



New PRT faces same Port Authority issues

Summary: In October 2021 the Port Authority’s CEO stated “the ridership world we had on March 13, 2020, is not coming back. Ridership may continue to grow somewhat, but it will look different. We don’t know what that might look like yet.” Can anything be discerned from May 2022 ridership numbers for the newly renamed Pittsburgh Regional Transit (PRT)?

PRT’s performance metrics and system data tool shows average monthly ridership for buses and light-rail on weekdays and weekends. This allows for a comparison between the pre-pandemic month of May 2019 and May 2022.

The May 2022 average weekday bus ridership was down 46 percent from the May 2019 level. This was an improvement over May 2021 when ridership was down 62 percent from May 2019. Saturday and Sunday ridership was down 36 percent and 30 percent, respectively. Average bus ridership for all days was 41 percent lower in May 2022 compared to May 2019.

Average weekday light-rail ridership was down 76 percent from pre-pandemic. That was only a minor improvement from May 2021 when it was down 79 percent compared to May 2019. Saturday ridership remained 65 percent lower than pre-pandemic. Sunday was the only day with light-rail ridership close to half of May 2019. Overall, average light-rail ridership on all days in May 2022 was 69 percent below May 2019.

Note that weekday bus ridership represents close to half of total bus and light-rail ridership. In May 2019 the ratio of bus ridership to light-rail ridership was 7-to-1. In May 2022 the ratio was 14-to-1.

PRT May Bus and Light-Rail Ridership, 2019 to 2022

Mode/Day	2019	2020	2021	2022	% Difference, 2019 to 2022
Bus, Avg Weekday	184,684	62,357	69,447	98,857	-46
LRT, Avg Weekday	26,514	2,536	5,465	6,389	-76
Bus, Avg. Saturday	88,412	44,451	45,222	56,569	-36
LRT, Avg. Saturday	12,163	1,453	3,883	4,219	-65
Bus, Avg Sunday	56,063	32,368	29,793	39,148	-30
LRT, Avg Sunday	6,631	1,105	2,677	3,217	-51

Given the uncertainty—but having to make fiscal decisions such as approving operating and capital budgets—might make one think that spending would be held flat or even reduced. However, the operating budget for Fiscal Year (FY) 2022-23 totals \$519 million, which represents a 5.1 percent increase over the \$493.7 million for FY2021-22.

There are no employee layoffs due to the drop in ridership (2,587 employees were reported in March 2022, which was 45 more than in March 2019). The budget utilizes \$96 million in federal COVID aid to achieve balance. Based on what has been spent, that would leave over \$200 million in COVID aid.

The capital budget is \$233 million, up from \$228.9 million, or 1.8 percent. Capital spending includes debt service, new bus purchases and construction costs for the Bus Rapid Transit Project, which now has a price tag above the \$249.9 million when the project was last rated by the Federal Transit Administration.

Rebranding the authority as PRT will also involve an expense, estimated at \$772,000. At the June board meeting the CEO stated the name “reflects who we want to be as an agency and where we’re going as a community.” That involves changing “vehicles, signage at stations and stops, uniforms for employees, website and more.” Based on last year’s budget, there are 808 vehicles, 44 stations and 6,826 stops between the modes of bus, light-rail and incline. The legal name and the statute that created the authority will not change.

The budgets and the rebranding were approved unanimously by the board. Next year will mark a decade since the board’s makeup was reformed to add state appointees since the state contributes a significant share of funding. One hefty share changed this year and for the foreseeable future. Mandatory payments from the Pennsylvania Turnpike to the state’s public transit trust fund under Act 89 were reduced from \$420 million to \$50 million. That has been replaced by sales tax revenue on the sale of motor vehicles and trailers.

PRT has received \$84 million from the federal infrastructure bill. Allegheny County matches state subsidies by taxing alcoholic beverages and vehicle rentals. Thus far in 2022 those have come close to the levels collected through May 2019. Regional Asset District matching funding of \$3 million was secured.

Regardless of the funding situation, costs need to be addressed. PRT's annual service reports show cost per passenger for bus and light-rail and compares those to a peer group of nine transit agencies, including St. Louis, Seattle and Baltimore.

In FY2018-19, with a cost per passenger of \$5.90 for bus and \$9.93 for light-rail, PRT ranked fifth and second, respectively. In FY2019-20, bus cost per passenger rose to \$7.39 (25 percent) and light rail to \$12.48 per passenger (25 percent). PRT's bus comparison ranking was sixth while light-rail did not change. PRT's FY2020-21 cost per passenger on buses was \$16.96 and for light-rail it was \$48.74, increases of 129 percent and 291 percent, respectively. How these compare to PRT's peer group will be known when data becomes available through the National Transit Database (NTD).

Returning to May 2022's ridership, how much did it cost per passenger to provide those trips? As a way of producing an estimate based on reasonable assumptions and available data, the expense amount for bus and light-rail in pre-pandemic FY2018-19 from the NTD and PRT's monthly expense total for May 2022 are used along with ridership.

The NTD data show operating expenses for bus (\$324 million) and light-rail (\$71 million). Combined that accounts for 91 percent of total operating expense and equates to bus mode accounting for 82 percent and light-rail 18 percent of the total of those two modes. After converting average weekday bus and light-rail ridership to totals for May—2,498,013 and 167,130, respectively, and then making an adjustment for May 2022's actual operating expense along the lines of the NTD breakout—the result is a cost of \$11.21 per bus trip (nearly double pre-pandemic) and \$36.79 per light-rail trip (over 3.5 times pre-pandemic).

The annual service reports cite topography, location of bus garages and light-rail stops, legacy costs and the strength of the labor union among reasons for PRT's relatively high costs. The Pennsylvania Department of Transportation's 2016 performance review stated that "to some extent, costs should be managed through good governance, proactive management and effective cost containment."

So, what are the boards and administrations of agencies with lower costs doing differently that PRT could learn from? Certainly, extraordinarily high labor costs should be addressed.

The renamed PRT must focus intently on the factors it can control to address costs for taxpayers that heavily fund the system. In light of the outrageous per rider costs on buses and light-rail, if ridership does not increase dramatically by yearend, PRT needs to look at bus routes with extremely low levels of ridership and either cut trips or begin shifting service to much smaller vehicles that consume much less fuel and have, overall, drastically lower operation costs. On light-rail the options are limited to fewer trips and running single trains.

If that does not happen, it is incumbent upon the General Assembly to review the financial support it provides the transit agency. With the recent state Auditor General's

performance audit of the Turnpike's finances, perhaps alleviating that entity from the \$50 million obligation and forcing transit agencies to look for efficiencies is a good place to start.

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