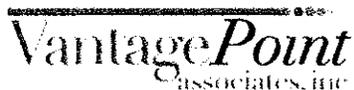


# South Central Pennsylvania Transit

## Regionalization Study Report

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 **VantagePoint**  
associates, inc

  
DELTA DEVELOPMENT GROUP

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## GENERAL BENEFITS AND CHALLENGES OF REGIONALIZATION

### SINGLE CONSOLIDATED TRANSIT AUTHORITY

Regionalized transit organizations exist across the country and are formed when a single provider can serve the region more efficiently than multiple agencies covering the same area. This type of regionalization is the alternative that was studied for the first regionalization scenario – a single consolidated regional operation. In Pennsylvania, the largest urban transit regionalization of this kind is in the southeast where the Southeastern Pennsylvania Transportation Authority (SEPTA) provides service in Bucks, Chester, Delaware, Montgomery and Philadelphia counties. The largest rural regionalization of this kind is in the north where the Area Transportation Authority (ATA) provides service in Cameron, Clarion, Clearfield, Elk, Jefferson, McKean and Potter counties.

Understanding the benefits and challenges of transit regionalization is critical in optimizing a successful regional entity's organization and governance structures. The following benefits and challenges relate to the single consolidated regional authority scenario:

### GENERAL BENEFITS OF A SINGLE CONSOLIDATED AUTHORITY

Given the financial pressures faced by counties and other municipalities that are required to provide local funding matches for transit service, a number of other regionalization efforts are underway in Pennsylvania. These efforts are in a variety of stages and include, but are not limited to, those in the northwest and north central regions of the state.

Regionalization through the use of a single consolidated authority has the potential to provide financial benefits to local municipalities and their transit providers:

1. **Transit Expenditure Savings** are typically generated from the elimination of duplicative administrative positions and services, reduction in overhead costs, use of volume

#### Single Authority Benefits

- Transit Expenditure Savings
- Transit Revenue Gains
- Reduction in Local Match Funding
- Elimination of Transit Related County Costs
- Use of Local Expertise for Regional Benefit
- Use of Best-in-Class Technology
- Use of Broader In-House Resources
- Functions Neglected Today Due to Limited Resources Receive Proper Attention
- Fleet Optimization
- Elimination of Redundant Service
- Seamless Regional Travel
- More Efficient Service Plans
- Positions the Region to Better Package Capital Funding Requests

purchasing, standardization of vehicles and inventory, restructuring of service delivery

(directly operated vs. purchased transportation service) and service redesign (routes, stops, connections and timetables). These savings can be seen in both operating and capital costs.

2. **Transit Revenue Gains** are usually seen from the ability to offer volume advertising and may possibly be seen in increases in fare revenue due to ridership growth from route and fare structure integration. Additionally, real estate and facilities that are no longer required by the regionalized entity could possibly be used to generate new operating or capital income streams.
3. **Reductions in Required Local Match Funding** are now possible given the passage of Act 89 that permits municipalities to reduce their operating matching contributions dollar for dollar over a five year period up to the amount of projected savings achieved from regionalization.
4. **Elimination of Transit Related County Costs** for those counties that currently provide services to transit agencies that are county departments. Functions such as payroll, human resources, procurement and maintenance would no longer need to be provided as the new regional organization would assume responsibility for such services. This would enable these counties to reduce their costs and/or improve productivity.

Financial benefits could be used for a number of purposes such as reducing local fixed route match requirements, improving service, establishing demonstration projects, delaying fare increases, offsetting inflationary cost increases, reducing reliance on fixed route grant use for demand response service and/or reducing reliance on county contributions for demand response service.

Operating improvements can also be derived that benefit the region's passengers through the operation of a regional authority with a consistent focus:

5. **Use of Local Expertise for Regional Benefits** is a key advantage of regionalization. In the south central region, there are pockets of expertise in areas such as call center operations and labor relations. In a regionalized organization, management strengths and best operating practices could be broadly and consistently applied in the larger regional organization.
6. **Use of Best-in-Class Technology** across the region would occur as transition plans to develop a single authority would assess the current use of technology at all area providers

and migrate the full region to the best-in-class. For example, the region as a whole would be able to take advantage of software to automate scheduling for driver runs and to automate the scheduling of fleet maintenance to manage preventive maintenance, parts inventory and maintenance productivity. Technology would also make it possible for improved data collection, reporting and analysis of service and performance.

7. **Use of Broader In-House Resources** for functions such as service planning, marketing and training. Rather than relying on third party contractors, a larger regional organization's staff would be available to service the full region.
8. **Functions Neglected Today Due to Limited Resources Receive Proper Attention.** Many small and mid-size transit agencies have insufficient resources to fully or even partially address all of the demands of running service along with the abundant federal compliance requirements in areas such as human resources, procurement, planning and reporting. A larger regional organization provides the ability to properly focus on operational and compliance functions that would be otherwise neglected.
9. **Fleet Optimization** from regionalization occurs by increasing opportunities to right-size service using smaller or larger vehicles where appropriate and, over time, standardizing vehicle types and inventory where possible.
10. **Elimination of Redundant Service** is often a by-product of regionalization. In this particular region, there may be an opportunity to eliminate service redundancies in the major corridors into Harrisburg.

When transit agencies achieve operating improvements, customer service and regional planning often improves as well:

11. **Seamless Regional Travel** with an integrated regional fare structure, integrated schedules, single web-based trip planner and single fare collection system.
12. **More Efficient Service Plans** are the result of transit planning by a single regional organization rather than attempting to coordinate the service plans of six distinct transit providers.
13. **Positions the Region to Better Package Capital Funding Requests** by demonstrating a unified approach to capital investment requirements and priorities to federal and state stakeholders.