



SCTA System Performance Review

April 21, 2021

Performance Report

South Central Transit Authority d.b.a., SCTA, BARTA, RRTA



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PREFACE

Pennsylvania law requires transit agency performance reviews and five-year performance targets to improve efficiency and effectiveness of service

COVID-19: Transit-dependent populations are bearing a heavy burden

Transit agencies are navigating new demands, plummeting ridership, and higher costs

PennDOT will reevaluate performance targets when long-term impacts of the pandemic are known

Act 44 of 2007 and Act 89 of 2013 increased funding for public transportation in Pennsylvania. The laws also required transit agencies to improve the efficiency and effectiveness of service delivery through increased ridership, revenue, and cost containment. PennDOT evaluates every fixed-route transit agency in the Commonwealth through a performance review at least once every five years to determine how well the agency satisfies these requirements. Act 44 also requires PennDOT to develop five-year performance targets for each agency as part of the performance review process.

Beginning in February 2020, COVID-19 caused significant social and economic disruptions as people sheltered in place to limit the spread of the disease. The adverse impacts throughout the Commonwealth of Pennsylvania were profound. The health and unemployment effects of COVID-19 disproportionately impacted senior, disabled, and low-income populations. These individuals also rely heavily on public transportation to meet their essential travel needs.

The impacts of COVID-19 on the public transportation industry were also numerous. Ridership decreased by more than 90 percent at some agencies during April 2020. Revenues dropped as agencies opted to waive fares to limit bus driver interactions and possible disease transmission from the handling of tickets and currency. Agencies increased the frequency and extent of bus cleaning, which increased operating costs. Some agencies furloughed drivers as they reduced service in response to plummeting passenger demand.

By late summer 2020, transit agencies had begun to stabilize from the initial impacts of COVID-19, only to have statewide infection rate soar in the fall and winter. The pandemic is ongoing and its long-term effects on transit remain unknown. Social distancing guidelines could cause transit agencies to limit the number of passengers on buses and rail for years. Much of the ridership, revenue, and operating cost trends used to develop this transit performance review report, including five-year performance targets, rely on information that predates the pandemic. PennDOT will continue to monitor the impacts of COVID-19 and reassess the transit agency's five-year performance targets when the long-term effects of the pandemic become known. If the performance targets are revised, they will be published as an addendum to this report.

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PUBLIC TRANSPORTATION SERVICE SUMMARY
Fiscal Year 2019-2020

Agency	South Central Transit Authority (SCTA, d.b.a. BARTA, RRTA)		
Year Founded	2014 SCTA, 1973 BARTA, 1973 RRTA		
Reporting Fiscal Year (FYE)	2020		
Service Area (square miles)	1848		
Service-Area Population	949,401		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA + Shared-Ride)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	75	93	168
Operating Cost	\$21,254,488	\$10,607,149	\$31,861,637
Operating Revenues	\$4,384,199	\$9,226,184	\$13,610,383
Operating Subsidies	\$16,870,289	\$1,012,557	\$17,882,846
Total (Actual) Vehicle-Miles	3,198,735	2,780,973	5,979,708
Revenue Miles of Service (RVM)	3,061,992	2,251,024	5,313,016
Total Vehicle-Hours	252,000	181,835	433,835
Revenue Vehicle-Hours (RVH)	239,829	147,168	386,997
Total Passenger Trips	3,847,187	372,529	4,219,716
Senior Passenger (Lottery) Trips	637,719	158,684	796,403
Act 44 Performance Statistics			
Passengers / RVH	16.04	2.53	10.90
Operating Cost / RVH	\$88.62	\$72.08	\$82.33
Operating Revenue / RVH	\$18.28	\$62.69	\$35.17
Operating Cost / Passenger	\$5.52	\$28.47	\$7.55
Other Performance Statistics			
Operating Revenue / Operating Cost	20.63%	86.98%	42.72%
Operating Cost / Total Vehicle-Hours	\$84.34	\$58.33	\$73.44
Operating Cost / Total Vehicle-Miles	\$6.64	\$3.81	\$5.33
Total Passengers / Total Vehicle-Hours	15.27	2.05	9.73
Operating Cost / RVM	\$6.94	\$4.71	\$6.00
RVM / Total Vehicle-Miles	95.73%	80.94%	88.85%
RVH / Total Vehicle-Hours	95.17%	80.93%	89.20%
Operating Subsidy / Passenger Trip	\$4.39	\$3.71	\$4.33

*Source: dotGrants 2020 reporting

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 maximizing 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; and
- 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 the organization's actions 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 transit performance reviews for the Berks Area Regional Transportation Authority (d.b.a. BARTA) in 2014 and the Red Rose Transit Authority (d.b.a. RRTA) in 2016. Following the 2014 BARTA report, the BARTA and RRTA Board members voted to consolidate management functions for both agencies under a new entity, the South Central Transit Authority (SCTA). PennDOT established five-year performance targets for SCTA in the 2016 RRTA report and agreed to SCTA's Action Plan to meet those targets. In February 2021, PennDOT reassessed SCTA to determine whether SCTA 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 2016 PERFORMANCE REVIEW

PennDOT conducted the initial review of RRTA/SCTA in 2016. Since finalizing the original SCTA performance report in June 2016, the following changes and other factors impacted operations, finance, and statistical reporting at SCTA, as well as the performance targets established in 2016:

- 1. Service expansions** – SCTA expanded fixed-route service. Examples include restoring Sunday service in Reading, adding service to the employment centers in Lancaster County (e.g., The Shoppes at Belmont and the Urban Outfitters Distribution Center), and increasing frequency along the Route 61 corridor to Hamburg in Berks County. SCTA increased total revenue vehicle-hours by 6.2 percent, from 231,198 revenue vehicle-hours in FYE 2015 to 245,563 revenue vehicle-hours in FYE 2019.
- 2. Farebox recovery** – SCTA adopted a fixed-route service fare policy in 2015 to provide equitable fares throughout its service area and generate sufficient revenues to maintain financial sustainability. SCTA reduced operating costs per revenue vehicle-hour by 1.2 percent annually between FYE 2014 and FYE 2019, from \$91.68 to \$86.48. However, passenger fares and organization-paid fares declined seven percent during this period, from \$5.3 million to \$4.9 million, reducing SCTA's farebox recovery ratio from 25.9 percent to 23.3 percent. BARTA and RRTA fixed-route fares had not increased since 2011. In 2021, SCTA eliminated zone-based fares and increased the adult cash fare from \$1.70 to \$1.80. SCTA also increased the price of half-fares, student fares, daily passes, and monthly passes and raised parking rates at the Queen Street parking garage in Lancaster, which had not changed since 2012.

2016 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2014 performance review for BARTA and the 2016 performance review for RRTA compared the SCTA Reading and Lancaster divisions separately to a group of peer agencies based on the four performance criteria required by Act 44. Both BARTA and RRTA were "In Compliance" for all eight performance criteria. Compared to their peer groups, BARTA outperformed RRTA for passengers per revenue vehicle hour in both metrics and operating revenue per revenue vehicle-hour in the five-year trend. RRTA outperformed BARTA for the five-year trend in operating cost per revenue vehicle-hour.

SCTA Reading Division: BARTA Act 44 Peer Comparison Analysis

Performance Criteria	FYE*	Determination	Rank (of 14)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle-Hour	2014	In Compliance	3	Better	25.82	21.54
	Trend	In Compliance	5	Better	1.72%	-0.05%
Operating Cost / Revenue Vehicle-Hour	2014	In Compliance	5	Better	\$88.53	\$98.64
	Trend	In Compliance	8	Worse	3.19%	2.88%
Operating Revenue / Revenue Vehicle-Hour	2014	In Compliance	3	Better	\$28.75	\$21.06
	Trend	In Compliance	3	Better	6.33%	0.46%
Operating Cost / Passenger	2014	In Compliance	2	Better	\$3.43	\$4.66
	Trend	In Compliance	7	Better	1.45%	3.05%

* NTD information most current at the time of the peer review.

SCTA Lancaster Division: RRTA Act 44 Peer Comparison Analysis

Performance Criteria	FYE*	Determination	Rank (of 14)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle-Hour	2014	In Compliance	7	Worse	17.42	18.05
	Trend	In Compliance	12	Worse	-1.62%	0.80%
Operating Cost / Revenue Vehicle-Hour	2014	In Compliance	2	Better	\$82.45	\$97.15
	Trend	In Compliance	5	Better	1.09%	2.18%
Operating Revenue / Revenue Vehicle-Hour	2014	In Compliance	4	Better	\$26.51	\$20.77
	Trend	In Compliance	10	Worse	3.72%	5.17%
Operating Cost / Passenger	2014	In Compliance	4	Better	\$4.73	\$5.57
	Trend	In Compliance	10	Worse	2.75%	1.46%

* NTD information most current at the time of the peer review.

SCTA developed action plans for BARTA and RRTA to address improvement opportunities identified in their performance review reports. Many of the actions in the 2014 BARTA report recommended that SCTA improve standard operating procedures at BARTA such as:

1. Developing performance targets for all key agency functions.
2. Formalizing marketing efforts by developing a budget and a marketing plan.
3. Introducing policies for increasing fares and farebox recovery for fixed-route and shared-ride operations.
4. Addressing inherent conflicts of interest in BARTA's collective bargaining agreement.
5. Improving integration between fixed-route and paratransit operations.

The 2016 RRTA Action Plan identified opportunities for SCTA to facilitate the consolidation of executive, management, and support services of BARTA and RRTA. Among the steps SCTA took to improve its performance were:

1. Evaluating the feasibility of revising road supervision hours to cover all hours of operation.
2. Developing a succession plan for the Executive Director position with involvement by the Board's Personnel Committee and the current Executive Director.
3. Reviewing existing policies for consistency between the Lancaster and Reading divisions and consolidating policies under SCTA.

PennDOT, in consultation with SCTA management, established the following performance targets that the agency should have attained before its next performance review:

- Increase passengers per revenue vehicle-hour annually by 2.0 percent;
- Contain yearly increases in operating costs per revenue vehicle-hour by 3.0 percent;
- Increase annual operating revenue per revenue vehicle-hour by 2.0 percent; and
- Restrict growth in the share of operating costs per passenger by 1.0 percent per year.

The following 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	23.23	18.47	No
Operating Cost / Revenue Vehicle-Hour	\$97.05	\$86.48	Yes
Operating Revenue / Revenue Vehicle-Hour	\$31.83	\$24.16	No
Operating Cost / Passenger	\$4.18	\$4.68	No

SCTA met the target for operating cost per revenue vehicle-hour but missed its target for operating cost per passenger. SCTA also fell below the 2.0 percent annual increase for passengers per revenue vehicle-hour and operating revenue per revenue vehicle-hour. SCTA completed its 2016 Action Plan and took additional steps to improve performance.

In 2018, SCTA created the authority's first transit development plan (TDP) since the management consolidation. The TDP surveyed BARTA and RRTA customers, provided scenarios for improving fixed-route service, and explored alternative modes for addressing service coverage gaps in the rural areas of Berks and Lancaster counties. SCTA assumed management of BARTA's two downtown Reading parking garages from the Reading Parking Authority and leased the Franklin Street Station building to a restaurant and taproom to increase the revenue-earning potential of BARTA properties. In 2019, SCTA established partnerships with Four Seasons Produce and High Concrete Group to pilot service for workforce transportation from Lancaster City to northern Lancaster County. SCTA transitioned the BARTA and RRTA fixed-route fleets to hybrid diesel-electric buses and reduced operations and maintenance costs, including labor, parts, and fuel.

2021 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

SCTA began reporting consolidated operating statistics for BARTA and RRTA to dotGrants and NTD in 2017. The 2021 performance review compared SCTA with a group of peer agencies based on the four Act 44 performance criteria. SCTA was found to be "In Compliance" with eight performance measures and "At Risk" for none.

Performance Criteria	FYE*	Determination	Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2019	In Compliance	2	Better	18.47	15.35
	Trend	In Compliance	6	Better	-4.02%	-4.69%
Operating Cost / Revenue-Hour	2019	In Compliance	3	Better	\$86.48	\$105.95
	Trend	In Compliance	1	Better	-1.16%	1.88%
Operating Revenue / Revenue-Hour	2019	In Compliance	3	Better	\$24.16	\$18.02
	Trend	In Compliance	12	Worse	-5.31%	-1.46%
Operating Cost / Passenger	2019	In Compliance	2	Better	\$4.68	\$7.19
	Trend	In Compliance	2	Better	2.98%	6.98%

*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 2020 data.

The 2021 review rankings indicate a significant improvement in SCTA operations. Of the 13 peer systems, SCTA performed better than the peer group average in all metrics except the five-year trend for operating revenue per revenue vehicle-hour. Although SCTA ranked third in the FYE 2019 single-year determination for operating revenue per revenue vehicle-hour, operating revenue per revenue vehicle-hour declined on average by 5.31 percent annually compared to the peer average of 1.46 percent. Most of this decline is attributable to a loss of rents collected by BARTA that had peaked in 2014 and 2015. SCTA performed best out of the peer group in the same period for operating cost per revenue vehicle-hour.

The 2021 performance review examined additional steps beyond those specified in the 2016 Action Plan that SCTA has taken to improve performance. The most important action was restructuring fixed-route fares at BARTA and RRTA, which resulted in the first fixed-route fare increase in nearly ten years. The 2021 performance review also identified steps that SCTA can take to improve overall agency performance, including:

1. Develop a strategic plan that incorporates the goals and objectives of the TDP, assigns roles and responsibilities for oversight, and reports progress as part of the SCTA annual report.
2. Update cost allocation methodologies to include a sub-allocation of paratransit expenses to passenger trip reimbursement program types (e.g., ADA, shared-ride, non-public MATP, etc.).
3. Encourage renewal of the BARTA and RRTA articles of incorporation before the 2023 expiration dates.

PennDOT also identified additional opportunities for improvement during the 2021 performance review. The complete list of opportunities for improvement will serve as the basis for SCTA's Board-approved Action Plan.

2025 PERFORMANCE TARGETS

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

Performance Criteria	Fiscal Year			Target Annual Increase
	2019 Actual*	2020 Actual	2025 Target	
Passengers / Revenue Vehicle-Hour	18.47	16.04	16.45	0.5%
Operating Cost / Revenue Vehicle-Hour	\$86.48	\$88.62	\$102.74	3.0%
Operating Revenue / Revenue Vehicle-Hour	\$24.16	\$18.28	\$21.19	3.0%
Operating Cost / Passenger	\$4.68	\$5.52	\$6.25	2.5%

*Note: FYE 2025 performance targets are based on FYE 2020 financial information.

Ridership, revenue, and operating cost trends used to develop this transit performance review report, including five-year performance targets, rely on information that predates the pandemic. PennDOT will continue to monitor the impacts of COVID-19 and reassess the transit agency's five-year performance targets when the long-term effects of the pandemic become known. If the performance targets are revised, they will be published as an addendum to this report.

FINANCIAL REVIEW

SCTA currently has a balanced operating budget. Its net cash equivalent balance has increased since 2015. Noteworthy elements of SCTA's financial condition as of FYE 2019 are:

- SCTA had \$24,485,773 in state carryover funds (cash reserves).
- Combined carryover subsidies were equal to 76.9 percent of total operational funding.
- SCTA had a cash balance of available and restricted cash equal to 68.6 percent of total annual operating expenses.
- Current assets exceeded current liabilities.
- Accounts payable and receivable amounts were negligible.
- SCTA has no credit line as of FYE 2020.
- SCTA had a 16.6 percent fixed-route farebox recovery ratio, and passenger fares and other local revenues covered 20.6 percent of total fixed-route operating expenses.

SCTA's total carryover subsidies increased substantially due to the federal CARES Act and ARPA funding. These funds will offset operating losses resulting from the decreased revenues received and higher costs incurred in response to the COVID-19 pandemic. Management should continue taking appropriate actions to manage costs (i.e., containing cost growth within 3.0 percent annually), achieve farebox recovery goals, and maintain cash reserves to preserve SCTA's overall financial health.

NEXT STEPS

SCTA'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. SCTA's management must report to the Board and PennDOT quarterly on progress toward 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 Pennsylvania 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 maximizing return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

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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.

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AGENCY DESCRIPTION

In December 2014, the South Central Transit Authority (SCTA) was formed under resolutions passed by the Lancaster County Board of County Commissioners and the Berks County Board of County Commissioners. SCTA was given authority within Lancaster and Berks Counties to manage public transit activities provided by Berks Area Regional Transit Authority (BARTA) and Red Rose Transit Authority (RRTA). SCTA was the first consolidation in Pennsylvania under Act 89, and Berks and Lancaster Counties realized \$800,000 in cost savings in the first year alone through a merger of executive, management, administrative, and support services. PennDOT granted SCTA a five-year waiver for local match to state operating funds due to the annual savings resulting from consolidation. The waiver expired in FYE 2020.

A 10-member Board of Directors governs SCTA, with five Board members appointed by the Lancaster County Commission and five Board members appointed by the Berks County Commission. The five Berks County-appointed Board members also serve as the BARTA Board, and the five Lancaster County-appointed Board members serve as the RRTA Board. Per SCTA's bylaws, the Chair and Vice-Chair must be from different counties. Likewise, the Treasurer and Secretary must be from different counties. SCTA has four standing committees: Personnel, Finance, Operations, and Marketing.

Transit operations continue under the BARTA and RRTA brands in Berks and Lancaster counties and operate under three separate collective bargaining agreements for union employees. SCTA's headquarters for executive, management, administrative, and support services are based at the Lancaster Division in Lancaster, PA. SCTA's Reading Division operates from the BARTA Transportation Center in Reading, PA. SCTA maintains seven facilities that include: the BARTA Operations Center at 1700 North 11th Street; the BARTA Transportation Center; Franklin Street Park-n-Transit Facility; the Franklin Street Station; the RRTA Operations Center at 45 Erick Road; the Queen Street Station Transit Center; and the Queen Street Station Parking Garage.

During Fiscal Year 2019-20, SCTA provided 3.8 million fixed-route passenger trips with a total fleet of 75 vehicles operated in maximum service (VOMS). In March 2020, SCTA began to experience ridership impacts due to COVID-19. Fixed-route ridership was lowest in April 2020. Compared to April 2019, SCTA ridership was down 62.1 percent from the prior year with 147,581 total monthly passenger trips provided. Ridership remained below average for the remainder of the calendar year, with total SCTA monthly ridership between 198,985 and 248,883 from July through December 2020 (**Exhibit 1**).

The Reading and Lancaster divisions each had similar trends in fixed-route ridership declines and reported their lowest levels of total fixed-route passenger trips in April 2020 (**Exhibit 2**). In July 2020, the Reading and Lancaster divisions had their highest rebound in monthly trips, with 151,448 total fixed-route passenger trips for BARTA and 97,435 fixed-route passenger trips for RRTA.

Since June 2020, SCTA's monthly fixed-route passenger trips across both operating divisions were about 60 percent of 2019 levels. **Exhibit 3** presents fixed-route bus statistics for SCTA from FYE 2015 through FYE 2020. **Appendix A: Data Adjustments** on page 22 details minor data reconciliations between dotGrants and NTD-reported operating statistics.

Exhibit 1: SCTA Monthly Fixed-Route Ridership (2020)

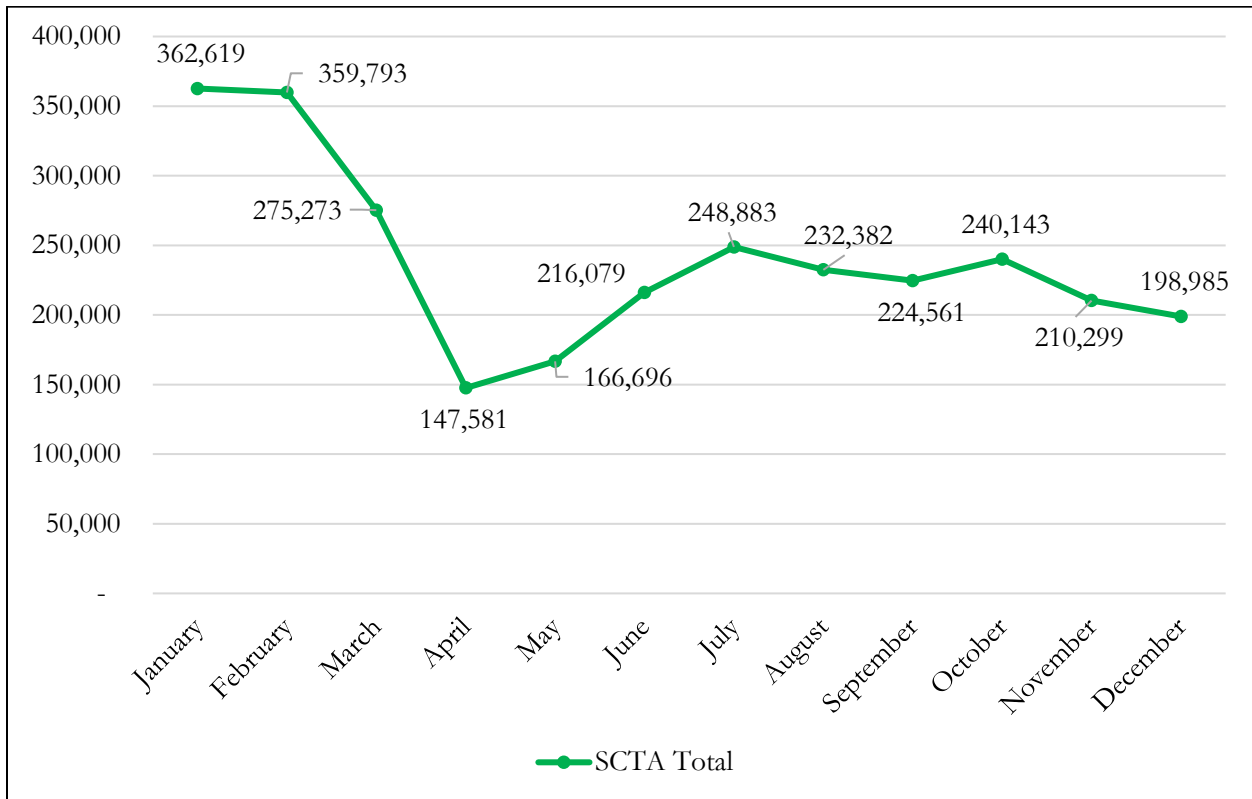


Exhibit 2: SCTA Monthly Fixed-Route Ridership by Operating Division (2020)

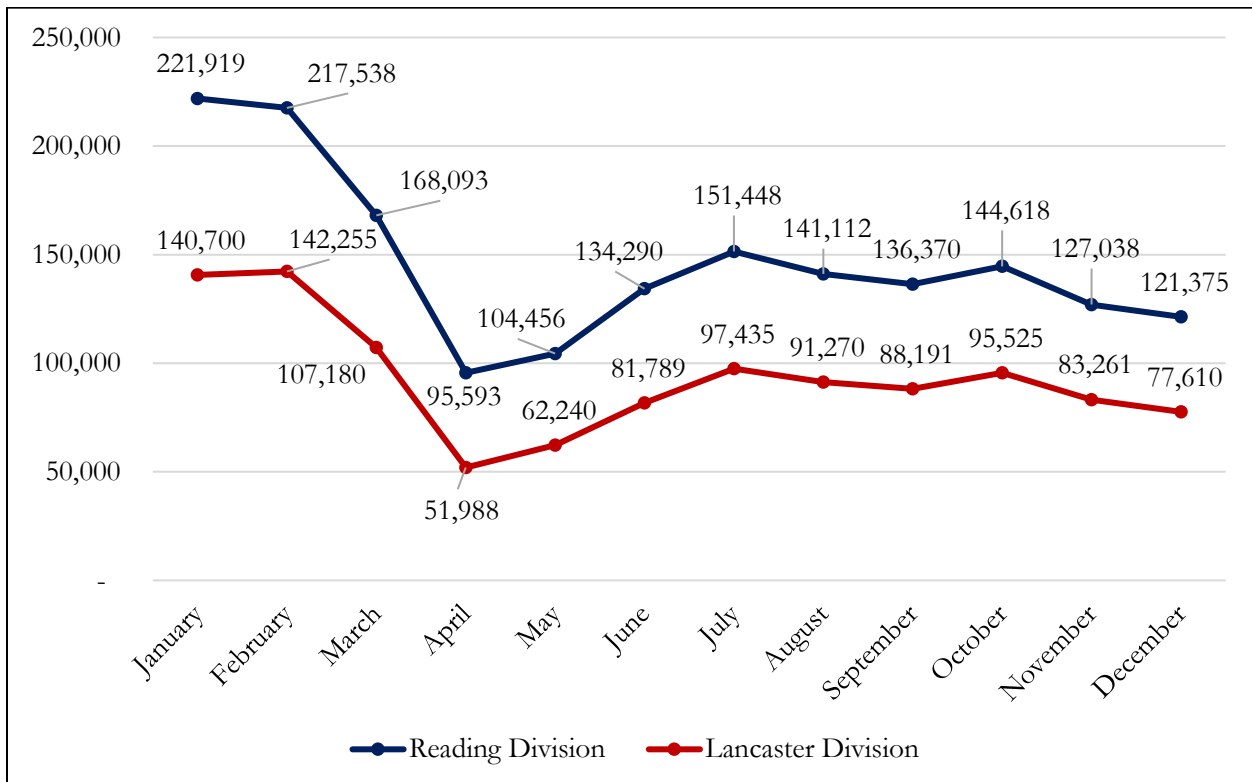
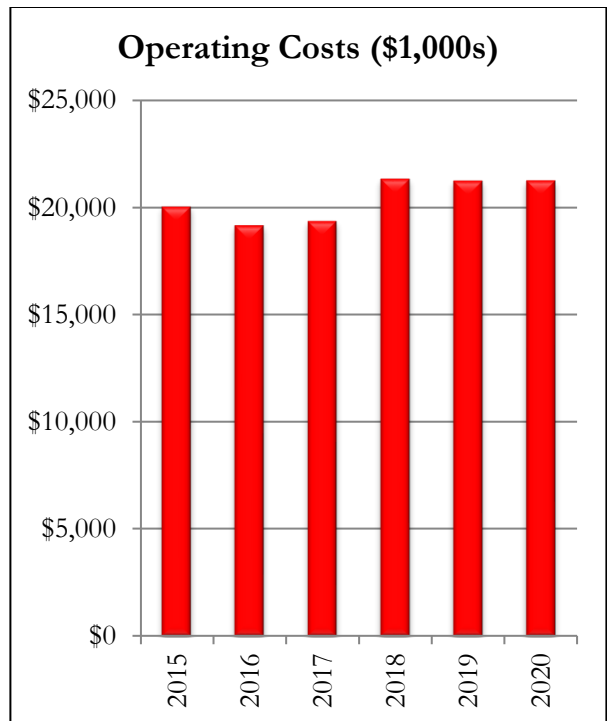
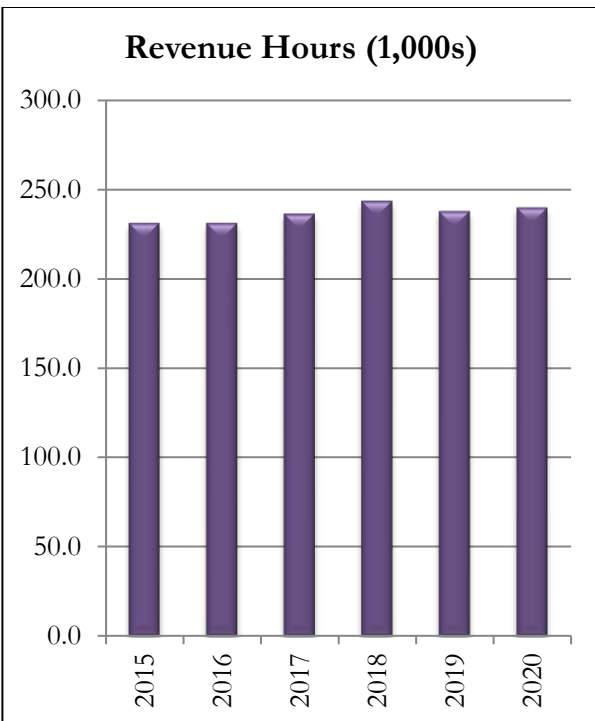
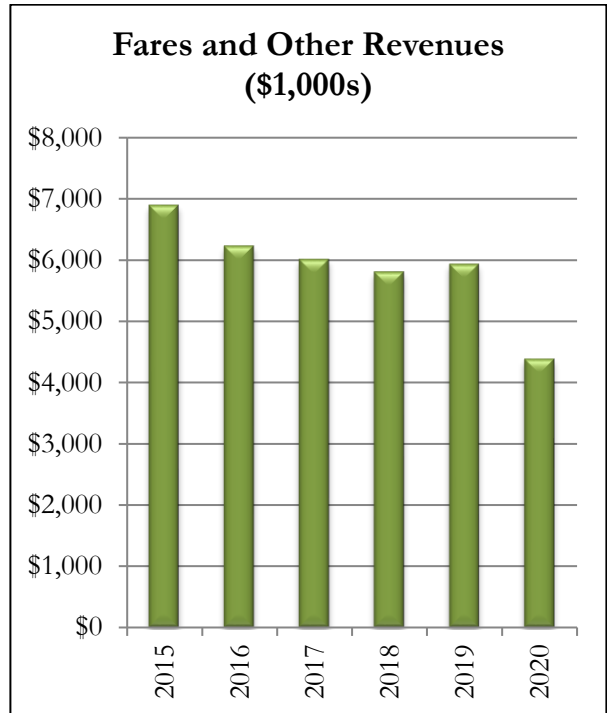
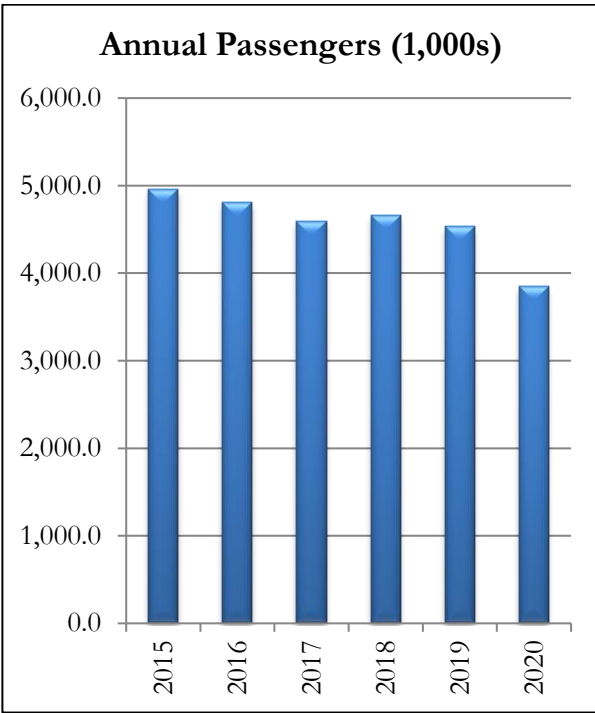


Exhibit 3: SCTA Fixed-Route Bus Service Annual Performance Trends (FYE 2015–FYE 2020)



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In February 2021, PennDOT initiated an Act 44-mandated performance review for SCTA. The following outlines the review process:

1. Notify SCTA of performance review schedule and transmit a document request.
2. Review available data and request additional information.
3. Agree upon a set of peer agencies for comparison (SCTA and PennDOT).
4. Review the most recent customer satisfaction survey (CSS).
5. Assess Act 44 variables, including current performance, targets from the previous review, and Action Plan implementation.
6. Perform Act 44 performance criteria analysis.
7. Interview the management, staff, and Board.
8. Perform supplementary data collection and reconciliation.
9. Evaluate performance, financial management, and operations.
10. Report results and determine agency compliance with performance requirements.
11. Finalize the performance review report.
12. Develop, implement, and monitor a five-year Action Plan (SCTA).
13. Provide technical assistance, if required, to help meet five-year performance targets.

These steps in the performance review process assess SCTA'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 to attain before the next review.

CUSTOMER SATISFACTION SURVEY

SCTA conducted a customer satisfaction survey (CSS) in November 2017 as part of an update to its transit development plan (IDP). SCTA surveyed customers in Lancaster County between November 13, 2017, and November 15, 2017, and surveyed customers in Berks County between November 15, 2017, and November 17, 2017. During this period, SCTA collected 1,239 BARTA rider surveys and 783 RRTA rider surveys. SCTA surveyed passengers on the frequency of using service, mode choice to and from the bus stop, and overall customer satisfaction. Results from both surveys show:

1. Eighty-six (86) percent of respondents indicated they were satisfied with the BARTA service.
2. Eighty-seven (87) percent of respondents indicated they were satisfied with RRTA service.

Riders also indicated which service elements were the most important for SCTA to improve. The top priorities for BARTA riders included:

1. On-time arrivals and departures (50 percent)
2. Frequency of weekend service (45 percent)
3. Time service begins and ends (32 percent)

The top priorities for RRTA riders included:

1. On-time arrivals and departures (62 percent)
2. Frequency of weekend service (50 percent)
3. Time service begins and ends (33 percent)

PRIOR ACT 44 PERFORMANCE ASSESSMENTS

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2014 performance review for BARTA and the 2016 performance review for RRTA compared the SCTA Reading and Lancaster divisions separately to a group of peer agencies based on the four performance criteria required by Act 44. Both BARTA and RRTA were "In Compliance" for all eight performance criteria (**Exhibit 4** and **Exhibit 5**). Compared to their peer groups, BARTA outperformed RRTA for passengers per revenue vehicle hour in both metrics and operating revenue per revenue vehicle-hour in the five-year trend. RRTA outperformed BARTA for the five-year trend in operating cost per revenue vehicle-hour.

Exhibit 4: 2014 BARTA Performance Review Act 44 Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 14)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle-Hour	2014	In Compliance	3	Better	25.82	21.54
	Trend	In Compliance	5	Better	1.72%	-0.05%
Operating Cost / Revenue Vehicle-Hour	2014	In Compliance	5	Better	\$88.53	\$98.64
	Trend	In Compliance	8	Worse	3.19%	2.88%
Operating Revenue / Revenue Vehicle-Hour	2014	In Compliance	3	Better	\$28.75	\$21.06
	Trend	In Compliance	3	Better	6.33%	0.46%
Operating Cost / Passenger	2014	In Compliance	2	Better	\$3.43	\$4.66
	Trend	In Compliance	7	Better	1.45%	3.05%

Exhibit 5: 2016 RRTA Performance Review Act 44 Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 14)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle-Hour	2014	In Compliance	7	Worse	17.42	18.05
	Trend	In Compliance	12	Worse	-1.62%	0.80%
Operating Cost / Revenue Vehicle-Hour	2014	In Compliance	2	Better	\$82.45	\$97.15
	Trend	In Compliance	5	Better	1.09%	2.18%
Operating Revenue / Revenue Vehicle-Hour	2014	In Compliance	4	Better	\$26.51	\$20.77
	Trend	In Compliance	10	Worse	3.72%	5.17%
Operating Cost / Passenger	2014	In Compliance	4	Better	\$4.73	\$5.57
	Trend	In Compliance	10	Worse	2.75%	1.46%

ACTION PLAN AND PERFORMANCE TARGETS

SCTA developed action plans for BARTA and RRTA to address opportunities for improvement identified in their performance review reports. Many of the actions recommended in the 2014 BARTA report involved improvements to standard operating procedures, such as:

1. Developing performance targets for all key agency functions.

2. Formalizing marketing efforts by developing a budget and a marketing plan.
3. Introducing policies for increasing fares and farebox recovery for fixed-route and shared-ride operations.
4. Addressing inherent conflicts of interest in BARTA's collective bargaining agreement.
5. Improving integration between fixed-route and paratransit operations.

The 2016 RRTA Action Plan identified opportunities to facilitate the consolidation of executive, management, and support services of both agencies under SCTA. Among the steps SCTA took to improve its performance were:

1. Evaluating the feasibility of revising road supervision hours to cover all hours of operation.
2. Developing a succession plan for the Executive Director position with involvement by the Board's Personnel Committee and the current Executive Director.
3. Reviewing existing policies for consistency between the Lancaster and Reading divisions and consolidating policies under SCTA.

The complete list of SCTA's previous Action Plan items from the 2016 performance report, as well as SCTA's progress in addressing previously identified opportunities for improvement, are provided in **Appendix B: 2016 Performance Review Action Plan Assessment**.

The following performance targets were established with SCTA in 2016. The targets factored in both BARTA and RRTA operating statistics, and supersede the targets developed for BARTA in 2014:

- Increase passengers per revenue vehicle-hour annually by 2.0 percent;
- Contain yearly increases in operating costs per revenue vehicle-hour by 3.0 percent;
- Increase annual operating revenue per revenue vehicle-hour by 2.0 percent; and
- Restrict growth in the share of operating costs per passenger by 1.0 percent per year.

As shown in **Exhibit 6**, SCTA achieved its performance target for operating cost per revenue vehicle-hour.

Exhibit 6: 2019 SCTA Performance Targets

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle-Hour	23.23	18.47	No
Operating Cost / Revenue Vehicle-Hour	\$97.05	\$86.48	Yes
Operating Revenue / Revenue Vehicle-Hour	\$31.83	\$24.16	No
Operating Cost / Passenger	\$4.18	\$4.68	No

ASSESSMENT

Since the initial performance report was finalized in 2016, SCTA worked to address its performance targets and implement actions listed in the 2016 Action Plan as described above. During that time the following changes and other factors impacted operations, finance, and statistical reporting at SCTA.

1. **Service expansions** – SCTA expanded fixed-route service. Examples include restoring Sunday service in Reading, adding service to the employment centers in Lancaster County (e.g., The Shoppes at Belmont and the Urban Outfitters Distribution Center), and increasing frequency along the Route 61 corridor to Hamburg in Berks County. SCTA increased total

revenue vehicle-hours by 6.2 percent, from 231,198 revenue vehicle-hours in FYE 2015 to 245,563 revenue vehicle-hours in FYE 2019.

2. **Farebox recovery** – SCTA adopted a fixed-route service fare policy in 2015 to provide equitable fares throughout its service area and generate sufficient revenues to maintain financial sustainability. SCTA reduced operating costs per revenue vehicle-hour by 1.2 percent annually between FYE 2014 and FYE 2019, from \$91.68 to \$86.48. However, passenger fares and organization-paid fares declined seven percent during this period, from \$5.3 million to \$4.9 million, reducing SCTA's farebox recovery ratio from 25.9 percent to 23.3 percent. BARTA and RRTA fixed-route fares had not increased since 2011. In 2021, SCTA eliminated zone-based fares and increased the adult cash fare from \$1.70 to \$1.80. SCTA also increased the price of half-fares, student fares, daily passes, and monthly passes and raised parking rates at the Queen Street parking garage in Lancaster, which had not changed since 2012.

Although SCTA did not meet its performance targets for passengers per revenue vehicle-hour, operating revenue per revenue vehicle-hour, and operating cost per passenger, SCTA completed its 2016 Action Plan and took additional steps to improve performance. In 2018, SCTA created the authority's first transit development plan (TDP) since the management consolidation. The TDP surveyed BARTA and RRTA customers, provided scenarios for improving fixed-route service, and explored alternative modes for addressing service coverage gaps in Berks and Lancaster counties' rural areas. SCTA assumed management of BARTA's two downtown Reading parking garages from the Reading Parking Authority and leased the Franklin Street Station building to a restaurant and taproom to increase the revenue-earning potential of BARTA properties. In 2019, SCTA established partnerships with Four Seasons Produce and High Concrete Group to pilot service for workforce transportation from Lancaster City to northern Lancaster County. SCTA transitioned the BARTA and RRTA fixed-route fleets to hybrid diesel–electric buses and reduced operations and maintenance costs, including labor, parts, and fuel.

2021 ACT 44 PERFORMANCE ASSESSMENT

The 2021 performance review compared SCTA 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 SCTA management using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD)—FYE 2018. The systems identified for peer comparisons were:

1. Prince George's County – Largo, MD
2. Lehigh and Northampton Transportation Authority – Allentown, PA
3. Birmingham-Jefferson County Transit Authority – Birmingham, AL
4. Volusia County – South Daytona, FL
5. Corpus Christi Regional Transportation Authority – Corpus Christi, TX
6. Central Contra Costa Transit Authority – Concord, CA
7. Antelope Valley Transit Authority – Lancaster, CA
8. Transit Authority of Omaha – Omaha, NE
9. Golden Empire Transit District – Bakersfield, CA
10. Charleston Area Regional Transportation Authority – North Charleston, SC
11. Transit Authority of Northern Kentucky – Fort Wright, KY
12. Cumberland–Dauphin–Harrisburg Transit Authority – Harrisburg, PA

Results of the 2020 SCTA analysis and peer comparison are presented in **Exhibit 7**. The detailed data used to develop the peer comparison summary is presented in **Appendix C: Peer Comparisons**.

Exhibit 7: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2019	In Compliance	2	Better	18.47	15.35
	Trend	In Compliance	6	Better	-4.02%	-4.69%
Operating Cost / Revenue-Hour	2019	In Compliance	3	Better	\$86.48	\$105.95
	Trend	In Compliance	1	Better	-1.16%	1.88%
Operating Revenue / Revenue-Hour	2019	In Compliance	3	Better	\$24.16	\$18.02
	Trend	In Compliance	12	Worse	-5.31%	-1.46%
Operating Cost / Passenger	2019	In Compliance	2	Better	\$4.68	\$7.19
	Trend	In Compliance	2	Better	2.98%	6.98%

ASSESSMENT

In 2020, SCTA was "In Compliance" with all Act 44 performance criteria. Of the 13 peer systems, SCTA performed better than the peer group average in all metrics except the five-year trend for operating revenue per revenue vehicle-hour. Although SCTA ranked third in the FYE 2019 single-year determination for operating revenue per revenue vehicle-hour, that value declined by 5.31 percent per year on average, compared to the peer average of 1.46 percent. Most of this decline is attributable to a loss of rents collected by BARTA that had peaked in 2014 and 2015. SCTA performed best out of the peer group in the same period for operating cost per revenue vehicle-hour.

2025 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 is intended to improve both the effectiveness and efficiency of service delivery. Act 89 requires agencies to maintain a 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 for developing the targets. Five-year targets are then set based on realistic and achievable expectations of improvement.

The 2021 performance review noted that SCTA outperformed most of its peers in passengers per revenue vehicle-hour, operating cost per revenue vehicle-hour, and operating cost per passenger for the single-year FYE 2019 determination and five-year trend periods. SCTA began to experience the COVID-19 impacts to its fixed-route ridership in March 2020, resulting in declines in total passenger trips and passenger fares. BARTA and RRTA ridership had only rebounded to 60 percent of normal levels as of December 2020. PennDOT based SCTA's future-year performance targets on the last full audited financial year (i.e., FYE 2020).

PennDOT established the following performance targets in cooperation with SCTA:

- Increase passengers per revenue vehicle- hour by at least 0.5 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 2.5 percent per year on average.

Over the next five years, SCTA must achieve the targets shown in **Exhibit 8** to ensure continued eligibility for full Section 1513 funding.

Exhibit 8: FYE 2025 Act 44 Performance Targets

Performance Criteria	Fiscal Year			Target Annual Increase
	2019 Actual*	2020 Actual	2025 Target	
Passengers / Revenue Vehicle-Hour	18.47	16.04	16.45	0.5%
Operating Cost / Revenue Vehicle-Hour	\$86.48	\$88.62	\$102.74	3.0%
Operating Revenue / Revenue Vehicle-Hour	\$24.16	\$18.28	\$21.19	3.0%
Operating Cost / Passenger	\$4.68	\$5.52	\$6.25	2.5%

*Note: FYE 2025 performance targets are based on FYE 2020 financial information.

PennDOT will continue to monitor the impacts of COVID-19 and reassess the transit agency's five-year performance targets when the long-term effects of the pandemic become known. If the performance targets are revised, they will be published as an addendum to this report.

FUNCTIONAL REVIEW

PennDOT uses functional reviews to determine the reasons behind performance results found in the Act 44 comparisons. The reviews catalog best practices to share with other transit agencies and 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 in which SCTA could deliver service more efficiently and effectively. Transit service must be 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 can maximize productivity, control operating costs, and achieve optimum revenue levels, which will enhance the system's future performance for one or more Act 44 fixed-route performance factors.

For SCTA's convenience, Action Plan templates are included in **Appendix D: Action Plan Template** (see pg. 31). Some actions will be quickly implementable, while others may take several discrete steps to achieve over a more extended period. The template provides a simple-to-follow order of key findings of this report that the Action Plan should address.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. SCTA launched the BE NICE campaign in 2020 as a customer-service-driven initiative to improve the community's perception of BARTA and RRTA. This campaign tasks SCTA with reducing customer complaints, call-wait time, and road calls or bus breakdowns to reverse the downward trend in ridership. BE NICE includes driver training to improve employee conduct and a policy requiring administrative staff to ride BARTA and RRTA to become more familiar with transit services managed by SCTA.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN

1. SCTA typically holds annual Board retreats to strategize agency direction for the next year. SCTA held no Board retreat in 2020 due to the pandemic, but management indicated that SCTA would conduct a Board retreat in 2021 and address significant issues like reclaiming lost ridership due to the COVID-19 pandemic. A strategic plan provides an opportunity to formalize the Board's direction and goals for management and provides a guiding policy framework for management when SCTA's founding Executive Director retires. SCTA should **develop a Board-driven strategic plan as part of the next Board retreat that:**
 - a. **Sets a mission for SCTA and a vision for the management of BARTA and RRTA;**
 - b. **Incorporates the goals and objectives of the 2018 TDP where appropriate (i.e., sustainability, convenience, connectivity, and ridership growth);**
 - c. **Identifies strategies for success and assigns roles and responsibilities for management to implement and Board members for oversight; and**

- d. **Includes performance measures for reporting progress as part of SCTA's annual report.**
2. Management discussed the difficulty of adding bus shelters in some parts of its service area due to the municipal permitting process. However, there might be opportunities for transit considerations as part of the site-permitting process in areas experiencing high growth along key corridors. SCTA could **establish municipal partnerships with local planning commissions and request to be added as a reviewing agency for land-use applications.** The Pennsylvania Public Transportation Association's Building Better Bus Stops Resource Guide serves as a resource for transit planning and design policy guidance and includes model ordinance language.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. SCTA developed additional sources of income to supplement fixed-route passenger fares. These diversified revenue streams include advertising sales, rent generated from property leases, and parking garage fees. Together these sources generated 19.8 percent of total fixed-route revenue for FYE 2020.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN

1. SCTA actively seeks partnerships with private businesses to sustainably provide transportation for employees. For example, SCTA established an agreement with two employers in northern Lancaster County for workforce transportation from Lancaster City. Recently developed distribution and warehousing employment centers remain a market SCTA would like to target to build transportation partnerships. **SCTA could reach out to Pennsylvania peer agencies and PPTA to see if other agencies found successful strategies to incorporate into its distribution and warehouse marketing plans.**

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICES

1. SCTA has led many successful statewide rolling-stock procurements to secure cost savings through group purchasing. These efforts have afforded SCTA and smaller agencies that partnered with SCTA lower costs for fixed-route bus and paratransit van purchases.
2. SCTA's Finance Department randomly audits its parts inventory each month for the BARTA and RRTA maintenance garages and its contractor's facility. This degree of oversight helps SCTA reduce parts inventory loss at each facility and flag irregularities that may warrant further investigation.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN

1. None.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. SCTA develops a concise reader-friendly annual report for the public that provides a snapshot of the transportation services delivered, current initiatives, and ongoing/upcoming capital projects. SCTA's annual report also features maintenance and customer service performance metrics for fixed-route and shared-ride services by division, with quick facts about BARTA and RRTA.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN

1. BARTA's and RRTA's articles of incorporation expire in 2023. The process of renewing the articles can meet unexpected challenges. If the articles of incorporation lapse, an agency risks a loss of state funding and cannot enter into new contracts (e.g., labor, procurement). **The SCTA Board and appropriate BARTA and RRTA officers should work with Berks and Lancaster counties to encourage the early renewal of the BARTA and RRTA articles of incorporation.**
2. SCTA lacks documented, reproducible methodologies to allocate demand response service costs to specific funding sources. SCTA should **update its cost allocation methodologies to include a sub-allocation of paratransit expenses to passenger trip reimbursement program types (e.g., ADA, shared-ride, non-public MATP, etc.).** Cost sub-allocation methodologies should recognize inherent differences in average costs per passenger trip based on trip length and average passenger load for passenger trips charged to each funding program. A well-documented cost allocation to specific programs will facilitate PennDOT's evaluation of shared-ride fare increase proposals.
3. SCTA currently reports shared-ride retained earnings in dotGrants based on the cost and revenues of all demand response services combined. This approach is inconsistent with PennDOT financial reporting guidance. SCTA **should update its shared-ride retained earnings reporting to reflect only costs and revenues for trips operated under the shared-ride fare structure.** Accurately reporting shared-ride retained earnings facilitates PennDOT's evaluation of shared-ride fare increase proposals.

FINANCIAL REVIEW

This financial review considers high-level snapshot data and trend indicators to determine whether additional follow-up by PennDOT is warranted. It is based on the examination of audit reports, other financial reports, and budgets. This review assesses the agency 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 9**, SCTA has carryover subsidies (i.e., cash reserves) equal to 76.9 percent of total annual operating costs. These reserves provide liquidity in case of unexpected cost increases. SCTA's total carryover subsidies increased substantially due to the federal CARES Act and ARPA grants. These funds will offset operating losses resulting from the decreased revenues received and higher costs incurred in response to the COVID-19 pandemic.

SCTA received a five-year local match waiver in Fiscal Year 2014-15 as a condition of creating a new management authority to oversee public transportation services in Berks and Lancaster counties. The waiver recently expired, and SCTA resumed collecting local matching funds in the second half of Fiscal Year 2019-20. SCTA did not maintain a line of credit as of FYE 2020.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

SCTA's total operating budget increased from about \$30.8 million in FYE 2016 to about \$31.9 million in FYE 2020 (**Exhibit 10**). In FYE 2020, 66.7 percent of SCTA's operating expenses were for fixed-route service. The remaining operating costs (33.3 percent) were for paratransit service, as shown in **Exhibit 11**. Fixed-route bus service operating cost increased from \$19.2 million in FYE 2016 to \$21.3 million in FYE 2020. The cost of providing paratransit trips decreased from \$11.6 million in FYE 2016 to \$10.6 million in FYE 2020.

Agency-wide operating funds come from various sources, including state, federal, and local subsidies; passenger fares; and advertising. Federal and state grants are the largest share of income for SCTA, accounting for 55.5 percent of total operating income. Local subsidy and revenues (e.g., passenger fares, organization-paid fares, advertising) are the remaining funding sources, representing 44.5 percent of total operating income, as shown in **Exhibit 12** and **Exhibit 13**. SCTA started collecting local matching funds in the second half of Fiscal Year 2019-20 after its five-year local match waiver expired in January 2020. SCTA received its required FYE 2020 local match to its Section 1513 state operating subsidy.

Exhibit 9: High-Level Financial Indicators

Indicator	FYE 2020 Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	76.9%	A combined target 25%+ provides liquidity to cover unexpected cost increases or service changes without incurring interest fees from loans.	FYE 2020 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 and liquidity to pay all current bills.	FYE 2020 Audit and PennDOT dotGrants
Actual Local Match / Required Match¹	100.0%	Target 100%+. A local match that exceeds required minimums gives a transit agency flexibility to change service, accommodate unexpected cost changes, and make capital investments.	PennDOT dotGrants 2020
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	SCTA-reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	SCTA-reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce interest expense.	FYE 2020 Audit

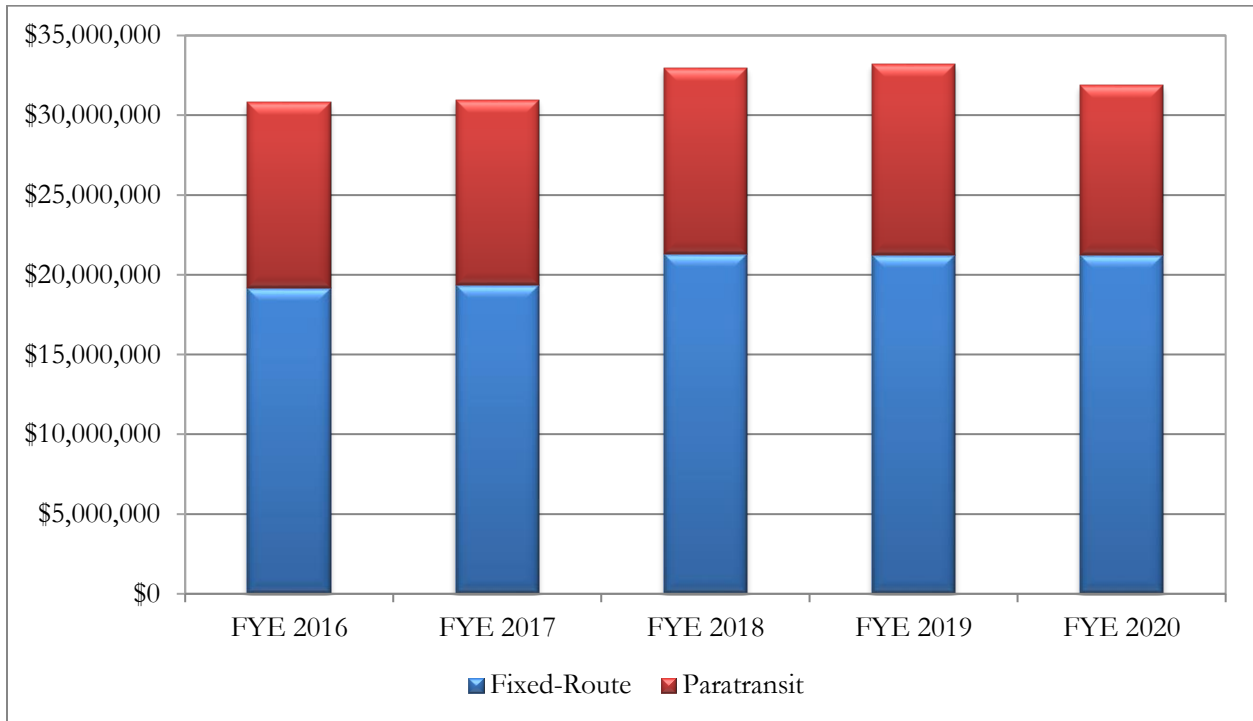
¹ SCTA had five-year local match waiver from 2015 that expired in January 2020.

**Exhibit 10: Public Transportation Operating Expense by Service Type (In Millions)
(FYE 2016–FYE 2020)**

Service Type *	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Fixed-Route	\$19.2	\$19.4	\$21.3	\$21.2	\$21.3
Paratransit	\$11.6	\$11.6	\$11.6	\$12.0	\$10.6
Total	\$30.8	\$31.0	\$33.0	\$33.2	\$31.9

*May not add due to rounding.

**Exhibit 11: Public Transportation Operating Expense Trends by Service Type
(FYE 2016–FYE 2020)**

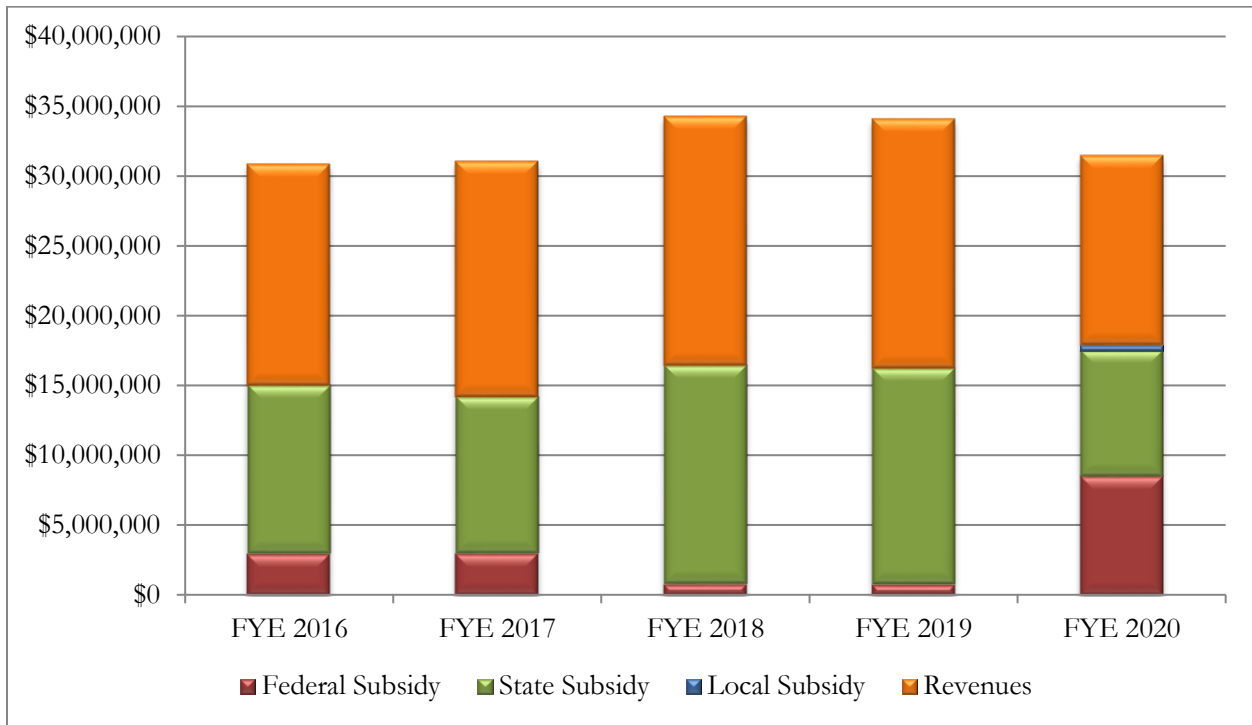


**Exhibit 12: Percentage of Total Public Transportation (Fixed-Route + Paratransit)
Operating Budget by Funding Source and Fiscal Year (FYE 2016–FYE 2020)**

Funding Source	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Federal Subsidy	9.5%	9.5%	2.3%	2.2%	26.8%
State Subsidy	39.1%	36.1%	45.6%	45.4%	28.8%
Local Subsidy ²	0.0%	0.0%	0.0%	0.0%	1.2%
Revenues	51.4%	54.4%	52.1%	52.4%	43.2%
Local Subsidy / State Subsidy	0.0%	0.0%	0.0%	0.0%	4.3%

² SCTA had five-year local match waiver from 2015 that expired in January 2020.

Exhibit 13: Total Public Transportation (Fixed-Route + Paratransit) Funding Sources by Fiscal Year (FYE 2016–FYE 2020)



FIXED-ROUTE FUNDING

Fixed-route service, funded by general revenues and government subsidies, accounts for 66.7 percent of SCTA's public transportation operating expenses. Between 2016 and 2020, direct passenger fares represented between 27.7 and 16.6 percent of total operating funding (**Exhibit 14**). Based on the FYE 2016 to FYE 2020 dotGrants reporting, SCTA operated using current-year funding, with \$24,485,773 in state funds and \$0 in local funds carried over into FY 2020-21.

Exhibit 14: Fixed-Route Funding

Funding Source	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Revenues					
Passenger-Paid Fares	\$5,310,927	\$5,034,892	\$4,554,523	\$4,751,652	\$3,365,719
Organization-Paid Fares	\$0	\$0	\$200,275	\$195,036	\$152,420
Advertising	\$253,604	\$213,322	\$250,537	\$268,507	\$128,263
Concession/Interest	\$7,110	\$4,212	\$3,795	\$4,384	\$3,996
Parking Garages/Leases	\$544,167	\$567,340	\$524,231	\$591,878	\$503,896
Other Misc. Income	\$122,715	\$190,543	\$274,259	\$121,198	\$229,905
Subtotal	\$6,238,523	\$6,010,309	\$5,807,620	\$5,932,655	\$4,384,199
Subsidies					
Federal Operating Grant	\$2,274,510	\$2,300,000	\$46,710	\$26,034	\$7,540,546
Act 44 (1513) – State Prior Year	\$0	\$11,039,850	\$15,102,409	\$14,175,080	\$8,948,974
Act 44 (1513) – State Current Year	\$3,028,416	\$0	\$363,200	\$1,102,437	\$0
Act 44 (1513) – Local Current Year (Municipal)	\$0	\$0	\$0	\$0	\$380,769
Special Operating Grants – State Share	\$7,623,860	\$0	\$0	\$0	\$0
Subtotal	\$12,926,786	\$13,339,850	\$15,512,319	\$15,303,551	\$16,870,289
Total Funding	\$19,165,309	\$19,350,159	\$21,319,939	\$21,236,206	\$21,254,488
Fare Revenue / Total Funding	27.7%	26.0%	22.3%	23.3%	16.6%

Source: PennDOT dotGrants Reporting System

PARATRANSIT FUNDING

Paratransit service (i.e., shared-ride and ADA complementary service), funded by subsidies and passenger fares, accounts for 33.3 percent of SCTA's public transportation operating expenses (**Exhibit 15**). Paratransit funding decreased from \$11,711,677 in FYE 2016 to \$10,238,741 in FYE 2020. Total paratransit passenger trips decreased from 477,143 in FYE 2016 to 372,529 in FYE 2020 (**Exhibit 16**).

Exhibit 15: Paratransit Funding by Source

Funding Source	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Revenues					
Passenger Fares	\$642,978	\$454,325	\$500,601	\$570,274	\$429,495
Advertising	\$0	\$0	\$0	\$50,763	\$40,224
Shared-Ride Lottery	\$3,203,954	\$3,536,255	\$3,699,402	\$4,023,918	\$3,101,126
PwD Reimbursement	\$341,641	\$350,782	\$336,262	\$285,890	\$228,159
PwD Passenger Fares	\$81,263	\$62,531	\$59,676	\$0	\$0
AAA	\$339,092	\$360,285	\$367,262	\$322,857	\$183,775
MH/MR	\$1,268,638	\$856,733	\$743,288	\$645,217	\$165,752
MATP	\$3,325,592	\$4,080,560	\$5,043,552	\$4,956,298	\$4,132,820
Other – All Other Agencies	\$440,105	\$1,158,363	\$1,290,900	\$1,041,871	\$921,963
Other – Advertising	\$0	\$0	\$0	\$38,442	\$22,870
Other – Other Income	\$0	\$24,662	\$8,273	\$0	\$0
Other – Interest/Investment	\$2,241	\$0	\$60	\$0	\$0
Subtotal	\$9,645,504	\$10,884,496	\$12,049,276	\$11,935,530	\$9,226,184
Subsidies					
Federal Operating Grant	\$660,202	\$661,181	\$733,220	\$733,014	\$895,771
Act 44 (1513) State Prior Year	\$0	\$165,291	\$183,299	\$173,999	\$107,145
Act 44 (1513) State Current Year	\$104,729	\$0	\$0	\$9,245	\$0
Act 44 (1513) – Local Current Year (Municipal)	\$0	\$0	\$0	\$0	\$9,641
4 Special – (State)	\$1,301,242	\$0	\$0	\$0	\$0
Subtotal	\$2,066,173	\$826,472	\$916,519	\$916,258	\$1,012,557
Total Funding	\$11,711,677	\$11,710,968	\$12,965,795	\$12,851,788	\$10,238,741

Exhibit 16: Paratransit Operating Statistics

Operating Category	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Paratransit Operating Statistics					
Total Paratransit Trips	477,143	467,406	458,991	463,755	372,529
Total Miles	3,413,191	3,352,670	3,390,197	3,265,007	2,780,973
Total Hours	220,487	218,034	222,966	212,261	181,835
VOMS	103	103	104	93	93

Source: PennDOT dotGrants Reporting System

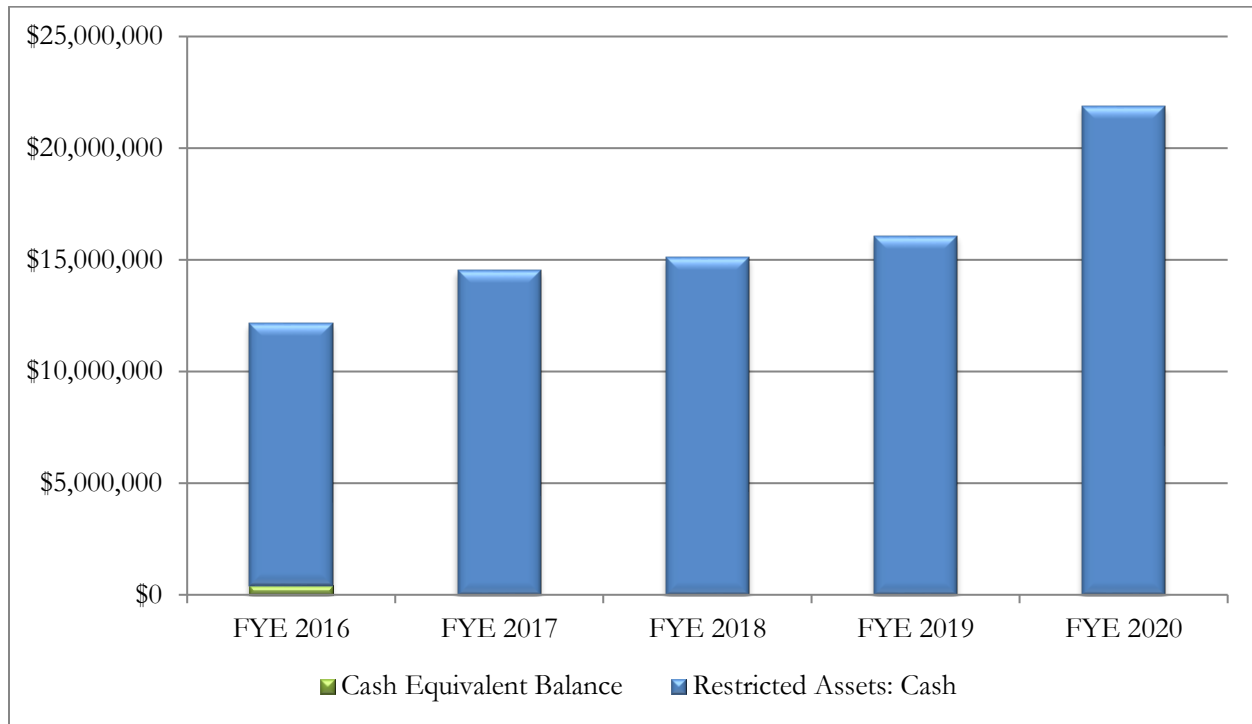
BALANCE SHEET FINDINGS

A review of balance sheets shows that SCTA increased its available cash on hand between FYE 2016 and 2020 (**Exhibit 17** and **Exhibit 18**). Net current cash equivalent balance reported was \$1,620, and restricted cash was \$21,870,074. SCTA had a total cash equivalent balance of cash and restricted cash equal to 68.6 percent of total operating expenses as of FYE 2020. The FYE 2020 audit reported \$1,043,683 in accounts payable at fiscal year-end.

Exhibit 17: Balance Sheet Summary (FYE 2016–FYE 2020)

Balance Sheet Report	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Current Assets					
Cash Equivalent Balance	\$401,566	\$120	\$120	\$1,620	\$1,620
Grants Receivable (incl. capital)	\$123,196	\$146,415	\$1,333,860	\$901,109	\$3,235,424
Other Accounts Receivable	\$1,366,638	\$2,664,539	\$2,902,766	\$4,474,612	\$3,251,774
Restricted Assets: Cash	\$11,755,773	\$14,527,366	\$15,088,852	\$16,071,452	\$21,870,074
Inventory Value	\$688,757	\$972,192	\$811,560	\$785,301	\$857,632
Prepaid Expenses	\$14,732	\$18,511	\$15,454	\$15,635	\$17,678
Current Liabilities					
Accounts Payable (incl. capital)	\$1,888,405	\$1,643,983	\$1,661,165	\$1,585,869	\$1,043,683
Accrued Expenses	\$268,144	\$273,472	\$272,524	\$354,139	\$356,683
Deferred Revenue	\$11,827,970	\$15,909,746	\$16,152,063	\$17,071,621	\$24,557,970
Total Operating Expense	\$30,802,622	\$30,966,840	\$32,959,755	\$33,197,669	\$31,861,637
(Cash Eqv. Bal + Restricted Cash)/ Total Operating Exp.	39.5%	46.9%	45.8%	48.4%	68.6%
Line of Credit / Annual Payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Current Assets	\$14,350,662	\$18,329,143	\$20,152,612	\$22,249,729	\$29,234,202
Current Liabilities	\$13,984,519	\$17,827,201	\$18,085,752	\$19,011,629	\$25,958,336
Net Current Assets	\$366,143	\$501,942	\$2,066,860	\$3,238,100	\$3,275,866

Source: Annual Audit Reports and dotGrants

Exhibit 18: End-of-Year Cash Balance (FYE 2016–FYE 2020)**ASSESSMENT**

SCTA currently has a balanced operating budget. Its net cash equivalent balance has increased since 2015. Noteworthy elements of SCTA's financial condition as of FYE 2019 are:

- SCTA had \$24,485,773 in state carryover funds (cash reserves).
- Combined carryover subsidies were equal to 76.9 percent of total operational funding.
- SCTA had a cash balance of available and restricted cash equal to 68.6 percent of total annual operating expenses.
- Current assets exceeded current liabilities.
- Accounts payable and receivable amounts were negligible.
- SCTA has no credit line as of FYE 2020.
- SCTA had a 16.6 percent fixed-route farebox recovery ratio, and passenger fares and other local revenues covered 20.6 percent of total fixed-route operating expenses.

SCTA's total carryover subsidies increased substantially due to the federal CARES Act and ARPA funding. These funds will offset operating losses resulting from the decreased revenues received and higher costs incurred in response to the COVID-19 pandemic. Management should continue taking appropriate actions to manage costs (i.e., containing cost growth within 3.0 percent annually), achieve farebox recovery goals, and maintain cash reserves to preserve SCTA's overall financial health.

APPENDIX A: DATA ADJUSTMENTS

There were minor discrepancies in operating statistics reported between NTD and dotGrants. Adjustments were made to reconcile differences that occurred from NTD reporting requirements for other sources of revenue in FYE 2018 and FYE 2019, and a reporting error in dotGrants for fixed-route ridership in FYE 2019.

Fixed-Route Ridership	FYE 2018	FYE 2019
dotGrants-reported ridership	4,660,772	4,402,133
NTD-reported ridership	4,660,772	4,534,323
Adjustment	-	132,190
Adjusted ridership	4,660,772	4,534,323

Fixed-Route Revenue	FYE 2018	FYE 2019
dotGrants-reported revenue	\$5,807,620	\$5,932,655
NTD-reported revenue	\$5,643,918	\$5,905,059
Other revenue adjustment	\$163,702	\$27,596
Adjusted revenue	\$5,807,620	\$5,932,655

Fixed-Route Operating Costs	FYE 2018	FYE 2019
dotGrants-reported operating costs	\$21,319,939	\$21,236,206
NTD-reported operating costs	\$21,367,603	\$21,269,557
Expense adjustment	(\$47,664)	(\$33,351)
Adjusted operating costs	\$21,319,939	\$21,236,206

The following Act 44 performance metrics were calculated for SCTA.

Act 44 Performance Metrics	FYE 2018	FYE 2019
Passengers/RVH	19.14	18.47
Operating Revenue/RVH	\$23.86	\$24.16
Operating Cost/RVH	\$87.57	\$86.48
Operating Cost/Passenger	\$4.57	\$4.68

APPENDIX B: 2016 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated in 2017

Category	Suggested Action	Progress	Status
1. Ridership	None.	N/A	N/A
2. Revenue	None.	N/A	N/A
3. Operating Cost	Revise road supervision to cover all hours of operation.	SCTA will evaluate changing hours of work of operations supervisors when an opening is created. SCTA is not in a position to hire additional staff to cover this recommendation.	Ongoing
4. Other	Develop a Board-driven succession plan for the Executive Director position.	SCTA will develop a succession plan with the involvement of the Personnel Committee and Executive Director.	Completed 12/31/2016 and adopted 01/18/2017
4. Other	Review policies for consistency across both Divisions, and update where inconsistencies are found.	SCTA will continue efforts to review all policies for Lancaster and Reading to ensure consistency. Staff has developed a list of all policies for both areas to review and develop new policies for SCTA.	Completed 06/30/2017

APPENDIX C: PEER COMPARISONS

Comparison of SCTA 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 2019 Reporting Year database was selected as the primary data source used in the calculation of the five-year trend Act 44 metrics for motor bus (MB):

- 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 be designated as either "In Compliance" or "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 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 13	2014 Value	Annual Rate	Rank of 13
Prince George's County, Maryland	11.21	13	16.99	-7.98%	12
Lehigh and Northampton Transportation Authority	18.03	4	22.46	-4.30%	7
Birmingham-Jefferson County Transit Authority	13.53	10	14.26	-1.05%	3
County of Volusia	15.57	6	22.75	-7.30%	10
Corpus Christi Regional Transportation Authority	18.26	3	22.12	-3.76%	5
Central Contra Costa Transit Authority	14.21	8	14.96	-1.02%	2
Antelope Valley Transit Authority	13.02	11	22.94	-10.72%	13
Transit Authority of Omaha	11.40	12	14.41	-4.59%	9
Golden Empire Transit District	20.06	1	20.33	-0.28%	1
Charleston Area Regional Transportation Authority	14.92	7	22.52	-7.90%	11
Transit Authority of Northern Kentucky	13.69	9	16.46	-3.62%	4
Cumberland–Dauphin–Harrisburg Transit Authority	17.16	5	21.55	-4.46%	8
South Central Transit Authority	18.47	2	22.67	-4.02%	6
<i>Average</i>	<i>15.35</i>		<i>19.57</i>	<i>-4.69%</i>	
<i>Standard Deviation</i>	<i>2.84</i>		<i>3.55</i>	<i>3.07%</i>	
<i>Average – 1 Standard Deviation</i>	<i>12.51</i>		<i>16.02</i>	<i>-7.76%</i>	
<i>Average + 1 Standard Deviation</i>	<i>18.19</i>		<i>23.13</i>	<i>-1.62%</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 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 13	2014 Value	Annual Rate	Rank of 13
Prince George's County, Maryland	\$125.25	11	\$125.13	0.02%	2
Lehigh and Northampton Transportation Authority	\$111.47	8	\$100.73	2.05%	7
Birmingham-Jefferson County Transit Authority	\$119.90	9	\$92.20	5.39%	13
County of Volusia	\$86.00	2	\$79.06	1.70%	6
Corpus Christi Regional Transportation Authority	\$96.17	7	\$83.49	2.87%	11
Central Contra Costa Transit Authority	\$138.46	12	\$123.86	2.25%	9
Antelope Valley Transit Authority	\$121.34	10	\$113.40	1.36%	4
Transit Authority of Omaha	\$91.80	6	\$85.71	1.38%	5
Golden Empire Transit District	\$87.91	5	\$77.92	2.44%	10
Charleston Area Regional Transportation Authority	\$83.93	1	\$75.50	2.14%	8
Transit Authority of Northern Kentucky	\$87.21	4	\$85.03	0.51%	3
Cumberland–Dauphin–Harrisburg Transit Authority	\$141.39	13	\$119.06	3.50%	12
South Central Transit Authority	\$86.48	3	\$91.68	-1.16%	1
<i>Average</i>	\$105.95		\$96.37	1.88%	
<i>Standard Deviation</i>	\$21.18		\$18.10	1.62%	
<i>Average – 1 Standard Deviation</i>	\$84.77		\$78.27	0.26%	
<i>Average + 1 Standard Deviation</i>	\$127.13		\$114.46	3.50%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

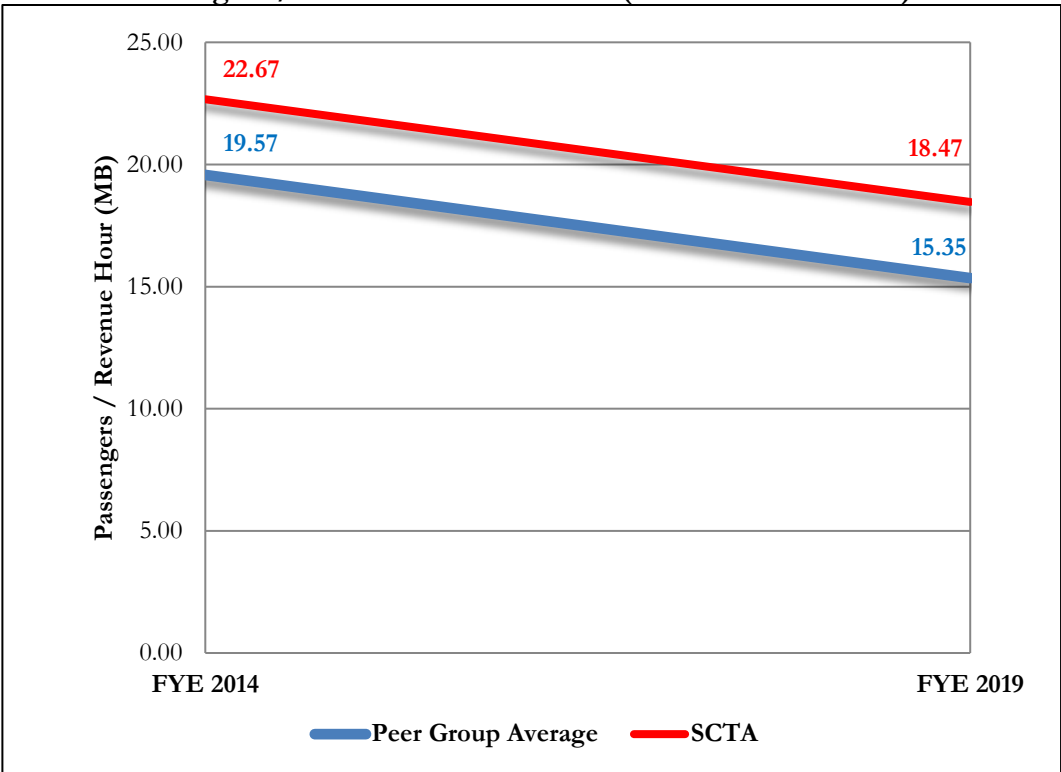
Operating Revenue / Revenue Vehicle-Hour

Operating Revenue / Revenue-Hour (MB)					
System	FYE 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 13	2014 Value	Annual Rate	Rank of 13
Prince George's County, Maryland	\$6.74	13	\$9.28	-6.18%	13
Lehigh and Northampton Transportation Authority	\$20.49	5	\$26.73	-5.18%	11
Birmingham-Jefferson County Transit Authority	\$9.57	12	\$10.68	-2.18%	8
County of Volusia	\$16.73	9	\$20.49	-3.97%	10
Corpus Christi Regional Transportation Authority	\$10.81	11	\$7.72	6.94%	1
Central Contra Costa Transit Authority	\$22.76	4	\$23.24	-0.41%	4
Antelope Valley Transit Authority	\$20.12	6	\$16.17	4.47%	2
Transit Authority of Omaha	\$15.86	10	\$17.06	-1.45%	6
Golden Empire Transit District	\$18.33	8	\$17.15	1.34%	3
Charleston Area Regional Transportation Authority	\$24.17	2	\$26.63	-1.92%	7
Transit Authority of Northern Kentucky	\$18.66	7	\$22.55	-3.72%	9
Cumberland–Dauphin–Harrisburg Transit Authority	\$25.83	1	\$27.79	-1.45%	5
South Central Transit Authority	\$24.16	3	\$31.74	-5.31%	12
<i>Average</i>		<i>\$18.02</i>	<i>\$19.79</i>	<i>-1.46%</i>	
<i>Standard Deviation</i>		<i>\$5.96</i>	<i>\$7.57</i>	<i>3.85%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$12.05</i>	<i>\$12.21</i>	<i>-5.31%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$23.98</i>	<i>\$27.36</i>	<i>2.39%</i>	
Act 44 Compliance Determination		In Compliance		In Compliance	
Compared to the Peer Group Average		Better		Worse	

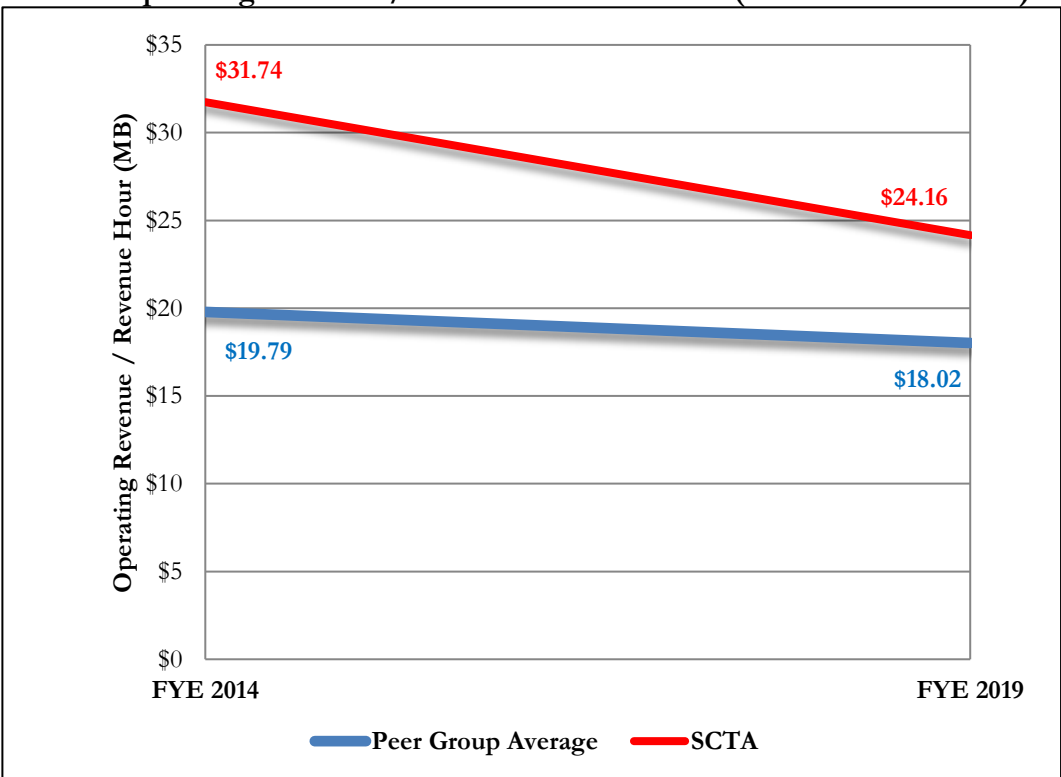
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 13	2014 Value	Annual Rate	Rank of 13
Prince George's County, Maryland	\$11.17	13	\$7.36	8.70%	10
Lehigh and Northampton Transportation Authority	\$6.18	6	\$4.48	6.63%	7
Birmingham-Jefferson County Transit Authority	\$8.86	10	\$6.47	6.51%	6
County of Volusia	\$5.52	4	\$3.47	9.71%	11
Corpus Christi Regional Transportation Authority	\$5.27	3	\$3.77	6.89%	8
Central Contra Costa Transit Authority	\$9.75	12	\$8.28	3.31%	3
Antelope Valley Transit Authority	\$9.32	11	\$4.94	13.53%	13
Transit Authority of Omaha	\$8.06	8	\$5.95	6.26%	5
Golden Empire Transit District	\$4.38	1	\$3.83	2.73%	1
Charleston Area Regional Transportation Authority	\$5.63	5	\$3.35	10.91%	12
Transit Authority of Northern Kentucky	\$6.37	7	\$5.16	4.28%	4
Cumberland–Dauphin–Harrisburg Transit Authority	\$8.24	9	\$5.53	8.32%	9
South Central Transit Authority	\$4.68	2	\$4.04	2.98%	2
<i>Average</i>		<i>\$7.19</i>	<i>\$5.13</i>	<i>6.98%</i>	
<i>Standard Deviation</i>		<i>\$2.17</i>	<i>\$1.54</i>	<i>3.24%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$5.02</i>	<i>\$3.58</i>	<i>3.74%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$9.35</i>	<i>\$6.67</i>	<i>10.22%</i>	
Act 44 Compliance Determination		In Compliance	In Compliance		
Compared to the Peer Group Average		Better	Better		

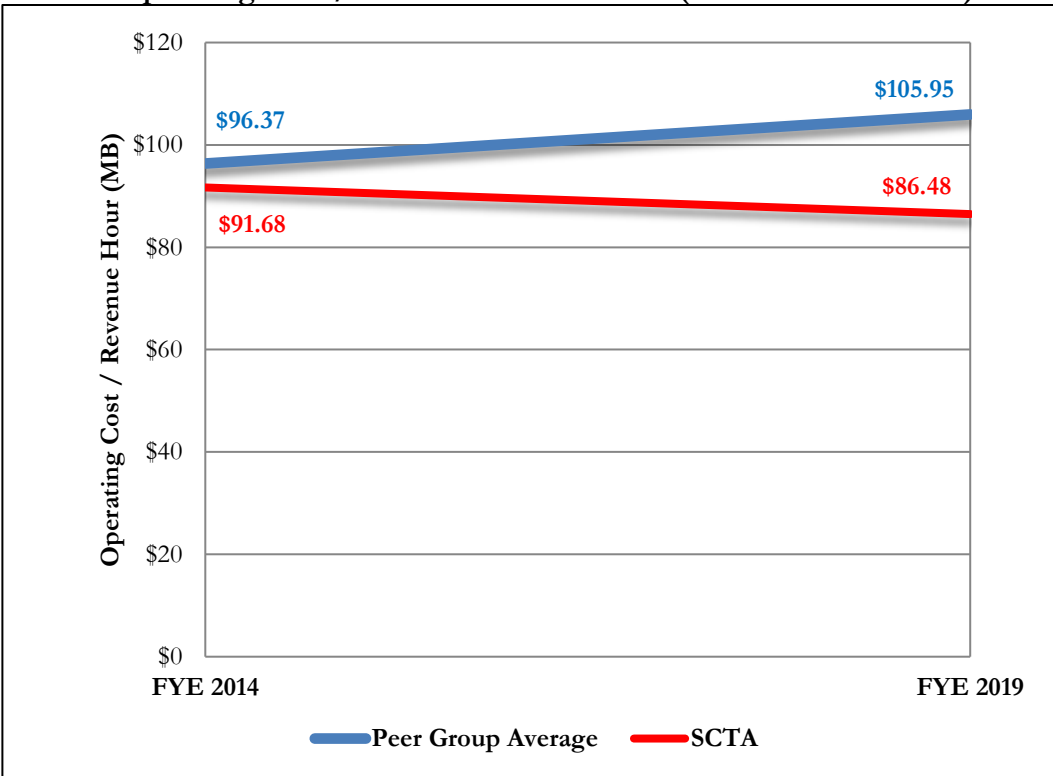
Trend – Passengers / Revenue Vehicle-Hour (FYE 2014-FYE 2019)



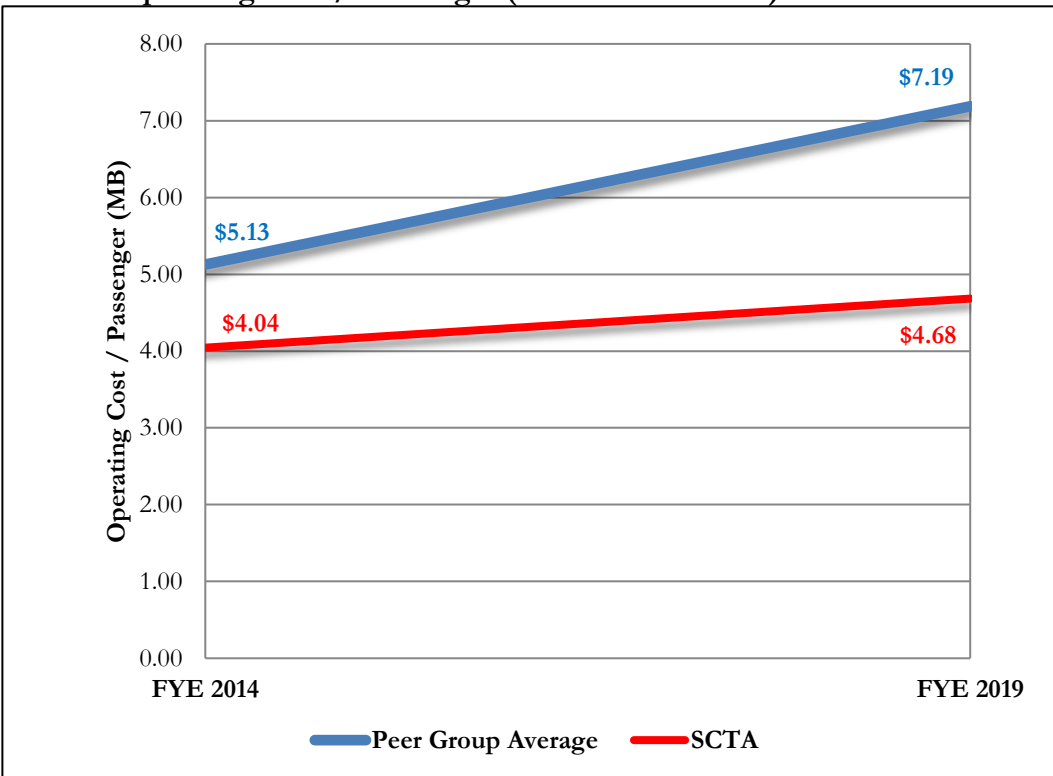
Trend – Operating Revenue / Revenue Vehicle-Hour (FYE 2014–FYE 2019)



Trend – Operating Cost / Revenue Vehicle-Hour (FYE 2014–FYE 2019)



Trend – Operating Cost / Passenger (FY 2014–FYE 2019)



APPENDIX D: ACTION PLAN TEMPLATE

PART 1 – ACTIONS TO INCREASE PASSENGERS / REVENUE-HOUR

Recommendations From narrative starting on page 11	SCTA Action	Estimated Initiation Date	Estimated Completion Date
<ol style="list-style-type: none"> 1. Develop a Board-driven strategic plan that: <ol style="list-style-type: none"> a. Sets a mission for SCTA and a vision for the management of BARTA and RRTA; b. Incorporates the goals and objectives of the 2018 TDP where appropriate (i.e., sustainability, convenience, connectivity, and ridership growth); c. Identifies strategies for success and assigns roles and responsibilities for management to implement and Board members for oversight; and d. Includes performance measures for reporting progress as part of SCTA's annual report. 			
<ol style="list-style-type: none"> 2. Consider establishing municipal partnerships with local planning commissions and request to be added as a reviewing agency for land use applications. 			

PART 2 – ACTIONS TO INCREASE OPERATING REVENUE / REVENUE-HOUR

Recommendation From narrative starting on page 12	SCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Consider reaching out to peer agencies to see if there are strategies learned at these agencies to incorporate into SCTA’s distribution and warehouse marketing plans.			

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

Recommendation From narrative starting on page 12	SCTA Action	Estimated Initiation Date	Estimated Completion Date
1. None.			

PART 4 – OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendations From narrative starting on page 13	SCTA Action	Estimated Initiation Date	Estimated Completion Date
1. The SCTA Board and appropriate BARTA and RRTA officers should work with Berks and Lancaster counties to renew the BARTA and RRTA articles of incorporation well before the expiration date.			

Recommendations From narrative starting on page 13	SCTA Action	Estimated Initiation Date	Estimated Completion Date
2. Update SCTA cost allocation methodologies to include a sub-allocation of paratransit expenses to passenger trip reimbursement program types (e.g., ADA, shared-ride, non-public MATP, etc.).			
3. Update shared-ride retained earnings reporting to reflect only costs and revenues for trips operated under the shared-ride fare structure.			

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