Performance Report

Transit Performance Review

New Castle Area Transit Authority (d.b.a, NCATA)

January 18, 2024

pennsylvania
DEPARTMENT OF TRANSPORTATION

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NEW CASTLE AREA TRANSIT AUTHORITY (NCATA) PERFORMANCE REVIEW EXECUTIVE SUMMARY
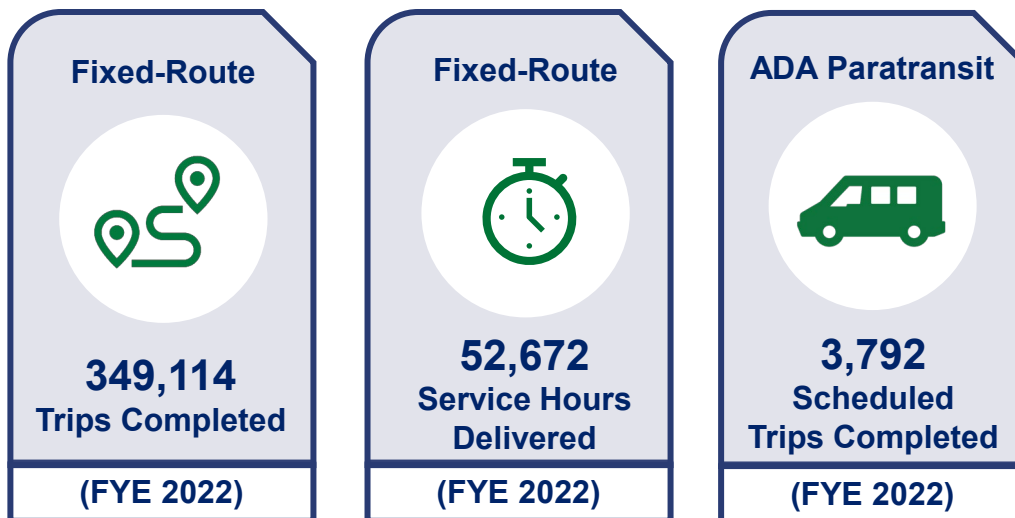
FIXED-ROUTE RIDER PROFILE

98%
Riders Satisfied with Service

31%
Riders use NCATA for Work

24%
Riders use NCATA for Medical Trips

14%
Riders are Age 65 and Older

12%
Riders are Age 24 and Younger

54%
Customers Ride at least 5 Days per Week
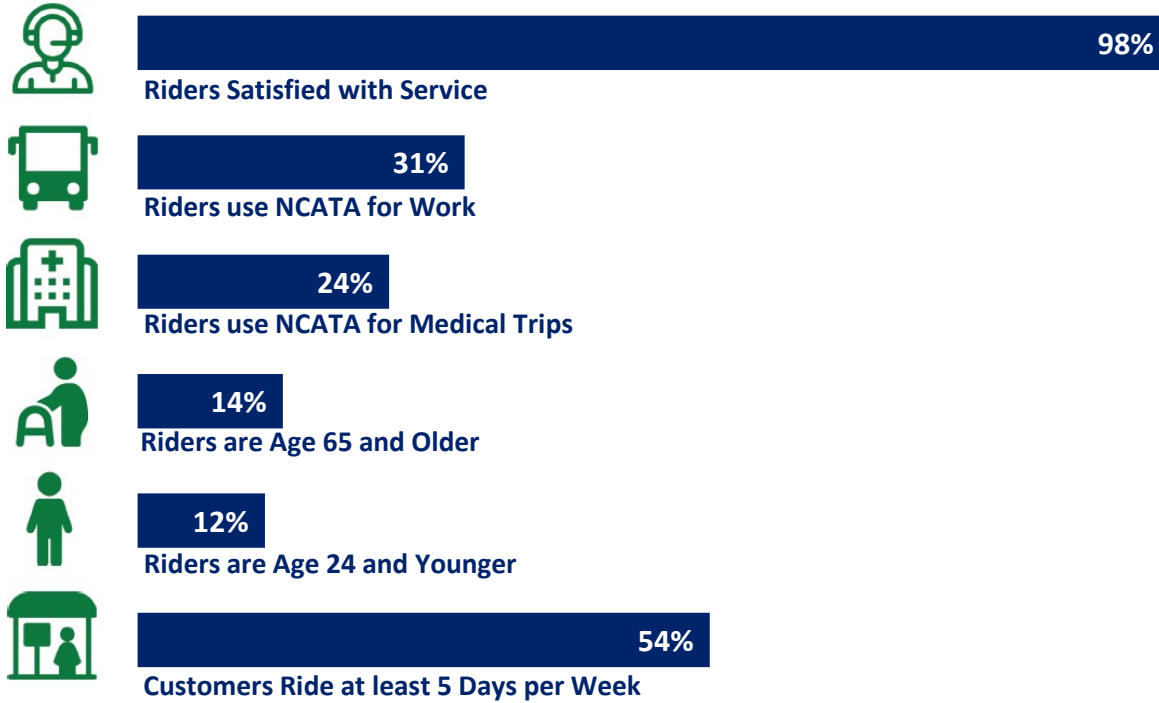
Source: 2022 NCATA Customer Satisfaction Survey

COMMUNITY IMPACTS

SOCIAL

Mobility Benefits

Fixed-Route	Fixed-Route	ADA Paratransit
349,114 Trips Completed	**52,672** Service Hours Delivered	**3,792** Scheduled Trips Completed
(FYE 2022)	**(FYE 2022)**	**(FYE 2022)**

On-Time Performance (September 2022 – 2023)   **Fixed-Route 94%**

Source: FYE 2022 dotGrants and Agency Reporting

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COMMUNITY IMPACTS

ECONOMIC

$870K **Spent Doing Business With Pennsylvania Vendors (FYE 2022)**

$1.9M **Operator Salaries & Wages (FYE 2022)**

$25.03 **Average Hourly Fixed-Route Bus Driver Wage (FYE 2022)**

Sources: FYE 2022 dotGrants and Agency Reporting

ACT 44 PERFORMANCE METRICS

	TARGET (2022)	ACTUAL (2022)	AUDITED (2023)	FUTURE (2028)
INCREASE **Passengers / RVH**	11.80	6.63	7.09	7.83
CONTAIN **Operating Cost / RVH**	$126.55	$130.03	$130.67	$152.95
INCREASE **Operating Revenue / RVH**	$15.96	$5.55	$7.30	$8.46
CONTAIN **Operating Cost / Passenger**	$10.73	$19.62	$18.43	$19.37

BEST PRACTICES

- Prioritized rider safety and the customer experience to retain ridership on its most popular route during the pandemic.
- Offers an early retirement program for drivers where the Authority pays half of health insurance expenses until the individual reaches the age of 65.
- Conducted a peer exchange with IndiGO to understand the lessons learned for implementing a new Fixed-Route Intelligent Transportation System for the fleet.

OPPORTUNITIES FOR IMPROVEMENT

- Develop microtransit productivity measures.
- Conduct a bus stop inventory and conditions assessment.
- Determine cost savings from reduced commuter service and assess opportunities to sustainably reinvest these resources within the fixed-route system.
- Determine the appropriate technology when considering farebox replacement options.

Other Fixed-Route Performance Statistics	FYE 2019	FYE 2022
Operating Revenue / Operating Cost	12.3%	4.4%
Operating Cost / Total Vehicle-Hours	$114.44	$128.89
Operating Cost / Total Vehicle-Miles	$5.45	$7.12
Total Passengers / Total Vehicle-Hours	10.78	6.20
Operating Cost / RVM	$5.63	$7.39
RVM / Total Vehicle-Miles	96.9%	96.3%
RVH / Total Vehicle-Hours	98.0%	97.9%
Operating Subsidy / Passenger Trip	$9.30	$19.87
Farebox Recovery	10.9%	3.4%

Note: Does not include ADA Paratransit Operating Statistics

Fixed-Route Annual Operating Statistics	FYE 2019	FYE 2022
Vehicles in Maximum Service (VOMS)	25	25
Operating Cost	$6,036,341	$6,349,103
Operating Revenues	$747,548	$267,300
Operating Subsidies	$5,315,793	$6,072,803
Total (Actual) Vehicle-Miles	1,112,267	891,342
Revenue Vehicle-Miles (RVM)	1,077,866	858,617
Total Vehicle-Hours	52,981	49,260
Revenue Vehicle-Hours (RVH)	51,943	48,222
Total Passenger Trips	571,346	305,606
Senior Passenger Trips	84,340	50,266

Note: Does not include ADA Paratransit Operating Statistics

NCATA Compressed Natural Gas (CNG) Fixed-Route Bus

TRANSIT PERFORMANCE REVIEW

FLEET SNAPSHOT

32 **Total Vehicles**

Estimated Annual Miles per Vehicle

20 **Large Heavy-Duty Buses** **35,200**

7 **Small Heavy-Duty Buses** **27,000**

Source: 2023 Capital Planning Tool and FYE 2022 dotGrants Reporting

HIGH-LEVEL FINANCIAL INDICATORS

FYE 2019 **FYE 2022**

65.1% **78.7%**

Total Reserves / Total Operating Expenses

FYE 2019 **FYE 2022**

$1.15 **$0.71**

Effective Fare (Total Fare Revenue / Passenger Boardings)

Source: dotGrants Reporting

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List of Exhibits

Preface

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

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.

COVID-19 disproportionately impacted transit-dependent populations

Beginning in February 2020, COVID-19 caused significant social and economic disruptions as workplaces closed and people limited travel and gatherings to reduce 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.

Transit agencies have navigated new requirements, higher costs, and shifting travel demand

The impacts of COVID-19 on the public transportation industry were also severe. 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.

A "new normal" for transit systems seems to be emerging, but uncertainty and volatility remain

By late Summer 2020, transit agencies had begun to stabilize from the initial impacts of COVID-19, only to have statewide infection rates soar in the fall and winter. As COVID-19 lingered and mutated for more than three years, its impact on travel patterns became less severe, but its influence never fully subsided. By 2023, post-pandemic travel patterns had begun to emerge and stabilize, but the long-term effects of the pandemic on transit remain unknown.

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

Many 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 are known. If the performance targets are revised, they will be published as an addendum to this report.

Introduction

Purpose

Act 44 requires local transportation organizations that receive state operating assistance to participate in periodic reviews to assess agency performance. PennDOT established a framework for conducting performance reviews with local 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;
- Assist agencies in developing an action plan which addresses opportunities for improvement and ways 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 actions taken by the organization to improve performance and management practices to meet performance targets.

This report presents the New Castle Area Transit Authority (NCATA) review, conducted on June 28, 2023.

Performance Review Process Steps

The performance review process is a collaborative effort between the transit agency and PennDOT.

As shown in **Exhibit 1**, the performance review process assesses NCATA's unique challenges and changes since the previous performance review, the accuracy and reliability of reported data, implemented practices, additional opportunities for improvement, and realistic targets to attain before the next review.

Exhibit 1. Performance Review Process Steps

Key to Responsibilities: PennDOT   PennDOT + Transit Agency   Transit Agency

1.	Notify agency of performance review schedule and request supporting documents.
2.	Review available data and request additional information.
3.	Agree upon a set of peer agencies for comparison.
4.	Review the most recent customer satisfaction survey.
5.	Assess Act 44 variables, including current performance, targets from the previous review, and Action Plan implementation.
6.	Conduct Act 44 performance criteria analysis.
7.	Interview agency management, staff, and governing body.
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.	Develop the performance report.
12.	Develop, implement, and monitor a five-year Action Plan.
13.	Provide technical assistance, if required, to help meet five-year performance targets.

Agency Overview

The New Castle Area Transit Authority (NCATA) was formed in 1965 as a municipal authority for the City of New Castle, Shenango Township, Union Township, and Neshannock Township in Lawrence County, PA. NCATA is a rural fixed-route transportation provider for the New Castle area and has a service area of 60 square miles (**Exhibit 2**). The NCATA Board of of Directors has nine members; six represent the City of New Castle, one represents Union Township, one represents Shenango Township, and one represents Neshannock Township.

NCATA operates 17 fixed routes. Its fixed-route network is focused on downtown New Castle and the surrounding neighborhoods. Some routes branch out of downtown and serve the area's shopping plazas and industrial parks. NCATA operates a weekday commuter route to downtown Pittsburgh. The Authority owns a transfer center in downtown New Castle that includes passenger waiting facilities, parking, and a driver break room. The Authority also utilizes three other park-and-ride facilities that serve its commuter route to Pittsburgh.

NCATA contracts its Americans with Disabilities Act (ADA) trips to Allied Coordinated Transportation Services, Inc. (ACTS). ACTS is also the shared-ride transportation provider for Lawrence County.

Exhibit 2. NCATA Compressed Natural Gas (CNG) Bus at the NCATA Administrative and Maintenance Facility in New Castle, PA

In Fiscal Year 2021-22 (FYE 2022), NCATA had 25 fixed-route Vehicles Operated in Maximum Service (VOMS) and provided 349,114 total fixed-route passenger trips. NCATA's contractor provided 3,792 total ADA passenger trips through contracted service.

Like most transit systems nationally and across Pennsylvania, the COVID-19 pandemic impacted NCATA's ridership beginning in March 2020. Monthly fixed-route ridership began to stabilize at the end of 2021, but remained below pre-pandemic levels in 2022 (**Exhibit 3**). NCATA continues to operate its Pittsburgh route under its COVID-19 schedule, which has reduced daytime service and no evening service.

Exhibit 3. Monthly Fixed-Route Ridership, 2019–2022
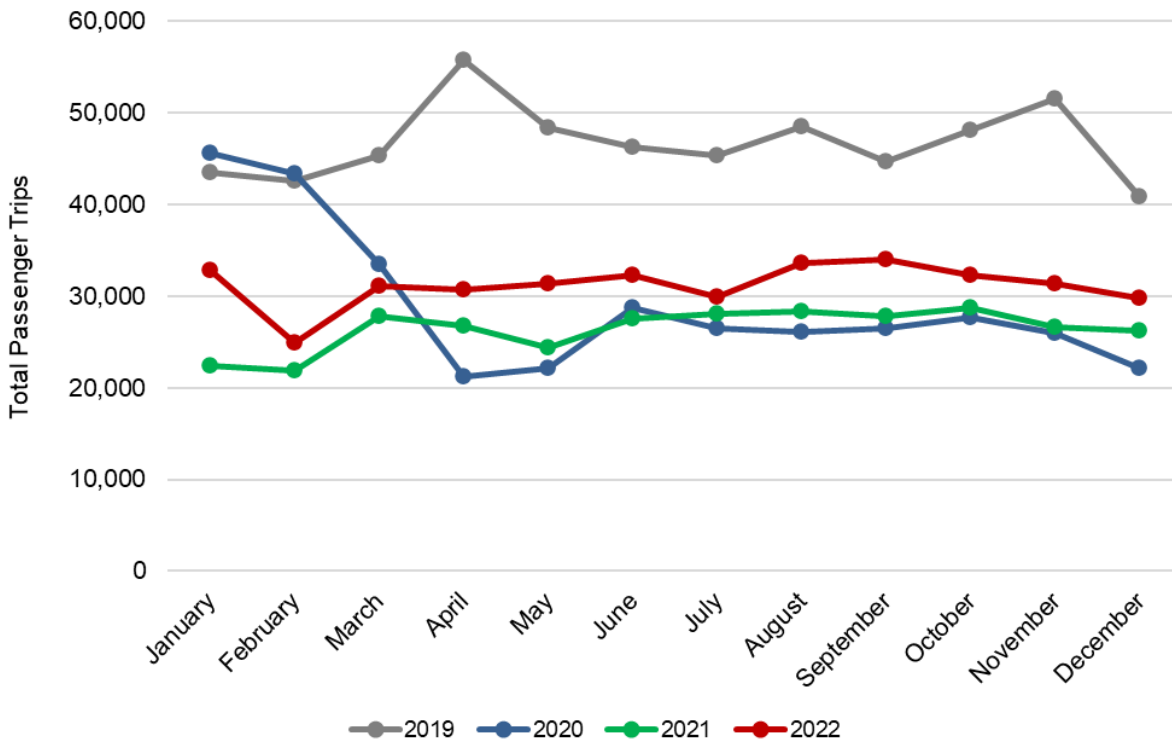
Community Impacts

Public transportation is a vital service to the community. It provides mobility options and increases access to jobs, medical facilities, food stores, schools, and other economic destinations.

The COVID-19 pandemic highlighted the critical nature of public transportation to individuals and their communities. Essential workers and those most reliant on public transportation services continued to ride throughout the pandemic while many former commuters and individuals in professional service jobs continue remote work and are not using the service like they might have pre-pandemic.

One of the most significant impacts that the COVID-19 pandemic had on NCATA was the service productivity reduction on the commuter route to Pittsburgh. The commuter route went from eight morning and eight afternoon runs before the pandemic to four morning and four afternoon runs. NCATA estimated 2022 commuter route productivity to be 22 percent of its pre-pandemic trips.

Customer Satisfaction Survey

NCATA last conducted a fixed-route customer satisfaction survey (CSS) in 2022. A total of 366 completed surveys were collected. The survey was conducted online and in-person on NCATA buses and at NCATA's downtown New Castle transfer facility. As shown in **Exhibit 4**, based on the number of respondents and the survey results, the respondents indicated driver friendliness and safety, helpfulness of NCATA employees, fares, seat availability, and weekday frequency as top measures. The lowest-ranked measures were bus stop comfort, bus interior cleanliness, and weekend service frequency.

Exhibit 4. 2022 CSS Performance Measures Average Ratings

Measure	Rating
Driver courtesy and friendliness	4.72
Safe and competent drivers	4.72
Helpfulness of employees	4.67
Bus fares	4.66
Availability of seats on the bus	4.65
Frequency of weekday service	4.63
Park-and-ride lots	4.61
On time arrivals and departures	4.60
Comfortable bus seats	4.60
Comfortable temperature on bus	4.59
Bus schedule availability	4.59
Bus schedule - easy to understand	4.58
Personal safety on buses/at stops	4.57
Bus stop maintenance	4.53
Telephone customer service	4.50
Website - easy to navigate	4.50
Comfort at bus stops	4.38
Cleanliness inside the bus	4.38
Frequency of weekend service	4.31

NCATA Rider Profile

The CSS provides insight into rider characteristics and customer preferences (**Exhibit 5**). Respondents from the 2022 survey indicated a 98 percent satisfaction level in their overall experience riding NCATA, and 54 percent of customers who frequently use NCATA ride at least five days per week. The survey indicated that 98 percent of respondents will continue using the bus service and 97 percent would recommened the bus service. Fixed-route bus is an essential service for many riders.

Exhibit 5. Fixed-Route Rider Profile

Riders Satisfied with Service — 98%

Riders use NCATA for Work — 31%

Riders use NCATA for Medical Trips — 24%

Riders are Age 65 and Older — 14%

Riders are Age 24 and Younger — 12%

Customers Ride at least 5 Days per Week — 54%
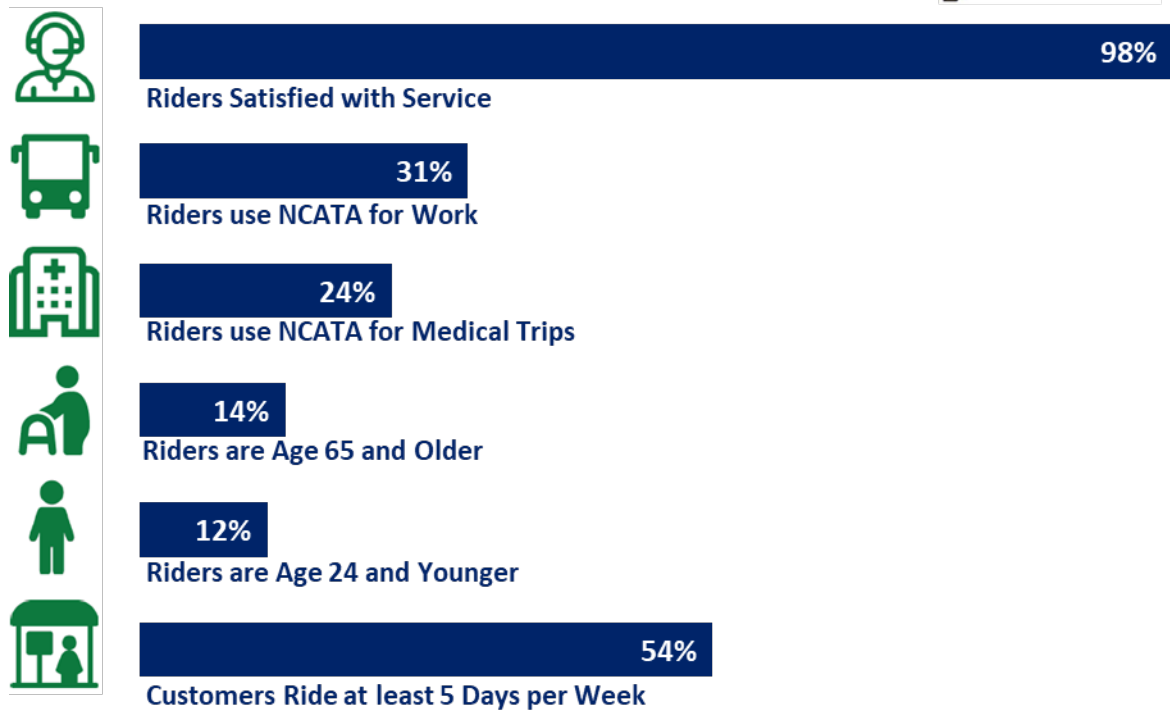
Source: 2022 NCATA CSS

Economic and Social Impacts

NCATA benefits the local economy and the communities it serves through the expenditure of public funds and fare revenue, supporting jobs in transit operations, and by purchasing services and goods (**Exhibit 6**).

In FYE 2022, NCATA's procurement of goods and services infused $870,000 into the local Pennsylvania economy. NCATA invested $2.8 million in total wages: $1.9 million for operators, $485,150 for maintenance personnel, and $390,000 for general administration staff. NCATA has 32 full-time drivers, seven mechanics, ten maintenance staff, and seven customer service employees.

NCATA provided 349,114 fixed-route bus trips and contracted for 3,792 ADA paratransit trips in FYE 2022.

Total post-pandemic ridership on fixed-route service is approximately 61 percent of pre-COVID levels. NCATA provided 349,114 total passenger trips in FYE 2022 compared to 571,346 total trips in FYE 2019. Senior ridership increased after pandemic lows and currently stands at 74 percent of pre-COVID levels; NCATA provided 62,797 senior fixed-route trips in FYE 2022 compared to 84,340 in FYE 2019. Fixed-route on-time performance[1] was 97 percent in FYE 2022.

As noted in previous performance reviews, NCATA had a robust pre-pandemic commuter bus market into Pittsburgh. Route 71 offered eight morning and eight evening runs, including Friday evening service to the Rivers Casino in downtown Pittsburgh. NCATA continues to operate Route 71 under its pandemic schedule, which is reduced by 50 percent of pre-pandemic levels. NCATA's local ridership stabilized in FYE 2022, however the commuter market has not returned at as high a rate as local routes. Currently, the majority of NCATA's fixed-route trips occur within Lawrence County.

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[1] NCATA considers on-time within zero minutes early and up to five minutes late of scheduled times.

Exhibit 6. Economic and Social Measures

ECONOMIC

$870,000 — **Spent Doing Business with Pennsylvania Vendors (FYE 2022)**

$1.9M — **Operator Salaries and Wages (FYE 2022)**

32 — **Full-Time Drivers** (FYE 2022)

SOCIAL

Mobility Benefits

Fixed-Route	Fixed-Route	ADA Paratransit
349,114 Trips Completed	**52,672** Service Hours Delivered	**3,792** Scheduled Trips Completed
(FYE 2022)	**(FYE 2022)**	**(FYE 2022)**

On-Time Performance (FYE 2022) — **Fixed-Route 97%**

Source: FYE 2022 dotGrants and agency-reported values.

Agency Trends

Annual Operating Statistics

Annual Passengers (1,000s)

Legend: ■ Fixed-Route ■ Paratransit

Years: 2018, 2019, 2020, 2021, 2022

Operating Costs ($1,000s)

Legend: ■ Fixed-Route ■ Paratransit

Years: 2018, 2019, 2020, 2021, 2022

Operating Revenues ($1,000s)

Legend: ■ Fixed-Route ■ Paratransit

Years: 2018, 2019, 2020, 2021, 2022

Total Service Hours (1,000s)

Legend: ■ Fixed-Route ■ Paratransit

Years: 2018, 2019, 2020, 2021, 2022
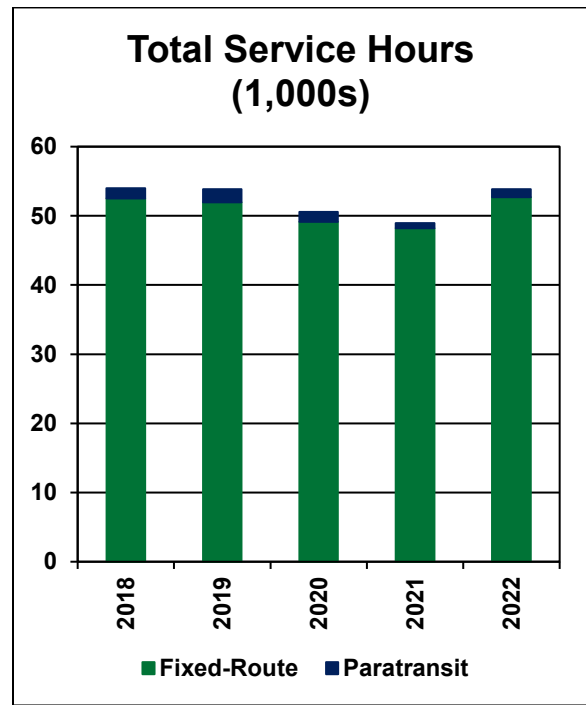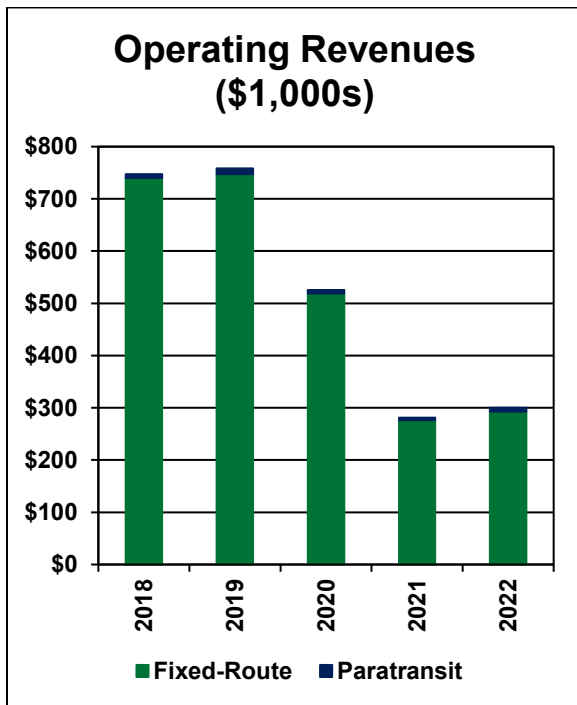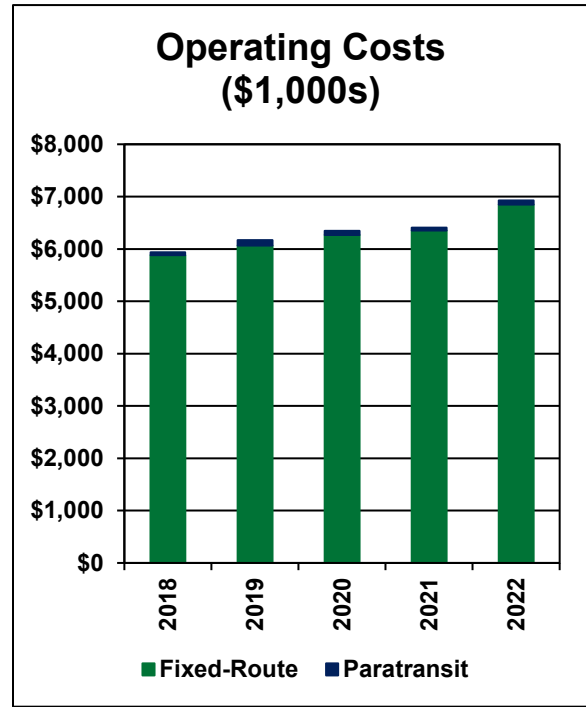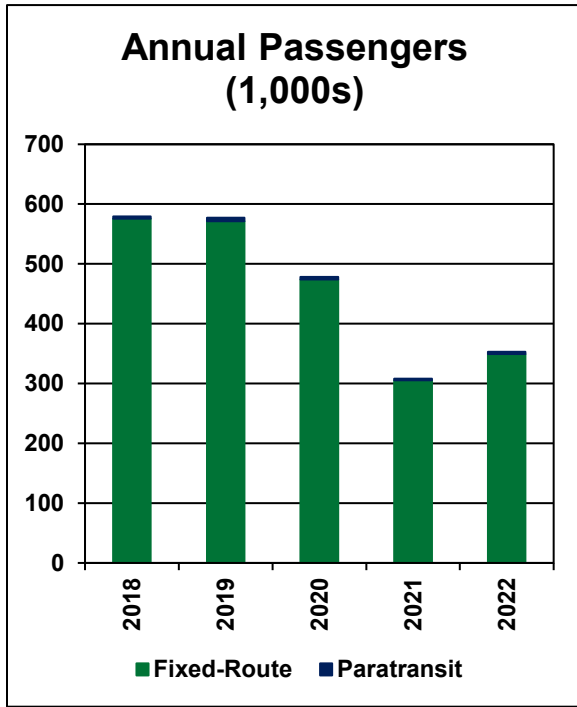
Note: **Appendix A: Data Reconciliation** on page 24 provides reconciled values between dotGrants and the National Transit Database (NTD).

Financial Health

Transit agencies in good financial health typically have diverse revenue streams, build sufficient operating reserves, and prioritize long-term financial sustainability. NCATA operated with a balanced budget during FYE 2022. Total transportation services cost approximately $6.9 million to operate. NCATA earned approximately $300,000 in revenues and required roughly $6.6 million in subsidies to offset operating deficits (**Exhibit 7**).

Exhibit 7. FYE 2022 Operating Budget Summary

Fiscal Year End 2022	Fixed-Route	ADA	Total
Total Operating Expenses	$6,848,769	$77,571	**$6,926,340**
Total Revenue	$292,527	$7,438	**$299,965**
Total Federal Subsidies	$3,800,000	$0	**$3,800,000**
Total State Subsidies	$2,487,017	$70,133	**$2,557,150**
Total Local Subsidies	$269,225	$0	**$269,225**

High-Level Financial Indicators

As shown in **Exhibit 8**, NCATA had carryover subsidies (cash reserves) equal to 78.7 percent of its total annual operating costs as of FYE 2022. These cash reserves are attributable to an influx of federal COVID relief funds for operating expenses, which enabled the authority to build its state operating reserves to $5 million in FYE 2022.

NCATA does not maintain a line of credit or have any other long-term debt. Amounts in accounts payable and accounts receivable over 90 days were negligible.

> **Fixed-route operating revenues recovered 10.9% of annual operating costs before the pandemic.**

Before the pandemic, NCATA had a farebox recovery ratio of 10.9 percent. For the fiscal year ending June 30, 2022, farebox recovery decreased to 3.7 percent due to the lingering impacts of the pandemic on ridership and increased operating costs. Post-pandemic fixed-route ridership for NCATA had rebounded to 61 percent of its pre-COVID-19 ridership. NCATA's last fixed-route fare increase occurred in 2012, when the base fare increased by $0.25 to $1.00. Management stated the Board's preference to delay a fare increase, which it feels could disproportionately impact many of NCATA's low-income riders. Additionally, NCATA has no plans to increase its $4.00 (one-way) commuter fare.

NCATA's fixed-route operating subsidy per passenger trip was $18.78 in FYE 2022, doubling from $9.30 in FYE 2019, which was the last fiscal year before the impacts of the COVID-19 pandemic on ridership, revenues, and operating costs. The increase in federal subsidies offset the loss of passenger revenue.

Exhibit 8. High-Level Financial Indicators

Indicator	Value		Assessment Criteria / Rationale	Source
Total Reserves / Annual Operating Cost	**FYE 2019**	**FYE 2022**	A combined target of 25%+ provides liquidity to cover unexpected cost increases or service changes without incurring interest fees from loans.	FYE 2019 Audit FYE 2022 Audit
	65.1%	78.7%		
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 2022 Audit and PennDOT dotGrants
Accounts Payable (AP) 90+ days	0.0%		Target should be 0% over 90 days. Larger values indicate cash flow concerns.	June 2023 agency-reported value
Accounts Receivable (AR) 90+ days	0.0%		Target should be 0% over 90 days. Larger values can cause cash flow problems.	June 2023 agency-reported value
Debt / Annual Operating Cost	0.0%		Target should be 0%. Low debt amounts reduce interest expense.	FYE 2022 Audit
Farebox Recovery	**FYE 2019**	**FYE 2022**	Typically, the target should be 12%-15% or higher. The drop in ridership associated with the COVID-19 pandemic significantly reduced farebox recovery.	FYE 2019 Audit, FYE 2022 Audit, and PennDOT dotGrants
	10.9%	3.7%		
Effective Average Fare	$1.15	$0.72	Total fare revenue / total passengers. Effective fare calculates the actual value of fares per passenger trip and is an indicator of when fares might need adjustment to offset increases in operating costs.	FYE 2019 Audit, FYE 2022 Audit, and PennDOT dotGrants
Operating Subsidy per Passenger Trip	$9.30	$18.78	Indicates the subsidy requirement to offset operating losses per passenger trip.	FYE 2019 Audit, FYE 2022 Audit, and PennDOT dotGrants

Safety

Industry practices dictate a holistic approach to safety that includes the principles of Safety Management Systems (SMS). At this time NCATA is not required to develop a Federal Transportation Administration (FTA)-compliant Public Transportation Agency Safety Plan (PTASP). However, NCATA participated in the following safety practices:

- Received onsite Transportation Security Administration (TSA) training for responding to potential explosive devices and active shooter drills.
- Conducts quarterly safety meetings with management and drivers to discuss and assess potential facility and route hazards.
- Improved driver visibility by removing trees that obstructed driver view of the main road as they left NCATA's facility.
- Conducts annual voluntary CPR-AED-First Aid training for employees.
- Maintains a strong relationship with local emergency management services, including sharing surveillance records from NCATA's facilities in downtown New Castle with the local police force and providing buses to local firefighters for safe evacuations.

Capital Asset Management

PennDOT verifies asset conditions by reviewing Capital Planning Tool (CPT) records and interviewing transit agency management, operations, and maintenance staff. Transit Asset Management (TAM) is a systematic process that allows agencies to track assets, forecast asset conditions, and plan for asset maintenance or replacement. This FTA-required process accounts for the entire life cycle of a capital asset (e.g., facilities, equipment, rolling stock, and infrastructure) used for public transportation, from procurement through operations and maintenance to disposal. A critical element of the TAM process is the inventorying and assessment of asset conditions.

Detailed inventories of the fleet and other capital assets indicate when assets should be scheduled for replacement. This process is key for efficient coordination with local funding contributors. PennDOT recognizes a revenue vehicle asset as eligible for replacement when it reaches its useful life in years and miles. The estimated service life (ESL) for a vehicle depends on its size, fuel type, and seating capacity:

- Large, heavy-duty bus ESL is 500,000 miles and 12 years;
- Small, heavy-duty bus ESL is 350,000 miles and 10 years;
- Medium-duty bus ESL is 350,000 miles and 10 years;
- Light-duty bus ESL is 150,000 miles and five years; and
- Van ESL is 100,000 miles and four years.

As of November 2023, NCATA had a fleet of 32 total vehicles in service. The fleet consists of large and small heavy-duty buses. As shown in **Exhibit 9**:

- Large heavy-duty buses accrued an average of 35,200 annual miles; and
- Small heavy-duty buses accrued an average of 27,000 annual miles.

Exhibit 9. 2023 Fleet Utilization

Vehicle Type	Fleet*	ESL Requirements		Annual Miles	
		Years	Miles	2023 Average	ESL
Large Heavy-Duty Bus	20	12	500,000	35,200	42,000
Small Heavy-Duty Bus	7	10	350,000	27,000	35,000

*Note: Five new commuter buses were not in service at the time of this review.

Based on current odometer readings and estimated yearly mileage, NCATA's fleet accumulated fewer than the annual miles needed to meet estimated useful life in years. The large and small buses will remain in service beyond 12 and 10 years, respectively.

If current utilization levels continue, NCATA should:

1. Ensure preventative maintenance occurs on time and on schedule as vehicles operate past their estimated useful life in years.

2. Consider assessing the minimum fleet requirements to determine an optimized fleet size and vehicle types to meet scheduled vehicle replacement.

Act 44 Performance Review Findings

Prior Performance Reviews

On prior performance reviews, NCATA took action to increase fixed-route ridership and revenues and contain growth in operating costs. Specifically, NCATA accomplished the following as part of prior action plans:

- Conducted a customer satisfaction survey.
- Engaged in broader survey efforts to target commuter passengers.
- Developed a marketing plan.
- Created the Authority's first transit development plan (TDP).
- Attended Fixed-Route Intelligent Transportation System (FRITS) training opportunities.
- Continued monthly review of cost recovery by route.
- Integrated cost-containment goals as part of collective bargaining agreement negotiations.
- Instituted formal Board performance review of the General Manager.
- Cross-trained management staff in essential duties to prepare for unplanned absences.

Current Performance Assessment and Findings

The current performance assessment reviews the agency's progress in achieving its five-year performance goals and identifies additional steps to improve performance. The 2018 performance report established performance targets for the fiscal year ending on June 30, 2022, based on the following annual goals (**Exhibit 9**):

- Increase passengers per revenue vehicle-hour by 1.0 percent per year;
- Increase operating revenue per revenue vehicle-hour 1.0 percent per year;
- Contain growth in operating costs per revenue vehicle-hour to 2.0 percent per year; and
- Contain growth in operating cost per passenger to 1.0 percent per year.

Exhibit 10. FYE 2022 Performance Assessment

Act 44 Performance Metrics	Annual Performance Goals	Performance Assessment	
		FYE 2022 Targets	FYE 2022 Actual
Passengers / RVH	1.00%	11.80	6.63
Operating Revenue / RVH	1.00%	$15.96	$5.55
Operating Cost / RVH	2.00%	$126.55	$130.03
Operating Cost / Passenger	1.00%	$10.73	$19.62

The COVID-19 pandemic and resulting changes in travel behavior adversely impacted NCATA's ability to achieve its 2022 performance targets. Ridership and revenue decreased significantly from March 2020 through 2021, while costs increased due to COVID mitigation measures (e.g., additional cleaning of vehicles, facilities, equipment, etc.). Ridership remains about 61 percent of pre-pandemic levels.

In addition to completing items from the 2018 Action Plan, steps NCATA took steps to improve agency performance included:

- Added a second bus to the popular Route 3 (Walmart) during the pandemic to accommodate social distancing and retain ridership.
- Developed a strategic business plan to guide agency decision-making.
- Integrated the marketing plan and TDP as part of the strategic planning process.
- Conducted a microtransit feasibility study as part of the TDP to assess potential microtransit implementation scenarios.
- Continued participation in quarterly peer exchanges with Northwestern PA transit agencies.

Future Performance Goals

Background

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:

- Passengers per Revenue Vehicle-Hour
- Operating Cost per Revenue Vehicle-Hour
- Operating Revenue per Revenue Vehicle-Hour
- Operating Cost per Passenger

Setting performance targets for these metrics and regularly reevaluating performance is intended to improve the effectiveness and efficiency of service delivery. To keep pace with increases in operating costs, Act 89 requires agencies to maintain a policy for adjusting fares for inflation. NCATA measures the price of its base fare against the federal rate of inflation since the date of its last base fare increase to determine whether an increase is warranted. NCATA's fare adjustment policy requires the Authority to conduct a base fare assessment review in conjunction with each fiscal year's budget proceedings to determine whether the Authority should incrementally raise fares by $0.25. NCATA has not raised fares since 2012, citing economic hardship for vulnerable populations within its service area. NCATA should continue to monitor fares for necessary adjustment per its fare adjustment policy and seek to increase ridership and revenue in furtherance of its operating revenue per revenue vehicle-hour target.

PennDOT uses the most recent audited and agency-verified values for passengers, operating costs, and operating revenues as the baseline for developing performance targets. Five-year targets are then set based on realistic and achievable expectations of improvement. At the time of the 2023 performance review, NCATA anticipated a significant increase in baseline operating costs to reflect a new competitive wage scale and for NCATA to maintain a competitive market position for drivers. As a result, NCATA received a one-time allowance for an additional 4.0 percent[2] increase, in addition to the base 3.0 percent annual rate, which has been added in FYE

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[2] NCATA's one-time allowance of 4.0 percent for operating cost per revenue-vehicle hour is based on an increase in wages derived from the CBA between 3.75 percent and 4.0 percent over the next five years.

2024 to account for higher labor costs associated with NCATA's new collective bargaining agreement that takes effect in the Fiscal Year 2023-24.

NCATA Goals for FYE 2028

PennDOT based NCATA's future-year performance targets on the most recent audited financial year. Although unaudited at the time of the 2023 performance review, NCATA agreed to use its FYE 2023 financial year. Over the next five years, NCATA must work to achieve the targets shown in **Exhibit 10** to ensure continued eligibility for full Section 1513 funding.

Exhibit 11. FYE 2028 Performance Goals

Performance Criteria	FYE 2023 Unaudited	FYE 2024 Adjusted*	FYE 2028 Goal	Target Annual Increase
Passengers / RVH	7.09	7.23	7.83	2.00%
Operating Revenue / RVH	$7.30	$7.52	$8.46	3.00%
Operating Cost / RVH	$130.67	$135.90	$152.95	3.00%
Operating Cost / Passenger	$18.43	$18.61	$19.37	1.00%

*Note: FYE 2024 adjustments account for a one-time allowance to increase operating cost per revenue vehicle hour by 4.0 percent.

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 a supplement to this report.

Functional Review

Identifying Opportunities for Improvement and Best Practices

Functional reviews catalog best practices to share with other transit agencies and identify opportunities for improvement that should be addressed in the Action Plan. The performance review process includes assessing agency operations, management, and governance. PennDOT analyzes agency policies, programs, practices, and peer statistical comparisons to identify areas for review. The document review and peer comparison inform the performance discussion with agency leadership and staff. The outcome of the functional review is a collection of best practices potentially applicable to other Pennsylvania transit agencies and a list of opportunities for retaining and promoting ridership, ensuring long-term financial sustainability, and other opportunities for improvement.

A recommended Action Plan template is provided in **Appendix B: Action Plan Template** on page 26 and the determinations and findings of the Act 44 peer review are presented in **Appendix C: Act 44 Peer Comparison Analysis** on page 28.

Retain and Promote Ridership

Service must be responsive to community needs to achieve optimum service levels. Even before the impact of the COVID-19 pandemic on ridership, transit systems nationwide faced lower ridership as gas prices fell and ridesharing companies competed with fixed-route systems. The rise in work-from-home practices, which increased due to the COVID-19 pandemic, adversely impacted commuter and discretionary travel demand. As transit agencies work to restore ridership to pre-pandemic levels, actions that focus on raising the awareness of service, enhancing the customer experience, and improving service efficiency help retain and attract ridership.

Best Practices

1. **Prioritized rider safety and the customer experience to retain ridership on its most popular route during the pandemic.** NCATA added a temporary second bus to its Route 3, which serves Walmart to alleviate customer concerns about overcrowding and to accommodate social distancing.

Opportunities for Improvement

1. **Develop productivity measures for microtransit.** NCATA is considering introducing microtransit as a feeder service to fixed-route bus and for first/last mile connections. Developing productivity measures will enable NCATA to measure the effectiveness of its microtransit and determine overall performance. Some examples include:
   o Cancellation rates
   o Origin and destination connections with fixed routes
   o Trip type (i.e., work, shopping, leisure)
   o Ridership
   o Percentage of trips with multiple riders

o Ride times
o Trip denial rate
o Vehicle miles traveled
o Vehicle utilization
o Wait times
o Farebox recovery
o Operating cost per passenger trip
o Operating subsidy per passenger trip

2. **Conduct a bus stop inventory and conditions assessment.** NCATA's service area includes the New Castle area and other rural communities in Lawrence County. Many of NCATA's bus stops outside of downtown New Castle are in need of repair and are not easily visible. NCATA offers flag-stop service outside of the New Castle city limits. NCATA should inventory its existing bus stops and assess stop conditions. FRITS enables NCATA to assess productivity by stop, which could inform potential stop changes. For example, stops with low productivity could be changed from a fixed stop to a flag stop or trigger overall route changes, while stops with high productivity might warrant improving passenger amenities at that location.

3. **Provide real-time bus tracking information for customers and monitor on-time performance.** Following FRITS implementation, NCATA will have live bus tracking available and can monitor on-time performance by route and run. NCATA should update its website to include real-time bus tracking as a measure of service reliability. NCATA should also regularly track on-time performance and compare it against its posted goal. In NCATA's service standards, management should clarify that an early arrival is not considered "on time."

4. **Create a system map that incorporates all fixed routes, commuter service, and areas where flag stop service is available.** Currently, NCATA only has route-level maps. Creating an overall system map will allow riders to see transfer points between routes and potentially attract new customers who might be unaware of NCATA coverage, including all NCATA routes, fixed stops, and flag-stop areas. NCATA should update the system map to include microtransit zones when available.

Ensure Long-Term Financial Sustainability

Sound financial management is critical to ensuring the viability of transit services. Agencies often undertake multiple major expenditures on limited budgets. This includes financing major capital facility projects, fleet replacement, and funding recurring costs, including operations and maintenance, annual fringe benefits, fuel, utilities, and cleaning. Steps to ensure long-term financial sustainability include improving farebox recovery, diversifying revenue streams, right-sizing service to resources, and implementing cost-control measures.

Best Practices

1. **Offers an early retirement program for drivers where the Authority pays half of health insurance expenses until the individual reaches the age of 65.** This retirement incentive helps NCATA save on senior-level operator wages and fringe benefits and frees up resources to hire entry-level drivers as needed.

2. **Developed relationships with neighboring transit agencies for parts-sharing.** This initiative enabled NCATA to source parts locally and reduce wait times during periods of high demand and supply chain issues due to the pandemic.

Opportunities for Improvement

1. **Determine cost savings from reduced commuter service and assess opportunities to sustainably reinvest former commuter resources within the fixed-route system.** NCATA cut seven runs from its weekday Pittsburgh commuter service, including both Friday evening trips, in response to lower passenger demand. There might be an opportunity to reinvest former commuter services within NCATA's existing system to support more frequent and local services. Management should develop unit costs (i.e., per revenue hour and mile) to measure the financial impact of potential service changes.

2. **Determine the appropriate technology when considering farebox replacement options.** NCATA is exploring replacement technology for its 30-year-old non-electronic fareboxes. In 2022, NCATA participated in a PennDOT-sponsored farebox technology assessment. As of FYE 2020, NCATA spent 15.8 percent per year of fare revenue on farebox costs.[3] Based on an analysis using PennDOT's Farebox Assessment Tool, there are several considerations for NCATA to evaluate:

   o Non-electronic registering fareboxes would cost NCATA between 7 percent and 21 percent of its collected cash fares per year for capital and recurring maintenance costs. Electronic fareboxes could cost more than 114 percent of collected cash fares depending on their capabilities and added components.

   o Electronic fareboxes have more working parts, which can cause operational issues when components fail. Maintenance costs for electronic fareboxes can be several times more than for non-electronic fareboxes.

   o Non-electronic fareboxes require additional labor for data collection and counting and depositing fare revenue.

   o Mobile ticketing would enable NCATA to offer on-demand fare media without requiring a specific farebox type.

3. **Consider implementing maintenance management software to track maintenance processes, manage scheduling, and monitor parts inventory levels.** NCATA performs most vehicle repairs in-house and manually tracks maintenance work on a large display board, including routine preventative maintenance. NCATA should consider transitioning to an electronic maintenance system that integrates several processes, from work orders to purchase orders, to monitor parts inventory levels and track preventative maintenance on-time performance. Moving to a software-based maintenance management system would increase data accessibility and improve the efficiency of maintenance monitoring and reporting.

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[3] In FYE 2020, NCATA collected an average of $8,394 in cash fares per farebox and spent $511 in capital costs and $817 in reoccurring costs for maintenance, media, and administration per farebox.

4. **Develop a sustainable approach for microtransit service delivery.** NCATA plans to introduce microtransit as a transportation option within its service area. The Transit Development Plan (TDP) suggests that NCATA consider microtransit as a first/last mile feeder service for its fixed-route system. Management indicated that NCATA would likely expand its existing relationship with its local ADA service provider to provide microtransit services. NCATA should determine an appropriate service delivery model to sustainably implement microtransit within existing budgets.

Identify Other Opportunities to Improve Performance

There are additional opportunities to enhance agency performance. Actions that prioritize Board education, strategic planning, workforce management, and partner agency collaboration improve overall agency functions. Actions that target organizational improvement promote an efficient and transparent administration. Advocacy with stakeholders and funding partners on behalf of the agency builds stronger community ties. Goal-oriented actions help inform management and the Board's decision-making process to inform investment decisions when pursuing significant capital investments and new information technologies.

Best Practices

1. **Conducted a peer exchange with the Indiana County Transit Authority (IndiGO) to understand the lessons learned for implementing a Fixed-Route Intelligent Transportation System (FRITS) for its fleet.** This knowledge-sharing exercise enabled NCATA to make informed decisions related to staffing needs to support FRITS.

2. **Created an annual Safety & Attendance Award for its drivers, which provides them with NCATA shirts and a $200 cash bonus.** Management reported that this effort is a successful and popular driver retention initiative.

Opportunities for Improvement

1. **Develop a Board Progress Report to monitor NCATA's performance implementing recommendations from its Strategic Business Plan, Marketing Plan, and TDP.** NCATA adopted several new planning documents to guide decision-making, branding, and service planning efforts. Management should consider developing a snapshot summary to inform the Board of NCATA's progress in implementing the strategic plan, marketing plan, and TDP.

Appendix A: Data Reconciliation

The performance review process reconciles NTD data to audited, agency-reported dotGrants legacy budgets to ensure the data presented in this report are consistent and accurate. Certified audits, financial statements, and other agency-generated reports are examined to identify discrepancies in financial and operating statistics. Any discrepancies discovered are verified and appropriately reconciled with agency management before determining Act 44 performance metrics and establishing new performance goals.

No discrepancies were found between NTD and dotGrants reported values for NCATA.

Ridership	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
NTD	577,553	575,659	571,346	473,752	305,606
dotGrants	577,553	575,659	571,346	473,752	305,606
Variance	0	0	0	0	0
Percent Difference	0%	0%	0%	0%	0%
Adjusted Value	577,553	575,659	571,346	473,752	305,606
Operating Costs	**FYE 2017**	**FYE 2018**	**FYE 2019**	**FYE 2020**	**FYE 2021**
NTD	$5,896,171	$5,880,747	$6,063,341	$6,269,299	$6,349,103
dotGrants	$5,896,171	$5,880,747	$6,063,341	$6,269,299	$6,349,103
Variance	0	0	0	0	0
Percent Difference	0%	0%	0%	0%	0%
Adjusted Value	$5,896,171	$5,880,747	$6,063,341	$6,269,299	$6,349,103
Operating Revenue	**FYE 2017**	**FYE 2018**	**FYE 2019**	**FYE 2020**	**FYE 2021**
NTD	$781,129	$740,019	$747,548	$518,724	$276,300
dotGrants	$781,129	$740,019	$747,548	$518,724	$276,300
Variance	0	0	0	0	0
Percent Difference	0%	0%	0%	0%	0%
Adjusted Value	$781,129	$740,019	$747,548	$518,724	$276,300
Revenue Vehicle-Hours	**FYE 2017**	**FYE 2018**	**FYE 2019**	**FYE 2020**	**FYE 2021**
NTD	51,442	52,516	51,943	49,125	48,222
dotGrants	51,442	52,516	51,943	49,125	48,222
Variance	0	0	0	0	0
Percent Difference	0%	0%	0%	0%	0%
Adjusted Value	51,442	52,516	51,943	49,125	48,222

The following Act 44 performance metrics were calculated for NCATA.

Act 44 Adjusted Metrics	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Passengers/RVH	11.23	10.96	11.00	9.64	6.34
Operating Revenue/RVH	$15.18	$14.09	$14.39	$10.56	$5.73
Operating Costs/RVH	$114.62	$111.98	$116.73	$127.62	$131.66
Operating Cost/Passenger	$10.21	$10.22	$10.61	$13.23	$20.78

Appendix B: Action Plan Template

Part 1 – Actions to Retain and Promote Ridership

Recommendations from Narrative Starting on page 20.	NCATA Action	Estimated Initiation Date	Estimated Completion Date
1. Develop productivity measures for microtransit.			
2. Conduct a bus stop inventory and conditions assessment.			
3. Provide real-time bus tracking information for customers and monitor on-time performance.			
4. Create a system map that incorporates all fixed routes, commuter service, and areas where flag stop service is available.			

Part 2 – Actions to Ensure Long-Term Financial Sustainability

Recommendations from Narrative Starting on page 21.	NCATA Action	Estimated Initiation Date	Estimated Completion Date
1. Determine cost savings from reduced commuter service and assess opportunities to sustainably reinvest former commuter resources within the fixed-route system.			
2. Determine the appropriate technology when considering farebox replacement options.			
3. Consider implementing maintenance management software to track maintenance processes, manage scheduling, and monitor parts inventory levels.			
4. Develop a sustainable approach for microtransit service delivery.			

Part 3 – Other Opportunities for Improvement

Recommendations from Narrative starting on page 23.	NCATA Action	Estimated Initiation Date	Estimated Completion Date
1. Develop a Board Progress Report to monitor NCATA's performance implementing recommendations from its Strategic Business Plan, Marketing Plan, and TDP.			

Appendix C: Act 44 Peer Comparison Analysis

Peer agencies were identified though a collaborative process between PennDOT and NCATA management using criteria defined in Act 44 and NTD data from the most recently available year, FYE 2021. The systems identified for peer comparisons are:

1. Beaver County Transit Authority, Rochester, PA
2. Mid Mon Valley Transit Authority, Charleroi, PA
3. Midland-Odessa Urban Transit District, Odessa, TX
4. City of Eau Claire, Eau Claire, WI
5. Kings County Area Public Transit Agency, Hanford, CA
6. City of La Crosse, La Crosse, WI
7. Greater Lynchburg Transit Company, Lynchburg, VA
8. City of Beaumont, Beaumont, TX
9. City of Yakima, Yakima, WA
10. Western Contra Costs Transit Agency, Pinole, CA
11. Berkshire Regional Transit Authority, Pittsfield, MA
12. Altoona Metro Transit, Altoona, PA

Passengers per Revenue Vehicle-Hour: Motor Bus (MB)

System	FYE 2021 Single Year		Five-Year Change Since FYE 2016		
	Value	Rank of 13	2016 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	7.93	3	19.21	-16.22%	11
Mid Mon Valley Transit Authority	3.64	12	7.03	-12.33%	4
Midland-Odessa Urban Transit District	3.45	13	7.55	-14.51%	8
City of Eau Claire	9.00	1	18.03	-12.97%	5
Kings County Area Public Transit Agency	6.63	7	15.84	-15.98%	10
City of La Crosse	8.18	2	17.64	-14.24%	7
Greater Lynchburg Transit Company	7.08	5	23.96	-21.63%	13
City of Beaumont	6.04	10	8.85	-7.35%	1
City of Yakima	7.65	4	17.82	-15.56%	9
Western Contra Costa Transit Authority	5.13	11	15.48	-19.81%	12
Berkshire Regional Transit Authority	6.25	9	9.84	-8.68%	2
Altoona Metro Transit	6.97	6	14.92	-14.12%	6
New Castle Area Transit Authority	**6.34**	**8**	**11.21**	**-10.79%**	**3**
Average	6.48		14.41	-14.17%	
Standard Deviation	1.65		5.14	3.98%	
Average – 1 Standard Deviation	4.83		9.28	-18.15%	
Average + 1 Standard Deviation	8.14		19.55	-10.19%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	**Weaker**		**Stronger**		

Operating Revenue per Vehicle-Hour: MB

System	FYE 2021 Single Year		Five-Year Change Since FYE 2016		
	Value	Rank of 13	2016 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	$11.30	4	$30.68	-18.10%	10
Mid Mon Valley Transit Authority	$6.69	8	$15.42	-15.38%	7
Midland-Odessa Urban Transit District	$5.78	10	$7.71	-5.60%	3
City of Eau Claire	$14.77	1	$18.28	-4.18%	2
Kings County Area Public Transit Agency	$10.97	6	$13.48	-4.03%	1
City of La Crosse	$5.84	9	$13.82	-15.82%	9
Greater Lynchburg Transit Company	$12.46	3	$25.85	-13.58%	6
City of Beaumont	$2.19	13	$8.04	-22.91%	12
City of Yakima	$7.67	7	$17.86	-15.55%	8
Western Contra Costa Transit Authority	$4.59	12	$25.73	-29.17%	13
Berkshire Regional Transit Authority	$11.25	5	$16.85	-7.77%	4
Altoona Metro Transit	$12.80	2	$19.64	-8.20%	5
New Castle Area Transit Authority	**$5.73**	**11**	**$15.84**	**-18.40%**	**11**
Average	*$8.62*		*$17.63*	*-13.75%*	
Standard Deviation	*$3.83*		*$6.70*	*7.59%*	
Average – 1 Standard Deviation	*$4.79*		*$10.93*	*-21.34%*	
Average + 1 Standard Deviation	*$12.45*		*$24.33*	*-6.15%*	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	**Weaker**		**Weaker**		

Operating Cost per Revenue Vehicle-Hour: MB

System	FYE 2021 Single Year		Five-Year Change Since FYE 2016		
	Value	Rank of 13	2016 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	$128.39	11	$114.05	2.40%	6
Mid Mon Valley Transit Authority	$109.30	7	$93.17	3.24%	8
Midland-Odessa Urban Transit District	$106.23	5	$68.17	9.28%	12
City of Eau Claire	$92.93	3	$84.46	1.93%	2
Kings County Area Public Transit Agency	$107.29	6	$71.72	8.39%	11
City of La Crosse	$86.74	1	$87.51	-0.18%	1
Greater Lynchburg Transit Company	$95.51	4	$77.23	4.34%	10
City of Beaumont	$91.96	2	$78.75	3.15%	7
City of Yakima	$120.58	9	$108.26	2.18%	5
Western Contra Costa Transit Authority	$154.55	13	$96.08	9.97%	13
Berkshire Regional Transit Authority	$119.58	8	$98.91	3.87%	9
Altoona Metro Transit	$120.60	10	$108.30	2.18%	4
New Castle Area Transit Authority	**$131.66**	**12**	**$118.30**	**2.16%**	**3**
Average	*$112.72*		*$92.69*	*4.07%*	
Standard Deviation	*$19.15*		*$16.37*	*3.14%*	
Average – 1 Standard Deviation	*$93.57*		*$76.31*	*0.93%*	
Average + 1 Standard Deviation	*$131.87*		*$109.06*	*7.21%*	
Act 44 Compliance Determination	**In Compliance**		**In Compliance**		
Compared to the Peer Group Average	**Weaker**		**Stronger**		

Operating Cost per Passenger: MB

System	FYE 2021 Single Year		Five-Year Change Since FYE 2016		
	Value	Rank of 13	2016 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	$16.19	7	$5.94	22.21%	9
Mid Mon Valley Transit Authority	$30.02	11	$13.26	17.76%	6
Midland-Odessa Urban Transit District	$30.83	13	$9.03	27.83%	10
City of Eau Claire	$10.32	1	$4.68	17.12%	5
Kings County Area Public Transit Agency	$16.17	6	$4.53	29.00%	11
City of La Crosse	$10.60	2	$4.96	16.40%	4
Greater Lynchburg Transit Company	$13.49	3	$3.22	33.14%	12
City of Beaumont	$15.22	4	$8.90	11.33%	1
City of Yakima	$15.76	5	$6.07	21.01%	8
Western Contra Costa Transit Authority	$30.11	12	$6.21	37.15%	13
Berkshire Regional Transit Authority	$19.13	9	$10.05	13.74%	2
Altoona Metro Transit	$17.30	8	$7.26	18.97%	7
New Castle Area Transit Authority	**$20.78**	**10**	**$10.55**	**14.52%**	**3**
Average	$18.92		$7.28	21.55%	
Standard Deviation	$7.12		$2.89	7.93%	
Average – 1 Standard Deviation	$11.80		$4.39	13.62%	
Average + 1 Standard Deviation	$26.03		$10.17	29.49%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	**Weaker**		**Stronger**		

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