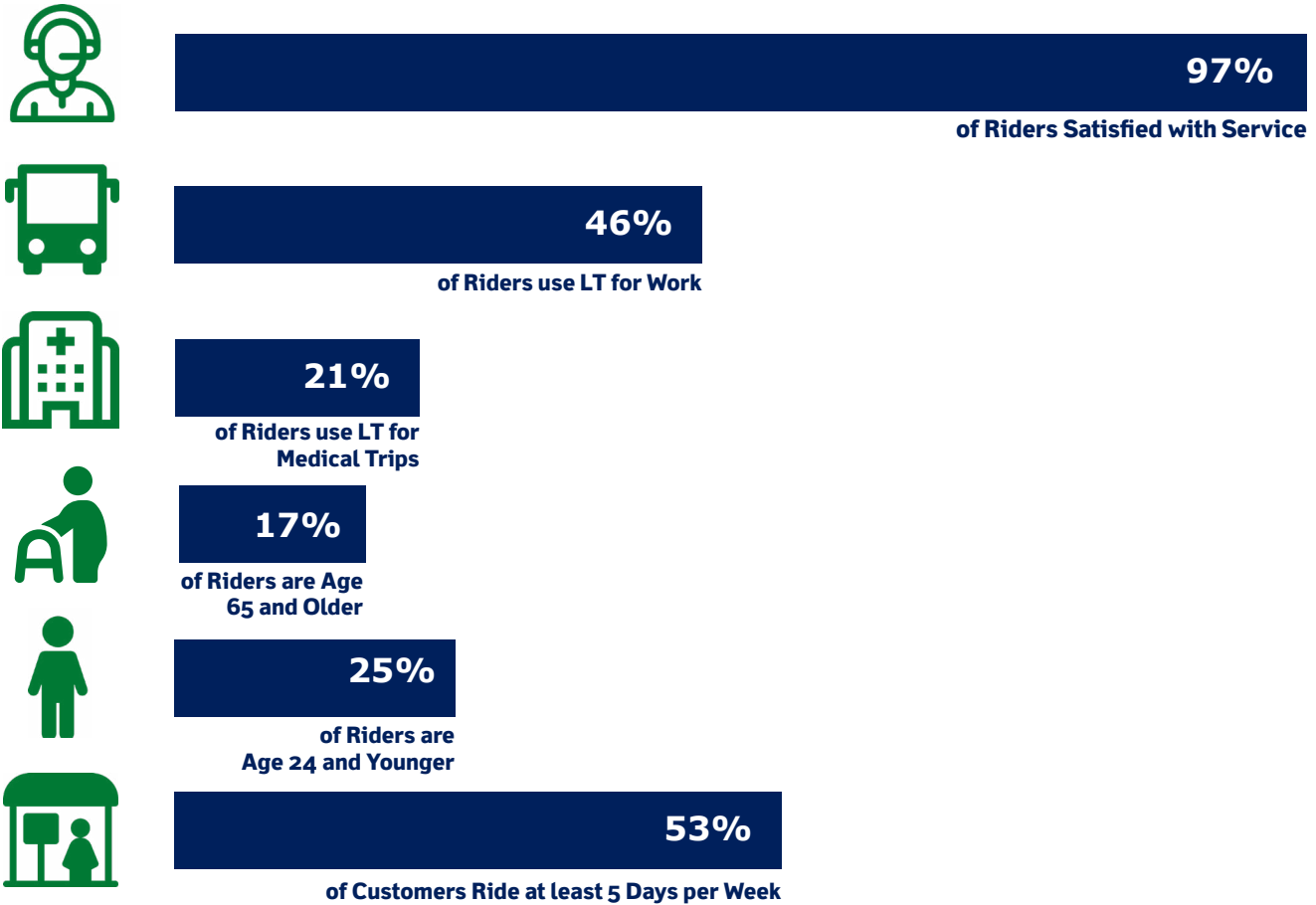




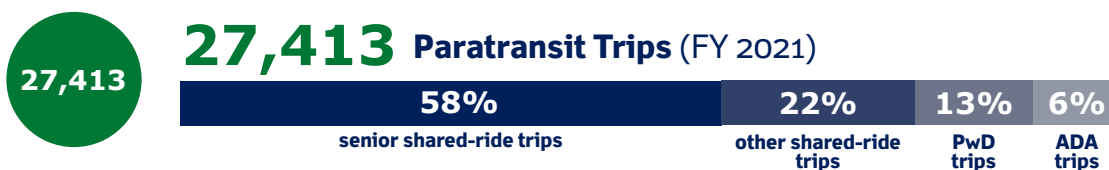
**FIXED-ROUTE RIDER PROFILE**



Source: 2018 Customer Satisfaction Survey

**COMMUNITY IMPACTS**

**SOCIAL**



Source: 2018 Customer Satisfaction Survey and FYE 2021 dotGrants Reporting

**COMMUNITY IMPACTS**

**ECONOMIC**

**\$19.49**

**Average Fixed-Route Driver Wage (FY 2021)**

**\$16.25** **Lebanon County (FY 2020)**





**\$17.75** **South Central Workforce Area (FY 2020)**



**\$60,281** **Lebanon County Median Household Income**  
(2019 ACS 5-YR Estimated)

Sources: FYE 2021 dotGrants Reporting, 2020 Occupational Wages, PA Center for Workforce Information & Analysis, and 2019 American Community Survey 5-Year Estimates

**ACT 44 PERFORMANCE METRICS**

	TARGET (2020)	ACTUAL (2020)	CURRENT (2021)	FUTURE (2026)
 <b>INCREASE</b> <b>Passengers / RVH</b>	<b>11.13</b>	<b>8.76</b>	<b>6.61</b>	<b>6.77</b>
 <b>CONTAIN</b> <b>Operating Cost / RVH</b>	<b>\$106.72</b>	<b>\$110.29</b>	<b>\$120.28</b>	<b>\$139.44</b>
 <b>INCREASE</b> <b>Operating Revenue / RVH</b>	<b>\$13.55</b>	<b>\$13.76</b>	<b>\$9.10</b>	<b>\$10.55</b>
 <b>CONTAIN</b> <b>Operating Cost / Passenger</b>	<b>\$9.59</b>	<b>\$12.60</b>	<b>\$18.20</b>	<b>\$20.60</b>

Note: LT began to experience the impacts of COVID-19 on ridership, revenue, and operating costs in March 2020.

**BEST PRACTICES**

- Lunch & Learn to educate the public on LT services
- Wayfinding stickers around Lebanon City to raise awareness of service
- Morning loop into low-income areas for workers before regular fixed-route service begins
- Successful revenue agreements with major employers to improve cost recovery of additional service

**OPPORTUNITIES FOR IMPROVEMENT**

- Develop outreach strategy to engage Spanish-speaking community, and survey customer preferences
- Develop a marketing strategy for the planned park-and-ride facility on former Turnpike property
- Improve paratransit cost recovery
- Continue coordination efforts with Lebanon County MPO for transit planning support

# LEBANON TRANSIT (LT) PERFORMANCE REVIEW EXECUTIVE SUMMARY



lebanon transit

Other Performance Statistics	FYE 2016	FYE 2021
Operating Revenue / Operating Cost	15.6%	7.6%
Operating Cost / Total Vehicle-Hours	\$85.34	\$120.27
Operating Cost / Total Vehicle-Miles	\$5.33	\$7.30
Total Passengers / Total Vehicle-Hours	10.72	6.61
Operating Cost / RVM	\$5.33	\$7.30
RVM / Total Vehicle-Miles	100.0%	100.0%
RVH / Total Vehicle-Hours	100.0%	100.0%
Operating Subsidy / Passenger Trip	\$6.72	\$16.83
Farebox Recovery	14.8%	6.6%

Note: Does not include ADA Paratransit Operating Statistics

Fixed-Route Service Annual Operating Statistics	FYE 2016	FYE 2021
Vehicles in Maximum Service (VOMS)	12	11
Operating Cost	\$2,647,315	\$3,229,976
Operating Revenues	\$413,334	\$244,339
Operating Subsidies	\$2,233,981	\$2,985,637
Total (Actual) Vehicle-Miles	496,657	442,390
Revenue Vehicle-Miles (RVM)	496,657	442,390
Total Vehicle-Hours	31,019	26,855
Revenue Vehicle-Hours (RVH)	31,019	26,855
Total Passenger Trips	332,624	177,438
Senior Passenger Trips	69,061	44,210

Note: Does not include ADA Paratransit Operating Statistics



LT Fixed-Route CNG Bus with a Bike Rack

**AGENCY TRENDS**



**Serious Injuries**

**0.0**

Crashes per million Vehicle Miles Traveled (VMT)



**Total Fleet**

**22**

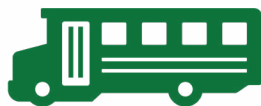
VOMS



**Heavy-Duty Bus**

**40,217**

annual miles per VOMS



**Light-Duty Small Bus**

**20,173**

annual miles per VOMS



**Spare Vehicle Ratio**

**64%**

Fixed-Route Bus

**27%**

Shared-Ride Small Bus

Source: Capital Planning Tool and FYE 2021 dotGrants Reporting

**HIGH-LEVEL FINANCIAL INDICATORS**

FYE 2016

FYE 2021

106.8%

93.4%



**Cash Equivalent Balance / Total Operating Expenses**

FYE 2016

FYE 2021

\$1.18

\$1.21



**Effective Fare (Total Fare Revenue / Passenger Boardings)**

Source: dotGrants Reporting





# Lebanon Transit Performance Review

## Performance Report



April 5, 2022

BPT Agreement Number E04925  
Work Order # 7

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# Contents

<b>PREFACE.....</b>	<b>3</b>
<b>INTRODUCTION .....</b>	<b>4</b>
Performance Review Process Steps .....	4
Agency Overview .....	6
Community Impacts.....	7
<b>AGENCY TRENDS.....</b>	<b>11</b>
Annual Operating Statistics .....	11
Financial Health.....	12
Safety.....	14
Capital Asset Management.....	14
<b>ACT 44 PERFORMANCE REVIEW FINDINGS.....</b>	<b>16</b>
Prior Performance Reviews .....	16
Current Performance Assessment and Findings.....	16
Future Performance Goals .....	17
<b>FUNCTIONAL REVIEW.....</b>	<b>19</b>
Identifying Opportunities for Improvement and Best Practices.....	19
Retain and Promote Ridership.....	19
Ensure Long-Term Financial Sustainability.....	20
Identify Other Opportunities to Improve Performance .....	21
<b>APPENDIX A: DATA RECONCILIATION.....</b>	<b>23</b>
<b>APPENDIX B: ACTION PLAN TEMPLATE.....</b>	<b>25</b>
Part 1 – Actions to Retain and Promote Ridership.....	25
Part 2 – Actions to Ensure Long-Term Financial Sustainability .....	26
Part 3 – Other Opportunities for Improvement .....	26
<b>APPENDIX C: ACT 44 PEER COMPARISON ANALYSIS .....</b>	<b>27</b>

## List of Exhibits

Exhibit 1. Performance Review Process Steps.....	5
Exhibit 2. LT Fixed-Route CNG Bus with a Bike Rack.....	6
Exhibit 3. Monthly Fixed-Route Ridership, January 2020 through May 2021 .....	7
Exhibit 4. Fixed-Route Rider Profile .....	8
Exhibit 5. Economic and Social Measures.....	9
Exhibit 6. FYE 2021 Operating Budget Summary.....	12
Exhibit 7. High-Level Financial Indicators.....	13
Exhibit 8. PTASP Annual Safety Performance Targets and FYE 2021 Results .....	14
Exhibit 9. FYE 2021 Fleet Utilization .....	15
Exhibit 10. FYE 2020 Performance Assessment.....	16
Exhibit 11. FYE 2026 Performance Goals .....	18



## 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, lower 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 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.

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.

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 of January 2022, the pandemic is ongoing, and its long-term effects on transit remain unknown. 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

Title 74 requires local transportation organizations, which 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 to develop an action plan, which addresses opportunities 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 actions taken by the organization to improve performance and management practices in its efforts to meet performance targets.

This report presents the review of the Lebanon Transit (LT) on August 31, 2021.

## 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 Lebanon Transit's unique challenges, 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

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

Key to Responsibilities:    **PennDOT**    **PennDOT + Transit Agency**    **Transit Agency**

## Agency Overview

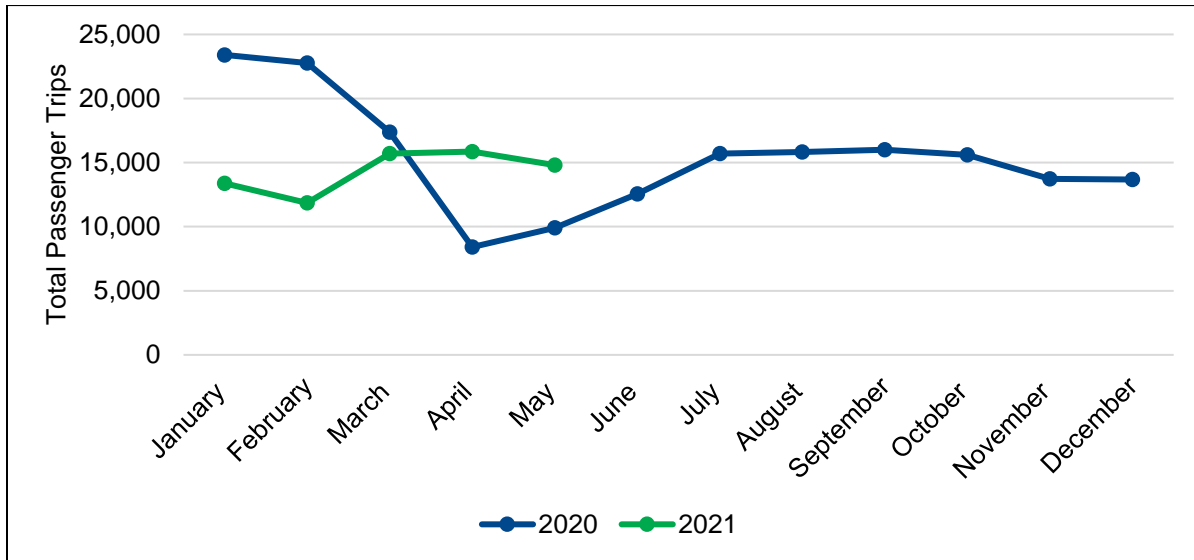
Lebanon Transit is an urban transit agency based in Lebanon County, PA. LT provides fixed-route (**Exhibit 2**) and demand-response bus service within the county. LT also offers commuter bus service from Lebanon to Harrisburg and Hershey, PA. Established in 1979, LT is governed by a nine-member Board of Directors appointed by the Lebanon County Board of County Commissioners.

### Exhibit 2. LT Fixed-Route CNG Bus with a Bike Rack



In Fiscal Year (FY) 2020-21, LT had 10 fixed-route vehicles operated in maximum service (VOMS) and provided 177,438 total fixed-route passenger trips. LT operated 11 VOMS for demand-response service and delivered 1,758 complementary ADA and 25,655 shared-ride trips. Like most transit systems nationally and across Pennsylvania, the COVID-19 pandemic impacted LT's ridership beginning in March 2020. Monthly fixed-route ridership through 2021 continued below pre-pandemic levels (**Exhibit 3**).

**Exhibit 3. Monthly Fixed-Route Ridership, January 2020 through May 2021**



## 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 continue to ride throughout the pandemic. Many commuters and professional services jobs have transitioned to remote work and remain in that status.

### Customer Satisfaction Survey

Between July 9 and July 18, 2018, LT conducted a fixed-route service customer satisfaction survey (CSS). The survey results were aggregated to determine average satisfaction scores. Top-ranked measures included: safe and confident drivers, driver courtesy and friendliness, and helpfulness of employees. Lowest ranked measures included: frequency of weekend service, telephone customer service, and comfortable bus seats.

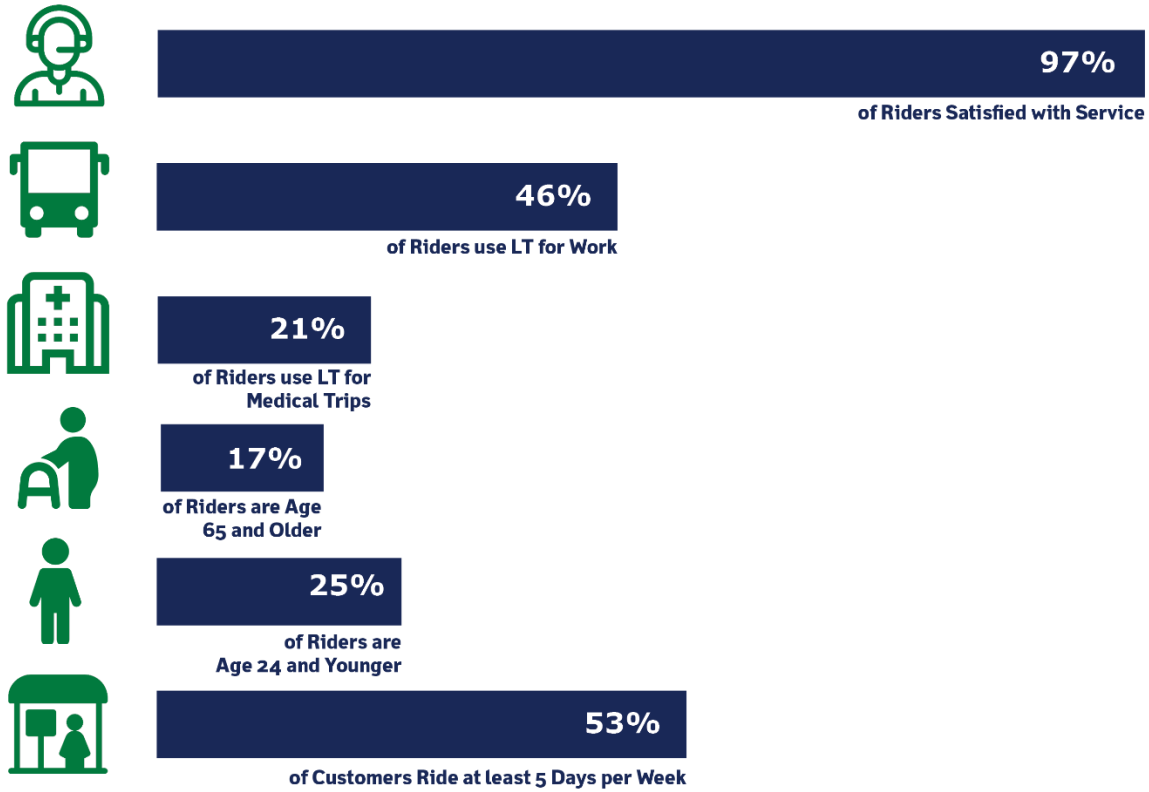
### Lebanon Transit Rider Profile

The CSS provides insight into rider characteristics and preferences. As shown in **Exhibit 4**, LT has 97 percent rider satisfaction, with 46 percent of riders using fixed-route service for transportation to work and 21 percent riding for medical trips. Seniors represent 17 percent of fixed-route riders, and 53 percent use LT at least five days per week.

### Exhibit 4. Fixed-Route Rider Profile



## FIXED-ROUTE RIDER PROFILE



Source: 2018 LT CSS

## Economic and Social Impacts

Wages paid and trips taken measure the benefits LT provides to the local economy and the communities it serves ([Exhibit 5](#)).

### Exhibit 5. Economic and Social Measures



## ECONOMIC



**\$19.49** Average Fixed-Route Driver Wage (FY 2021)

**\$16.25** Lebanon County (FY 2020)

**\$17.75** South Central Workforce Area (FY 2020)



**\$60,281** Median Household Income (2019 ACS 5-YR Estimated)

## SOCIAL



**177,438** Fixed-Route Trips (FY 2021)



**330**  
Annual Trips per  
Rider (FY 2019)



**1,755**  
Annual Miles per  
Rider (FY 2019)



**27,413** Paratransit Trips (FY 2021)



**On-Time Performance**  
(FY 2021)

**77%**  
Fixed-Route  
On-Time  
Performance

**85%**  
Paratransit  
On-Time Trip  
Pick-Ups

Source: 2018 Customer Satisfaction Survey and FYE 2021 dotGrants Reporting

Source: May 2020 Occupational Wages Report by the Pennsylvania Center for Workforce Information and Analysis, and dotGrants reporting.

In FY 2020-21, LT paid \$1.8 million in total wages: \$1.2 million for operations staff, \$304,057 for maintenance personnel, and \$309,505 for general administration wages. LT currently employs 46 individuals.

According to the Pennsylvania Center for Workforce Information Analysis, LT's \$19.49 average fixed-route driver wage is higher than the \$16.25 average hourly wage within Lebanon County and \$17.72 average wage within the South Central Workforce Area for transportation and material-moving occupations.

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### **Fixed-route customers rode LT for 835,732 passenger miles in FY 2021.**

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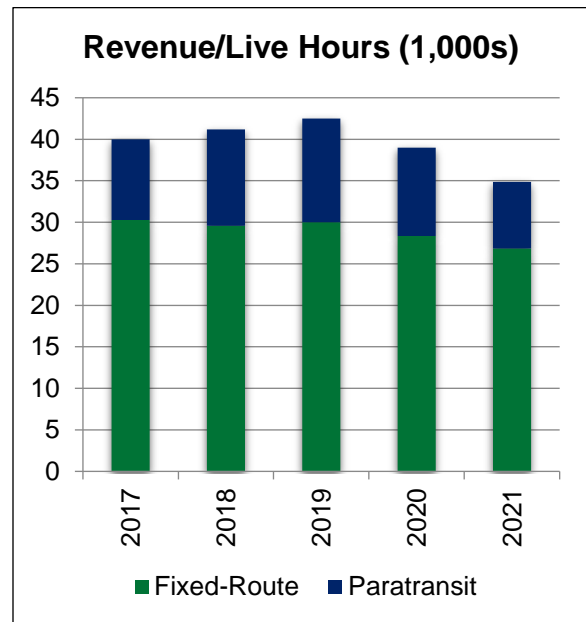
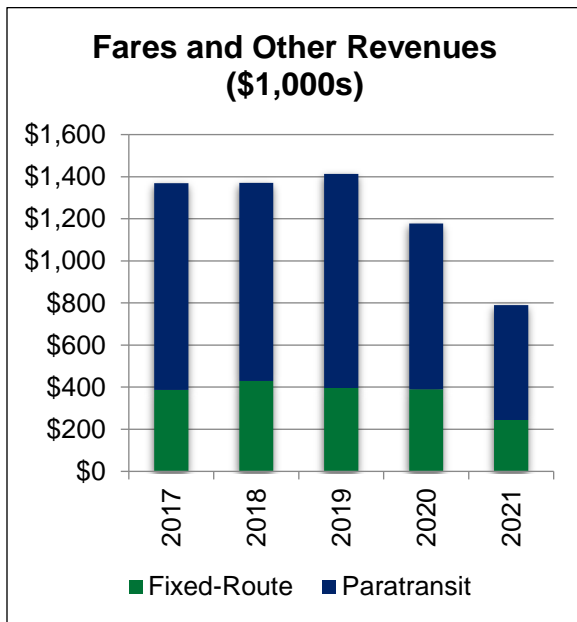
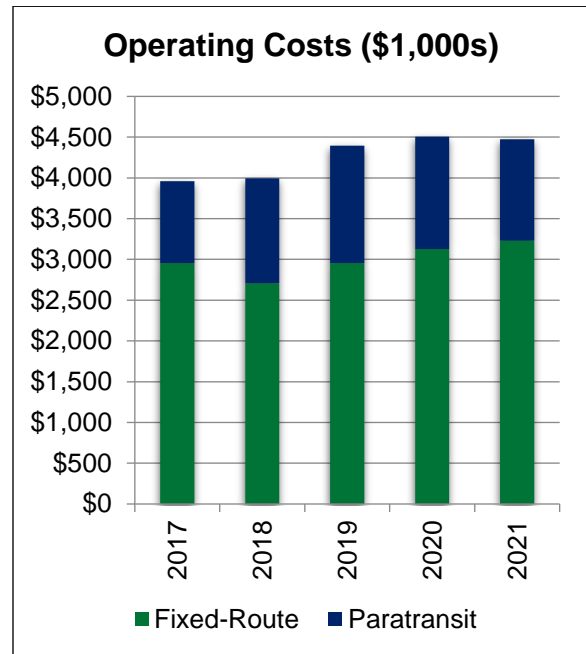
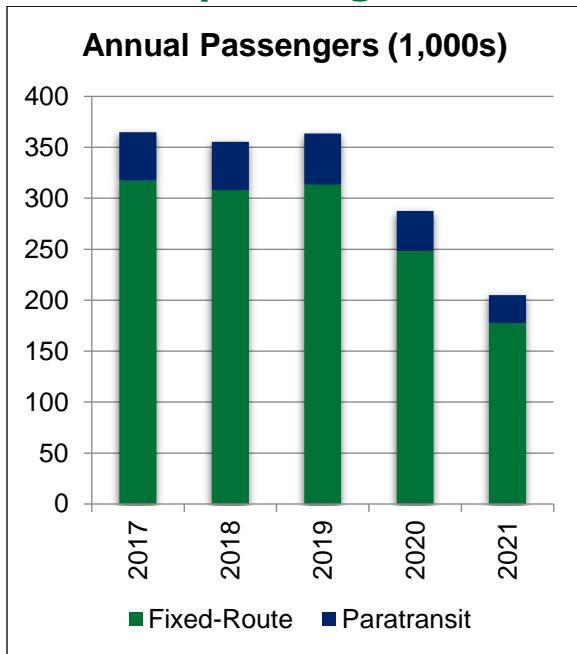
Based 2018 survey results estimating pre-pandemic unique riders and the total of 1,667,245 passenger-miles, each fixed-route passenger took an average of 330 trips and rode LT for 1,755 total miles during FY 2019. LT reported 835,732 fixed-route passenger miles as of FYE 2021 and had 77 percent on-time bus departures.

In FY 2020-21, LT provided 27,413 paratransit trips, with 58 percent of total trips taken by seniors under the shared-ride program. The remaining 41 percent of paratransit trips consisted of 1,758 ADA trips, 3,536 Persons with Disabilities (PwD) trips, and 6,134 other trips. In 2021, 85 percent of paratransit pick-ups were on time.



# Agency Trends

## Annual Operating Statistics



## Financial Health

**Transit agencies in good financial health typically have diverse revenue streams, build sufficient operating reserves, and prioritize long-term financial sustainability.**

LT operated with a balanced budget during FY 2020-21 (**Exhibit 6**). Total transportation services cost approximately \$4.5 million to operate. LT earned \$790,190 in revenues and required approximately \$3.7 million in subsidies to offset operating deficits.

### Exhibit 6. FYE 2021 Operating Budget Summary

Fiscal Year 2020-21	Fixed-Route	ADA	Shared-Ride	Total
<b>Total Operating Expenses</b>	\$3,229,976	\$34,839	\$1,207,593	\$4,472,408
<b>Total Revenue</b>	\$244,339	\$6,107	\$539,744	\$790,190
<b>Total Federal Subsidies</b>	\$1,787,838	\$0	\$408,532	\$2,196,370
<b>Total State Subsidies</b>	\$1,086,608	\$27,020	\$248,317	\$1,361,945
<b>Total Local Subsidies</b>	\$111,191	\$1,712	\$11,000	\$123,903

As shown in **Exhibit 7**, as of FYE 2021, LT had carryover subsidies (cash reserves) equal to 58.7 percent of its total annual operating costs, which exceeds the recommended target for liquidity. LT increased carryover subsidies in part from an influx of federal COVID relief funds for operating expenses, which enabled the authority to build its state operating reserves.

LT has a \$2.5 million line of credit available for short-term use to maintain sufficient cash flow. As of FYE 2021, there was no outstanding balance on the authority's line of credit. Amounts of accounts payable and accounts receivable over 90 days are negligible. LT had no outstanding debt as of FYE 2021.

### LT's operating revenues recovered 12.1% of annual operating costs before the pandemic.

Before the pandemic, LT had a farebox recovery ratio of 12.1 percent. For the fiscal year ending June 30, 2021, operating revenues recovered only 6.6 percent of annual operating costs. Typically, systems with commuter service register a higher farebox recovery from commuter pricing fare structures. As with many transit systems, fixed-route ridership for LT has only rebounded to 60 percent of its pre-COVID-19 ridership, and commuter service

remains below pre-pandemic levels. LT increased commuter fares from \$2.00 to \$2.25 in 2018 but has not increased regular fixed-route fares since 2011, which raised city fares and county fares by \$0.25 from \$1.25 to \$1.50 and \$1.75 to \$2.00. LT's operating subsidy per passenger trip was \$16.83 in FYE 2021, which doubled compared to \$8.16 in FYE 2019—the last financially audited year before the COVID-19 pandemic. The increase in subsidies offset the loss of passenger revenues.

## Exhibit 7. High-Level Financial Indicators

Indicator	Value		Assessment Criteria / Rationale	Source
<b>Total Carryover Subsidies / Annual Operating Cost</b>	58.7%		A combined target of 25%+ provides liquidity to cover unexpected cost increases or service changes without incurring interest fees from loans.	FYE 2021 Audit
<b>Credit Available/ Annual Payroll</b>	124.2%		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 2021 Audit and PennDOT dotGrants
<b>Accounts Payable (AP) 90+ days</b>	0.04%		Target should be 0% over 90 days. Larger values indicate cash flow concerns.	August 2021 LT-reported value
<b>Accounts Receivable (AR) 90+ days</b>	0.0%		Target should be 0% over 90 days. Larger values can cause cash flow problems.	August 2021 LT-reported value
<b>Debt / Annual Operating Cost</b>	0.0%		Target should be 0%. Low debt amounts reduce interest expense.	FYE 2021 Audit
<b>Farebox Recovery</b>	<b>FYE 2019</b>	<b>FYE 2021</b>	Typically, the target should be 12%–15% or higher. The drop in ridership associated with the COVID-19 pandemic significantly reduced farebox recovery.	FYE 2021 Audit and PennDOT dotGrants
	12.1%	6.6%		
<b>Effective Average Fare</b>	\$1.21		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 2021 Audit and PennDOT dotGrants
<b>Operating Subsidy per Passenger Trip</b>	\$16.83		Indicates the subsidy requirement to offset operating losses per passenger trip.	FYE 2021 Audit and PennDOT dotGrants

## Safety

### Federal transportation legislation requires a holistic, performance-based approach for Safety Management Systems (SMS).

LT adopted its Public Transportation Agency Safety Plan (PTASP) on October 23, 2019, as required by 49 CFR Part 673. The PTASP includes safety performance targets based on the federal measures established in the National Public Transportation Safety Plan and agency metrics (**Exhibit 8**).

#### Exhibit 8. PTASP Annual Safety Performance Targets and FYE 2021 Results

Safety Targets	Fixed-Route		Shared-Ride	
	Target	Result	Target	Result
Fatalities	0	0	0	0
Serious Injuries	0	0	0	0
Safety Events	16	0	6	0
System Reliability	8.7	3.0	4.7	2.0
Wheelchair Tip-overs	Less than 1	0	Less than 1	0

As shown in **Exhibit 8**, LT was within its annual safety targets for fixed-route service. For shared-ride, LT exceeded its target limit for slip-trip-falls away from a bus by two incidents.

## 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 enables public transportation agencies to maintain assets in a state of good repair (SOGR). This Federal Transit Administration (FTA)-required process accounts for the entire life cycle of an asset used for public transportation, from procurement through operations and maintenance to disposal. A critical element of the TAM process is to inventory and assess 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 both 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;
- 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 FYE 2021, LT had 32 total vehicles and 22 vehicles operating in maximum services (VOMS). The fleet, consisting of heavy-duty buses and light-duty buses, had utilization of 664,294 total miles. As shown in **Exhibit 9**, heavy-duty buses accumulated an average of 40,217 annual miles, and light-duty buses accrued an average of 20,173 yearly miles in FY

2020-21. According to ESL standards, heavy-duty buses should accumulate 41,667 miles per year and light-duty buses about 30,000 annual miles to meet their estimated useful life of 12 and five years, respectively.

**Exhibit 9. FYE 2021 Fleet Utilization**

Vehicle Type	Fleet	VOMS	ESL Requirements		Total Miles	Annual Miles	
			Years	Miles	FYE 2021	FYE 2021	ESL
Heavy-Duty Bus	18	11	12	500,000	442,390	40,217	41,667
Light-Duty Bus	14	11	5	150,000	221,904	20,173	30,000

Utilization is an indicator of minimum fleet size when assessing annual fleet miles compared to total VOMS and available spares. Based on FYE 2021 utilization, LT's heavy-duty buses should meet their estimated useful-life within an acceptable range of ESL standards. LT's light-duty buses accrued less than the annual miles required in FYE 2021 to meet their ESL.

If current utilization levels continue, LT should:

1. Ensure preventative maintenance occurs on-time and on-schedule as vehicles operate past their estimated useful-life in years.
2. Potentially assess minimum fleet size to optimize for ESL based on utilization and passenger demand.

# Act 44 Performance Review Findings

## Prior Performance Reviews

**On prior performance reviews, LT took action to increase fixed-route ridership and revenues and contain growth in operating costs by competing its action plan.**

Prior action plans recommended that LT:

- Market commuter service
- Examine commuter service cost recovery
- Pursue route guarantees
- Update the strategic plan and incorporate measures of effectiveness
- Update cost allocation to more accurately assign indirect costs
- Increase Board training opportunities
- Spend down old rural Act 26 and Act 3 funds
- Develop a system map
- Develop service standards
- Develop a long-term capital plan

## Current Performance Assessment and Findings

**The current performance assessment reviews agency progress in achieving its five-year performance goals and identifies additional steps taken to improve performance.**

The 2016 performance report established performance targets for the fiscal year ending on June 30, 2020, based on the following annual goals (**Exhibit 10**):

- Increase passengers per revenue vehicle-hour 2.0 percent per year;
- Increase operating revenue per revenue vehicle-hour 2.0 percent per year;
- Contain growth in operating costs per revenue vehicle-hour to 3.0 percent per year; and
- Contain growth in operating cost per passenger to 1.0 percent per year.

### Exhibit 10. FYE 2020 Performance Assessment

Act 44 Performance Metrics	Annual Performance Goals	Performance Assessment	
		FYE 2020 Target	FYE 2020 Actual
Passengers/RVH	2.00%	11.13	8.76
Operating Revenue/RVH	2.00%	\$13.55	\$13.76
Operating Cost/RVH	3.00%	\$106.72	\$110.29
Operating Cost/Passenger	1.00%	\$9.59	\$12.60

LT was on track to meet its targets prior to the impacts of the COVID-19 pandemic on ridership, revenues, and operating costs. In addition to completing the 2016 Action Plan, steps LT took to improve agency performance included:

- Conducted educational events to improve service awareness;
- Partnered with local businesses to implement community wayfinding;



- Hired a marketing coordinator to target senior centers, large employers, and community groups;
- Secured revenue agreements with 25 percent cost recovery with warehousing and distribution businesses in Lebanon County;
- Increased commuter bus fares by \$0.25 to improve fixed-route farebox recovery; and
- Coordinated with the Lebanon County Metropolitan Planning Organization (MPO) to maximize available federal funding.

The COVID-19 pandemic and resulting changes in travel behavior adversely impacted LT's ability to achieve its 2020 performance targets. Ridership and revenue decreased significantly from March 2020 through June 30, 2020, while costs increased due to COVID mitigation measures (e.g., additional cleaning of vehicles, facilities, equipment, etc.).

## 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:

- Passenger 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 reevaluating performance on a regular basis is intended to improve service delivery effectiveness and efficiency. To keep pace with increases in operating costs, Act 89 requires agencies to maintain a policy to adjust fares for inflation.

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.

### LT Goals for FYE 2026

PennDOT based LT's future-year performance targets on the most recent audited financial year (i.e., FYE 2021). Over the next five years, LT must work to achieve the targets shown in **Exhibit 11** to ensure continued eligibility for full Section 1513 funding.

**Exhibit 11. FYE 2026 Performance Goals**

<b>Performance Criteria</b>	<b>FYE 2021 Observed</b>	<b>FYE 2026 Goal</b>	<b>Target Annual Increase</b>
<b>Passengers/RVH</b>	6.61	6.77	0.5%
<b>Operating Revenue/RVH</b>	\$9.10	\$10.55	3.0%
<b>Operating Cost/RVH</b>	\$120.28	\$139.44	3.0%
<b>Operating Cost/Passenger</b>	\$18.20	\$20.60	0.5%

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

## 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 a functional review of agency operations, management, and governance. Supporting documents detailing agency policies, programs, and practices alongside a peer comparison of the Act 44 variables with similar-sized systems, are reviewed to identify areas of interest. The document review and peer comparison findings inform the performance discussions with agency leadership and staff. The outcome of the functional review is a collection of best practices 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 is found in **Appendix B: Action Plan Template** on page 25, and the determinations and findings of the Act 44 peer review are found in **Appendix C: Act 44 Peer Comparison Analysis** on page 27.

## Retain and Promote Ridership

Service must be responsive to community needs to achieve optimum service levels. 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, increased due to the COVID-19 pandemic, significantly impacted commuter bus and passenger rail markets. As transit agencies work to restore ridership to pre-pandemic levels, actions that focus on raising the awareness of service, improving the customer experience, and identifying implementable operational efficiencies help retain and promote ridership.

### Best Practices

1. **LT jointly hosts a "Lunch & Learn" with Commuter Services of Central Pennsylvania and invites local businesses to learn about transportation services.** These luncheons raise awareness of service within the local business community for transportation options for employees and customers.
2. **LT partners with businesses in the City of Lebanon and places wayfinding stickers in their windows that indicate the closest bus route.** Wayfinding increases the community's awareness of service, and the window decals are low-cost to develop easy to implement.
3. **LT's Route 10 begins at 5:10 am with a morning loop through low-income neighborhoods in the City of Lebanon for employees of the distribution warehouses in northern Lebanon County.** This early run increases access to jobs and

is a critical link for early shift workers. LT also benefits from increased ridership due to commute-home trips by these workers.

4. **LT employs a Spanish-speaking customer service representative in response to the growing Spanish-speaking population in Lebanon County.** Having a native Spanish speaker helps improve customer service to the local Spanish-speaking population.

### Opportunities for Improvement

1. **Develop an outreach strategy to engage the Hispanic community.** Lebanon County's Hispanic population has grown to 14.1 percent of the total population as of the 2020 U.S. Census. The City of Lebanon is more than 40 percent Hispanic. Management expressed interest in increasing ridership by this community given their proximity to many of LT's local routes in the City of Lebanon.
2. **Continue outreach efforts to senior centers, large employers, and community groups.** LT successfully increased fixed-route ridership by 1.8 percent between FYE 2018 and FYE 2019, from 307,798 to 313,392 total passenger trips. Ridership increased through targeted marketing to seniors, distribution plants, and local organizations. LT should continue these efforts as it seeks to reclaim ridership lost during the COVID-19 pandemic.
3. **Develop a marketing strategy for the planned park-and-ride facility on the former Pennsylvania Turnpike property.** LT acquired a landlocked carpool lot from the PA Turnpike off the Lebanon/Lancaster exit and plans to develop it into a park-and-ride facility for bus commuters. When the park-and-ride opens, LT should ensure consumers are aware of its benefits.
4. **Ensure automatic passenger counters (APCs) are correctly calibrated to analyze stop-level passenger boardings.** LT has APCs installed on its fixed-route buses but has not used them to track ridership due to a significant error in data reporting. Reliable APC data provides LT with stop-level passenger boarding information to enhance transit planning activities. For example, stop-level boardings help determine passenger load factors, assessing current demand. Furthermore, APC data can help accurately measure total passenger miles—a measure that indicates service productivity and effectiveness and is higher on modes with infrequent stops, such as commuter bus.

## 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 projects, purchasing new vehicles, 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, and identifying and implementing cost control measures.

## Best Practices

1. **LT successfully targeted incoming warehousing and distribution businesses in Lebanon County and secured revenue agreements** to offset 25 percent of the service costs.

## Opportunities for Improvement

1. **Continue to secure revenue agreements for service to major job sites.** Since the 2016 performance review, LT has focused on diversifying revenue streams by securing revenue agreements with the growing warehousing and distribution industry located in Lebanon County. LT seeks a 25 percent cost recovery as part of these contracts and should ensure existing and future revenue agreements continue at appropriate recoveries.
2. **Ensure growth scenarios in the Transit Development Plan (TDP) consider long-term financial sustainability.** LT previously discontinued unproductive service in the southern part of Lebanon County. This area is expected to grow, with new housing developments planned around the Lebanon Valley Exposition Center & Fairgrounds. As it begins the TDP process and develops scenarios for change, LT should consider long-term financial sustainability as part of any criteria for transit supportiveness in areas currently unserved.
3. **Take steps to improve paratransit cost recovery.** LT subsidized shared-ride operations with approximately \$1 million in Section 1513 funds over the previous three years. LT provides countywide service Monday through Saturday. Management should continue to monitor shared-ride operating expenses and ensure cost growth does not become unsustainable.

## Identify Other Opportunities to Improve Performance

Actions that target organizational improvement, promote an efficient and transparent administration, and advocate with stakeholders and funding partners on behalf of the agency build stronger community ties. Efforts such as strategic planning, workforce management, and practical advocacy help strengthen the agency by aligning board and management direction and building political support with the community, elected officials, and funding partners. These goal-oriented actions help inform management and the board's decision-making and inform investment decisions when pursuing significant capital investments and new information technologies.

## Best Practices

1. None identified.

## Opportunities for Improvement

1. **Increase use of social media for employee recruitment.** LT relies on word-of-mouth and standard job posting websites for hiring. There is no formal recruitment program. Other agencies such as rabbittransit have reported success in increasing applications by marketing the agency as a great place to work through driver and mechanic testimonials via social media.
2. **Periodically reevaluate parts inventory levels in response to changes in parts delivery for supply-chain delays.** LT has experienced a parts shortage that has reduced maintenance capacity and lowered available spares. Management also has a concern about its ability to conduct timely preventative maintenance on the fleet due to parts shortages. Common parts previously overnighted to LT now take weeks to receive, which ties up LT's two maintenance bays. A short-term solution could be establishing a network for parts-sharing with neighboring agencies such as Capital Area Transit, rabbittransit, Schuylkill Transportation System, and South Central Transit Authority.
3. **Work with the Lebanon County Planning Department to integrate transit-friendly design into site development plans.** LT anticipates new growth in the southern part of Lebanon County, an area where LT previously discontinued unproductive service. LT should leverage its relationship with the Lebanon County Planning Department and seek an opportunity to comment during the formal review process for proposed developments that could be served with transit.
4. **Continue coordination efforts with Lebanon County MPO for transit planning support.** LT recently began its first TDP in partnership with the Lebanon County MPO. There might be opportunities to outsource additional planning tasks such as mapping to the MPO rather than hiring a dedicated transit planner.



## 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, accurate, and correct. Certified audits, financial statements, and other agency-generated reports help identify potential discrepancies in financial information 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.

<b>Ridership</b>	<b>FYE 2014</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>
<b>NTD</b>	308,748	334,640	332,624	317,535	307,798	313,392
<b>dotGrants</b>	308,748	334,640	332,624	317,535	307,798	313,392
<b>Variance</b>	–	–	–	–	–	–
<b>Adjusted Value</b>	308,748	334,640	332,624	317,535	307,798	313,392
<b>Operating Costs</b>	<b>FYE 2014</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>
<b>NTD</b>	\$2,631,434	\$2,674,316	\$2,647,315	\$2,790,820	\$2,644,892	\$2,951,162
<b>dotGrants</b>	\$2,532,027	\$2,613,122	\$2,647,315	\$2,956,341	\$2,707,583	\$2,954,653
<b>Variance</b>	\$(99,407)	\$(61,194)	–	\$165,521	\$62,691	\$3,491
<b>Adjusted Value</b>	\$2,532,027	\$2,613,122	\$2,647,315	\$2,956,341	\$2,707,583	\$2,954,653
<b>Operating Revenue</b>	<b>FYE 2014</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>
<b>NTD</b>	\$362,636	\$389,617	\$391,652	\$374,546	\$360,124	\$356,660
<b>dotGrants</b>	\$409,024	\$398,870	\$413,334	\$386,647	\$429,010	\$396,406
<b>Variance</b>	\$46,388	\$9,253	\$21,682	\$12,101	\$68,886	\$39,746
<b>Adjusted Value</b>	\$409,024	\$398,870	\$413,334	\$386,647	\$429,010	\$396,406
<b>Revenue Vehicle-Hours</b>	<b>FYE 2014</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>
<b>NTD</b>	30,700	30,708	31,019	30,426	29,578	30,004
<b>dotGrants</b>	30,700	30,708	31,019	30,271	29,578	30,004
<b>Variance</b>	–	–	–	(155)	–	–
<b>Adjusted Value</b>	30,700	30,708	31,019	30,271	29,578	30,004

The following Act 44 performance metrics were calculated for Lebanon Transit.

<b>Act 44 Adjusted Metrics</b>	<b>FYE 2014</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>
<b>Passengers/RVH</b>	10.06	10.90	10.72	10.49	10.41	10.45
<b>Operating Revenue/RVH</b>	\$13.32	\$12.99	\$13.33	\$12.77	\$14.50	\$13.21
<b>Operating Costs/RVH</b>	\$82.48	\$85.10	\$85.34	\$97.66	\$91.54	\$98.48
<b>Operating Cost/Passenger</b>	\$8.20	\$7.81	\$7.96	\$9.31	\$8.80	\$9.43

## Appendix B: Action Plan Template

### Part 1 – Actions to Retain and Promote Ridership

Recommendations From Narrative starting on page 20.	LT Action	Estimated Initiation Date	Estimated Completion Date
1. Develop outreach strategy for engaging the Spanish-speaking community, including a survey on customer preferences.			
2. Continue outreach efforts to senior centers, large employers, and community groups.			
3. Develop a marketing strategy for the planned park-and-ride facility on the former Pennsylvania Turnpike property.			
4. Ensure automatic passenger counters (APCs) are appropriately calibrated to analyze stop-level passenger boardings.			
5. Ensure the Transit Development Plan (TDP) considers that the long-term impacts of COVID-19 on ridership are still unknown, and the work-from-home trend might continue and affect commuter bus ridership.			

## Part 2 – Actions to Ensure Long-Term Financial Sustainability

Recommendations From Narrative starting on page 21.	LT Action	Estimated Initiation Date	Estimated Completion Date
1. Continue to secure revenue agreements for service to major job sites.			
2. Ensure the TDP considers how to expand service to areas that meet transit-friendly criteria sustainably.			
3. Take steps to improve paratransit cost recovery.			

## Part 3 – Other Opportunities for Improvement

Recommendations From Narrative starting on page 22.	LT Action	Estimated Initiation Date	Estimated Completion Date
1. Enhance recruitment strategies to market LT as a great place to work.			
2. Coordinate with neighboring transit systems for available parts to increase parts inventory.			
3. Coordinate with the local planning commission for the opportunity to comment on site plans of proposed developments in Lebanon County.			
4. Continue coordination efforts with Lebanon County MPO for transit planning support.			

## Appendix C: Act 44 Peer Comparison Analysis

Peer agencies were identified through a collaborative process between PennDOT and LT management using criteria defined in Act 44 and NTD data from the most recently available year, FYE 2019. The systems identified for peer comparisons include:

1. Fayette Area Coordinated Transportation (FACT), Lemont Furnace, PA
2. Bus Transit (JTS), Janesville, WI
3. Vacaville Public Transit (City Coach), Vacaville, CA
4. Metropolitan Transit Authority of Black Hawk County (MET), Waterloo, IA
5. Lawton Area Transit System (LATS), Lawton, OK
6. South Metro Area Regional Transit (SMART), Wilsonville, OR
7. Battle Creek Transit (BCT), Battle Creek, MI
8. Danville Mass Transit (DMT), Danville, IL
9. Monroe County Transportation Authority (MCTA), Scotrun, PA
10. City Link Transportation (CityLink), Abilene, TX
11. City of Roseville Transit (Roseville Transit), Roseville, CA

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

System	FYE 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 12	2014 Value	Annual Rate	Rank of 12
County of Fayette (PA)	4.56	12	5.57	-3.91%	8
City of Janesville (WI)	15.75	2	13.68	2.86%	1
City of Vacaville (CA)	11.40	5	13.72	-3.65%	6
Metropolitan Transit Authority of Black Hawk County (IA)	9.79	7	13.04	-5.58%	10
City of Lawton (OK)	9.30	9	11.30	-3.82%	7
City of Wilsonville (OR)	9.46	8	10.55	-2.16%	5
City of Battle Creek (MI)	13.68	3	17.53	-4.83%	9
City of Danville (IL)	22.84	1	23.47	-0.55%	3
Monroe County Transportation Authority (PA)	7.66	10	8.06	-1.03%	4
City of Abilene (TX)	11.56	4	16.73	-7.12%	12
City of Roseville (CA)	5.50	11	7.37	-5.68%	11
<b>County of Lebanon Transit Authority</b>	<b>10.45</b>	<b>6</b>	<b>10.06</b>	<b>0.76%</b>	<b>2</b>
Average	10.99		12.59	-2.89%	
Standard Deviation	4.86		4.97	2.94%	
Average – 1 Standard Deviation	6.13		7.62	-5.83%	
Average + 1 Standard Deviation	15.86		17.56	0.05%	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Weaker</b>		<b>Stronger</b>		

## Operating Revenue per Vehicle-Hour: MB

System	FYE 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 12	2014 Value	Annual Rate	Rank of 12
County of Fayette (PA)	\$9.70	9	\$8.30	3.17%	2
City of Janesville (WI)	\$17.67	1	\$22.10	-4.37%	10
City of Vacaville (CA)	\$9.94	8	\$9.76	0.36%	5
Metropolitan Transit Authority of Black Hawk County (IA)	\$15.60	2	\$12.61	4.34%	1
City of Lawton (OK)	\$8.54	11	\$8.72	-0.41%	7
City of Wilsonville (OR)	\$6.50	12	\$11.26	-10.41%	12
City of Battle Creek (MI)	\$11.24	5	\$12.32	-1.81%	9
City of Danville (IL)	\$12.31	4	\$12.84	-0.83%	8
Monroe County Transportation Authority (PA)	\$10.04	7	\$9.08	2.04%	3
City of Abilene (TX)	\$11.01	6	\$16.03	-7.25%	11
City of Roseville (CA)	\$8.83	10	\$8.30	1.25%	4
<b>County of Lebanon Transit Authority</b>	<b>\$13.21</b>	<b>3</b>	<b>\$13.32</b>	<b>-0.17%</b>	<b>6</b>
Average	\$11.22		\$12.05	-1.17%	
Standard Deviation	\$3.11		\$3.97	4.29%	
Average – 1 Standard Deviation	\$8.11		\$8.09	-5.46%	
Average + 1 Standard Deviation	\$14.33		\$16.02	3.12%	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Stronger</b>		<b>Stronger</b>		

## Operating Cost per Vehicle-Hour: MB

System	FYE 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 12	2014 Value	Annual Rate	Rank of 12
County of Fayette (PA)	\$69.14	4	\$69.06	0.02%	2
City of Janesville (WI)	\$120.07	10	\$109.35	1.89%	6
City of Vacaville (CA)	\$65.71	2	\$43.22	8.74%	12
Metropolitan Transit Authority of Black Hawk County (IA)	\$88.35	5	\$93.53	-1.13%	1
City of Lawton (OK)	\$68.59	3	\$66.13	0.73%	3
City of Wilsonville (OR)	\$140.85	12	\$120.95	3.09%	8
City of Battle Creek (MI)	\$108.26	9	\$101.06	1.39%	5
City of Danville (IL)	\$120.53	11	\$98.64	4.09%	11
Monroe County Transportation Authority (PA)	\$106.09	8	\$99.56	1.28%	4
City of Abilene (TX)	\$64.69	1	\$55.28	3.19%	9
City of Roseville (CA)	\$103.99	7	\$92.00	2.48%	7
<b>County of Lebanon Transit Authority</b>	<b>\$98.48</b>	<b>6</b>	<b>\$82.48</b>	<b>3.61%</b>	<b>10</b>
Average	\$96.23		\$85.94	2.45%	
Standard Deviation	\$25.13		\$23.16	2.51%	
Average – 1 Standard Deviation	\$71.10		\$62.78	-0.06%	
Average + 1 Standard Deviation	\$121.35		\$109.09	4.95%	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Weaker</b>		<b>Weaker</b>		



## Operating Cost per Passenger: MB

System	FYE 2019 Single-Year		Five-Year Change Since FYE 2014		
	Value	Rank of 12	2014 Value	Annual Rate	Rank of 12
County of Fayette (PA)	\$15.15	11	\$12.40	4.09%	4
City of Janesville (WI)	\$7.62	5	\$7.99	-0.94%	1
City of Vacaville (CA)	\$5.77	3	\$3.15	12.86%	12
Metropolitan Transit Authority of Black Hawk County (IA)	\$9.03	7	\$7.17	4.71%	6
City of Lawton (OK)	\$7.38	4	\$5.85	4.74%	7
City of Wilsonville (OR)	\$14.90	10	\$11.47	5.37%	8
City of Battle Creek (MI)	\$7.91	6	\$5.77	6.53%	9
City of Danville (IL)	\$5.28	1	\$4.20	4.67%	5
Monroe County Transportation Authority (PA)	\$13.86	9	\$12.35	2.33%	2
City of Abilene (TX)	\$5.59	2	\$3.30	11.10%	11
City of Roseville (CA)	\$18.90	12	\$12.48	8.65%	10
<b>County of Lebanon Transit Authority</b>	<b>\$9.43</b>	<b>8</b>	<b>\$8.20</b>	<b>2.83%</b>	<b>3</b>
Average	\$10.07		\$7.86	5.58%	
Standard Deviation	\$4.50		\$3.57	3.80%	
Average – 1 Standard Deviation	\$5.57		\$4.29	1.77%	
Average + 1 Standard Deviation	\$14.56		\$11.43	9.38%	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Stronger</b>		<b>Stronger</b>		

