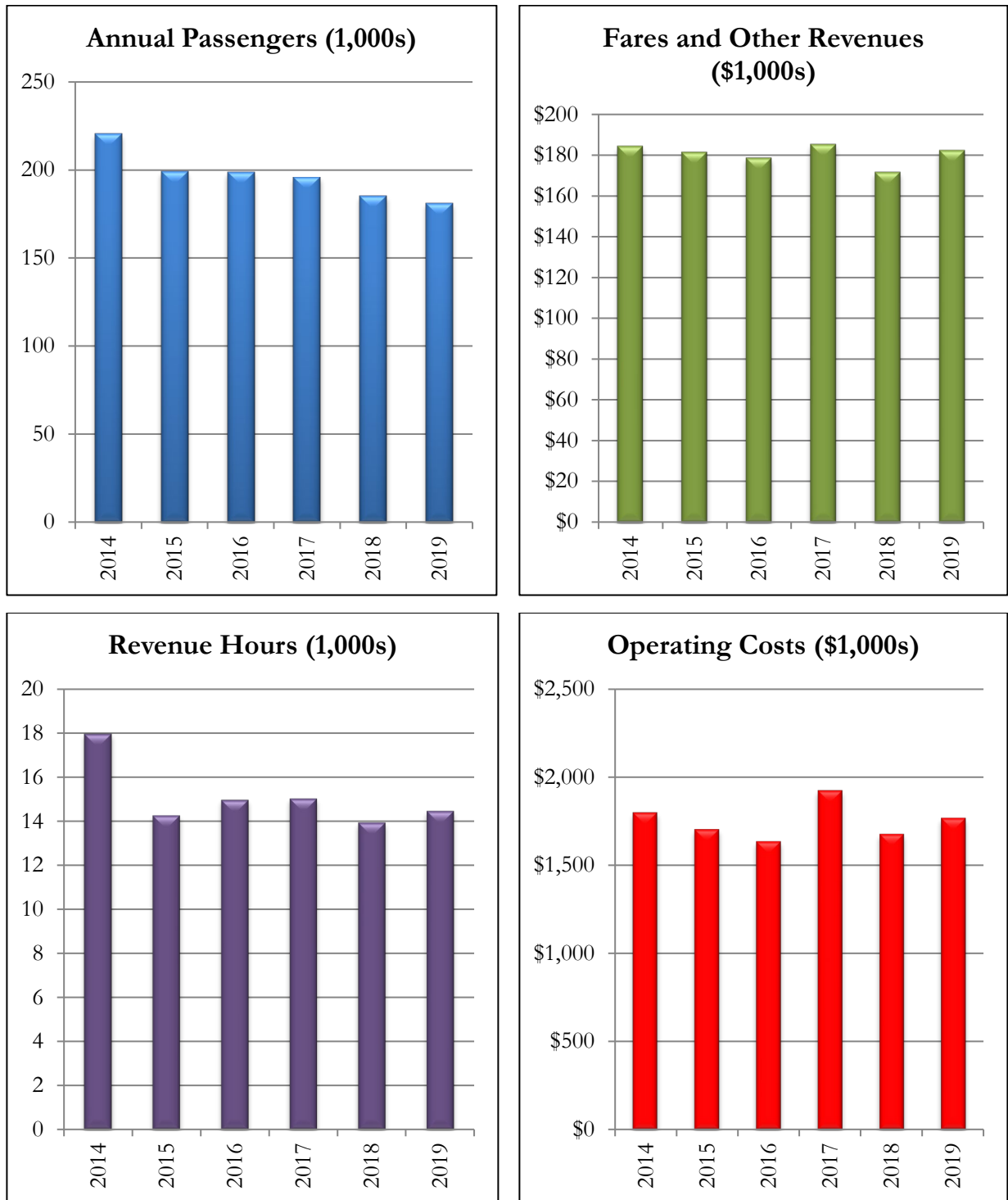
BTA contracts with MV Transportation, Inc., for fixed-route service and with the Alliance for Nonprofit Resources (ANR) for ADA complementary paratransit service. Butler County Community Action contracts with ANR for shared-ride/demand-response paratransit service and for medical assistance trips in Butler County.

Currently, BTA operates four local bus routes with limited Saturday service around the greater Butler area and two commuter bus routes to Pittsburgh. The commuter service is a pilot program launched in 2018 and has a fleet of five compressed natural gas (CNG) vehicles. BTA provided 180,921 local fixed-route passenger trips with four vehicles operated in maximum service (VOMS) in FYE 2019.² **Exhibit 1** presents fixed-route bus statistics for BTA.

Minor adjustments were made to fixed-route operating costs to account for insurance rebates that were reported as revenue. Insurance dividends were subtracted from fixed-route revenues, and operating expenses were offset accordingly. An overview of these data adjustments is found in **Appendix A: Data Adjustments** on page 20.

² In FYE 2019, BTA began reporting commuter service separately from local fixed-route service as part of PennDOT's performance requirements for the commuter service pilot program.

Exhibit 1: BTA Fixed-Route Bus Service Annual Performance Trends (2014-2019)



Source: NTD and PennDOT Legacy Reporting System (dotGrants)³

³ Operating statistics are for local BTA routes and do not include commuter service.

PERFORMANCE REVIEW PROCESS

In September 2019, PennDOT initiated an Act 44-mandated performance review for BTA. The following outlines the review process:

1. Initial notification of performance review schedule and transmission of document request.
2. Review available data and request additional information.
3. BTA and PennDOT agree to a set of peer agencies for comparison.
4. Review of Act 44 variables including current performance, targets from the previous 2014 review, and Action Plan implementation.
5. Perform Act 44 performance criteria analysis.
6. Conduct onsite review, interviews, and supplementary data collection/reconciliation.
7. Evaluate performance, financial management and operations.
8. Report results and determine agency compliance with performance requirements.
9. Finalize performance review report.
10. Develop, implement and monitor a five-year Action Plan.
11. Provide technical assistance, if required, to help meet five-year performance targets.

These steps in the performance review process assess BTA's unique challenges, changes since the previous performance review, the accuracy and reliability of reported data, implemented practices, additional opportunities for improvement, and realistic goals for the next performance review.

2014 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2014 performance review compared BTA to a group of peer agencies based on the four performance criteria required by Act 44. BTA was found to be “In Compliance” for seven performance criteria and “At Risk” for operating cost per revenue vehicle hour for the single-year FYE 2012 determination. (**Exhibit 2**). BTA performed better in most criteria but worse for operating cost per revenue vehicle hour for the single-year period and operating revenue per revenue vehicle hour for the trend.

Exhibit 2: Previous BTA Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2012	In Compliance	3	Better	13.61	9.12
	Trend	In Compliance	6	Better	1.23%	0.99%
Operating Cost / Revenue Vehicle Hour	2012	At Risk	11	Worse	\$87.18	\$63.91
	Trend	In Compliance	5	Better	1.79%	2.08%
Operating Revenue / Revenue Vehicle Hour	2012	In Compliance	4	Better	\$9.60	\$8.18
	Trend	In Compliance	9	Worse	-0.46%	2.79%
Operating Cost / Passenger	2012	In Compliance	6	Better	\$6.41	\$8.58
	Trend	In Compliance	5	Better	0.55%	1.10%

*Note: Single-year and five-year trend peer comparisons are based on current NTD information at the time of the peer review.

ACTION PLAN AND PERFORMANCE TARGETS

BTA developed an Action Plan to address opportunities for improvement identified in the 2014 performance review. Among the steps BTA took to improve its performance were:

1. Reduce cost of purchased transportation through a revised service contract based on industry best practices.
2. Develop a fixed-route fare adjustment policy that annually assesses fare growth against the inflation rate.
3. Coordinate commuter service runs and use of a park-and-ride with NCATA to avoid duplication of service.

The complete list of BTA’s previous Action Plan items and BTA’s progress in addressing previously identified opportunities for improvement is provided in **Appendix B: 2014 Performance Review Action Plan Assessment**.

The following performance targets were established with BTA in 2014:

- Increase passengers per revenue vehicle hour by at least 2.0 percent per year on average
- Increase operating revenue per revenue vehicle hour by at least 2.0 percent per year on average
- Contain increases in operating cost per revenue vehicle hour to no more than 3.0 percent per year on average
- Contain or reduce average operating cost per passenger to no more than 1.0 percent per year on average

As shown in **Exhibit 3**, BTA met one out of four performance targets that were established during the 2014 performance review.

Exhibit 3: 2019 BTA Performance Targets

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle Hour	13.69	12.49	No
Operating Cost / Revenue Vehicle Hour	\$134.39	\$122.05	Yes
Operating Revenue / Revenue Vehicle Hour	\$13.89	\$12.59	No
Operating Cost / Passenger	\$9.63	\$9.77	No

ASSESSMENT

Since the initial performance report was finalized in 2015, BTA worked to address its performance targets and implement actions listed in the 2015 Action Plan as described above.

BTA met one out of four performance targets. BTA experienced ridership declines, much like the rest of Pennsylvania, but stabilized ridership on its local routes despite service cuts in 2015. Two significant changes affected BTA's ability to meet its performance targets since the 2014 performance review:

1. **Cut unproductive service** – Like many systems that expanded service or added frequency After Act 89 increased available funding, BTA was not able to attract the ridership or find additional sources of revenue to sustain the service. In an effort to contain operating costs, BTA cut unproductive service in 2015. Revenue vehicle hours decreased by 20.6 percent, from 17,977 in 2014 to 14,272 in 2015. Following the service cuts, ridership decreased by 9.8 percent, from 220,617 to 198,993 passenger trips. BTA experienced a 5.3 percent reduction in total expenses. Three out of four Act 44 performance metrics are based on revenue vehicle hours; cost per revenue vehicle hour increased from \$100.00 in FYE 2014 to \$119.35 in FYE 2015.
2. **Revised service contract** – The 2015 performance report highlighted that BTA's operating costs were increasing at an unsustainable rate, and the structure of BTA's service contract contributed to high costs. BTA developed a Request for Proposals (RFP) based on industry best practices to improve the structure and management of its service the contract. Specifically, BTA sought to:
 - a. Develop a single price per revenue vehicle hour for operations and routine maintenance;
 - b. Define explicit terms on what is covered under the contract and what is not;
 - c. Ensure the contractor assumes responsibility for all costs attributable to its employees; and,
 - d. Manage contractor reimbursement consistent with the terms of the contract.

These changes enabled BTA to reduce total fixed-route operating costs by 12.8 percent, going from \$1.9 million in 2017 to \$1.6 million in 2018. However, BTA continues to incur high overhead costs. Considering total fixed-costs, BTA operates at \$122.05 per revenue hour (FYE 2019), which is high for a rural system in suburban Pittsburgh. Management will need to continue implementing cost-control measures to ensure a sustainable, long-term financial outlook.

2019 ACT 44 PERFORMANCE ASSESSMENT

The 2019 performance review compared BTA to a group of peer agencies based on the four performance criteria required by Act 44.

PEER AGENCY COMPARISONS

Peer agencies were identified through a collaborative process between PennDOT and BTA management using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD), FYE 2017. The systems identified for peer comparisons were:

1. City of Corona – Corona, CA
2. Carson Area Metropolitan Planning Organization – Carson City, NV
3. Middletown Transit System – Middletown, OH
4. City of Independence – Independence, MO
5. City of Albany – Albany, OR
6. Shenango Valley Shuttle Service – Hermitage, PA
7. City of Winchester – Winchester, VA
8. Twin Cities Area Transportation Authority – Benton Harbor, MI
9. City of Loveland Transit – Loveland, CO
10. City of Sierra Vista – Sierra Vista, AZ
11. Pottstown Area Rapid Transit – Pottstown, PA

Results of the 2019 BTA analysis and peer comparison are presented in **Exhibit 4**. BTA was found to be “In Compliance” for five measures and “At Risk” for three. The detailed data used to develop the peer comparison summary is presented in **Appendix C: Peer Comparisons**.

Exhibit 4: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2017	In Compliance	3	Better	13.02	10.97
	Trend	In Compliance	4	Better	-0.88%	-2.23%
Operating Cost / Revenue Hour	2017	At Risk	12	Worse	\$127.86	\$79.36
	Trend	At Risk	11	Worse	7.96%	2.25%
Operating Revenue / Revenue Hour	2017	In Compliance	3	Better	\$12.32	\$9.46
	Trend	In Compliance	4	Worse	5.12%	5.68%
Operating Cost / Passenger	2017	At Risk	10	Worse	\$9.82	\$7.55
	Trend	In Compliance	10	Worse	8.92%	4.86%

ASSESSMENT

The 2019 review found BTA to be “At Risk” for three out of four cost metrics, i.e., operating cost per revenue vehicle hour for the single-year and five-year trends, and in the single-year for operating cost per passenger. BTA performed better than the peer group for managing ridership decline by containing losses under 1 percent per year on average. Nearly all peers performed better than BTA for cost containment. BTA increased fixed-route revenues and performed better than the peer group for the single-year determination but not over the five-year trend period. BTA has high operating costs for a contracted, rural fixed-route system—\$127.86 per revenue vehicle hour. Operating cost per revenue vehicle hour increased by nearly 8 percent annually between FYE 2012 and FYE 2017. As a contracted system, most of BTA’s expenses are relatively known (i.e., salaries and wages for admin, and as a function of the service contract). BTA revised its fixed-route service contract in 2017 to reduce costs, and overall fixed-route expenses decreased by 13 percent between 2017 and 2018.

2024 PERFORMANCE TARGETS

Act 44 requires that PennDOT and transit agencies establish five-year performance targets for each of the four Act 44 metrics for fixed-route service. Setting performance targets for these metrics and regularly reevaluating performance are intended to improve both the effectiveness and efficiency of service delivery. Act 89 requires agencies to maintain a fare policy to adjust fares for inflation to keep pace with increases in operating costs.

PennDOT uses the most recent audited and agency-verified values for passengers, operating costs, and operating revenues as the baseline from which to develop the targets. Five-year targets are then developed based on realistic and achievable expectations of improvement.

The 2019 performance review noted that BTA outperformed most of its peers in maintaining ridership over the five-year trend period, during which peers experienced substantial declines. However, BTA’s costs increased nearly 8 percent per year on a per revenue vehicle hour basis, and BTA is “At Risk” for three out of four cost metrics. BTA should continue to work toward achieving its FYE 2024 targets, focusing on efforts to increase ridership and contain operating costs.

The following performance targets were established in consultation with BTA:

- Increase passengers per revenue vehicle hour by at least 2.0 percent per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 3.0 percent per year on average
- Increase revenue per revenue vehicle hour by at least 3.0 percent per year on average
- Contain operating cost per passenger trip increases to no more than 1.0 percent per year on average

Future year targets are based on the most recently available fiscal year-end data (i.e., FYE 2019). BTA must work to achieve these targets, listed in **Exhibit 5**, over the next five years to ensure continued eligibility for full Section 1513 funding.

Exhibit 5: FYE 2024 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2018 Actual	2019 Actual	2024 Target	
Passengers / Revenue Vehicle Hour	13.28	12.49	13.79	2.0%
Operating Cost / Revenue Vehicle Hour	\$120.10	\$122.05	\$141.49	3.0%
Operating Revenue / Revenue Vehicle Hour	\$12.30	\$12.59	\$14.59	3.0%
Operating Cost / Passenger	\$9.05	\$9.77	\$10.27	1.0%

FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to catalog best practices to share with other transit agencies, and to identify opportunities for improvement that should be addressed in the Action Plan (see **Appendix D: Action Plan Template**). Functional review findings are organized by a brief description of the Act 44 variables guiding the performance review: passengers, revenues, and operating costs.

The following sections summarize ways to deliver service more efficiently and effectively. It is important that service is responsive to the community's needs to achieve optimum service levels. The observations recorded during the review process are categorized as Best Practices or Elements to Address in the Action Plan. Best Practices are those exceptional current practices that are beneficial and should be continued or expanded.

Elements to Address in the Action Plan are recommendations that have the potential to maximize productivity, to control operating costs, and/or to achieve optimum revenue levels, which will enhance the system's future performance for one or more of the Act 44 fixed-route performance factors.

For BTA's convenience, Action Plan templates are included in **Appendix D: Action Plan Template** (see pg. 30). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. The template provides a simple-to-follow order of key findings of this report that should be addressed in the Action Plan.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. BTA maintains a robust data verification program for monitoring ridership and keeps well-organized records. BTA reconciles ridership numbers daily and verifies data by watching video records. BTA also maintains an inventory of its data verification logs.
2. BTA launched commuter bus service to Pittsburgh in 2018. To avoid duplicating the service of nearby providers, BTA coordinates its commuter service with NCATA. The agencies share a park-and-ride facility and advertise each other's commuter bus service in addition to their own.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN

1. BTA relies on AVAIL for real-time bus tracking, scheduling, route planning, and performance monitoring. BTA does not maintain service standards aside from monitoring ridership to determine when a route should be adjusted. **BTA should develop service metrics for local fixed-route service to assess performance measures such as on-time performance, farebox recovery, and passenger load factor.** Adopting a service standards policy and measuring key performance indicators will provide a framework for BTA to optimize service levels and maximize ridership.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. BTA developed a fixed-route fare adjustment policy that ensures fare growth keeps pace with inflation. As part of BTA's policy, fare increases are implemented in increments of \$0.25 to minimize the negative impact of fare increases on ridership.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN

1. BTA's most recent fixed-route fare increase was in July 2012. BTA's fare adjustment policy was developed to comply with Act 89 requirements to ensure fares are adjusted for inflation, and the authority annually assesses fare growth. The local bus full fare is \$1.25. Management is considering raising fixed-route fares in FYE 2021. **BTA should consider the authority's ability to meet its Act 44 target for increasing operating revenue, as well as farebox recovery trends, as part of annual fare increase assessments.**

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. To control operating costs, BTA developed a service contract for purchased transportation based on industry best practices. As a result, BTA reduced the complexity of the agreement, clearly delineated contractor responsibilities, and distinguished reimbursable costs covered by BTA vs. costs that are the responsibility of the contractor.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN

1. BTA has a high operating cost per revenue vehicle hour. Operating costs per revenue vehicle hour and per passenger increased by approximately 8 percent and 9 percent annually from 2012 to 2017. Cost containment efforts, a change of contractors, and a revised fixed-route contract rate lowered costs, but operating costs per revenue vehicle hour are increasing at a rate well above three percent per year. In 2015, BTA cut service but did not reduce administrative expenses. As a result, the administrative share of total operating costs per revenue vehicle hour grew to 48 percent by FYE 2018. BTA states that other cost drivers include maintenance and the initial transition to CNG, but those do not account for a 50 percent increase in five years. **To further address cost containment, BTA should develop a long-term strategy for fiscal sustainability.**
2. BTA's Transit Development Plan (TDP) suggests there are potential opportunities to increase ridership by adding service for north-county residents, expanding university service, and Board members envision solving "last-mile" issues for commuters near Cranberry Township. BTA increased service following the passing of Act 89 of 2013 (which provided additional operating subsidies) but cut unproductive service by 2015. BTA should **factor cost-recovery for any potential service adjustments when assessing realistic opportunities to increase ridership.**

3. The current general solicitor has served BTA since 2011 and is tasked with writing compliance policies. To reduce administrative costs, **BTA should consider using its management staff to develop policies, and only use the solicitor to review proposed policies for legal compliance.** FTA and PennDOT staff should review proposed policies for regulatory compliance.
4. BTA contracts with ANR for ADA paratransit service. Although BTA renegotiated a lower rate per passenger trip for ADA service in FYE 2017, ANR charged \$32.21 per passenger trip in FY 18-19. By comparison, NCATA, which provides ADA service under a similar contract service arrangement, paid \$17.80 per ADA passenger trip in FY 18-19. BART provided 54,488 passenger trips for \$874,394, or \$16.05 per passenger trip. BTA management should **evaluate why BTA's ADA cost per passenger trip is so much higher than NCATA's and BART's, and consider alternative service delivery solutions if unable to negotiate a much more favorable rate with ANR.**
5. BTA notes a few ongoing project initiatives such as implementing Enterprise Resource Planning (ERP) software, facility expansion, and improving bus shelters. BTA should **estimate the increase in operating costs associated with these planned facility build-outs and update financial projections accordingly to develop a sustainable operating budget.**

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. BTA maintains a robust data verification program for monitoring ridership and ensuring preventative maintenance is performed on schedule. BTA requires the contractor to provide monthly reports on fixed-route operating statistics and maintenance performed. BTA records are well-organized and management uses monthly contractor reports to verify year-end totals.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN

1. Though BTA maintains current job descriptions and manuals for critical functions at the agency, BTA lacks a formal succession plan for management staff. To ensure smooth operations in the event of unexpected short or long-term absences, and provide adequate cross-training, BTA should **establish a succession plan for all key positions.**

FINANCIAL REVIEW

This financial review considers high-level snapshot data and trend indicators to determine whether additional follow up by PennDOT is warranted, which would include examination of audit reports, other financial reports, and budgets. This review assesses the financial status based on:

- High-Level Indicators of Financial Health
- Total Public Transportation Operational Expenditures and Funding
- Fixed-Route Funding
- Paratransit Funding
- Balance Sheet Findings

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in [Exhibit 6](#), BTA has carryover subsidies (cash reserves) equal to 32.8 percent of total annual operating costs. These reserves provide liquidity in case of unexpected cost increases. BTA's total carryover subsidies have increased in recent years. BTA should continue to maintain total carryover subsidies greater than 25 percent of annual operating costs. BTA does not maintain a line of credit.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

BTA's total operating budget increased from about \$1.7 million from FYE 2015 to FYE 2019 at about \$2 million ([Exhibit 7](#)). In FYE 2019, 89.3 percent of BTA's operational expenses were for fixed-route service. The remaining operational expenses (10.7 percent) were for complementary ADA paratransit service, as shown in [Exhibit 8](#). BTA's total operating budget grew to a record high in FYE 2017 at \$2 million, largely as a result of the rate for purchased transportation. BTA executed new contracts at the end of FYE 2017, which reduced the fixed-route operating budget. The cost of providing ADA paratransit trips however, increased beginning in FYE 2018.

Agency-wide operating funds come from a variety of sources, including state funds, federal funds, local funds, passenger fares, and advertising. Subsidy allocation for rural agencies is determined at the state level, where the use of state funds to leverage additional federal funds is maximized across the Commonwealth to meet rural agency needs. Federal and state subsidies are the largest share of income for BTA, accounting for 87.3 percent of total operating income. Local subsidies and revenues (e.g., passenger fares, organization-paid fares, advertising, etc.) are the remaining funding sources, representing 12.7 percent of total operating income, as shown in [Exhibit 9](#) and [Exhibit 10](#). BTA received its required local match to its Section 1513 state operating subsidy.

Exhibit 6: High-Level Financial Indicators

FYE 2019 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	38.8%	Combined target 25%+. This provides liquidity to cover unexpected cost increases or service changes without incurring interest fees from loans.	FYE 2019 Audit
Credit available/ Annual Payroll	0.0%	Only necessary if combined carryover subsidies are less than 25% of annual operating costs. This ensures that the agency maintains sufficient cash flow / liquidity to pay all current bills.	FYE 2019 Audit and PennDOT dotGrants
Actual Local Match / Required Match	100.0%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service, to accommodate unexpected cost changes and make capital investment.	PennDOT dotGrants 2019
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	BTA reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	BTA reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce interest expense.	FYE 2019 Audit

Exhibit 7: Public Transportation Operating Expense by Service Type (In Millions)

Service Type	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Fixed-Route	\$1.70	\$1.63	\$1.92	\$1.68	\$1.8
ADA Paratransit	\$0.02	\$0.02	\$0.08	\$0.17	\$0.2
Total	\$1.72	\$1.65	\$2.00	\$1.85	\$2.0

Exhibit 8: Public Transportation Operating Expense Trends by Service Type

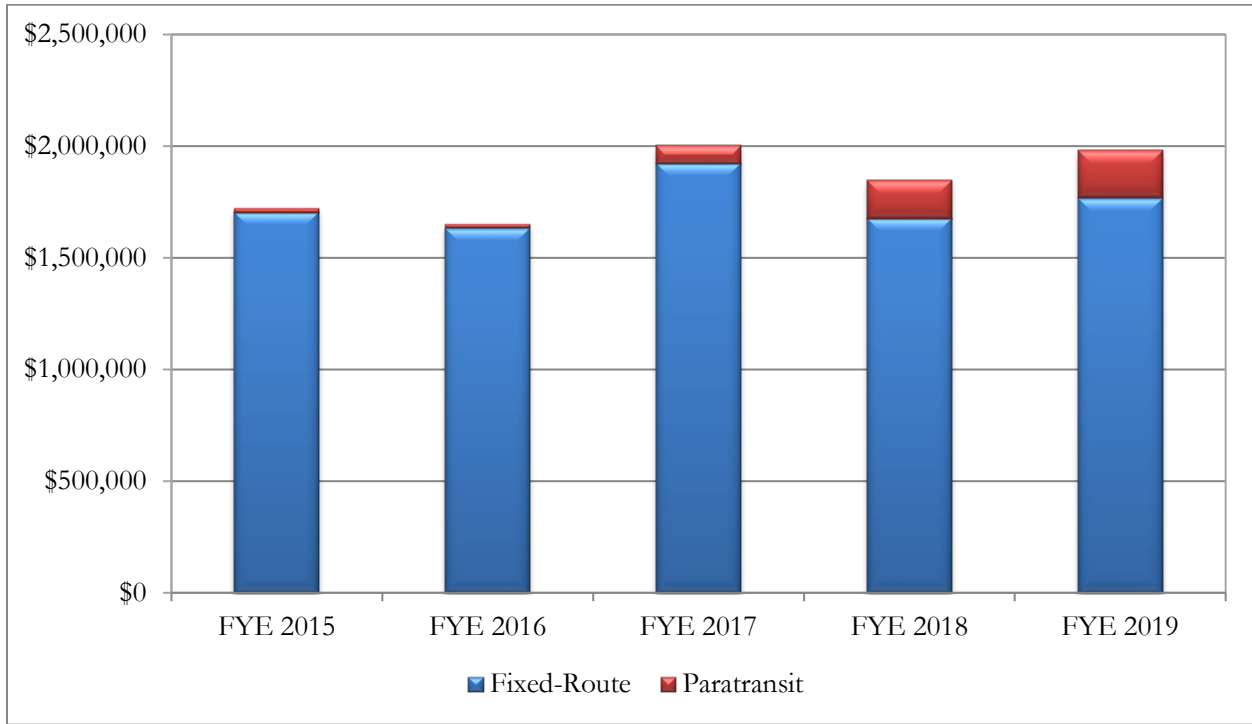
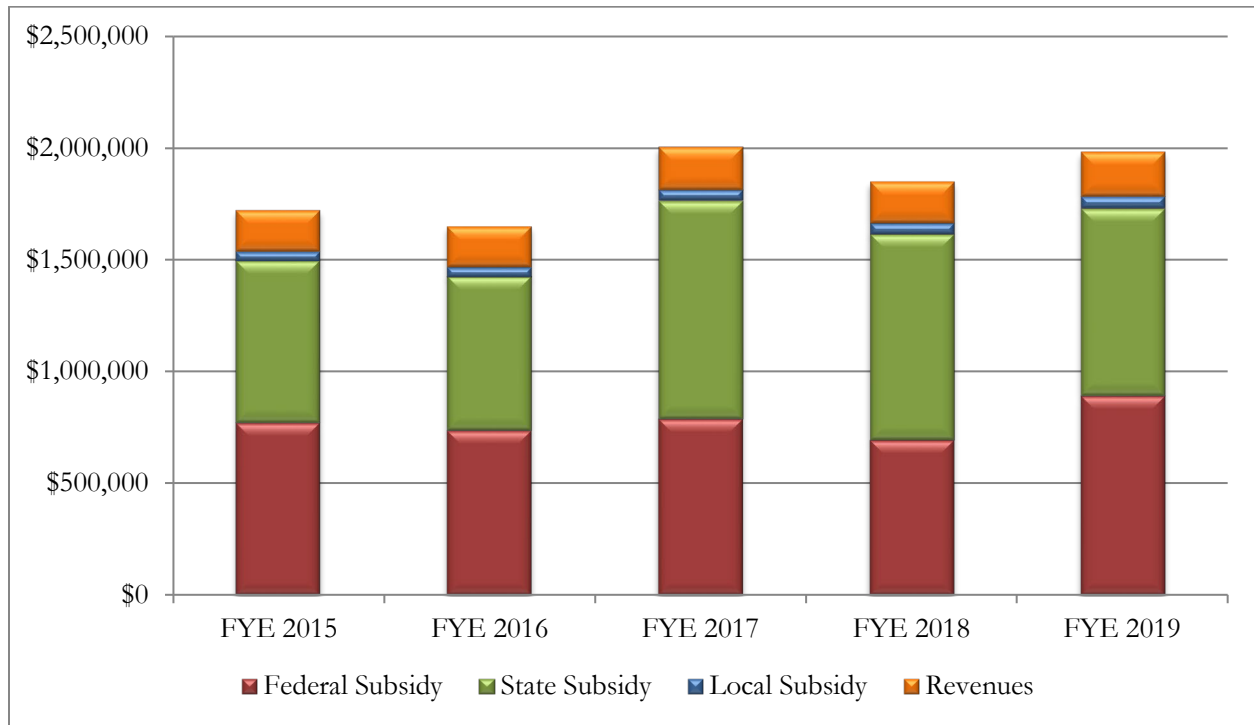


Exhibit 9: Percentage of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source and Fiscal Year

Funding Source	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Federal Subsidy	44.7%	44.5%	39.3%	37.4%	45.0%
State Subsidy	42.2%	41.8%	48.7%	49.8%	42.3%
Local Subsidy	2.5%	2.7%	2.4%	2.7%	2.6%
Revenues	10.6%	10.9%	9.5%	10.0%	10.0%
Local Subsidy / State Subsidy	5.9%	6.6%	4.9%	5.4%	6.3%

Exhibit 10: Total Public Transportation (Fixed-Route + Paratransit) Operating Budget and Funding Sources by Fiscal Year



FIXED-ROUTE FUNDING

Fixed-route service accounts for 89.3 percent of BTA's public transportation operating expenses and is funded by general revenues and government subsidies. Between 2015 and 2019, direct passenger fares represent between 8.2% and 9.5 percent of total operating funding (**Exhibit 11**). Based on the FYE 2015 to FYE 2019 dotGrants reporting, BTA operated using current year funding with \$453,628 in state funds being carried over in FYE 2019 and \$313,736 in local carryover funds available.

Exhibit 11: Fixed-Route Funding

Funding Source	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Revenues					
Passenger-Paid Fares	\$155,445	\$155,628	\$156,970	\$145,736	\$153,159
Organization-Paid Fares	\$0	\$0	\$0	\$6,930	\$0
Advertising	\$23,696	\$20,458	\$23,884	\$18,072	\$18,982
Total Recoveries	\$0	\$0	\$0	\$0	\$0
Other - Myers Coach Commission	\$2,288	\$1,564	\$1,961	\$879	\$0
Other - Interest Inc / Insurance Rebate	\$1,735	\$0	\$0	\$35,889	\$0
Other - Misc.	\$0	\$930	\$2,461	\$0	\$10,145
Other - (Insurance Rebate Adjustment)	-\$1,735	\$0	\$0	-\$35,889	\$0
Subtotal	\$181,429	\$178,580	\$185,276	\$171,617	\$182,286
Subsidies					
Federal Operating Grant	\$769,730	\$642,111	\$775,661	\$692,505	\$890,709
Act 44 (1513) - State Prior	\$0	\$0	\$79,636	\$0	\$0
Act 44 (1513) - State Current	\$709,055	\$471,423	\$823,206	\$761,839	\$641,941
Act 44 (1513) - Local Current (Municipal)	\$43,124	\$45,280	\$47,544	\$49,921	\$52,417
Special Operating Grants - Federal Share (5311)	\$0	\$93,523	\$11,645	\$0	\$0
Special Operating Grants - State Share	\$0	\$203,056	\$0	\$0	\$0
Subtotal	\$1,521,909	\$1,455,393	\$1,737,692	\$1,504,265	\$1,585,067
Total Funding	\$1,703,338	\$1,633,973	\$1,922,968	\$1,675,882	\$1,767,353
Passenger Fares / Total Funding	9.1%	9.5%	8.2%	8.7%	8.7%

Source: PennDOT dotGrants Reporting System.

PARATRANSIT FUNDING

Paratransit (ADA complementary service) accounts for 10.7 percent of BTA's public transportation operating expenses and is funded by state subsidies and passenger fares (**Exhibit 12**). BTA's paratransit program funding increased from \$19,502 in FYE 2015 to \$212,872 as of FYE 2019. Total ADA passenger trips increased from 1,300 in FYE 2015 to 6,608 in FYE 2019 (**Exhibit 13**).

Exhibit 12: Paratransit Funding by Source

Category	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Revenues					
Passenger Fares	\$1,950	\$1,764	\$5,769	\$13,988	\$16,520
Subtotal	\$1,950	\$1,764	\$5,769	\$13,988	\$16,520
Subsidies					
Act 44 (1513) State Current	\$17,552	\$15,876	\$72,949	\$159,457	\$196,352
Subtotal	\$17,552	\$15,876	\$72,949	\$159,457	\$196,352
Total Funding	\$19,502	\$17,640	\$78,718	\$173,445	\$212,872

Source: PennDOT dotGrants Reporting System.

Exhibit 13: Paratransit Operating Statistics

Operating Category	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Paratransit Operating Statistics					
Total Paratransit Trips	1,300	1,176	2,506	5,595	6,608
Total Miles	11,915	10,760	22,930	20,993	22,040
Total Hours	767	682	1,453	1,456	1,213
VOMS	15	15	15	15	14

Source: PennDOT dotGrants Reporting System.

BALANCE SHEET FINDINGS

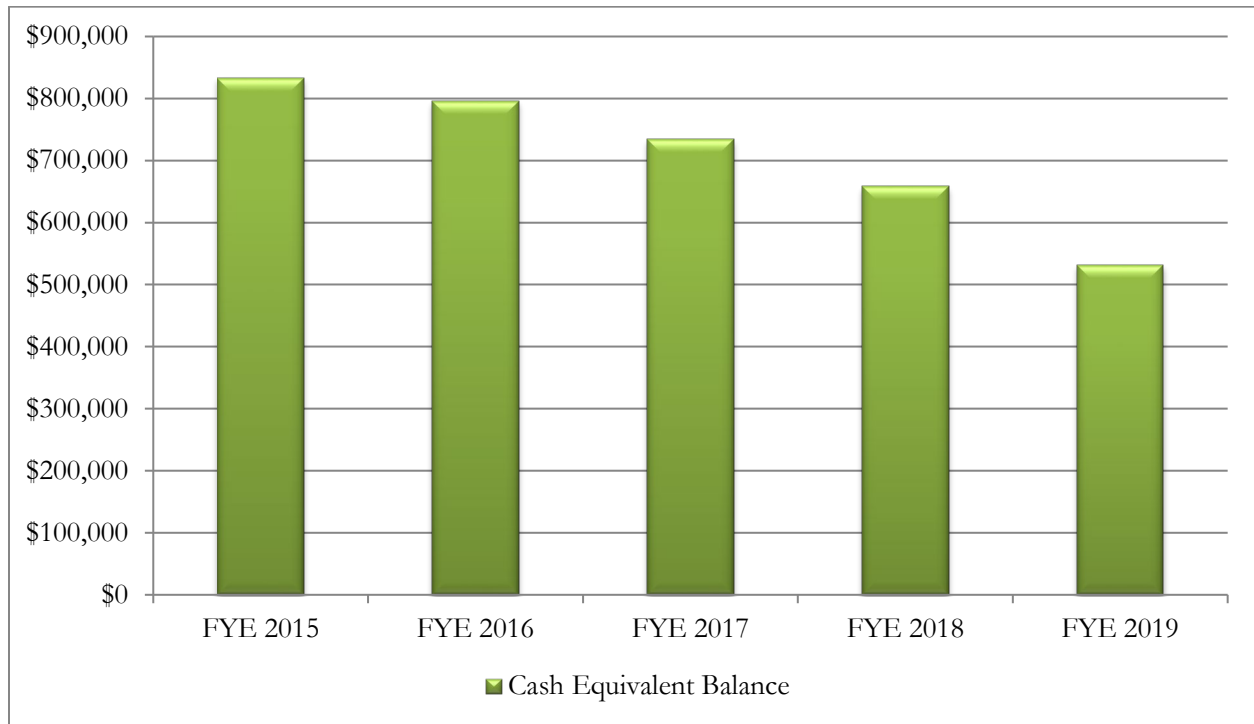
Review of balance sheets from BTA shows that between FYE 2015 and 2019, the agency decreased its available cash on hand (**Exhibit 14** and **Exhibit 15**). Net current cash equivalent balance reported was \$531,670. BTA maintains a cash equivalent balance of 26.8 percent of total operating expenses as of FYE 2019. The FYE 2019 audit reported \$184,132 in accounts payable at fiscal year-end.

Exhibit 14: Balance Sheet Summary (FYE 2015 – FYE 2019)

Balance Sheet Report	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Current Assets					
Cash Equivalent Balance	\$833,128	\$795,796	\$734,180	\$658,431	\$531,670
Grant Receivable (incl. capital)	\$20,536	\$44,246	\$191,293	\$41,343	\$327,345
Other Accounts Receivable	\$8,449	\$17,413	\$11,560	\$20,139	\$57,479
Current Liabilities					
Accounts Payable	\$201,273	\$152,602	\$256,603	\$156,840	\$184,132
Total Operating Expense	\$1,722,840	\$1,651,613	\$2,001,686	\$1,849,327	\$1,980,225
Cash Eqv. Bal. /Total Operating Exp.	48.4%	48.2%	36.7%	35.6%	26.8%
Line of Credit/Annual Payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Current Assets	\$862,113	\$857,455	\$937,033	\$719,913	\$916,494
Current Liabilities	\$201,273	\$152,602	\$256,603	\$156,840	\$184,132
Net Current Assets	\$660,840	\$704,853	\$680,430	\$563,073	\$732,362

Source: Annual Audit Reports and dotGrants

Exhibit 15: End-of-Year Cash Balance (FYE 2015 – FYE 2019)



ASSESSMENT

BTA currently has a balanced operating budget. Its cash equivalent balance has decreased since 2015. Noteworthy elements of BTA’s financial condition are:

- BTA has \$313,736 in local and \$453,628 in state carryover funds in FYE 2019.
- Combined carryover subsidies equal to 38.8% of total operational funding.
- BTA maintains a cash balance equal to 26.8% of total operating expenses.
- Current assets exceed current liabilities.
- Accounts payable and receivable amounts are negligible.
- Currently, BTA has no debt.
- BTA’s operating cost per passenger trip of \$32.21 for ADA in FYE 2019 is roughly twice that of peer agencies.
- Nearly half of BTA’s operating costs are derived from general administration.

Management should continue taking appropriate actions to manage costs (containing growth within 3.0 percent annually), achieve farebox recovery goals, and maintain cash reserves to preserve BTA’s overall financial health.

APPENDIX A: DATA ADJUSTMENTS

There were minor discrepancies in operating statistics reported between NTD and dotGrants and adjustments to offset insurance dividends reported as revenues. Fixed-route revenue was revised to account for the removal of insurance rebates and fixed-route operating costs were offset by those amounts accordingly.

Fixed-Route Revenue	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
dotGrants reported revenue	\$188,977	\$183,164	\$178,580	\$185,276	\$207,506
Insurance rebate adjustment	(\$4,627)	(\$1,735)	-	-	(\$35,889)
Adjusted revenue	\$184,350	\$181,429	\$178,580	\$185,276	\$171,617

Fixed-Route Operating Costs	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
dotGrants reported operating costs	\$1,802,396	\$1,705,073	\$1,633,973	\$1,922,968	\$1,711,771
Insurance rebate adjustment	(\$4,627)	(\$1,735)	-	-	(\$35,889)
Adjusted operating costs	\$1,797,769	\$1,703,338	\$1,633,973	\$1,922,968	\$1,675,882

Fixed-route revenue was underreported in NTD. As a result, NTD values were reconciled to match dotGrants audited information.

Fixed-Route Revenue	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Adjusted dotGrants revenue	\$184,350	\$181,429	\$178,580	\$185,276	\$171,617
NTD reported revenue	-	\$155,445	\$155,628	-	-
Reconciliation	-	\$25,984	\$22,952	-	-
Reconciled revenue	\$184,350	\$181,429	\$178,580	\$185,276	\$171,617

The following Act 44 performance metrics were calculated for BTA.

Act 44 Performance Metrics	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Passengers/RVH	12.27	13.94	13.26	13.02	13.28
Revenue/RVH	\$10.25	\$12.71	\$11.92	\$12.32	\$12.30
Operating Cost/RVH	\$100.00	\$119.35	\$109.07	\$127.86	\$120.10
Operating Cost/Passenger	\$8.15	\$8.56	\$8.23	\$9.82	\$9.05

APPENDIX B: 2014 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated April 2017

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Coordinate any plans for commuter service with other providers of such service to avoid duplication	Working paper from SPC - SPC will determine if there is additional demand for commuter service and how BTA will coordinate with other agencies to ensure ridership is not taken from them.	Study is currently ongoing
3. Operating Cost	Align approach to subcontracting services, RFP/contract structure and contract management with industry best practices	BTA plans to incorporate these recommendations in the RFP for fixed route services in 2017: A single price per revenue hour for operations and routine maintenance, explicit terms defining what is covered under the contract and what is not, contractor assumes responsibility for all costs attributable to its employees, manage contractor reimbursement consistent with the terms of the contract. TPTA agreement provided by SPC.	Study is currently ongoing
3. Operating Cost	Develop procedures to ensure that any future capital project plans are accompanied by realistic operating cost budgets	Working paper from SPC	Study is currently ongoing
3. Operating Cost	Develop realistic estimates of the operating and capital costs of potential service changes to insure costs can be accommodated in a sustainable and balances budget	Working paper from SPC	Study is currently ongoing

Category	Suggested Action	Corrective Action	Observation
4. Other	Develop a formal strategic plan	Transit Planning Technical Assistance agreement provided by SPC	Study is currently ongoing
4. Other	Develop performance targets for all key agency functions	BTA will add transit performance metrics to the current adopted performance standards for FY 2016-17	Being created
4. Other	Develop succession plans for all key positions	TPTA Agreement provided by SPC	Study is currently ongoing

APPENDIX C: PEER COMPARISONS

Comparison of BTA with the selected peer systems was completed using NTD-reported data and PennDOT dotGrants Legacy statistics. Due to its consistency and availability for comparable systems, the NTD FYE 2017 Reporting Year database was selected as the primary data source used in the calculation of the five-year trend Act 44 metrics:

- Passengers / revenue vehicle hour
- Operating cost / revenue vehicle hour
- Operating revenue / revenue vehicle hour
- Operating cost / passenger

The variables used in the calculations are defined as follows:

- Passengers: Annual unlinked passenger boardings by mode for both directly-operated and purchased transportation
- Operating Costs: Annual operating cost of services provided (excluding capital costs) by mode for both directly-operated and purchased transportation
- Operating Revenue: Total annual operating revenue generated from farebox and other non-state, non-federal sources by mode for both directly-operated and purchased transportation
- Revenue Vehicle Hours: The total annual number of “in-service” hours by mode for both directly-operated and purchased transportation
- Average: Un-weighted linear average of all values being measured across all peer transit agencies
- Standard Deviation: Standard deviation of all values being measured across all peer transit agencies

Act 44 stipulates that metrics fall into two categories: “In Compliance” and “At Risk.” The following criteria are used to make the determination:

- “At Risk” if costlier than one standard deviation **above** the peer average in:
 - The single-year or five-year trend for Operating Cost / Revenue Vehicle Hour
 - The single-year or five-year trend for Operating Cost / Passenger
- “At Risk” if performing worse than one standard deviation **below** the peer group average in:
 - The single-year or five-year trend for Passengers / Revenue Vehicle Hour
 - The single-year or five-year trend for Operating Revenue / Revenue Vehicle Hour

Passengers / Revenue Vehicle Hour

Passengers / Revenue Hour (MB)					
System	FYE 2017 Single Year		5-Year Change Since FYE 2012		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
City of Corona	9.06	9	10.82	-3.48%	7
Carson Area Metropolitan Planning Organization	11.91	5	13.09	-1.88%	5
City of Middletown - Middletown Transit System	10.32	7	14.48	-6.54%	9
City of Independence	16.04	2	8.12	14.57%	1
City of Albany	17.37	1	28.28	-9.28%	11
Shenango Valley Shuttle Service	6.21	11	10.83	-10.51%	12
City of Winchester	9.50	8	8.95	1.19%	3
Twin Cities Area Transportation Authority	5.72	12	4.41	5.34%	2
City of Loveland Transit	8.92	10	12.71	-6.85%	10
City of Sierra Vista	11.18	6	14.81	-5.46%	8
Borough of Pottstown - Pottstown Area Rapid Transit	12.37	4	14.36	-2.93%	6
Butler Transit Authority	13.02	3	13.61	-0.88%	4
<i>Average</i>		<i>10.97</i>	<i>12.87</i>	<i>-2.23%</i>	
<i>Standard Deviation</i>		<i>3.50</i>	<i>5.75</i>	<i>6.90%</i>	
<i>Average – 1 Standard Deviation</i>		<i>7.47</i>	<i>7.12</i>	<i>-9.13%</i>	
<i>Average + 1 Standard Deviation</i>		<i>14.46</i>	<i>18.63</i>	<i>4.68%</i>	
Act 44 Compliance Determination		In Compliance		In Compliance	
Compared to the Peer Group Average		Better		Better	

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2017 Single Year		5-Year Change Since FYE 2012		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
City of Corona	\$69.50	6	\$66.97	0.74%	7
Carson Area Metropolitan Planning Organization	\$55.35	3	\$55.15	0.07%	5
City of Middletown - Middletown Transit System	\$63.14	4	\$68.05	-1.49%	2
City of Independence	\$79.59	8	\$62.68	4.89%	9
City of Albany	\$116.24	11	\$123.80	-1.25%	3
Shenango Valley Shuttle Service	\$66.59	5	\$85.24	-4.82%	1
City of Winchester	\$54.28	2	\$52.69	0.60%	6
Twin Cities Area Transportation Authority	\$48.10	1	\$27.54	11.80%	12
City of Loveland Transit	\$104.47	10	\$77.18	6.24%	10
City of Sierra Vista	\$72.20	7	\$61.42	3.28%	8
Borough of Pottstown - Pottstown Area Rapid Transit	\$95.08	9	\$99.82	-0.97%	4
Butler Transit Authority	\$127.86	12	\$87.18	7.96%	11
<i>Average</i>		<i>\$79.36</i>	<i>\$72.31</i>	<i>2.25%</i>	
<i>Standard Deviation</i>		<i>\$25.84</i>	<i>\$24.79</i>	<i>4.71%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$53.52</i>	<i>\$47.52</i>	<i>-2.46%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$105.21</i>	<i>\$97.11</i>	<i>6.97%</i>	
Act 44 Compliance Determination		At Risk	At Risk		
Compared to the Peer Group Average		Worse	Worse		

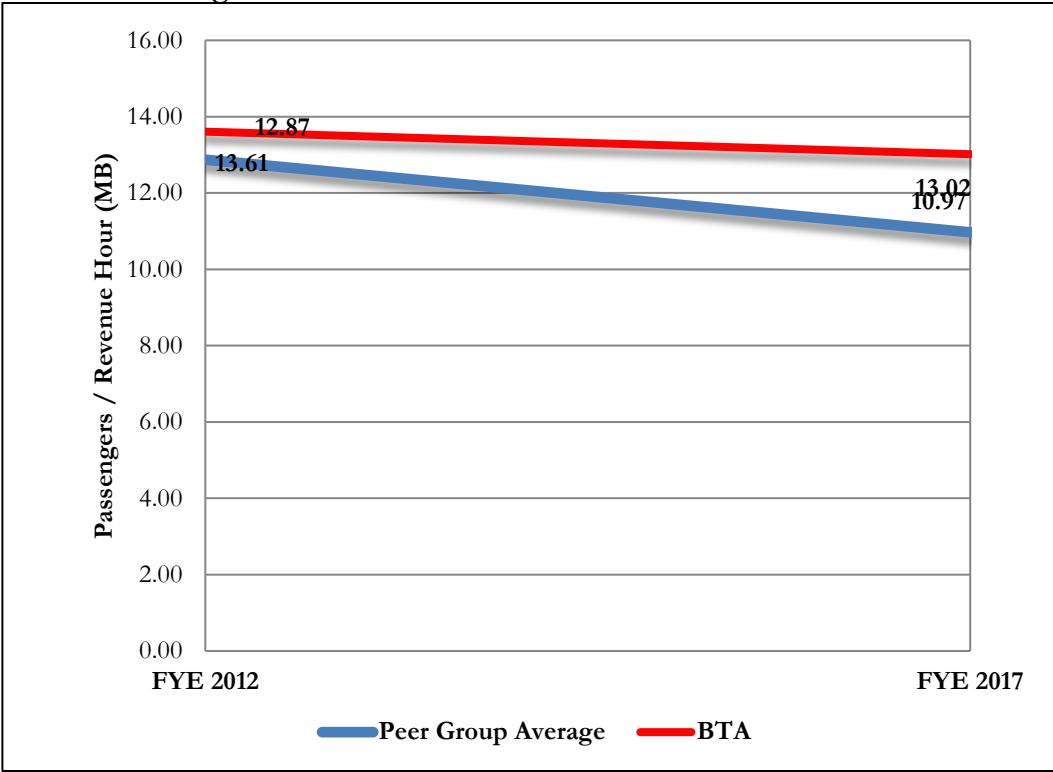
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2017 Single Year		5-Year Change Since FYE 2012		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
City of Corona	\$9.82	6	\$10.49	-1.31%	10
Carson Area Metropolitan Planning Organization	\$6.27	9	\$4.79	5.53%	3
City of Middletown - Middletown Transit System	\$9.93	5	\$10.69	-1.46%	11
City of Independence	\$17.99	1	\$5.44	27.01%	1
City of Albany	\$5.29	11	\$4.41	3.68%	6
Shenango Valley Shuttle Service	\$4.56	12	\$5.44	-3.47%	12
City of Winchester	\$7.86	7	\$6.29	4.57%	5
Twin Cities Area Transportation Authority	\$5.85	10	\$2.06	23.27%	2
City of Loveland Transit	\$10.72	4	\$9.09	3.36%	7
City of Sierra Vista	\$7.59	8	\$6.83	2.15%	8
Borough of Pottstown - Pottstown Area Rapid Transit	\$15.30	2	\$15.56	-0.34%	9
Butler Transit Authority	\$12.32	3	\$9.60	5.12%	4
<i>Average</i>		<i>\$9.46</i>	<i>\$7.56</i>	<i>5.68%</i>	
<i>Standard Deviation</i>		<i>\$4.13</i>	<i>\$3.67</i>	<i>9.57%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$5.33</i>	<i>\$3.89</i>	<i>-3.89%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$13.59</i>	<i>\$11.22</i>	<i>15.25%</i>	
Act 44 Compliance Determination		In Compliance		In Compliance	
Compared to the Peer Group Average		Better		Worse	

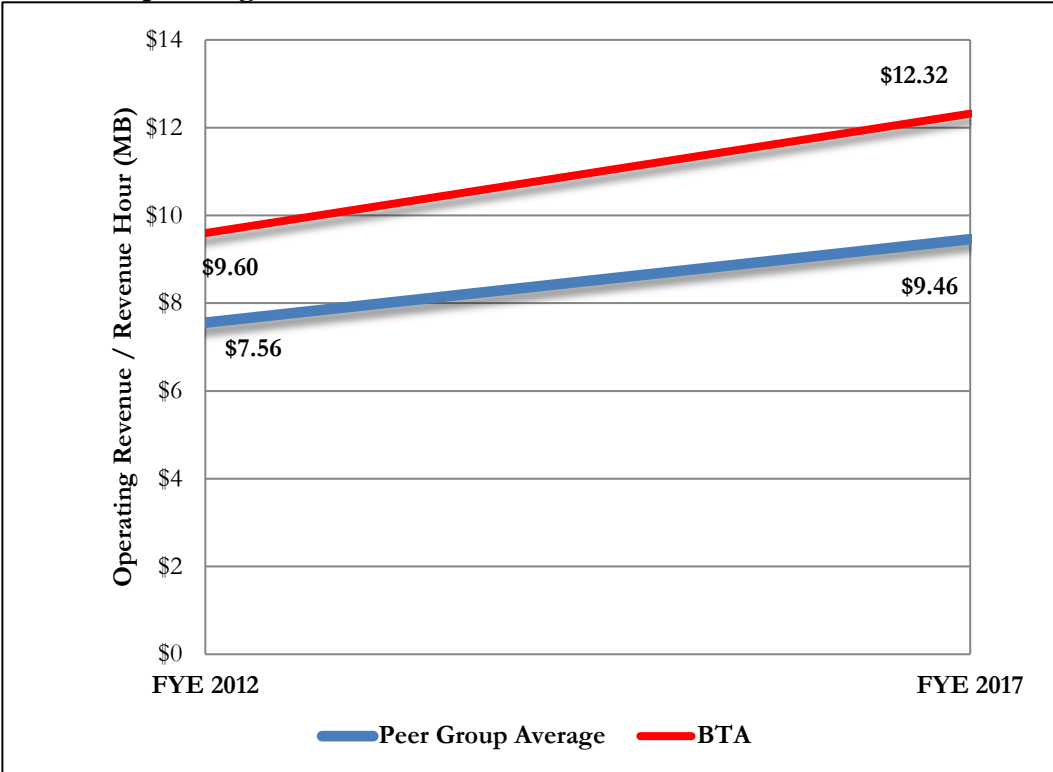
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2017 Single Year		5-Year Change Since FYE 2012		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
City of Corona	\$7.67	7	\$6.19	4.37%	5
Carson Area Metropolitan Planning Organization	\$4.65	1	\$4.21	1.99%	3
City of Middletown - Middletown Transit System	\$6.12	4	\$4.70	5.41%	6
City of Independence	\$4.96	2	\$7.72	-8.45%	1
City of Albany	\$6.69	6	\$4.38	8.85%	9
Shenango Valley Shuttle Service	\$10.72	11	\$7.87	6.36%	8
City of Winchester	\$5.71	3	\$5.88	-0.59%	2
Twin Cities Area Transportation Authority	\$8.41	9	\$6.24	6.13%	7
City of Loveland Transit	\$11.72	12	\$6.07	14.05%	12
City of Sierra Vista	\$6.46	5	\$4.15	9.25%	11
Borough of Pottstown - Pottstown Area Rapid Transit	\$7.68	8	\$6.95	2.02%	4
Butler Transit Authority	\$9.82	10	\$6.41	8.92%	10
<i>Average</i>		\$7.55	\$5.90	4.86%	
<i>Standard Deviation</i>		\$2.25	\$1.30	5.75%	
<i>Average – 1 Standard Deviation</i>		\$5.30	\$4.60	-0.89%	
<i>Average + 1 Standard Deviation</i>		\$9.80	\$7.19	10.61%	
Act 44 Compliance Determination		At Risk	In Compliance		
Compared to the Peer Group Average		Worse	Worse		

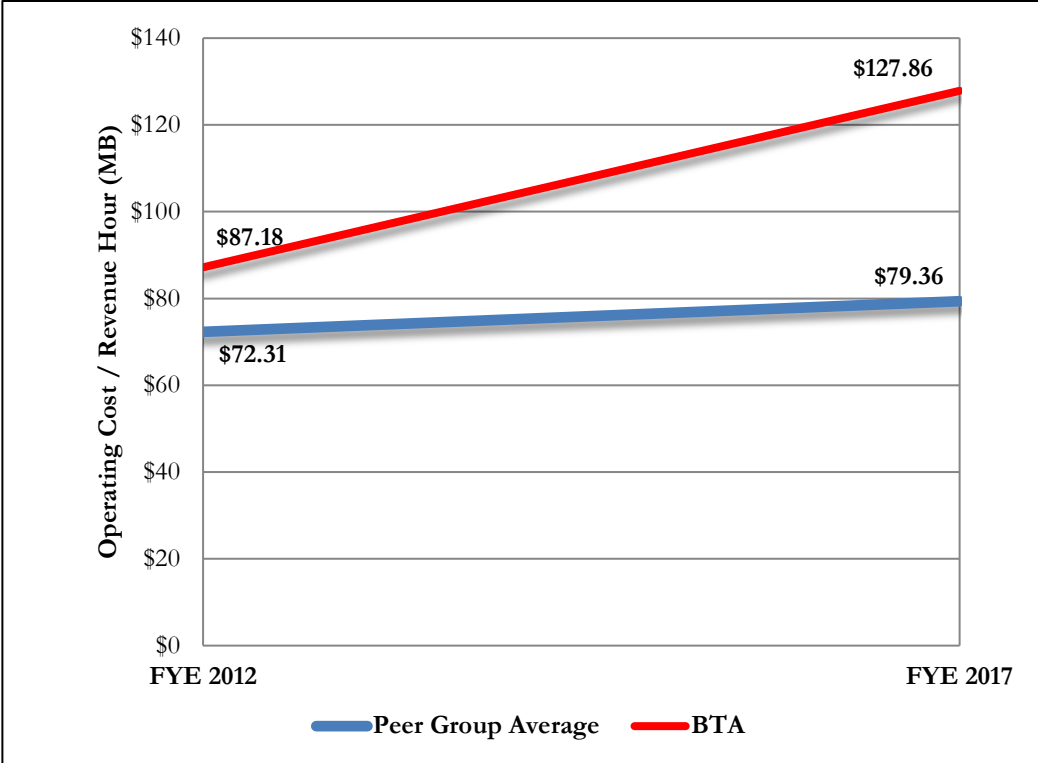
Trend – Passengers / Revenue Vehicle Hour



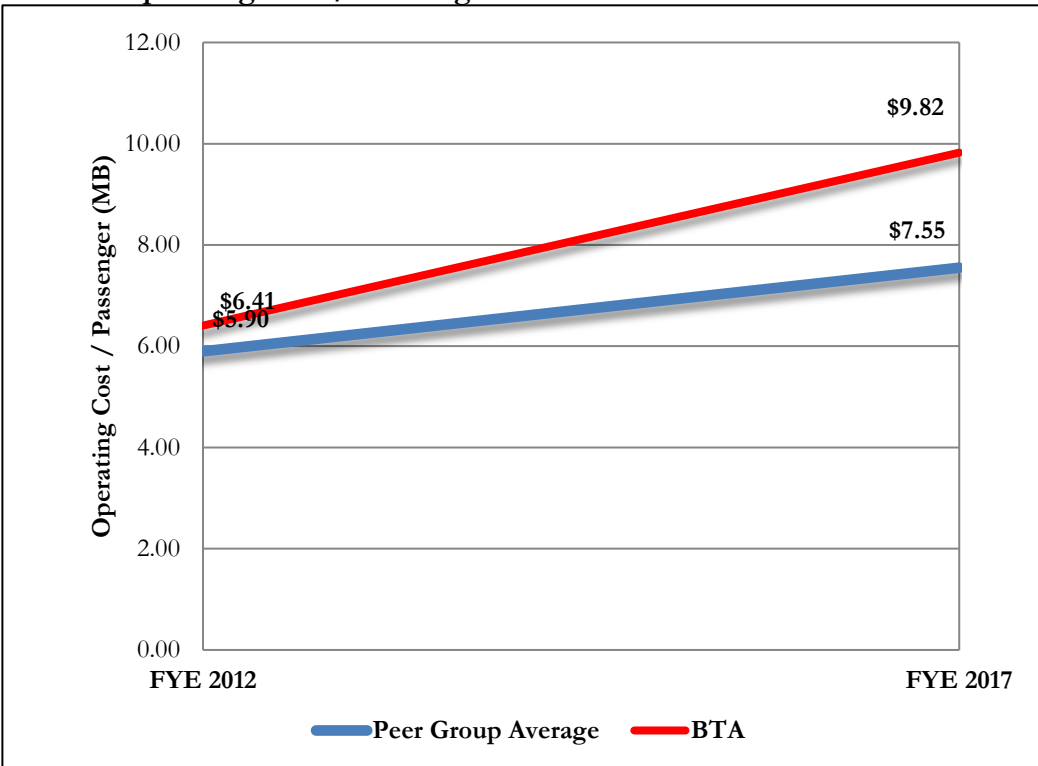
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 9	BTA Action	Estimated Initiation Date	Estimated Completion Date
1. BTA should develop service metrics for local fixed-route service to assess performance measures such as on-time performance, farebox recovery, and passenger load factor.			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 9	BTA Action	Estimated Initiation Date	Estimated Completion Date
1. BTA should consider, as part of annual fare increase assessment, its ability to meet its Act 44 target for increasing operating revenue, and farebox recovery trends.			

PART 3 - ACTIONS TO REDUCE OR CONTAIN OPERATING COST / REVENUE HOUR

Recommendation From narrative starting on page 10	BTA Action	Estimated Initiation Date	Estimated Completion Date
1. To further address cost containment, BTA should develop a long-term strategy for fiscal sustainability.			
2. Factor cost-recovery for any potential service adjustments when assessing realistic opportunities to increase ridership			
3. BTA management staff should consider drafting policies, and only use the solicitor to review proposed policies for legal compliance.			
4. Evaluate why BTA's ADA cost per passenger trip is so much higher than NCATA's and BART's, and consider alternative service delivery solutions if unable to negotiate a much more favorable rate with ANR.			
5. Estimate the increase in operating costs associated with planned facility build-outs and update financial projections accordingly to develop a sustainable operating budget.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 10	BTA Action	Estimated Initiation Date	Estimated Completion Date
1. Establish formal succession plans for all key positions.			

