

# Executive Summary

## Shared-Ride Transportation Study Phase 1

### Background

The shared-ride public transportation system is available in all 67 Pennsylvania counties. As the 40-year-old system is currently designed, **service providers rely on passenger fares to pay for their operating costs**. By sharing a vehicle, the average fare per passenger is lower than it would be if the passenger rode alone. Passengers are commonly seniors, Persons with Disabilities, and low-income recipients of Medical Assistance (MA, Medicaid). Shared-ride provides Pennsylvanians with more than four million passenger trips annually **to life-sustaining community services**.

### Changes

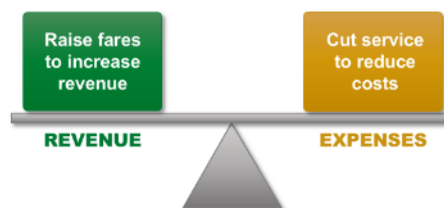
Much has changed since the program was designed. The **average passenger fare necessary to recover operating costs has increased** due to inflation, fewer passengers per vehicle, and the longer trip distances made necessary by the closure and consolidation of medical and community services, especially in rural areas.

### Problems

Legally mandated fare copayments are unaffordable for many people for whom shared-ride service is their only means of travel. As these passengers reduce their travel in response to prices and longer trips, the average fare to recover operating costs continues to increase. It is a downward spiral exacerbated by the COVID-19 pandemic. Pandemic-era federal subsidies and PennDOT service stabilization funds have staved off steep fare increases, system bankruptcies, and service disruptions over the last few years, but those funds are largely exhausted. **Left unchanged, the shared-ride program could financially collapse in many counties in the next few years.**

## Why not raise fares and cut expenses?

This may seem like the way to get the system in balance:



But here is what happens:

Even fewer people take shared ride—they can't afford it, and/or it doesn't meet their schedule or destination needs.

Which yields the opposite of the intended effect:

Fewer trips means less revenue, with the system in rapid decline.

And if we double down on fare increases and service cuts:

Ridership is gutted; costs per trip become completely unsustainable; third-party sponsors spend more money or stop sponsoring trips, permanent service cuts are inevitable.  
**Vulnerable populations lose.**

Doing so creates a downward spiral.



## Alternatives

The Phase 1 Study examined shared-ride history and trends to capture lessons learned in Pennsylvania and nationally. The project sought to identify shared-ride service funding models that meet the needs of customers, service providers, and funding partners while providing reliable transportation adaptable to the unique needs of disadvantaged Pennsylvanians. The study team also considered the customer satisfaction surveys, interviewed shared-ride service providers, and worked with funding agencies such as PennDOT, DHS, Aging, and DLI to identify strengths of the current system and opportunities to change the shared-ride service funding approach to ensure its long-term viability. **The result was the identification of four basic alternatives** to the current fare-based reimbursement approach that could address both the financial sustainability and resiliency of the current shared-ride model:

- Model 1: Cap Passenger Fare Copayments
- Model 2: Revenue - Cost Realignment
- Model 3: Service Statistic Formula-based Funding
- Model 4: Per-Capita Formula-Based Funding

## Implications

Each alternative has strengths and weaknesses, yet each can improve the likelihood of shared-ride service being sustainable for the next 40 years. **The most successful approach will likely be a hybrid of two or more of these models**, depending on the perspective and constraints of customers, service providers, and funding partners. Whichever approach is ultimately selected, legislation, regulations, policies, state plans, and oversight would need to be updated to reflect the new funding model. **To offset current operating deficits, none of the models is revenue neutral.**

## Next Steps

The information and ideas presented in the Phase 1 report were assembled to inform the evolution of shared-ride program funding decisions. **The status quo is unsustainable.** The most vulnerable citizens of Pennsylvania rely on shared-ride service, which is often the only form of public transportation in rural counties. **A solution that ensures its sustainability must balance customer, service provider, and funding partner needs and limitations.**

The Shared-Ride Transportation Study Phase 2 will build on this effort to identify and evaluate a range of funding, service delivery, and customer experience alternatives, their tradeoffs, and the likelihood of remaking shared-ride service into a sustainable model.

PennDOT proposes to reconvene the **Shared-Ride Pilot Steering Committee** created by Act 89 of 2013 to evaluate alternative shared-ride models considering experiences over the last decade. The Steering Committee has representation from customer advocacy groups, service providers, the state legislature, and executive branch funding agencies. These perspectives will be necessary to find and implement tomorrow's sustainable shared-ride funding and service delivery model.