



A SPECIAL PERFORMANCE AUDIT \_\_\_\_\_

THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION'S  
**RURAL TRANSPORTATION FOR  
PERSONS WITH DISABILITIES  
PROGRAM**

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JUNE 2006

**PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL  
JACK WAGNER, AUDITOR GENERAL**





Commonwealth of Pennsylvania  
Department of the Auditor General  
Harrisburg, Pennsylvania 17120-0018

JACK WAGNER  
AUDITOR GENERAL

June 13, 2006

The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania  
225 Main Capitol Building  
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

This report contains the results of the Department of the Auditor General's special performance audit of the Rural Transportation for Persons with Disabilities Program, which is administered by the Pennsylvania Department of Transportation (PennDOT). The audit covered the period of January 1, 2001, through June 30, 2005, unless otherwise indicated, and was conducted in accordance with *Government Auditing Standards* as issued by the Comptroller General of the United States.

As you know, this program was offered in 28 counties during our audit period and is expanding into 7 more counties in 2006. PennDOT helps pay the fares for persons with disabilities when they use the same shared-ride services provided for older Pennsylvanians. The fares for the older Pennsylvanians are subsidized by PennDOT with lottery proceeds, and the fares for persons with disabilities are subsidized by PennDOT with discretionary funds.

In contrast, persons with disabilities in 30 other counties must pay full fare for their transportation even if that fare is unaffordable. We interviewed a young Mifflin County woman in a wheelchair, for example, who makes \$7 an hour at a job just three miles from her home. Without the program, she would be charged \$24.10 round trip to ride to and from work, while an older Pennsylvanian could ride with her—to and from the same place and in the same van—for only \$3.70. Because the young woman cannot afford the high fare, her parents try to juggle their own full-time work schedules to take her to work in a family car. When the parents cannot drive, the grandmother has to fill in. It would be easier if the daughter stayed home and collected a government check, but that is not the solution that anyone thinks is best. There are other persons with disabilities, however, for which that is the only solution. Either way, Pennsylvania can do better to help *all* its citizens with disabilities, not just those in selected counties.

You can change this situation by ensuring that the Rural Transportation for Persons with Disabilities Program receives specific and adequate funding. Lending your vocal support for

additional monies exclusively for this important program, just as you recently voiced your commitment to enhance funding for the extremely worthy Disabled American Veterans Transportation Fund, would go a long way to ensuring that a significant number of additional disabled Pennsylvanians could benefit from the program in the immediate future. During our audit period, the program was not named in PennDOT's budget, which is why the funding has been discretionary. Although PennDOT had about \$12 million overall that it could have spent for the program since 2001, it used approximately \$7 million of that total. The remaining \$5 million was either redirected or allowed to lapse.

If PennDOT expanded the program statewide, it could do so for about \$4-5 million a year beyond the \$2.5 million presently spent, based on estimates from transportation experts. Therefore, the program requires just a fraction of PennDOT's \$6.3 billion annual budget.

The first two recommendations in our report are the most significant. In summary:

- 1. PennDOT needs a line item in its budget clearly defining the dollars available for the Rural Transportation for Persons with Disabilities Program.**
- 2. PennDOT must expand the program statewide.**

We also found some issues related to PennDOT's day-to-day performance that should be addressed. Specifically, PennDOT must communicate better and more clearly about its plans for the program and the amount of available funding. That way, advocates, persons with disabilities, transit organizations, and others will all know exactly where the program stands (see finding one of the report). In addition, PennDOT should conduct its own periodic audits to ensure that the money it grants to transit organizations to provide rides is spent appropriately, and only on services for persons with disabilities (see findings two and three). Finally, PennDOT should do more to make sure that transit organizations monitor rider safety and satisfaction (see finding four). Please note that, for the most part, we found that the transit organizations we sampled did a good job. But PennDOT would not have known those results on its own had it not been for our audit.

Overall, based on the limited funding that PennDOT made available for the Rural Transportation for Persons with Disabilities Program, PennDOT has done well in administering the program. However, all of us must keep in mind that the goal is to provide the service to all Pennsylvanians who need it. It is critical for PennDOT to finish the job it has started.

Sincerely,



JACK WAGNER  
Auditor General

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**Results  
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Brief**

The Pennsylvania Department of Transportation, known as PennDOT, treats persons with disabilities differently in some parts of the state than it does in others. Specifically, in 30 Pennsylvania counties, PennDOT does not offer the same heavily discounted public transportation program that it offers in the remaining counties. This audit report, while recognizing PennDOT's efforts in selected counties, recommends that PennDOT work harder to expand the program statewide.

The discounted program is called the Rural Transportation for Persons with Disabilities Program, which began as an eight-county pilot in 2001 after years of pressure from disability advocates across the state. We opened this special performance audit in 2005 after hearing from advocates and others that PennDOT was moving too slowly to expand the pilot program and had not used all the funds it had earmarked.

The advocates also gave positive feedback. They told us that—in participating counties—the program was popular and run well by transit organizations with whom PennDOT contracted. There were 28 counties in the program at the end of 2005, with 7 more projected to participate sometime in 2006. However, as of June 7, 2006, the discounted rides were still not available in 4 of the 7 new counties.

In general, our findings mirror those of the advocates, including the positive comments. The transit organizations we sampled did appear to run their programs well in accordance with PennDOT contracts. The organizations determined correctly which persons with disabilities were eligible for the program, transported them on time to work or other destinations, charged them a fraction of the full fare as allowed, and submitted appropriate paperwork to PennDOT for reimbursement of the remaining fare. We also found that PennDOT staff was knowledgeable about even the smallest details of the program.

Our other findings, however, were troubling. Even though PennDOT initially appeared open to engaging in constructive discussion, our probing about the program's funding brought unclear and conflicting answers. By the end of the audit, when we confirmed that PennDOT did not use all available funding and re-directed some of the funds elsewhere, PennDOT became

reluctant to accept our findings as constructive and exhibited that reluctance in its written response to us.

Furthermore, while the program staff was indeed knowledgeable about the program's smallest details, PennDOT's focus on those details may have prevented the staff from seeing the bigger picture and working harder toward expansion. This problem was especially evident when we suggested alternative approaches to the program, whether looking back or going forward.

As PennDOT states in its written response to this audit, the point on which we and PennDOT agree is that the Rural Transportation for Persons with Disabilities Program *should* be offered in all the state's 65 rural counties. Yet even as PennDOT indicates its agreement (page 48), calls itself a champion for that cause (page 49), and admits that hardship cases exist in every county not participating in the program (page 57), it has not insisted on creating a separate program line item in its overall \$6.3 billion budget. Budgeting for the program in that way would clarify the status of the program.

In its written response, PennDOT did say it would request that the state's budget secretary establish separate funding. However, more than just making a "request," PennDOT should tell the budget office that the program is a priority and insist that it be put into the Governor's proposed budget for submission to the General Assembly. Both PennDOT and the Governor should then lobby the General Assembly to seek legislators' support of the program and passage of the budget.

The program is so important because persons with disabilities, whether physical or mental, often have needs that make it more difficult to get to jobs, medical appointments, grocery shopping, or other engagements. PennDOT's surveys have shown that persons with limited financial resources have the greatest need for this program and that riders use it mostly to get to work.

The program is considered a "last resort" for persons with disabilities, meaning that PennDOT subsidizes the rides only if they are not paid for by any other agency or organization. Many persons with disabilities do qualify for other programs, and the Rural Transportation for Persons with Disabilities Program is therefore a small program using about \$2.5 million of PennDOT's



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annual funds, or less than four one-hundredths of one percent. Increasing that amount to \$8 million, which is what some advocates believe is the most needed to serve the entire state, impacts the overall budget just slightly.

The “last resort” requirement also illustrates why the program is needed so much in the 30 counties without it. Persons with disabilities who do not qualify for another program have nowhere else to turn, although not for lack of interest. In fact, in at least 7 of those counties—Bucks, Chester, Columbia, Juniata, Mifflin, Perry, and Somerset—transit organizations applied to participate but were rejected by PennDOT, sometimes more than once. There are only a few other options for persons with disabilities who try to work outside the home or be otherwise independent. Three such options and their drawbacks follow:

- (1) Persons with disabilities can ask family and friends for transportation. But that option assumes that the family or friends have handicapped-accessible vehicles and flexible schedules, which is not always the case.
- (2) Persons with disabilities can stay home. But that option causes isolation and impedes independence.
- (3) Persons with disabilities can pay full fare to share a handicapped-accessible vehicle with older Pennsylvanians, Medicaid clients, and others. This option is the one that PennDOT offers. Although PennDOT speaks of it as a viable option, it is simply not realistic. For example, to travel just a few miles round trip, a person under age 65 with disabilities would pay a round-trip fare of \$24.10 while sitting beside an older person with or without disabilities who pays only \$3.70 or less because of a PennDOT subsidy.

Overall, this audit report includes 4 findings and 12 recommendations. The Rural Transportation for Persons with Disabilities Program is small enough to allow our recommendations to be implemented readily, and it is important enough to implement them now. For the benefit of persons with disabilities statewide, PennDOT should do so.



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## **Introduction and Background**

### **Citizens criticized PennDOT for not doing more to make transportation affordable for persons with disabilities**

On March 8, 2005, a team of citizens from Pennsylvania's 67 counties delivered a strongly worded proclamation to members of the General Assembly about the Pennsylvania Department of Transportation, known as PennDOT. In short, the proclamation criticized PennDOT for its "unnecessary bureaucracy" that left several million dollars unspent to provide affordable transportation services to persons with disabilities.<sup>1</sup>

The citizens were referring to the Rural Transportation for Persons with Disabilities Program (sometimes referred to as PwD) administered by PennDOT. At the time of the proclamation, the program was available in just 24 of the state's 65 counties that had rural populations.<sup>2</sup> Accordingly, persons with disabilities in 41 counties could not get the highly discounted fares—typically 85 percent less than full fares—that PennDOT already made available to riders with disabilities in the other counties.

The Rural Transportation for Persons with Disabilities Program is open to persons between the ages of 18 and 64 with physical or mental disabilities as long as the trips taken are not covered under any other government program. Users can be of any income level, but PennDOT found that 86 percent of potential users had low incomes of less than \$16,000 a year.<sup>3</sup> Therefore, for most users, the difference between paying full fares and the discounted fares might well mean the difference between getting somewhere and staying home.

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<sup>1</sup> Pennsylvania Statewide Independent Living Council, Transportation Proclamation submitted to the Pennsylvania House of Representatives and Senate, press release, March 8, 2005.

<sup>2</sup> Not included are the counties of Philadelphia and Allegheny. The study used by PennDOT to assess the availability of transportation for persons with disabilities in rural areas (Pennsylvania State Transportation Advisory Committee, *Assessing the Availability of Transportation for Persons with Disabilities in Rural Pennsylvania*, June 2000, p. 1) notes that "'rural' uses the [U.S.] Census definition, which applies to 65 of Pennsylvania's 67 counties—Allegheny (Pittsburgh) and Philadelphia counties being outside the definition."

<sup>3</sup> *Ibid.*, p. 92.

**Existing “shared-ride” services are  
the foundation on which the Rural Transportation  
for Persons with Disabilities Program is built**

Rides through this program are provided by existing transit organizations that already transport other people. The persons with disabilities ride along with those other passengers, and PennDOT then reimburses the transit organizations for the discounts.

In any “shared-ride” service, no matter who the riders are, they not only share the same vehicle, but they also get picked up from and delivered to their chosen destinations rather than fixed stops along fixed routes. Passengers must register for shared-ride services at least one working day in advance.

Shared-ride services are offered by transportation organizations in every Pennsylvania county. However, there is a critical distinction between the shared-ride services that are available to *any* rider who pays full fare and the shared-ride services that are offered only to *certain* riders as part of government-subsidized programs like the Rural Transportation for Persons with Disabilities Program and other programs.

Three “levels” of shared-ride services are described below.

- 1. Available in all counties to everyone who pays full fare:** Transit organizations make shared-ride services available to anyone in every county, as long as the riders pay the full fare. For example, in Mifflin County as of June 7, 2006, it would cost \$12.05 to ride just three miles—or \$24.10 round trip.
- 2. Available in all counties to certain groups whose highly discounted fares are subsidized by program-specific government appropriations:** Transit organizations give highly discounted shared rides to certain groups who qualify for government programs that are specifically named in the Commonwealth's budget. The Rural

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Transportation for Persons with Disabilities Program does not fall into this category because the state does not fund it with a specific allocation.

A program that *does* receive a specific allocation is the Older Pennsylvanians Shared Rides Program. State lottery proceeds and/or tax dollars go specifically to PennDOT to benefit *all* riders age 65 and older in every Pennsylvania county. If we use our Mifflin County example, these older riders pay just 15 percent of the full fare for the very same three-mile trip, or \$1.85 one way and \$3.70 round trip. PennDOT pays the rest of the fare (the remaining 85 percent) to the transit organization.

Another program that receives a specific allocation is the Medical Assistance Transportation Program, known as MATP. The Department of Public Welfare gets the funding and pays the *entire* fare for Medicaid recipients of *any* age in *any* county for medical visits.

- 3. Available at a fraction of the full fare to some persons with disabilities in some counties:** The Rural Transportation for Persons with Disabilities Program fits in here because the state has not allocated funds specifically in this program's name. PennDOT says it has only enough "discretionary" funds to make the program available in selected counties. Our Mifflin County example is not among those selected counties but, if it were, eligible persons with disabilities traveling three miles would pay the same amount—\$1.85 one way or \$3.70 round trip—that the older Pennsylvanians would pay.

According to the father of a 21-year-old Mifflin County woman who requires a wheelchair full time, *not* having the program has been a real struggle. Seeking financial independence, the woman was hired to work 5 days a week for 30 to 40 hours at a home improvement store just three miles from her home. She makes \$7 an hour and could afford the round-trip fare of \$3.70 if the Rural Transportation for Persons with Disabilities Program

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existed in Mifflin County. But she cannot afford to pay the full round-trip fare of \$24.10 to ride in the very same vehicle. Moreover, taxi service is not an option because of her need for a wheelchair lift. As a result, her father and mother—both of whom have full-time jobs of their own—told us they try to rearrange their schedules to get their daughter to her job. “It can be overwhelming,” the father said.

**PennDOT knows a need exists in other  
counties, but no one knows precise numbers**

As noted earlier, persons of any income level can qualify for the Rural Transportation for Persons with Disabilities Program, but PennDOT will *not* pay for fare discounts if the trips are covered by another program.<sup>4</sup> In PennDOT terminology, the Rural Transportation for Persons with Disabilities Program is a “program of last resort” for persons with disabilities, and PennDOT is the “payor of last resort.”

There are no precise numbers of persons with disabilities whose trips qualify for help within other programs, or who would use the Rural Transportation for Persons with Disabilities Program. But PennDOT, advocacy groups, persons with disabilities, and others all agree that, although unquantified, a need does exist for the program statewide.

PennDOT claims that its Rural Transportation for Persons with Disabilities program is the first in the nation to go well beyond programs *mandated* by government, such as those required by the federal Americans with Disabilities Act, for example. PennDOT also takes pride in working with advocacy groups

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<sup>4</sup> In addition to the previously mentioned shared-ride programs for persons over age 65 and for Medicaid recipients, the Department of Labor and Industry assists some vocational clients with transportation needs, and the federal government—through the Americans with Disabilities Act—subsidizes transportation for eligible persons who live close (within three-quarters of a mile) to a public bus route. The examples provided thus far are not all-inclusive, and there are still persons with disabilities who do not fit into any government-subsidized program. These are the people who need the Rural Transportation for Persons with Disabilities Program.

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and transit organizations to make the program possible. For those reasons, PennDOT can say its program, in part, contributed to PennDOT's overall mission:

The mission of the Department of Transportation is to provide, through the active involvement of customers, employe[e]s and partners, an intermodal transportation system and services that exceed the expectation of those who use them.<sup>5</sup>

Yet even with the strides that PennDOT has made, we found that more is needed.

#### **PennDOT: Not enough money**

PennDOT's proposed annual budget for fiscal year 2006-07 is \$6.3 billion. As we have noted, the Rural Transportation for Persons with Disabilities Program has not had its own separate line in PennDOT's budget. Instead, the program is funded with state general funds taken from an amount appropriated to PennDOT for "Fixed Route Transit" grants and subsidies.<sup>6</sup> Not all parties believe that PennDOT has needed a specifically named allocation to make the Rural Transportation for Persons with Disabilities Program available to more people. The advocates who delivered their proclamation to the General Assembly in March 2005, for example, declared that state funding had been "set aside" for the program but that PennDOT did not release the funds. That failure, said the advocates, resulted in denying thousands of people access to

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<sup>5</sup>*Commonwealth of Pennsylvania 2006-07 Governor's Executive Budget*, p. E40.1.

<sup>6</sup> Fixed route transportation is defined on PennDOT's Web site as bus or train service provided on a repetitive fixed schedule along a specific route with vehicles stopping to pick up and deliver passengers to specific locations. The Rural Transportation for Persons with Disabilities program uses funds from the "Fixed Route Transit" budget line item but is not a separate line item itself. For Fixed Route Transit grants and subsidies in fiscal year 2006-07, according to page E40.3 of the *Commonwealth of Pennsylvania 2006-07 Governor's Executive Budget*, PennDOT budgeted \$6.7 million to be used from the state's general funds; in 2005-06, PennDOT had \$10.7 million available for that purpose; in 2004-05, PennDOT's actual total for that purpose was \$25 million.

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transportation to work, medical appointments, and recreational activities. PennDOT, they said, must be held accountable.

Throughout our audit, PennDOT officials strongly disagreed:

- First, the officials said that persons with disabilities have *not* been denied access to transportation because, in every county, *anyone* has access to shared-ride transportation at the full fare. That distinction, however, ignores the all-important point that “access” means little to riders who cannot afford \$25 to ride three miles to and from a job.
- Second, PennDOT has maintained that funds were never “set aside” or “earmarked” for the Rural Transportation for Persons with Disabilities Program. The officials wanted it made clear that funds were simply “identified” by PennDOT and that “maximum amounts” were “available.”

We addressed these issues in detail throughout our audit.

**Chronology: Audit began just as PennDOT  
expanded the program into other counties**

Around the same time the advocates made their proclamation, PennDOT added four more counties to the Rural Transportation for Persons with Disabilities Program, bringing to 28 the number of counties in which it was offered. Soon after, in April 2005, the Department of the Auditor General began this special performance audit to evaluate how well the entire program was set up and managed, and to get answers about the funding.

In July 2005, the Secretary of Transportation preliminarily announced that \$400,000 would be released for further expansion. In December 2005, Governor Ed Rendell followed through by announcing that the expansion would take effect in January 2006 by making the program available in 7 more



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counties. That expansion would bring the total number of counties to 35.<sup>7</sup>

By June 7, 2006, the discounted rides had not yet begun in 4 of those counties (Adams, Berks, Pike, and Monroe). In the other 3 counties (Bedford, Fulton, and Huntingdon), the discounted rides began in mid-May 2006.

The addition of 7 counties is clearly a positive move for persons with disabilities and an achievement for the advocates who pressed for expansion. However, questions remain about how much funding was available all along and why the program is still not offered statewide.

### **History: How the Rural Transportation for Persons with Disabilities Program evolved**

Prior to 2000, various attempts were made to address the transportation needs of persons with disabilities in Pennsylvania. For example, PennDOT held workshops between 1994 and 1996 and formed a Rural Transportation Work Group in 1997 to support disability initiatives advanced by then-Governor Tom Ridge. Also at varying times, advocates sought state funding to provide transportation for persons with disabilities. Several bills were introduced but no legislation was enacted, in part because there was no single, comprehensive assessment of the need.

In October 1999, a task force of the Pennsylvania State Transportation Advisory Committee<sup>8</sup> directed an outside

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<sup>7</sup> "Governor Rendell Announces Expansion of Low Cost Rural Transit for Persons with Disabilities," press release, December 14, 2005.

<sup>8</sup> The State Transportation Advisory Committee was established by Act 120 of 1970, subsequently amended, which is the same law that created PennDOT. The Committee has the power and duty "to consult with and advise the State Transportation Commission and the Secretary of Transportation in behalf of all the transportation modes of the Commonwealth." The law provides that the Committee shall have 30 members of which eight are to be ex officio, including, among others, the Secretary of Transportation, Chairman of the Public Utility Commission, the Secretary of Education, and the Secretary of Agriculture; two members each from the state Senate and the state House of Representatives; and 18 public members.

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<b>Rural Transportation for Persons with Disabilities Program Counties with Service</b>		
<b>Counties that piloted the program from January 1, 2001, through June 30, 2002:</b>		
	▪ Clearfield	▪ Jefferson
	▪ Cumberland	▪ Schuylkill
	▪ Elk	▪ Washington
	▪ Greene	▪ York
<b>Additional counties by June 30, 2003:</b>		
	▪ Beaver	▪ Lancaster
	▪ Blair	▪ Lawrence
	▪ Bradford	▪ Lycoming
	▪ Centre	▪ Mercer
	▪ Clinton	▪ Union
	▪ Crawford	▪ Snyder
	▪ Dauphin	▪ Sullivan
	▪ Erie	▪ Tioga
<b>Additional counties by June 30, 2004:</b>		
	▪ <i>None</i>	
<b>Additional counties by June 30, 2005:</b>		
	▪ Cameron	▪ McKean
	▪ Carbon	▪ Potter
<b>Additional counties in 2006:</b>		
	▪ Adams*	▪ Huntingdon ( <i>began 5/11/06</i> )
	▪ Bedford ( <i>began 5/11/06</i> )	▪ Pike*
	▪ Berks*	▪ Monroe*
	▪ Fulton ( <i>began 5/11/06</i> )	

\* Program in these counties had not begun as of 06/07/06.

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contractor to study that need and provide an assessment. The contractor, an international engineering and consulting firm headquartered near Harrisburg, conducted the study as part of a nearly \$200,000 consulting contract with PennDOT.

Representatives from various state agencies, the General Assembly, advocacy groups, transit organizations, and the general public provided guidance and input for the study. Additionally, in eight counties, more than 1,700 persons with disabilities responded to special surveys asking for demographic information (location, age, income), plus information about their disabilities, transportation needs and barriers, existing transportation options, and expected usage of other options if they became available.

The contractor compiled and analyzed the survey responses, as well as additional data, and released its report in June 2000 jointly with the State Transportation Advisory Committee. The report, *Assessing the Availability of Transportation for Persons with Disabilities in Rural Pennsylvania*, was approved soon thereafter by the State Transportation Commission.<sup>9</sup>

The report's overall recommendation was that Pennsylvania should implement a pilot program in the eight counties that were studied. According to the report, the pilot should be designed to incorporate the following elements:

- **It should be efficient by using available resources.** Transit organizations already participating in the Older Pennsylvanians Shared Ride Program would be the "core" of the program by adding riders with disabilities to their customer base. Therefore, no new transit organizations would need to be created.

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<sup>9</sup> The State Transportation Commission is made up of 15 members, including members of the public appointed by the Governor, members of the state Senate and House of Representatives, and members who fulfill other requirements (e.g., members of local transportation authorities). The commission evaluates the condition and performance of the state's transportation system and sets future policy direction. The State Highway Commission was created by Act 438 of 1963 and underwent a name change to the State Transportation Commission through Act 120 of 1970.

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- **It should be affordable for riders.** The state would typically pay 85 percent of the full fares as it did for older Pennsylvanians.
  - **It would have to be “flexible” so that core services could be augmented if needed.** PennDOT was clear that the transit organizations and their older shared-ride customers must not be disadvantaged by adding the new customers. If persons with disabilities used the new program more than the participating providers could handle, the pilot would then have to “leverage other resources and participation,”<sup>10</sup> such as churches, social service agencies, schools, employers, and volunteers or other private sources.
  - **It would be a “service of last resort” for riders with disabilities.** The riders could use the program only if their trips were not covered by another subsidy.

Not everyone agreed that a pilot was the best approach. Some advocates who wanted the program available immediately in *all* counties were said to view the pilot “as a stall, a less than earnest commitment, and/or a minimalist response to the need.”<sup>11</sup> Other advocates worked with PennDOT in support of the pilot.

Whatever the case, PennDOT said the pilot approach was prudent and the best way to test—through real experience—the findings and recommendations of the study.

During the pilot, PennDOT committed \$3.12 million to 6 transit organizations for the pilot program. By the end of the pilot, those 6 organizations used \$1.93 million—less than two-thirds of the amount committed—to get the program up and running (planning, marketing, registering eligible customers, purchasing needed equipment or vehicles) in the 8 counties

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<sup>10</sup> Pennsylvania State Transportation Advisory Committee, *Assessing the Availability of Transportation for Persons with Disabilities in Rural Pennsylvania*, June 2000, p. 6.

<sup>11</sup> *Ibid.*, p. 28.

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and, ultimately, to provide 60,504 discounted rides to persons with disabilities.

Data from PennDOT through 2005-06 are shown below:

<b>Statistics from PennDOT: Rural Transportation for Persons with Disabilities Program</b>						
<b>Period</b>	<b>No. of counties</b>	<b>No. of transit providers</b>	<b>Taxpayer dollars PennDOT paid providers for start-up</b>	<b>Taxpayer dollars PennDOT paid providers for actual rides</b>	<b>Total rides provided</b>	<b>Average tax dollars used per ride, not including start-up costs</b>
Pilot*	8	6	\$1.46 million	\$0.47 million	60,504	\$7.74
2002-03	24	18	\$1.02 million	\$0.65 million	76,198	\$8.51
2003-04	24	18	\$0.57 million	\$1.19 million	110,617	\$10.78
2004-05	28	19	\$0.23 million	\$1.50 million	138,660	\$10.81
2005-06 <i>projected</i>	35**	24**	\$0.30 million <i>projected</i>	\$1.70 million <i>projected</i>	148,000 <i>projected</i>	\$11.49 <i>projected</i>

\* The pilot period consisted of the 18 months from January 1, 2001, through June 30, 2002.

\*\* Five of the 24 providers (serving 7 of the 35 counties) received grants effective January 2006, but only 1 of the providers (serving 3 counties) had begun to provide trips as of June 7, 2006.

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## **Objectives, Scope, and Methodology**

The Department of the Auditor General conducted this special performance audit in order to provide an independent assessment of the Pennsylvania Department of Transportation, specifically as it administered the Rural Transportation for Persons with Disabilities program.

Our overall objective was to determine if PennDOT and the transportation organizations with whom it contracted met the transportation needs of persons with disabilities during the period of January 1, 2001, through June 30, 2005, unless otherwise indicated. Our more specific objectives included the following:

- Determine if PennDOT appropriately spent the money it had available for the riders with disabilities. **(Finding One)**
- Determine if PennDOT evaluated whether to expand the program into other counties following the pilot program and, if so, the status of any such expansion initiatives. **(Finding One)**
- Determine if PennDOT ensured that program funds were spent appropriately. **(Finding Two)**
- Determine if PennDOT made sure that transportation providers verified whether riders were eligible to take part in the program. **(Finding Three)**
- Determine if, in its contracts with the transportation providers, PennDOT adequately specified how the providers should carry out their responsibilities and monitor the needs of their riders with disabilities. **(Finding Four)**
- Determine if PennDOT evaluated how well or how poorly the transportation providers adhered to their contracts in providing rides to persons with disabilities. **(Finding Four)**

Auditors addressed these objectives by reviewing the history of the program and PennDOT's guidelines for program

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implementation, interviewing PennDOT officials and transportation providers, talking to advocates, and reviewing records from both PennDOT and the transportation providers. Auditors also visited four transit organizations to review certain records on site. We conducted our work according to *Government Auditing Standards* as issued by the Comptroller General of the United States.

As noted previously, our audit covers PennDOT's performance during the period of January 1, 2001, through June 30, 2005, unless otherwise indicated. We completed most of our field work by September 30, 2005; provided drafts of this report to PennDOT officials for their review in March and April 2006; and followed up with questions as necessary. We received PennDOT's written response on April 27, 2006. That response is reproduced at the end of this report beginning on page 48.

### **Findings and Recommendations**

We developed **4 findings** during our review of the Department of Transportation's performance for the audit period, and we present **12 recommendations** to address the issues we identified.

We have included time frames for the implementation of our recommendations, and we will follow up within the next 24 months to determine the status of the findings. In so doing, we will work collaboratively with PennDOT to meet an important government auditing standard that promotes government accountability:

Providing continuing attention to significant findings and recommendations is important to ensure that the benefits of audit work are realized. Ultimately, the benefits of an audit occur when officials of the audited entity take meaningful and effective corrective action in response to the auditors' findings and recommendations. Officials of the

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audited entity are responsible for resolving audit findings and recommendations directed to them and for having a process to track their status. If the audited entity does not have such a process, auditors may wish to establish their own process.<sup>12</sup>

At the time of our follow-up, we will determine a subsequent course of action. For example, we may issue a status update jointly with the audited entity, issue an update independently, or conduct a new audit entirely.

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<sup>12</sup> Standard 7.30, *Government Auditing Standards*, 2003 revision, U.S. Government Accountability Office.



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**Finding One** **PennDOT met a critical part of its mission by paying for fare discounts in some counties where persons with disabilities traveled with existing shared-ride passengers. However, PennDOT did not communicate well enough to clarify that it had no definite plans to offer the same discounts to persons with disabilities in all counties.**

As explained in the Introduction and Background section of this report, PennDOT's Rural Transportation for Persons with Disabilities program was available in 28 counties by the end of the period that we audited, with 7 new counties offering discounted fares in 2006 (4 of those 7 counties did not yet have discounted fares as of June 7, 2006). When the 7 new counties all begin offering those fares, the transportation program will become available to persons with disabilities in 35 of Pennsylvania's 65 counties that have rural populations.

On the other hand, the program still will not be available in the 30 remaining counties with rural populations. Not having affordable transportation means that persons with disabilities may be restricted from participating in activities that contribute to greater independence, including employment. In fact, PennDOT statistics show that the program has been used most frequently for transportation to jobs.

We discussed PennDOT's mission statement on page 5 of this report, and we note again that the Rural Transportation for Persons with Disabilities Program helped PennDOT to achieve part of its mission. In so doing, PennDOT actively involved customers, employees, and partners when it (1) assessed the needs of persons with disabilities in 1999 and 2000, (2) continued to work routinely with such groups during our audit period, (3) developed the pilot program in 8 counties between 2001 and 2002, and (4) subsequently expanded the program into 35 counties.

Whether PennDOT "exceeded" expectations—as the mission statement vows—is harder to assess and quantify, but persons with disabilities, advocates, and transit organization officials

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who spoke to us did expect PennDOT to do better, especially in expanding the program faster and farther and, at the very least, communicating clearly and directly about where the program was headed.

A review of the program's history and related issues puts this finding into perspective.

**Expectations versus reality; needs versus funding**

In the 18-month pilot that ran from January 2001 through June 2002, PennDOT committed \$3.12 million to 6 existing transit organizations so they could transport persons with disabilities at significantly reduced fares. The transit organizations were permitted to use PennDOT's grants not only to subsidize fares, but also to purchase equipment, vehicles, or other necessities to accommodate the new riders.<sup>13</sup>

It was possible to economize on "start-up" costs because the program was designed to "piggy-back" on to the existing shared-ride program in which PennDOT already paid transit providers 85 percent of the full fares in order to benefit older Pennsylvanians. Even so, PennDOT and the 6 participating transit organizations projected that 70 percent of the \$3.12 million, or \$2.16 million, would be needed for planning, marketing, screening and registering eligible customers, and purchasing needed equipment or vehicles. The remaining 30 percent, or \$0.96 million, was projected to cover the fare discounts.

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<sup>13</sup> Based on expense information reviewed by our auditors, PennDOT was much more accommodating in the early years of the program when transportation organizations showed a need to purchase equipment or vehicles. Capital expenditures for such items decreased significantly after the pilot period and the next fiscal year. PennDOT officials acknowledged they approved fewer capital purchases, opting instead to direct their funds to organizations that already had enough vehicles and equipment. Auditors also spoke to a representative of a transit organization from one of the 30 rural counties not in the program. The representative said that his organization had applied two times to participate in the program but was rejected both times despite a projected ridership of 25,000 persons. In a third application, the organization dropped its request to purchase 5 needed vehicles, hoping the application would be viewed more favorably. But the third application was denied as well. PennDOT documents indicate that evaluators did question the need for equipment but also thought that the ridership projections were excessive.

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As discussed in our Introduction and Background, not everyone agreed that the early pilot approach was the best way to launch an affordable transportation program for persons with disabilities. However, what auditors found questionable was not the concept of a pilot approach—which did indeed seem reasonable—but rather (1) the lapsing of funds identified and projected for use during the pilot, (2) the lack of clarity about how much money PennDOT had available for expansion after the pilot, and (3) the shortage of clear communication and definitive plans for the future.

**1. PennDOT did not use all available money during the pilot period.**

- **\$1.2 million lapsed during pilot.** Money for the pilot came from PennDOT's appropriation for "Fixed-Route Transit." During our audit period, that appropriation ranged from a low of \$25 million to a high of \$27.8 million. PennDOT identified and committed a maximum amount of \$3.1 million for the pilot based on projections (as described on the previous page) but then used just \$1.9 million by the end of the 18 months, mostly to cover start-up costs and only \$469,000 to cover fare discounts. The unspent \$1.2 million lapsed into the state's General Fund.
- **The overestimated projections for the pilot were either prudent or too cautious, depending on different perspectives.** PennDOT has maintained that it was cautious during the pilot period because the purpose was to *test* the program, not simply to spend the \$3.1 million that was available. In addition, PennDOT had experienced previously (in an unrelated program) the pitfalls of *underestimating* expenditures and then not having the money it needed. Therefore, in the case of the Rural Transportation for Persons with Disabilities Program, PennDOT worried about overspending and then having to shut the pilot down. In short, PennDOT realized that potential need is

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different from actual use, which is exactly what the pilot period showed.

On the other hand, a case can be made that, with the pilot's projections that far off base, they may have been faulty. For nearly \$200,000, PennDOT had paid its contractor to assess the availability of transportation services prior to the pilot's beginning, and then another \$300,000 to that same contractor to develop the pilot. Taxpayers might reasonably expect that, after spending close to half a million dollars of their money to establish a need and plan the program, PennDOT could have projected the initial cost of the pilot more accurately and, if so, widened its scope.<sup>14</sup>

Viewed from the latter perspective, and with the advantage of hindsight that PennDOT, of course, did not have at the time, the concept of testing in more than 8 counties could have allowed PennDOT to exceed the expectations of its customers by justifiably spending the maximum \$3.1 million. The need clearly existed; the 8 pilot counties had already been deemed by PennDOT and its contractor to represent all the state's 65 counties with rural populations. In addition, expectations had been created based on that publicly documented need and by the accompanying perception that PennDOT would spend the maximum amount available in response to that need.

**2. PennDOT was not clear about how much funding it had for program expansion after the pilot period ended.**

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<sup>14</sup> Transit providers from other counties did apply to participate in the program and, like all applicants, had to supply population statistics, including the estimated population of persons with disabilities, and to identify the proposed service areas, including areas currently underserved. PennDOT also asked the transit organization applicants to explain or provide source materials for those answers, and to project ridership based on the actual number of rides provided to persons with disabilities who were not subsidized by PennDOT. But our auditors could not review this information or determine how PennDOT did or did not use it because PennDOT did not retain the score sheets it used to rate applicants who were rejected.

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- **Different expectations.** Those who perceived that PennDOT failed to use “earmarked” funds during the pilot expected PennDOT to do more after the pilot. But PennDOT administered the program with expectations that (1) the already-participating transit providers could continue their participation and (2) any growth did not exceed whatever funding PennDOT identified.
- **No clear answers.** Throughout this audit, PennDOT was not clear about how much funding was indeed available for expanding the program. Our auditors’ notes from their first meeting with PennDOT on May 2, 2005, indicate that a top official explained how advocacy groups were unable to accept PennDOT’s assertions that exact amounts of funds were not specifically “earmarked” for the program each year. But it soon became apparent to auditors why advocates or others found those assertions difficult to accept. Try as we might, we too were unable to get a precise answer from PennDOT about how much funding was available every fiscal year since the pilot ended on June 30, 2002.
- **Evidence of unused funds, and still no clear answers.** Each year after the pilot period, PennDOT paid transit organizations between \$1.6 and \$1.7 million to keep the program going or to expand it slowly. Auditors found that PennDOT likely had nearly twice that amount available each year. For example, for the 2002-03 fiscal year, the amount of \$3 million is referenced in the program’s implementation guide published by PennDOT in July 2002.<sup>15</sup> For the 2004-05 fiscal year, the amount of \$3 million is referenced in an e-mail dated July 8, 2005, to our audit team. In total, over our audit period, we estimate that PennDOT may not have used nearly \$5 million that it had identified as being “available.”

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<sup>15</sup> *PwD Transportation for Persons with Disabilities Implementation Guide*, July 2002, p. 5.

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PennDOT did not use all the funding even though transit organizations in some of the counties had completed lengthy, cumbersome applications to participate as far back as the pilot period. In letters to applicants rejected in 2002, for example, PennDOT said that funding was not "sufficient to support the requests" of all applicants. This was the year that PennDOT did not use about \$1.3 million that was available.

Some of the rejected transit organizations and their counties were still not chosen even for the latest expansions in January 2006. PennDOT again cited a lack of available funding. On one hand, however, PennDOT projected it would spend \$2 million in 2005-06 (see page 11); on the other hand, PennDOT communicated on its Web site at the same time that more than \$2.5 million was available.<sup>16</sup>

**3. PennDOT did not communicate well about its "competitive process" or about how the Rural Transportation for Persons with Disabilities Program is prioritized overall.**

- **PennDOT did not retain some its documentation to show how it scored the applications of transit providers that were not selected to participate in the program.** PennDOT explained to auditors that it based its decisions about program expansion on a competitive process by which it evaluated one applicant versus another. But we could not view some of the rejected applications because PennDOT did not retain the documents that showed how the applicants were scored.

PennDOT officials did note that not all transit organizations who applied to participate in the program

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<sup>16</sup> Web site at <http://www.dot.state.pa.us/Internet/Bureaus/pdBPT.nsf/infoBPTGrantPrograms?OpenForm>, accessed April 17, 2006.

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were necessarily ready to do so. For example, officials said that, in all its statewide programs, PennDOT funds only handicapped-accessible vehicles, with rare exception, because of its “longstanding policy in support of persons with disabilities” and also to ensure “readiness for the Rural Transportation for Persons with Disabilities Program in the future.”

- **Overall plan not communicated.** Having a competitive process, however, is different from having an overall plan or defined strategy that can be communicated to interested parties. PennDOT has made it clear all along that maintaining the program in existing counties without inconveniencing other shared-ride passengers is its first priority. But PennDOT has *not* made it clear how—or whether—it will make the Rural Transportation for Persons with Disabilities Program a higher priority in its own right.

Stated another way, persons with disabilities, advocates, and transit providers should be told exactly what they can expect from PennDOT, how and whether PennDOT plans to move forward, and where the program fits in with PennDOT's overall priorities. Whether a program is discretionary, mandated by law, or named in a specific budget allocation, communication is vital.

- **Program not prominent in PennDOT's organization.** The Rural Transportation for Persons with Disabilities Program is administered from the Lottery Transportation Division in the Bureau of Public Transportation (see page 47). In terms of dollars spent, the program is a very small part of the bureau's \$800 million budget. Officials explained, however, that the program “has the attention” not only of the bureau director, but also of the PennDOT policy office, two deputy secretaries, and the Secretary of Transportation, all of whom have met regularly with community groups representing persons with disabilities.

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We found, however, that no employees in the 21-person bureau are assigned specifically to the program. Instead, several staff employees share in administering it, but there is no single point of contact and no one person to advocate for greater program prominence.

The following statement from PennDOT evidences not only the lack of staff assigned full time to the program and the tendency to consider the program as just one of many, but it also illustrates the problems we had in pinning PennDOT down about the \$3 million:

No employee is dedicated to working on the PwD program. . . . With regard to a PennDOT official making the determination that \$3 million would be set aside for PwD on an annual basis, I don't think this is actually the case. Each year as we develop our budget request, consideration is given to the PwD program—as we consider each program that we administer and estimate our funding needs for each program.

*--November 4, 2005, e-mail  
response from PennDOT official  
to Department of the Auditor  
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- **No opportunity for some providers who asked to participate.** As we previously noted, several transit organizations tried to get into the program, but PennDOT did not select them; of 22 applicants, only 12 were selected in fiscal year 2002-03, after the pilot period had ended.



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Since that time, 4 of the 10 remaining applicants were approved for the program.<sup>17</sup> Conversely, 6 of the 10 transit organizations were not given the go-ahead, even though they indicated they were ready and willing to participate. If PennDOT had chosen them, these 6 organizations could have provided service to 7 additional counties and more than 108,000 residents with disabilities.<sup>18</sup> Individuals residing in 4 of those counties had no access even to fixed-route public transportation services. When auditors asked why these 6 organizations were not chosen, PennDOT officials said that the existing transit organizations might need the funds to accommodate increases in riders and fares.

One of the rejected applicants would have served Mifflin County, and the Introduction and Background to this report includes an example of a family in that county who struggles because the program is not available there. Another powerful account came to us from neighboring Juniata County, which would be served by the same provider as Mifflin County. In that case, a woman told us she has resorted to cutting back on dental visits and other appointments for her husband because they cannot afford the full fare for him to travel in the same vehicle that older residents can use at an 85 percent discount.

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<sup>17</sup> Breakdown of the four applicants: One transit organization was added in fiscal year 2004-05, and two transit organizations were added for the 2006-07 fiscal year. The fourth transit organization, an original participant in the pilot program, had applied to serve three more counties but was not approved for that expansion until fiscal year 2004-05.

<sup>18</sup> According to 2000 census data, the [seven] counties are home to 108,278 persons ages 21-64 with disabilities. In its written response to this audit, PennDOT pointed out that our number was high by stating that there are only 111,615 persons with disabilities *throughout all of Pennsylvania* (not including Allegheny and Philadelphia counties) who do not have access to fixed-route public transportation service or service through the American with Disabilities Act (see page 4). For the narrative that corresponds with this footnote, we used census data for *total* number of persons with disabilities ages 21-64. PennDOT's number of 111,615 potential statewide users ages 16-64 is more representative of estimated need and was developed in August 2004 as part of statewide need estimates by Dr. Robert P. Schmitt, Director, Transportation Advocacy Project, a program supported by the Pennsylvania Developmental Disabilities Council.

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In summary, although PennDOT has said that its role is not to act as an advocate, at least at the program level, that is precisely what it must do to exceed expectations in accordance with its overall mission. PennDOT must be proactive, for example, in seeking a specific budget allotment specifically for the Rural Transportation for Persons with Disabilities Program. PennDOT also must communicate better with all parties affected by the program and be clearer about where the program is headed and how it will get there. While understanding program and funding limitations is a critical aspect of any program, so too is communicating how and why such limitations are imposed and what can be done to ease them. In the meantime, PennDOT should consider a way to address hardship cases in counties not yet covered by the program, possibly by using individual vouchers issued as needed for cases such as those we have mentioned.

Over the course of PennDOT's review of this audit report, PennDOT appeared open to auditors' suggestions and engaged with the audit team in constructive discussions. PennDOT said it would address certain issues that we have raised, such as those involving the need for better communication. For example, PennDOT told us that it will begin immediately to tell rejected transit provider applicants what they can do to improve their applications so that, when and if funding is made available, the applicants will be ready.

PennDOT also appeared interested, at least initially, in considering solutions for hardship cases in counties without the program. Taking action on this matter would go a long way to show that PennDOT is willing to think "outside the box" when such thinking is needed.

Finally, PennDOT has acknowledged that the Rural Transportation for Persons with Disabilities Program would function much better with a specific budget allocation. In its written response to this audit, PennDOT said it would request that the state's budget secretary include the program as a separate line item in PennDOT's budget.

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**Recommendations**

1. PennDOT should budget for the Rural Transportation for Persons with Disabilities program as a specific budget line item. *Target date: Work to make this program a budget line item as early as fiscal year 2006-07.*
2. PennDOT should develop and take charge of a better and more specific plan for program expansion—using input from all stakeholders—with the ultimate goal of serving all persons with disabilities statewide. *Target date: Begin taking charge of developing a better and more specific plan immediately and announce a specific plan by December 31, 2006, or sooner.*
3. In the meantime, PennDOT should use the maximum amount that it makes available for the Rural Transportation for Persons with Disabilities program and should also implement initiatives such as individual vouchers for hardship cases in counties without the program. *Target date: Begin immediately.*
4. PennDOT should communicate more clearly about its plans and projections for the program, and it should designate a single point of contact as one way to improve communications with existing providers, provider applicants, and persons with disabilities. *Target date: Begin immediately.*
5. PennDOT should work proactively with transit providers to ensure their readiness for program participation and should maintain the providers' applications and materials on standby status so that program expansions can be implemented immediately when funding is available. *Target date: Compile standby list immediately, update annually, and retain all documentation for at least seven years.*

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**Department of the Auditor General's Summary of  
PennDOT's response to Finding One, with Comments**

*PennDOT's official written response to this report comprises 15 typed pages and a cover letter, all of which we have included verbatim beginning on page 48. The strength and tone of the response reflect PennDOT's sensitivity to criticism about the program and are difficult to summarize adequately in a few paragraphs. Therefore, we encourage readers to read the verbatim response in its entirety.*

In its response, PennDOT agrees that persons with disabilities in every county—not just the 35 selected counties—should have access to the Rural Transportation for Persons with Disabilities program. PennDOT also notes—as we recommend in our Recommendation 1—that the only way to remedy the problem would be for funding to be made available as a specific budget line item. PennDOT says alternately that it will ask the state's budget secretary “to create a separate budget line item . . . to give this initiative more prominence” (page 48) and that it will “request the [Commonwealth's] Budget Secretary to consider establishing a separate line item” (page 57) in the 2006-07 budget.

More than just making a “request,” PennDOT should tell the budget office that the program is a priority and insist that it be put into the Governor's proposed budget for submission to the General Assembly. Both PennDOT and the Governor should then lobby the General Assembly to seek legislators' support of the program and passage of the budget.

In response to our Recommendation 2 that PennDOT should develop a more specific expansion plan, PennDOT says that it is “directing maximum available resources” to the program. However, as we have reported in this finding, PennDOT's own documents do not support that assertion.

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In response to our Recommendation 3 that, until expansion occurs statewide, PennDOT should implement initiatives such as individual vouchers for hardship cases in counties without the program, PennDOT's written reply dismisses that option entirely. Instead, PennDOT notes that "hardship cases exist in every county not participating in [the Rural Transportation for Persons with Disabilities Program]" and that it "could not prioritize one [case] over another."

Despite PennDOT's assertion that it could not prioritize one case over another, PennDOT has already prioritized *thousands* of cases over others by offering the program in some counties but not the rest. PennDOT also misses a much more important point when it responds to our concerns by noting that, even in counties without the program, *anyone* can *purchase* the service at full price. In real life, that option translates into this example: To travel round trip just a few miles, persons under age 65 with disabilities must pay more than \$24.00 while riding in the same vehicle next to older Pennsylvanians with or without disabilities who pay \$3.70 or less because of a PennDOT subsidy.

In response to our Recommendations 4 and 5, PennDOT agrees to make additional staff available to provide technical assistance to providers and persons with disabilities but does not agree to work any more proactively with provider applicants than it already has done.

Overall, it is fair to say that PennDOT takes strong exception to Finding One and to most of the other findings and narrative in our report, and particularly to any criticism related to the pilot program and its expansion. Most pointedly, PennDOT wrote in its cover letter (see page 48) that "parts of the audit report indicate a lack of understanding of the approach and effort to start up and expand the program," that the report contains "what we believe are unfair characterizations," and that PennDOT's

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detailed response “is intended to point out and correct” those unfair characterizations.

Despite PennDOT's response, we stand by the issues, findings, and recommendations as presented. Regarding PennDOT's suggestion that we lack an understanding of the program's start-up approach and expansion, the documentation that our auditors collected and analyzed from PennDOT fully supports every issue that we raised. Moreover, the audit team and PennDOT's staff engaged in numerous discussions and meetings to review findings and several written draft reports, as well as to ensure the accuracy of facts. In short, we do understand PennDOT's start-up approach, but we do not agree that PennDOT has done all that it can do to expand the program statewide.

PennDOT's written response overall provides some instructive insight—both positive and negative—about its administration of this important program. On one hand, PennDOT has illustrated its diligence in administering the program with limited resources and funding. On the other hand, via its harsh reaction to the issues we raised and its rejection of new ideas, PennDOT illustrates a disturbing acceptance for things to stay as they are. To bring about change—that is, to end the program's limitations—PennDOT must defend the past less and advocate change more. Only then will the Rural Transportation for Persons with Disabilities Program serve persons in all counties equally.

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## **Finding Two**

**PennDOT did not ensure that the \$7 million it paid to transit organizations was spent appropriately.**

PennDOT required all participating transit organizations to sign annual grant agreements before they could take part in the Rural Transportation for Persons with Disabilities program. The agreements listed the total amount of money that PennDOT would give to each transit company as reimbursement for services provided to persons with disabilities.

The agreements also listed allowable fares as well as various other terms and conditions, including the requirements for transit organizations to (1) maintain full and accurate documentation of costs they incurred to provide transportation and (2) submit monthly invoices to PennDOT so that PennDOT knew how much to reimburse. The invoices had to include the number of trips provided as well as full justification for any associated costs.

Finally, the contracts specified that PennDOT officials would have complete access to the transit organizations' records and would be able to examine and audit those records.

There are four primary issues that led to our finding that PennDOT did not ensure it appropriately reimbursed \$7 million to transit organizations:

- 1. PennDOT performed no audits on site at the participating transit organizations.** Despite PennDOT's ability to examine the records, PennDOT officials did not perform even one audit specific to its Rural Transportation for Persons with Disabilities program. Yet between January 2001 and September 2005, PennDOT paid 19 transit organizations more than \$7 million for costs those entities said they incurred.

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Stated another way, PennDOT relied on the honor system instead of verifying that the millions it paid went for services that were actually provided.

Despite the absence of field audits by PennDOT, at least four of the transit organizations did have records to back up the reimbursements they requested. Our auditors made this determination by sampling records from the four organizations—for example, monthly invoices, reservation and ridership reports, driver logs, and fare schedules—and reconciling them to PennDOT's payments. Although we did encounter problems with the driver logs (some of them were neither complete nor specific enough to account for all the rides reported), we were able to confirm the ridership detail and the correctness of reimbursements by referring to other documents that the organizations maintained.

- 2. PennDOT did not have enough detailed information at its headquarters to support what it paid to transit organizations.** In addition to not performing audits at the transit organizations to verify their expenditures, PennDOT also did not require the organizations to provide it with sufficiently detailed documentation.

We came to this conclusion by sampling reports that PennDOT used to pay 10 of the participating transit organizations for rides they said they provided. On one hand, our auditors found that PennDOT's payments to the organizations matched the total amounts that the organizations requested. On the other hand, there was no way for auditors to verify whether or not those total amounts comprised actual individual rides. That verification was not possible because PennDOT did not require the transit organizations to submit documents that proved the total number of rides.

We recognize that it would be impractical and burdensome for transit organizations to submit separate documentation



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to support every ride they provide. In fact, for transit organizations that maintain records electronically, it would not be possible to submit all necessary "documents." Furthermore, for organizations that do not maintain electronic records, PennDOT should not discourage participation by requiring too much paperwork.

The solution to this problem would be for PennDOT to conduct periodic on-site reviews during which trip records would be randomly sampled. Such periodic reviews would help PennDOT to minimize the financial risks inherent in not requiring transit organizations to provide proof of at least a sample of their ridership claims. Otherwise, transit organizations could consistently overstate the number of rides they provide, resulting in PennDOT's reimbursing too much and having little chance of catching mistakes.

**3. PennDOT supervised the program even more distantly when the transit organizations used subcontractors to provide services.** Complicating the matter is that more than half of the participating transit organizations used subcontractors to transport persons with disabilities. In those cases, PennDOT's oversight of the subcontractor was even more indirect than it was with the primary transit company. Accordingly, with no audits at the transit organizations and no sampling of records that it received at headquarters, PennDOT increased the risk that it might be deceived by overstated requests for ridership reimbursements.

**4. PennDOT did not monitor the vehicles it paid for, creating both a financial question and a safety issue.** As part of its program, and if transit organizations could show need, PennDOT provided grants so the organizations could buy vehicles to transport riders with disabilities. However, PennDOT officials admitted they did not physically observe the purchased vehicles in operation,

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verify the condition of purchased vehicles, or even monitor their use to ensure they were used for the program.

PennDOT's grant agreements provide that, when transit organizations use PennDOT grants to purchase capital equipment, the organizations must keep and maintain that equipment in good physical and mechanical condition at all times and make all repairs necessary for its preservation and efficient operation.

During auditors' site visits to four sampled transit organizations, we found that vehicles purchased with grant funds did exist, and that vehicle insurance and inventory records were in order. Thus, PennDOT's lack of audits did not lead to any observed abuse or misuse of vehicles in our sample. Still, PennDOT should develop a method or plan to communicate that it is looking at issues such as these. Periodic sampling and requiring transit providers to self-certify their compliance with grant agreements are two such methods that could be implemented.

When we questioned PennDOT officials about the four preceding issues, the officials conceded they were aware of the necessity to perform audits and of the risks associated with not performing audits. Even so, the officials noted that audits were not conducted because there was no available staff to do so.

PennDOT emphasized that transit organizations who participate in the Rural Transportation for Persons with Disabilities Program also participate in PennDOT's Older Pennsylvanians Shared Ride Program and are therefore bound by provisions in those contracts. PennDOT believed that, because the contracts address the same types of requirements as the program for persons with disabilities, any issues or problems not resolved in PennDOT's oversight of one contract would be caught during the oversight of the other. Without auditing the Shared Ride program and determining provider compliance for that program, we cannot make that determination.

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**Recommendations**

6. PennDOT should perform periodic audits of the participating transit providers to ensure they are spending taxpayer dollars as they say they are. *Target date: Audit at least three of the transit organizations not included in our sample by December 31, 2006. Then begin annual or periodic audits by January 1, 2007.*
7. PennDOT, when it does not conduct on-site audits at participating transit organizations, should periodically—and on a sample basis—require those providers to provide sufficient information regarding monthly ridership and expenses incurred so that PennDOT can ensure their validity. *Target date: Begin immediately and implement in full by January 1, 2007.*
8. PennDOT should develop a plan to monitor that vehicles purchased with taxpayer dollars meet requirements related to insurance, safety, and handicapped accessibility. *Target date: Begin evaluating immediately and make sure that a monitoring plan for all vehicles is in place by July 1, 2006.*

**Department of the Auditor General's Summary of  
PennDOT's response to Finding Two, with Comments**

*PennDOT's official written response to this report comprises 15 typed pages and a cover letter, all of which we have included verbatim beginning on page 48. The strength and tone of the response reflect PennDOT's sensitivity to criticism about the program and are difficult to summarize adequately in a few paragraphs. Therefore, we encourage readers to read the verbatim response in its entirety.*

In response to our Recommendation 6 that PennDOT should perform periodic audits of participating transit providers, PennDOT agreed to enhance its efforts in this area.

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In response to our Recommendation 7 that PennDOT should require participating transit organizations to provide sufficient information regarding ridership and expenses, PennDOT said it already did so, a contention that—as discussed in this finding—our auditors could not support.

In response to our Recommendation 8 that PennDOT should monitor insurance, safety, and handicapped-accessibility requirements related to vehicles that transit companies buy with taxpayer dollars, PennDOT said it would conduct periodic on-site reviews of the condition of vehicles. However, PennDOT disagrees that its Rural Transportation for Persons with Disabilities Program should include monitoring whether or not vehicles meet insurance or safety requirements. We maintain that PennDOT should not dismiss our recommendation by saying that the responsibility falls under other programs. Insurance and safety requirements are so important that they can also be monitored specifically within the Rural Transportation for Persons with Disabilities Program itself.

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## **Finding Three**

**PennDOT did not perform audits to make sure that transit organizations allowed only riders with disabilities to participate in the program, but the transit organizations we sampled correctly ensured rider eligibility on their own based on procedures that PennDOT established.**

PennDOT established eligibility and documentation procedures that it required transit organizations to adhere to. But PennDOT did not perform field audits to verify that riders were actually persons with disabilities as they were required to be, and that they had fully and honestly completed the application to prove they were eligible for the program. Instead, PennDOT relied on the participating transit organizations to do the checking themselves.

Based on our testing, we found that the organizations did a good job.

To make this determination, our auditors sampled the application files of 120 riders. The riders were chosen randomly from among the 1,700 customers of four transit organizations serving a total of five counties.

To be eligible for the Rural Transportation for Persons with Disabilities program, riders must be between the ages of 18 and 64 with a physical and/or mental impairment that substantially limits him or her in one or more activities of daily living. In addition, riders must be a resident of one of the participating counties and need transportation to and from a location that is (1) not already on a public fixed bus route or (2) not transported by certain services through the American with Disabilities Act. There are no income restrictions, but the study preceding the pilot program had found that persons with low incomes had by far the greatest need.

PennDOT provided a standardized application to transit organizations and also conveyed program requirements and guidelines, including instructing transit organizations to ensure that riders were approved only if their trips were not covered

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by any other government or social services program. However, PennDOT did not address specifically how the transit organizations should market and accept applications—e.g., through advocacy groups, by phone, mail, e-mail, walk-ins—leaving those decisions up to the transit organizations with critical input from local advisory committees.<sup>19</sup> For example, one of the four transit organizations subcontracted with another vendor to distribute, collect, and evaluate applications and to communicate to applicants whether their ridership had been approved or denied. The other three transit organizations we sampled performed the preceding tasks on their own.

Nonetheless, in reviewing the selected files of applicants at the four transit organizations, we found that each sampled file contained the information we needed to determine that the organizations could support their decisions—i.e., a completed application, documentation to verify the applicant's disability, and a letter to the applicant communicating program approval or denial.

But absent our own independent review of the eligibility process, PennDOT would not otherwise have known how well or how poorly the transit organizations performed. In order to ensure the integrity of the eligibility process at all the participating transit organizations, it is important for PennDOT to conduct such sampling on its own.

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<sup>19</sup> According to PennDOT's *PwD Transportation for Persons with Disabilities Implementation Guide*, July 2002, *Rural Transportation for Persons with Disabilities (PwD) Implementation and Administration Guidance*, March 2005, and *Rural Transportation Program for Persons with Disabilities (PwD) Guidelines for Interagency Coordination and Maintenance of Effort Obligations*, April 2005, each participating transit company must have a local advisory committee to assist with oversight not only of the Rural Transportation for Persons with Disabilities program but also of general transportation systems in the community. The local advisory committees—made up of persons with disabilities, senior citizens, other passenger groups that use shared-ride services, and advocacy groups—are not decision-making bodies but instead provide advice, assistance, and information about administering the program.

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**Recommendation**

9. PennDOT should periodically review the application files of registered program participants to ensure that taxpayer dollars are being used only for riders that meet eligibility requirements. *Target date: Begin periodic reviews immediately of the transit organizations we did not sample for this audit. Starting January 2007, begin periodic reviews of files from all other participating transit organizations.*

**Department of the Auditor General's Summary of  
PennDOT's response to Finding Three, with Comments**

*PennDOT's official written response to this report comprises 15 typed pages and a cover letter, all of which we have included verbatim beginning on page 48. The strength and tone of the response reflect PennDOT's sensitivity to criticism about the program and are difficult to summarize adequately in a few paragraphs. Therefore, we encourage readers to read the verbatim response in its entirety.*

PennDOT's response to this finding and to our Recommendation 9 was positive. Specifically, PennDOT agrees that it should periodically review the application files of registered riders to ensure they meet eligibility requirements.

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## **Finding Four**

**PennDOT did not require transit organizations to take steps that would have ensured consumer satisfaction and safety. Nor did PennDOT attempt to find out information that was easily available about such issues, even in the absence of written requirements.**

This finding is similar to Finding Three in that, even though PennDOT did not take great initiative in monitoring consumer satisfaction and safety, the transit organizations that we sampled appeared to take their own initiative and generally to perform well, at least in the area of measuring consumer satisfaction. We came to that conclusion after visiting four transit organizations and finding that all four had conducted consumer satisfaction surveys.

Of particular interest to our auditors in the area of consumer satisfaction was (1) whether persons with disabilities could get transported to their choice of destination as they wished, and (2) whether they were picked up and dropped off on time. PennDOT did not include these matters specifically in its contract language with the transit organizations. Even so, after reviewing survey results and/or related information at the four transit organizations, we found that riders were generally satisfied about those issues.

Advocacy organizations we contacted echoed this positive feedback and said their concerns instead were about persons with disabilities who lived in counties that did not have the program. As our audit progressed, that issue became our primary concern as well. Still, PennDOT should have also been aggressive in assessing the transit organizations' performance in customer satisfaction just as we did, in assessing safety issues, and evaluating complaints. For those matters, we break this finding down into two sections:

- 1. PennDOT did not require State Police criminal background checks for drivers, or specific training related to assisting persons with disabilities.**



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Transporting persons with disabilities is clearly more complex than transporting persons with no disabilities. For example, riders with mental disabilities may be more trusting and less likely to question or report reckless driving or other unsafe unusual behavior. Furthermore, some riders with physical disabilities may require assistance as they enter or leave a vehicle.

Although it is also true that many riders are independent and can manage for themselves, transit organization drivers should be aware of the needs of each rider and be prepared to assist in any way necessary—competently and courteously—for riders who do require assistance.

PennDOT's written agreement with the transit organizations did not address driver training or background checks specifically for drivers in the persons with disabilities program. Our discussions with PennDOT officials confirmed that PennDOT did not establish specific training requirements or require criminal background checks. Instead, PennDOT left such issues to the discretion of each transit company and did not follow up to verify those requirements.

PennDOT could have done more.

Two issues led to this conclusion. First, PennDOT asked transit providers to report if they required their drivers to receive training in first aid, cardiopulmonary resuscitation, defensive driving, passenger assistance techniques, and passenger relations. As important and necessary as the those five training areas may be, they appear to be optional. Moreover, they seem insufficient based on the additional training topics and driver requirements that PennDOT could require and that, in fact, some of the transit organizations provided on their own. For example, one of the four transit organizations we visited offered training for handling potentially critical situations, like hazardous materials, blood borne pathogens, and dialysis. Another company emphasized the importance of good driving

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records, bi-annual physical exams, drug and alcohol testing, and ethical behavior.

Second, more than half of the organizations that participated in the persons with disabilities program used subcontractors to provide the transportation. It would be difficult enough for PennDOT to rely on the original transit organization contractor without conducting any sort of monitoring, but it is even more difficult to rely on a subcontractor further removed from PennDOT's direct supervision.

- 2. PennDOT did not follow up to learn the details of even the most serious complaints, including allegations of inappropriate physical contact between a male driver and a woman with mental retardation.** During the pilot period, PennDOT's contractor conducted rider satisfaction surveys, and PennDOT subsequently made the survey template available to participating transit organizations that could use it to conduct surveys on their own. But PennDOT appears to have shown little interest in who used the surveys or what they revealed.

PennDOT did require each participating transit company to submit a report monthly to its local advisory committee and to send a copy of that report to PennDOT. We found that the monthly reports could have been used to track and monitor various performance measures—for example, complaints, commendations, and technical needs. But PennDOT did not take any initiative with these reports.

PennDOT also appeared to have little or no interest in knowing details of complaints and, in fact, left the transit organizations alone to follow their own procedures, presumably with input from the organizations' local advisory committees. Auditors found PennDOT's disinterest to be of concern based on several cases among those sampled:

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- **Allegation of driver misconduct/sexual harassment.** Auditors visited a participating transit organization to review incident records that spanned approximately 13 months. According to the company's records, only one of the 224 incidents was reported by a rider in the Rural Transportation for Persons with Disabilities Program. However, the June 2004 complaint was both significant and serious: a female rider with mental disabilities said her male driver had made unwelcome advances. She said she had not wanted to talk about the incidents at first for fear of losing her transportation but that the incidents had become more frequent.

The incidents were "resolved" via meetings with two transit company officials, the woman with mental disabilities, her case manager, and the driver. The driver admitted he had invited the woman to lunch, and the woman recanted her story.

PennDOT has maintained that it is inappropriate for it to mediate individual complaints such as these. But PennDOT should, at a minimum, require the participating transit organizations to provide evidence that they have ample training and procedures to investigate and resolve problems like these or to refer them to other authorities as needed. For example, another aspect of this case shows a broader issue based on a discrepancy about the criminal background check of the driver involved in this incident. The transit organization had requested the criminal record check in 2001 and apparently did not notice that the State Police returned information about a man with the same name and Social Security number but with a different birth date and race. The State Police document noted a firearms violation decades ago, but questions remain: Was the driver the same man in the State Police document and, if not, what would the correct background check have said?

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The larger question is why PennDOT—as the funder and the overall administrator of this transportation program—did not take steps to discover these types of issues on its own, even if it did not mediate them, to ensure that providers documented they were taking appropriate actions. According to its program agreement with the providers, PennDOT had the authority to conduct audits of any aspect of the Rural Transportation for Persons with Disabilities program, including complaints and other customer service issues, but again it did not, saying it did not have enough staff.

- **Allegation of reckless/dangerous driving.** When we reviewed customer complaints over a two-year period at another participating transit organization, we found 58 complaints, 11 of which were about careless and dangerous driving. Speeding was the primary concern, with customers expressing apprehension, fear, and frustration to the point of canceling trips. In addition, there were two complaints that cited several other issues, including inadequate service of door-to-door transport, improper handling of equipment such as wheelchairs, and broken/unsafe lifts or ramps.

Auditors found that the careless driving reports actually increased from one year to the next at this organization. Even so, the organization did little more than document the complaints and say that it did “act and resolve [complaints] to the degree that is possible, given each individual situation.” Once again, PennDOT had no involvement in the complaint process, instead leaving all responsibilities to the transit provider.

### **Recommendations**

10. PennDOT should amend its contracts to require drivers to have State Police criminal background checks and

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also to complete certain training, at least in defensive/safe driving, cardiopulmonary resuscitation and basic first aid, and sexual harassment. Furthermore, the Department should periodically review driver files maintained by transit providers and their subcontractors to ensure compliance. Target date: *Begin immediately.*

**11.** PennDOT should periodically review incident reports and complaint logs maintained by transportation organizations to ensure that incidents and complaints reported by riders have been thoroughly investigated and satisfactorily resolved, or referred to other authorities when needed. *Target date: Begin immediately.*

**12.** PennDOT should require transit providers to more regularly solicit customer feedback on quality of service and to report results to PennDOT for closer monitoring. *Target date: Begin immediately.*

**Department of the Auditor General's Summary of  
PennDOT's response to Finding Four, with Comments**

*PennDOT's official written response to this report comprises 15 typed pages and a cover letter, all of which we have included verbatim beginning on page 48. The strength and tone of the response reflect PennDOT's sensitivity to criticism about the program and are difficult to summarize adequately in a few paragraphs. Therefore, we encourage readers to read the verbatim response in its entirety.*

PennDOT's response is mostly dismissive of our recommendations in Finding Four as follows:

Regarding Recommendation 10 in which we said that PennDOT should require participating transit providers to

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perform criminal background checks of its drivers and to complete certain training, PennDOT said it would “consider” the former but rejected the latter.

Regarding Recommendation 11 in which we said that PennDOT should periodically review incident reports and complaint logs maintained by transit providers, PennDOT disagreed and said it would rely instead on “local responsibility.”

Regarding Recommendation 12 in which we said that PennDOT should require transit providers to solicit customer feedback more regularly and to report such results to PennDOT, PennDOT also disagreed.

PennDOT makes the following comment in its introductory response to Finding Four: “Generally PennDOT does not mandate activities which are not specifically required—such as customer satisfaction surveys.” This comment more than any other seems to represent PennDOT’s approach to the entire Rural Transportation for Persons with Disabilities Program. As PennDOT indicates, it is not inclined to do any more than it is specifically required to do.

PennDOT’s compliance with specific requirements has not been the issue with this audit. A performance audit does not necessarily measure only compliance with requirements; instead, it can go beyond compliance. For example, a performance audit can assess how alternative approaches might have yielded better program performance and/or eliminated factors that impeded greater program effectiveness. We have made such assessments in this special performance audit. Accordingly, we call upon PennDOT (1) to exhibit a willingness to accept our assessments more constructively, (2) to demonstrate a greater understanding of what it means to individual persons who do not have the same access to affordable transportation as their neighbors in other counties, and (3) to show it can think beyond “requirements.”

### Appendix A: Counties A – Z and the Participating Transit Providers

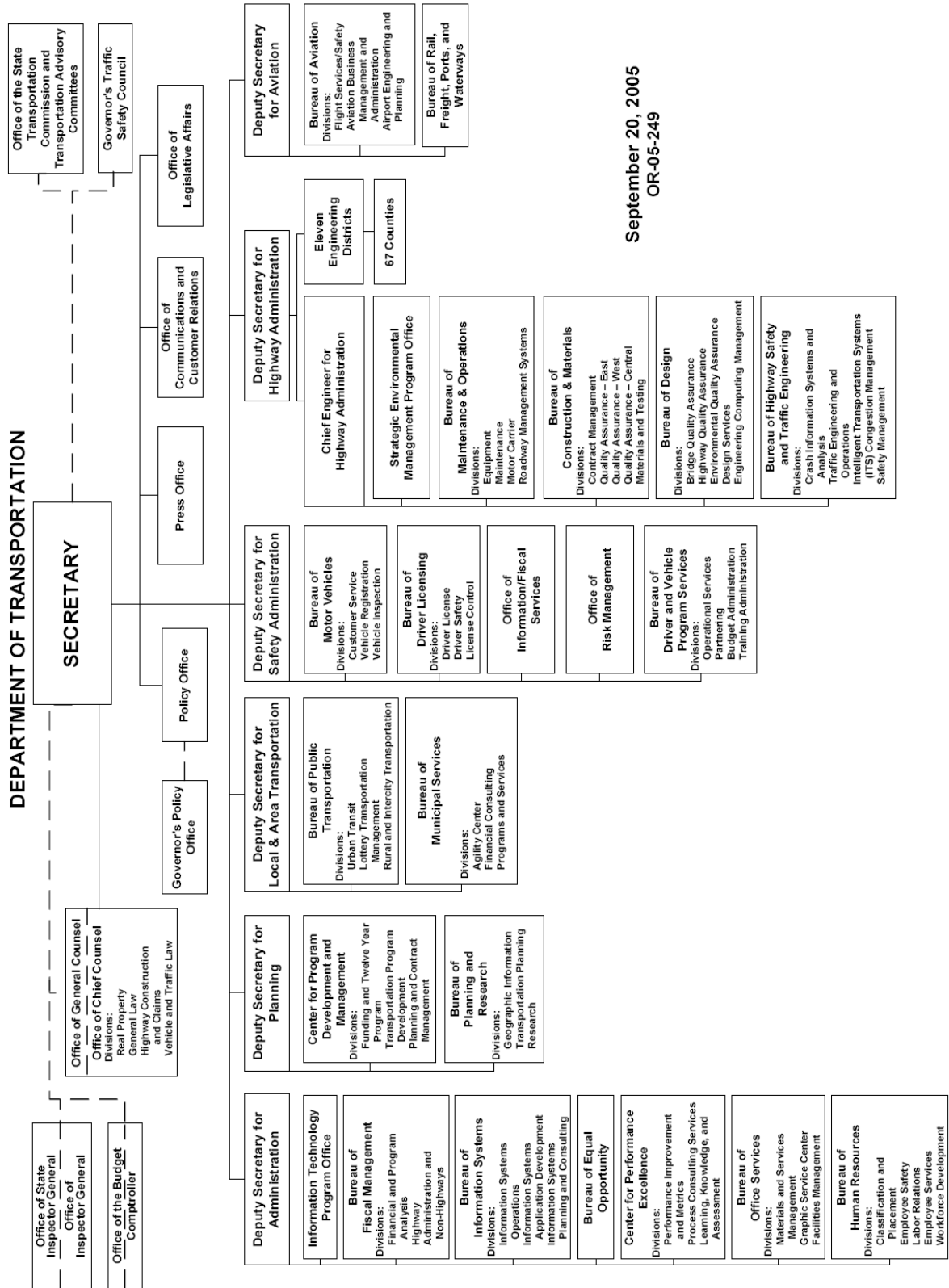
<b>Counties Served</b>	<b>Transit Provider</b>
1. Adams	Adams County Transit Authority
2. Beaver	Beaver County Transit Authority
3. Bedford	Huntingdon-Bedford-Fulton Area on Aging
4. Berks	Berks Area Reading Transportation Authority
5. Blair	Blair Senior Services, Inc.
6. Bradford	Endless Mountains Transportation Authority
7. Cameron	Area Transportation Authority of North Central Pennsylvania
8. Carbon	Carbon County c/o Lehigh Northampton County Transit Authority
9. Centre	Centre County Office of Transportation
10. Clearfield	Area Transportation Authority of North Central Pennsylvania
11. Clinton	STEP, Inc.
12. Crawford	Crawford Area Transportation Authority
13. Cumberland	Cumberland County Transportation Department
14. Dauphin	Capital Area Transit
15. Elk	Area Transportation Authority of North Central Pennsylvania
16. Erie	Erie Metropolitan Transit Authority
17. Fulton	Huntingdon-Bedford-Fulton Area on Aging
18. Greene	Greene County Human Services
19. Huntingdon	Huntingdon-Bedford-Fulton Area on Aging
20. Jefferson	Area Transportation Authority of North Central Pennsylvania
21. Lancaster	Red Rose Transit Authority
22. Lawrence	Allied Coordinated Transportation Services, Inc.
23. Lycoming	STEP, Inc.
24. McKean	Area Transportation Authority of North Central Pennsylvania
25. Mercer	Mercer County Regional Council of Governments
26. Monroe	Monroe County Transportation Authority
27. Pike	Pike County Area on Agency
28. Potter	Area Transportation Authority of North Central Pennsylvania
29. Schuylkill	Schuylkill Transportation System
30. Snyder	Union-Snyder Transportation Alliance
31. Sullivan	Endless Mountains Transportation Authority
32. Tioga	Endless Mountains Transportation Authority
33. Union	Union-Snyder Transportation Alliance
34. Washington	Washington County Human Services
35. York	York County Transportation Authority

**Appendix B: Transit Providers A – Z and the Counties they Serve**

<b>Transit Provider</b>	<b>Counties Served</b>
1. Adams County Transit Authority	Adams
2. Allied Coordinated Transportation Services, Inc.	Lawrence
3. Area Transportation Authority of North Central Pennsylvania	Cameron, Clearfield, Elk, Jefferson, McKean, Potter
4. Beaver County Transit Authority	Beaver
5. Berks Area Reading Transportation Authority	Berks
6. Blair Senior Services, Inc.	Blair
7. Capital Area Transit	Dauphin
8. Carbon County c/o Lehigh Northampton County Transit Authority	Carbon
9. Centre County Office of Transportation	Centre
10. Crawford Area Transportation Authority	Crawford
11. Cumberland County Transportation Department	Cumberland
12. Endless Mountains Transportation Authority	Bradford, Sullivan, Tioga
13. Erie Metropolitan Transit Authority	Erie
14. Greene County Human Services	Greene
15. Huntingdon-Bedford-Fulton Area Agency on Aging	Bedford, Fulton, Huntingdon
16. Mercer County Regional Council of Governments	Mercer
17. Monroe Country Transportation Authority	Monroe
18. Pike County Area on Aging	Pike
19. Red Rose Transit Authority	Lancaster
20. Schuylkill Transportation System	Schuylkill
21. STEP, Inc.	Clinton, Lycoming
22. Union-Snyder Transportation Alliance	Snyder, Union
23. Washington County Human Services	Washington
24. York County Transportation Authority	York



Appendix C: PennDOT Organization Chart





COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF TRANSPORTATION  
HARRISBURG, PENNSYLVANIA 17101-1900

OFFICE OF  
SECRETARY OF TRANSPORTATION

April 27, 2006

RECEIVED  
AUDITOR GENERAL  
2006 APR 27 1:18  
ADMINISTRATION

Honorable Jack Wagner  
Auditor General  
Commonwealth of Pennsylvania  
229 Finance Building  
Harrisburg, PA 17120-0018

Dear Auditor General Wagner:

Thank you for the opportunity to respond to your report on the performance audit of the Rural Transportation for Persons with Disabilities program for the period from January 1, 2001 through May 2, 2005.

The Pennsylvania Department of Transportation takes its responsibility to the public very seriously and is committed to the goal of delivering the program to all 65 rural counties. PennDOT agrees with your report on that point and I will ask Budget Secretary Michael Masch to create a separate budget line item for the program in this budget cycle to give this initiative more prominence.

However, parts of the audit report indicate a lack of understanding of the approach and effort to start up and expand the program, and our detailed response, which follows, is intended to point out and correct what we believe are unfair characterizations.

Sincerely,

Allen D. Biehler, P.E.  
Secretary of Transportation

Enclosure

cc: Michael Masch  
Secretary of the Budget w/enclosure

### **Introductory Response to Auditor General's Report on the Rural Transportation Persons with Disabilities Program**

As PennDOT reviewed the report, it believes the underlying theme is promoting expansion of the Rural Transportation for Persons with Disabilities (PwD) program. PennDOT not only supports this goal, but clearly has demonstrated that it has championed that cause since the pilot program began in January 2001. Some of the audit findings reflect a misunderstanding of the approach and what follows attempts to clear up the issues.

A primary issue the audit identifies is the need for a separate line item for the PwD program. It is agreed there is value in that approach, which will remove any mistaken sense that PennDOT is not intent on moving the program forward. PennDOT wants the program expanded to 65 counties. (Philadelphia and Pittsburgh already have service that covers this population segment.) PennDOT will make a special request to the Budget Secretary for a separate budget line item for the program.

It cannot be ignored as expansion is pursued that severe fiscal constraints hamper public transit in Pennsylvania. Governor Edward G. Rendell stepped in last year with an emergency stopgap plan and created a Transportation Funding and Reform Commission, chaired by PennDOT Secretary Allen D. Biehler. The Commission is reviewing ways to address the persistent weakness in public transit funding. Advocates for the PwD program have provided testimony to the Commission, and funding for this important segment of Pennsylvania will be one of the issues the Commission will report on later this year.

#### **Other points:**

--PennDOT started the PwD program in January 2001 from scratch as a pilot, which has since more than quadrupled in size. From a start of providing discounted shared ride service in eight counties, within five years and despite enormous financial pressures working against expansion, PennDOT has grown the program to 35 counties. This program was the first of its kind in the nation and remains the only one.

--Despite the fact this was an 18-month pilot and PennDOT had no idea in advance of how much would be spent, the audit criticizes PennDOT for not using all of the initial \$3 million that was made available for the pilot. This finding reflects a lack of understanding of the pilot and is unfair. PennDOT took a fiscally responsible approach in starting slowly and building in increments. As soon as the pilot ended in June 2002, PennDOT expanded the program by accepting new applications and announced in December 2002 its intent to add 16 counties. Service was initiated in the 16 additional counties by mid-2003.

--In his first year in office in 2003, Governor Rendell faced a \$2.5 billion deficit in the General Fund. Public transit funds come from this source and must compete with the myriad of other pressing education and human service needs. Given the demands of closing such a huge budget gap, it was not possible to expand the program in 2003-04. However, in 2004-05, PennDOT added four counties and in 2005-06, another seven. This *46 percent increase* in the number of counties came despite the fact the Governor was grappling with a severe financial crisis in public transit across the Commonwealth.

--In building upon the pilot program, PennDOT followed a methodical approach, but did not prematurely overextend the program given the austere financial climate. Nothing would have been worse than to raise expectations with an extension to a new area only to see it cancelled because the resources couldn't keep pace. PennDOT determined annually its ability to respond within limited resources, which were directed first to ensure continuation of the PwD program offering discounted fares.

--When plans for each fiscal year were finalized, PennDOT shared the information with the disability community. When the program was expanded in 2004-05 and 2005-06, the disability community participated in the evaluation and selection of new counties/providers.

--PennDOT did not embark on a new, widespread audit function for this program, given that it used providers with an established performance record in other shared ride programs. Your findings that no abuses occurred justified the approach. It is agreed that selective on-site monitoring will further enhance program compliance.

--The allegation that PwD was not prominent in the PennDOT organization fails on a number of points: The allegation implies there was no PennDOT champion when Division Chief Laverne Collins spent significant time specifically on PwD. Moreover, PennDOT Secretary Biehler has been a strong advocate for an expanded PwD program. Regarding the finding that no employees were assigned specifically to PwD, PennDOT cannot afford to take 5 percent of its 21-member Bureau of Public Transit staff to manage a program that amounts to 0.3 percent of its program responsibility. The Bureau manages more than \$850 million in public transit funding for the Commonwealth.

--PennDOT simply disagrees with any need to duplicate management oversight over such functions as vehicle inspections and criminal background checks of drivers. These are rightfully the responsibility of the operating agencies.

*The detailed point-by-point response follows.*

## PennDOT's Detailed Response to Auditor General's Report on PwD

### Clarifications to Introduction

1. Pages 2 and 3 – The report identifies three “levels” of shared-ride service. In reality there is one level of general public service. That public service can be purchased by anyone or any program.

Several government funded programs pay all or a portion of the fares for individuals who meet certain criteria and who take trips which meet established criteria. In some cases the programs are mandated by legislation and funding must be sufficient to pay for all eligible persons making reimbursable trips. For instance, the Medical Assistance Transportation Program (MATP) must ensure that persons on medical assistance have transportation to compensable medical services. The Lottery funded Shared-Ride Program for Senior Citizens has been fully funded since inception and shared-ride providers are reimbursed for all trips taken by all persons 65 years of age and older.

There are other programs which operate within an established budget and determine individual and trip eligibility based on that budget each year. For example, an area agency on aging which previously paid the full fare for persons age 60 to 64 for all trips may have to place a higher priority on in-home care in a future budget year. The higher priority for in-home care would shift the budget dollars to that area and perhaps away from transportation. The area agency on aging might then revise its policy with regard to transportation for persons 60 to 64. They might pay only 50% of the fare instead of full fare; or the agency might pay only for trips to senior centers and medical facilities.

PwD is currently available in only selected counties. In those counties, all persons with disabilities are eligible for the Program. A person with a disability may take some shared-ride trips which are not PwD eligible, because those trips are eligible for funding through another program. The distinction between PwD and other programs which make transportation available statewide is that the currently available funding for PwD is not sufficient to make discounted fares available statewide.

2. Page 6, first bullet – PennDOT has not ignored the fact that shared-ride transportation fares are expensive. However, the fact that the service is open to the general public is unique—most shared-ride/paratransit/ specialized transportation service outside of Pennsylvania is **only** available to human service agencies and their clients. With the service open to the general public, it is at least possible for non sponsored persons to **use** the service. PennDOT recognizes that the cost makes it feasible only for the most critical needs.

## PENNDOT INTRODUCTION

1. The purpose of the PwD pilot project was to collect quantifiable data on the need/demand for discounted fares on shared-ride transportation in order to estimate the cost to the Commonwealth for such a program. The lack of quantifiable data was one of the major reasons that legislative proposals failed to be enacted. The Transportation Advisory Committee study was not able to produce quantifiable data that would accurately predict the actual use of discounted fares. It is well established within transportation planning that level of demand determined by survey varies tremendously from actual use. It was determined collectively and consensus was reached with stakeholders that credible, quantifiable data was essential for decision making, and that a pilot was the only feasible mechanism for collecting the necessary information.
2. The audit recognizes the challenges that led PennDOT to take a cautious approach to PwD. PennDOT's experience with other programs indicates that it takes several years for programs of this type to mature. When a program is introduced, ridership is typically very low during the first year until awareness is established and individuals develop comfort and reliance on the program. During the next two to three years ridership increases dramatically before leveling off to a much slower growth rate.

While the 18-month PwD pilot provided data not previously available, there was not sufficient time allowed for ridership levels to mature prior to a major expansion in fiscal year 2002-03. Ridership increases for the pilot providers were significant—almost tripling in the second year, a 46% increase from year 2 to year 3, and 9% increases in each of the next two years. While PennDOT expected major increases in the first few years, it was impossible to predict precise ridership increases or how many years it would take to mature.

In addition, the cost of providing shared-ride service is increasing and as a result fares are increasing as well—averaging over 5% per year for the past several years. Since PwD grants are based on ridership and fares, at least a three-year history on these two factors is critical to projecting costs associated with the program both for currently participating transportation providers/counties and for expansion of the program.

3. BPT has a 25 year history of managing the Shared-Ride Program for Senior Citizens with well established shared-ride transportation providers. While discounted fares for persons with disabilities is a new funding program, the providers, the service, the recordkeeping and reporting requirements have been established to create accountability with documentation existing at the shared-ride system offices. While PennDOT agrees that additional periodic on-site review is important for every program, using established shared-ride providers (which have been visited and audited) for PwD minimized the risk

of delaying specific PwD site reviews.

**Finding No. 1 – PennDOT met a critical part of its mission by paying for discounts in some counties where persons with disabilities traveled with existing shared-ride passengers. However, PennDOT did not communicate well enough to clarify that it had no definite plans to offer the same discounts to persons with disabilities in all counties.**

**1. PennDOT did not use all available money during the pilot period.**

**\$1.2 million lapsed during pilot.** PennDOT's mission as defined through the TAC study and the charge of the State Transportation Commission was to conduct an 18-month pilot in the eight counties which had been surveyed during the TAC study in order to assess:

- the actual use of discounted fares by persons with disabilities;
- the impact of the additional demand for service on existing passengers—both in regard to quantity and quality of service;
- the impact of providing additional trips to persons with disabilities on the overall service—productivity, cost per passenger trip, etc.
- the resources needed by shared-ride providers to adequately address both existing demand as well as new demand from persons with disabilities and the cost of those resources—capital, operating, and administrative; and
- the ability to enforce maintenance of effort requirements on existing transportation funding programs to prevent shedding of trips and the transfer of the cost of those trips to PwD.

PennDOT made funding and technical assistance available to the grantees:

- to ensure their ability to successfully implement the program,
- to support PennDOT's assessment responsibilities, and
- to adequately cover all costs associated with the program.

Since PwD is unique to Pennsylvania and the Pilot was the first attempt in Pennsylvania, the Pilot Project grantees estimated their needs to the best of their ability and PennDOT accepted those estimates.

Pilot project providers budgeted expenses of \$3.1 million which exceeded actual expenses by \$1.2 million for three reasons

1. Procuring vehicles, hiring drivers and administrative staff, developing and implementing administrative procedures, establishing a local advisory committee, ensuring that the local advisory committee had sufficient opportunity for review and comment on policies, public outreach, etc. all took more time than anticipated. As a result actual expenditures were sometimes not incurred until the following fiscal year or not at all.

2. While the TAC study surveys indicated considerable demand for discounted fares in the eight pilot counties, individuals were slow to register and even slower to actually use the shared-ride service. As a result, discounted trips were lower than anticipated, reducing Pilot Project reimbursable expenses.
3. Finally, while several Pilot Project providers budgeted for additional hours of service, very few incurred any eligible expenses associated with this line item.

PennDOT correctly reimbursed Pilot Project grantees only for actual, documented, eligible expenses.

**The overestimated projections for the pilot were either prudent or too cautious, depending on different perspectives.** The Auditor General's report suggests that PennDOT should have more accurately projected the cost of the Pilot. Again, the reason that the TAC study and the STC recommended a pilot approach was that everyone involved agreed that no quantifiable data existed or could be produced to accurately predict the cost of a program to address transportation needs of persons with disabilities. All concluded that a pilot was the only mechanism to collect that quantifiable data, which over time would support credible projections.

Lacking personal applicable experience and data (in addition no applicable data existed outside of Pennsylvania) the Pilot Project providers made their best estimate with regard to costs. PennDOT accepted the budgets. PennDOT correctly reimbursed the Pilot Project providers for all eligible expenses rather than the higher budgeted amounts.

2. **PennDOT was not clear about how much funding it had for program expansion after the pilot period ended.**

**Different expectations.** Agreed

**No clear answers.** PwD is funded through a General Fund appropriation—Fixed Route Transit Appropriation—which also funds several other programs. Funding levels are **estimated**, not earmarked, for each program during budget development. Funding levels are modified after the budget is enacted, if necessary; and further modified during the fiscal year to respond to external factors (level of fares, level of ridership, etc.) which drive funding for each program. During each fiscal year, as actual data became available, PennDOT re-estimated the funding needs of all programs to maximize expenditure of available funds. PennDOT agrees that it is difficult to explain this very complicated process.

**Evidence of unused funds, and still no clear answers.** Each program expansion introduced shared-ride providers who had not previously participated in PwD. The first and most major expansion was announced and applications released early in fiscal year 2002-03. At that time, only 18 months of data was



available on the pilot experience. While there was more data than existed for the Pilot Projects, it still did not account for the significant ridership growth expected for new programs.

Again, PennDOT made grants to support applicant requests/budgets which exceeded funds actually expended. When PennDOT limited the fiscal year 2002-03 expansion to 12 providers (16 counties), it based the decision on applicant requests, as modified by PennDOT. At the end of the fiscal year, actual expenditures were less than approved budgets. PennDOT correctly reimbursed grantees based on actual expenditures. PennDOT agrees that applicant requests exceeded actual expenditures and that after the end of fiscal year 2002-03 some funds were lapsed into the Commonwealth General Fund.

With regard to our current projection of \$1.7 million needed for trip reimbursement for the 28 continuing counties, the \$1.7 million is a projection based on eight months of actual information. Earlier projections based on previous fiscal years—with ridership growth and fare increases factored in and no actual information for the current fiscal year—exceeded \$2 million. The remaining \$400,000 was identified as the maximum available for a limited expansion. The website reflects a combination of the amount estimated to continue discounted fares in continuing counties and the maximum amount for expansion counties.

**3. PennDOT did not communicate well about its “competitive process” or about how the Rural Transportation for Persons with Disabilities Program is prioritized overall.**

**PennDOT did not retain some of its documentation to show how it scored the applications of transit providers that were not selected to participate in the program.** While PennDOT did not retain three-year old applications with outdated information that could no longer be used to select future PwD providers, PennDOT did provide the Auditor General with documentation of the competitive process used to select expansion providers in fiscal year 2002-03. That documentation included:

- Criteria used to evaluate applications for expansion
- Blank scoring sheets identifying both the criteria and the weighting
- Composition of the evaluation committee which included representation from PennDOT, Aging, Public Welfare and Labor & Industry, from the disability community and from the Pilot Project transportation providers
- Summary ranking of all applicants including grant requests
- Overall summary and timeline of the evaluation and selection process

The project specific information was discarded when PennDOT determined that it was no longer relevant. PennDOT concluded that for the next PwD expansion, providers would be selected through a new application and competitive process.

The disability community participated in the evaluation and selection of new providers both in fiscal year 2002-03 and fiscal year 2005-06. They concurred in the process, the selection and the outcome. Representatives of the Statewide Independent Living Council and Pennsylvania Transportation Alliance were involved.

**Overall plan not communicated.** PennDOT's first priority was to maintain discounted fares in all established PwD counties, as well as other existing services which serve persons with disabilities, senior citizens, individuals dependent on medical assistance and many other disadvantaged individuals. Allowing existing systems and services to be significantly reduced could create crises for the individuals who depend on those systems and services. PennDOT believes it was very clear in communicating that priority to representatives of the disability community who met with PennDOT.

Because current funding was not sufficient to support a statewide program and there was no assurance that additional funding would be made available, PennDOT did not create a long term plan for PwD. Rather PennDOT determined on an annual basis its ability to respond to the disability community within limited resources which were directed first to ensure continuation of discounted fares. When plans for each fiscal year were finalized, PennDOT shared that information with the disability community. The disability community was disappointed when PennDOT's plan did not include expansion of PwD.

**Program not prominent in PennDOT's organization.** PwD is regarded as a very important and sensitive program in the PennDOT organization. While no one individual is devoted to the program, it receives the attention of more than one full time equivalent in terms of day to day staffing as well as the attention of the Bureau Director, the Deputy Secretary and the Secretary of Transportation. The Secretary has personally met with representatives of the disability community on a regular and on-going basis.

The fact that PennDOT identified \$400,000 for PwD expansion in a very lean budget year is also indicative of PennDOT's recognition of PwD's importance. In addition, it is one of the issues being addressed by the Governor's Transportation Funding and Reform Commission for a longer term solution.

**No opportunity for some providers who asked to participate.** PennDOT and its evaluation committee (composition previously identified) selected new providers through a competitive process, since there was not sufficient funding for all interested transit providers. The highest scoring applicants which indicated readiness, sufficient data and analysis, and ability were selected and funded. The others were not selected. That is the nature of a competitive process.

With regard to 108,000 individuals with disabilities in six counties, PennDOT information indicates that throughout Pennsylvania (excluding Allegheny and Philadelphia Counties) there are only 111,615 persons with disabilities and

without access to fixed route/ADA complementary paratransit service. This information is based on the Developmental Disabilities Council's analysis of census data including a factor applied to account for fixed route service.

PennDOT acknowledges that the lack of transportation creates a hardship for all individuals who do not have access to affordable and accessible transportation. With regard to persons with disabilities, hardship cases exist in every county not currently participating in PwD. It would be impossible to prioritize one hardship case over any other.

Only if funding adequate for a statewide program were made available would a specific budget line item remedy the current PwD problem. However, PwD and all other public transportation programs are in need of adequate, reliable funding. The Transportation Funding and Reform Commission is examining current public transportation funding and will make recommendations to the Governor by the end of this year.

#### **Recommendations:**

1. PennDOT should budget for the Rural Transportation Program for Persons with Disabilities as a specific line item.

**PennDOT will request the Budget Secretary to consider establishing a separate line item for the Rural Transportation Program for Persons with Disabilities in the 2006-07 budget.**

2. PennDOT should develop and take charge of a better and more specific plan for program expansion—using input from all stakeholders—with the ultimate goal of serving all persons with disabilities statewide.

**PennDOT took the initiative to request authorization to use a portion of the only discretionary line item in the public transportation budget for persons with disabilities. At this time PennDOT is directing maximum available resources to PwD. Future planning will depend on the outcomes from the Transportation Funding and Reform Commission as well as available resources.**

3. In the meantime, PennDOT should use the maximum amount that it makes available for Rural Transportation for Persons with Disabilities program and should also implement initiatives such as individual vouchers for hardship cases in counties without the program.

**Based on annual budget projections developed prior to the beginning of each fiscal year, PennDOT initially intends to expend all available funding. However, based on actual experience, all available funds may not be justified or expended. PennDOT will continue to reimburse grantees only for actual expenditures.**

**All individuals with transportation can be considered a hardship case. PennDOT**

does not have sufficient funding to address all hardship cases and could not prioritize one over another.

4. PennDOT should communicate more clearly about its plans and projections for the program, and it should dedicate a single point of contact as one way to improve communications with existing providers, provider applicants, and persons with disabilities.  
When PennDOT plans and projections regarding PwD are finalized, PennDOT will share them with the disability community.

With regard to a single point of contact, the Bureau of Public Transportation in PennDOT will identify a primary point of contact. The Bureau intends to have two additional staff persons with PwD knowledge who can provide technical assistance in the absence of the primary contact.

5. PennDOT should work proactively with transit providers to ensure their readiness for program participation and should maintain the providers' applications and materials on standby status so that program expansions can be implemented immediately when funding is available.

Prior to the Auditor General's review of PwD, PennDOT initiated activities to re-engineer Public Transportation grant administration processes and organizational structure to enhance technical assistance to public transportation providers. PennDOT will also continue to host specific informational meetings for transportation providers interested in applying to participate in PwD.

PennDOT will maintain applications and materials from unsuccessful providers who have applied to participate in PwD for two subsequent fiscal years. If an expansion is authorized during that time, those applications will be given further consideration. After that time, new applications will be required with current information.

**Finding No. 2 – PennDOT did not ensure that the \$7 million it paid to transit organizations was spent appropriately.**

1. **PennDOT performed no audits on-site at the participating transit organizations.**

PennDOT agrees that periodic on-site monitoring is critical to ensuring fiscal reliability and program compliance and will enhance its efforts in this area.

2. **PennDOT did not have enough detailed information at its headquarters to support what it paid to transit organizations.**

PennDOT receives documentation on administrative expense (names of individuals, rates of pay and hours incurred), capital expense (vendor invoices), and marketing (vendor invoices) as a requirement to processing invoices for payment of these expenses. PennDOT also collects a summary report on the

number of PwD trips provided each month and the fares for the trips. Comptroller's Office auditors do review and reconcile shared-ride trips with billings when they audit transportation providers. There have been few cases of inaccurate billings of any consequence. When inaccuracies have been identified, PennDOT has reconciled payments and in one case a shared-ride transportation provider was tried and convicted of fraud.

PennDOT agrees that periodic on-site monitoring is critical to ensuring fiscal reliability and program compliance and will enhance its efforts in this area.

**3. PennDOT supervised the program even more distantly when the transit organizations used subcontractors to provide services.**

It is not uncommon for transit authorities to subcontract some or all trips to one or more subcontractors. PennDOT requires the grantee to pass on all program requirements to their subcontractors and holds the grantee responsible for supervision of the direct service provider.

PennDOT will include subcontractors in its periodic on-site monitoring procedures.

**4. PennDOT did not monitor the vehicles it paid for, creating both a financial question and a safety issue.**

Again, the shared-ride providers are transit systems of long standing. In some cases they are the only providers of shared-ride service and sometimes of all public transportation service in their communities. They annually submit vehicle inventories that identify the vehicles, the source of funding, the use of the vehicles and their condition. The increased oversight and periodic on-site visits will address all equipment purchased with government funding.

With regard to safety, the annual Shared-Ride application requires each provider to certify to vehicle insurance. State law addresses inspection requirements which are the responsibility of local transportation providers for all vehicle which they operate.

**Recommendations:**

6. PennDOT should perform periodic audits of the participating transit providers or, at the very minimum, audit them randomly to ensure they are spending taxpayer dollars as they say they are.

Prior to the Auditor General's review of PwD, PennDOT had initiated activities to re-engineer Public Transportation grant administration processes and organizational structure to enhance both technical assistance to grantees and field reviews of grantee properties, equipment, operations and administrative procedures. PennDOT agrees that periodic on-site reviews are critical and should be increased.

The reorganization of the Bureau of Public Transportation is intended to achieve a greater on-site presence. The Bureau will conduct three on-site visits of PwD providers by December 31, 2006.

PennDOT is in the process of establishing overall goals for on-site review commensurate with staffing, funding levels and risk.

7. PennDOT should require participating transit organizations to provide sufficient information regarding monthly ridership and expenses incurred, at least on a sample and periodic basis.

PennDOT currently requires the submission of sufficient information regarding ridership and expenses for in-office review and analysis. Periodic on-site visits will test the audit trail and confirm consistency of reporting with the audit trail.

8. PennDOT should monitor the condition of vehicles purchased with taxpayer dollars in order to ensure that transit organizations are meeting requirements related to insurance, safety and handicapped accessibility.

PennDOT monitors the condition of vehicles through the annual vehicle inventory. Further monitoring will be conducted through periodic on-site reviews. With regard to vehicle accessibility, all vehicles purchased through the PwD program are accessible. Insurance is monitored through the Shared-Ride Program and safety is a function of required motor vehicle inspections conducted by licensed mechanics.

**Finding No. 3 – PennDOT did not perform audits to make sure that transit organizations allowed only riders with disabilities to participate in the program, but the transit organizations we sampled correctly ensured rider eligibility on their own based on PennDOT established procedures.**

PennDOT is pleased that the Auditor General's review confirms that PwD providers are correctly ensuring the eligibility of persons and trips for reimbursement under PwD. PennDOT concurs that periodic on-site monitoring and sampling of documentation are critical to ensuring fiscal reliability and program compliance and will enhance its efforts in this area.

**Recommendation:**

9. PennDOT should periodically review the application files of registered program participants to ensure that taxpayer dollars are being used only for riders that meet eligibility requirements.

PennDOT agrees that periodic on-site reviews should be increased and is in the process of streamlining and reorganizing to enhance this area of grants management.

**Finding No. 4 – PennDOT did not require transit organizations to take steps that would have ensured consumer satisfaction and safety. Nor did PennDOT attempt to find out information that was easily available about such issues even in the absence of written requirements.**

Generally PennDOT does not mandate activities which are not specifically required—such as customer satisfaction surveys. Legal requirements are enforced by others. PennDOT believes that duplicating the responsibilities of other agencies would be a less than efficient use of staff time.

**1. PennDOT did not require State Police criminal background checks, or specific training related to assisting persons with disabilities.**

Driver qualifications and pre-employment requirements have been determined locally, consistent with liability concerns, legal guidance and federal program requirements. In response to this finding, PennDOT conducted a survey of shared-ride transportation providers. Of 59 shared-ride providers, 33 responded to the survey. 32 of the 33 include criminal background checks as part of their pre-employment requirements. PennDOT will consider the possibility of including background checks in its procedures.

Shared-ride transportation providers typically transport individuals with special needs (many senior citizens and medical assistance eligible persons have disabilities) and most shared-ride drivers have been trained to meet those needs. Recognizing that new passengers with disabilities could introduce other mobility challenges, PennDOT encouraged refresher and additional training for the PwD providers by making funding available to offset the cost of training. In addition, training—both for drivers and administrative staff was one of the topics discussed with and reviewed by local advisory committees prior to implementation of discounted fares.

However, each transit system determines the training to be provided. For example, some systems do not train drivers in first aid because of liability concerns. Rather, drivers follow locally-established procedures which bring appropriate care directly to the situation. With regard to subcontractors, it is the responsibility of the transportation provider to enter into agreements which carry the same terms and provisions as those applicable to the grantee. It is the grantee's responsibility to insure compliance of the subcontractor.

**2. PennDOT did not follow up to learn the details of even the most serious complaints, including allegations of inappropriate physical contact between a male driver and a woman with mental retardation.**

PennDOT was very interested in the survey conducted by the consulting firm during the pilot period. The consulting firm analyzed the results of the survey and prepared an extensive report. There were no serious complaints or allegations of inappropriate contact in that report. The report indicated that the disability community was satisfied, and that there was a high level of service

satisfaction among all riders.

PennDOT did make the survey instrument available to PwD providers to administer locally if they chose to do so. PennDOT had no further funding to administer or analyze surveys at the conclusion of the consulting agreement.

With regard to complaints, PennDOT requires every PwD provider (and encourages every shared-ride provider) to have a documented complaint procedure before implementing discounted fares for persons with disabilities. PennDOT expects every transportation provider/organization to resolve complaints and other service related issues. The transportation providers are responsible to their local elected officials. The transportation system provides the service, hires the drivers, maintains the vehicles, and assumes all liability and risk. PennDOT is not an adjudicator and it would be inappropriate to place PennDOT in this position.

#### **Recommendations:**

10. PennDOT should amend its contracts to require drivers to have State Police criminal background checks and also to complete certain training, at least in defensive/safe driving, cardiopulmonary resuscitation and basic first aid, and sexual harassment. Furthermore, the Department should periodically review driver files maintained by transit providers and their subcontractors to ensure compliance.

PennDOT conducted an informal assessment of existing pre-employment screening procedures within the transit community. The majority of shared-ride transportation providers do require criminal background checks as part of the pre-employment process. PennDOT will consider the potential for criminal background checks as part of application procedures.

With regard to training, PennDOT will not determine at the state level training requirements for all transportation providers, since the transportation providers determine their policies based on local advice from attorneys and insurance companies, and locally assume the risk associated with providing public transportation. PennDOT encourages input from local advisory councils on training.

11. PennDOT should periodically review incident reports and complaint logs maintained by transportation organizations to ensure that incidents and complaints reported by riders have been thoroughly investigated and satisfactorily resolved.

PennDOT will continue to rely on local responsibility for complaint procedures, including investigation and resolution. This strategy promotes cost effective administration and maximizes funding available for actual service.



12. PennDOT should require transit providers to more regularly solicit customer feedback on quality of service and to report results to PennDOT for closer monitoring.

**Disagrec. PennDOT will encourage but not create requirements unless there is direct funding to offset the cost of conducting and analyzing the survey. This strategy promotes cost effective administration and maximizes funding available for actual service.**

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