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An Update on PRT

Summary: To address a $100 million budget deficit in Fiscal Year (FY) 2025-26, Pittsburgh Regional Transit (PRT) has proposed service cuts and a fare increase. Concurrently, PRT is hoping that the commonwealth's upcoming budget will provide more funding for mass transit. In doing so, PRT would avoid the proposed changes but more funding without reforms won't address PRT's costs.

Fares and expenses

Since announcing the plan to eliminate or reduce service and raise the base fare from $2.75 to $3.00, PRT has accepted public comments at two meetings and through an online platform.

Preliminary operating and capital budgets were presented in May. In the presentation PRT noted that if the base fare were to increase "[the $3.00 fare] would be 5th highest in the country." This is based on the American Public Transportation Association 2024 survey of bus fares.

An examination of the survey shows that basic, non-discounted bus fares for an adult range from $7.00 to $0.50 for 295 transit agencies across the U.S. The average was $1.62. For the nine peer agencies PRT has utilized for comparison in its annual service reports—including agencies in Cleveland, Minneapolis and Seattle—the range was $2.80 to $2.00 and the average was $2.31.

Directly generated revenues, including passenger fares, provided 14 percent of operating funds expended for PRT in 2023, according to the National Transit Database (NTD). That means the remaining 86 percent came from federal, state and local governments. Six of the peer agencies likewise had less than 20 percent of operating funds expended come from directly generated revenues.

PRT did not say where it stands on fixed-route bus operating costs in the presentation. In 2023, PRT's operating expense per vehicle revenue hour was $258.02. This was sixth-highest of the 43 agencies of the top 50 in the U.S. (based on ridership) that operated buses. The average for the remaining agencies was $188.52. For the nine peer agencies it was $195.52.

PRT operated just over 1.4 million annual bus vehicle revenue hours. If PRT was operating at the average expense of the 42 other agencies or that of its peer group, its bus expenditures would be $98 million or $88 million lower, respectively. These savings alone would cover most of the anticipated deficit. Taxpayers, especially those outside of PRT's service area, should not be forced to make up the difference for PRT's bloated costs.

Proposed legislation

The governor's budget proposal for FY 2025-26 calls for an additional shift of sales and use-tax collections to the Public Transportation Trust Fund (PTTF) to help fund mass transit. A bill to increase the tax shift from 4.4 percent of collections to 6.15 percent is currently in the House, while a Senate companion bill remains in committee. If the proposal passes, PRT would receive roughly $40 million, which covers less than half of its anticipated deficit.

As lawmakers approach the June 30 deadline to pass the state budget, a number of additional proposals to provide funding for mass transit are under consideration, though none have yet made it out of committee in the House. None has a Senate companion bill.

One would establish an excise fee of 6 percent on fares charged by transportation network companies (e.g. Uber & Lyft). Proceeds would be directed to the PTTF to support mass transit around the state.

Another proposes increases in the car lease tax and rental fees. The car lease tax would rise from 3 percent to 5 percent of the lease price. The car rental fee would rise from $2.00 per day to $6.50. Collections would be deposited in the Public Transportation Assistance Fund which also provides support for mass transit.

Lastly, one proposal allows for local tax options (in certain counties) that would provide funding solely for the benefit of mass transit and transportation infrastructure. Allegheny County already imposes a drink tax and car rental tax to provide the local match for state funding for PRT.

Additional tax options, assuming the bill passes, would include: (1) a 0.5 percent increase in the deed transfer tax; (2) a 0.2 percent increase in the income tax; (3) a 0.25 percent increase in the sales tax; (4) a 0.5 percent personal property tax on motor vehicles and (5) a maximum of a $3 per week ($156 annual) local services tax.

In addition, legislation that would encourage PRT to consolidate with other transit agencies in Southwestern Pennsylvania raises more questions than answers and has not yet been introduced.

It's worth noting that last year, the governor proposed the same transfer of sales and use tax-dollars for mass transit which never passed. Nearly all these proposals are still in committee, have no Senate companion bill, or both, making it possible that no new funding from the state would be heading to PRT.

Conclusion

Without additional funding, PRT is planning to enact the proposed service cuts and fare increase in February 2026.

Last year, the Southeastern Pennsylvania Transportation Authority (SEPTA) anticipated similar service cuts and fare increases which were avoided temporarily due to the governor flexing $153 million in federal highway funds. The prospect of hosting the NFL Draft in Pittsburgh with limited public transit may incentivize another flex if no legislative solution is found.

However, in *Policy Brief Vol. 25, No. 12*, we noted that "flexing federal funds, especially those meant for projects outside Allegheny County, is not a sustainable solution to PRT's growing deficit." Despite receiving $153 million, SEPTA is once again proposing fare increases and service cuts that will begin to take effect in the next few months.

The Allegheny Institute repeatedly has detailed how PRT has one of the highest bus operating expense per vehicle revenue hour in the country. Ridership is still down significantly compared to pre-pandemic levels (35 percent lower in April 2025 compared to April 2019), and change is desperately needed. Rather than finding more ways to feed PRT's never-ending appetite for revenue, the General Assembly should be focusing on PRT's exorbitant costs. Ending the right of transit workers to strike and encouraging contracting-out and/or outright privatization would be far more sensible solutions than wasting more taxpayer money on PRT.

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