

Act 44
Transportation
Funding

The Transportation Crisis



Bridges

- 5,913 structurally deficient bridges
- Highest number of any state
- Average age 50 years

Need: \$230 million



Roads

- 8,528 miles in poor condition
- Backlog of safety & congestion needs
- 36% construction cost increase last 2 years

Need: \$735 million



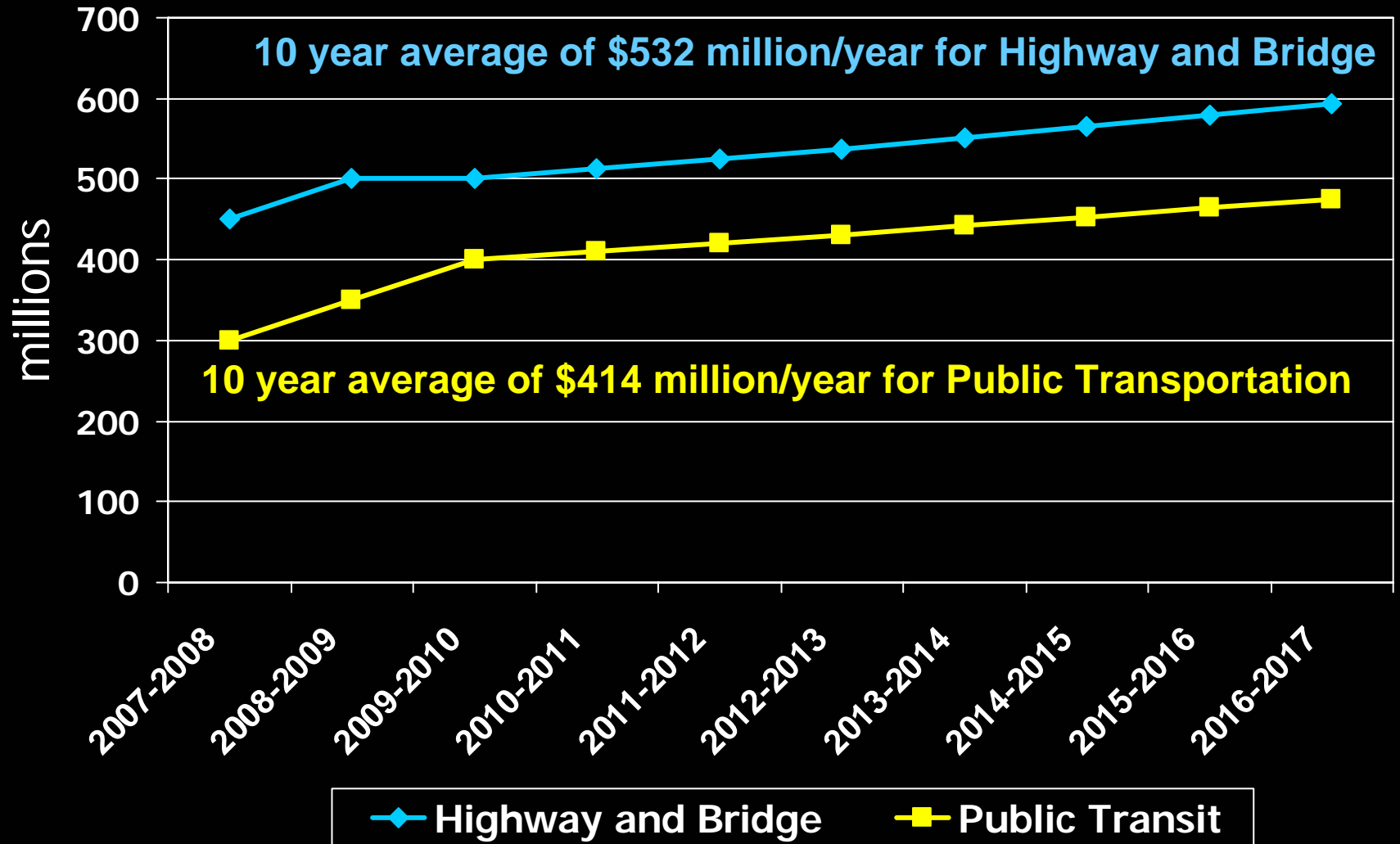
Transit

- Looming 25% service cuts over 5 years
- 100 million fewer rides
- Loss of access to jobs, medical service and schools

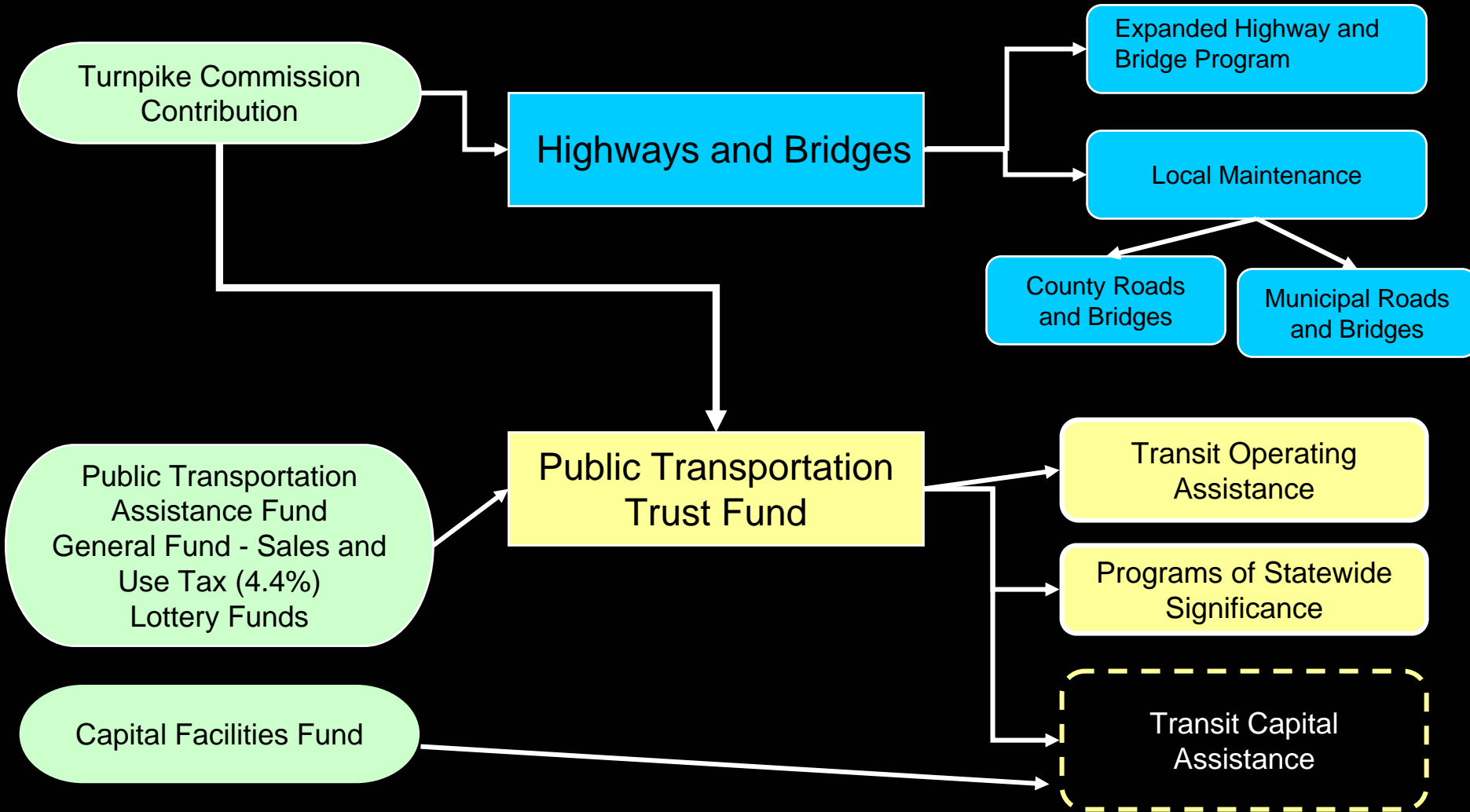
Need: \$760 million

Total Commission Need: \$1,725 million

Act 44 of 2007 Funding



Act 44 Funding Structure



Transit Capital Assistance

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graph TD; A[Transit Capital Assistance] --> B[Capital Improvements Program]; A --> C[Asset Improvement Program]; C --> D[New Initiatives];
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Capital Improvements Program

Asset Improvement Program

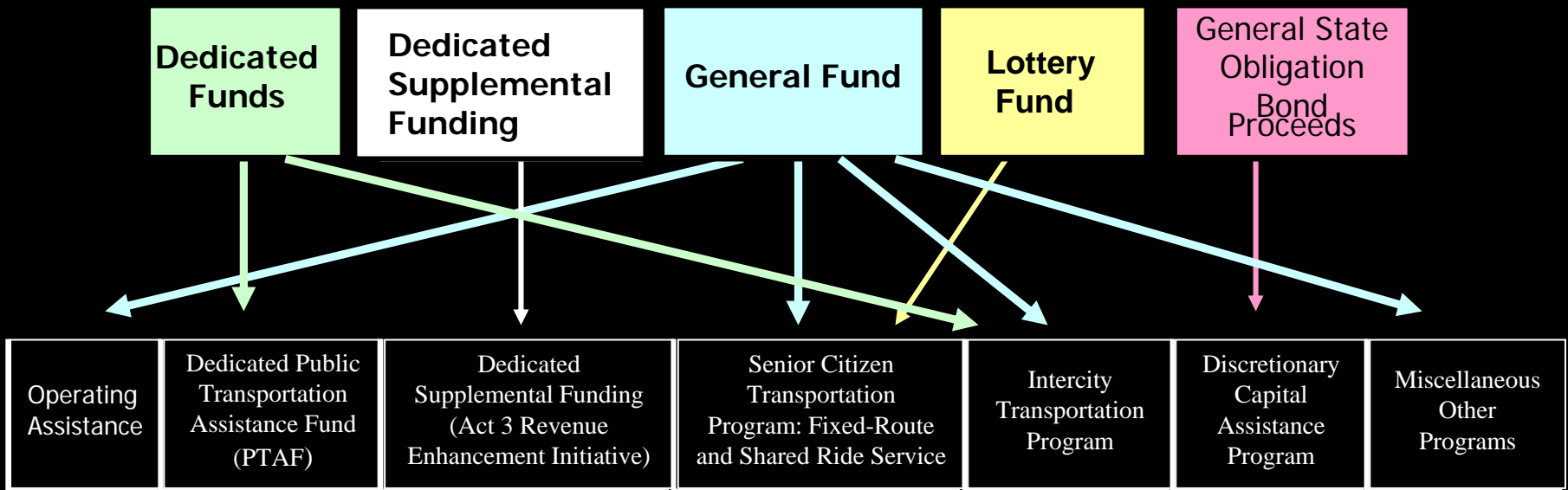
New Initiatives

Program Intent

- To create a sustainable program
- Dedicated, inflation-sensitive, reliable revenues
- Simple transparent funding distribution
- Funding linked to **need** and **performance**
- Sound investments and ongoing reforms
- Accountable and efficient

Public Transit Funding – Before Act 44

Funding sources were unpredictable, not dedicated, and had minimal growth



Public Transit Funding

Funding sources are predictable, dedicated, inflation sensitive

Public Transportation Trust Fund

Transit
Operating
Assistance

Capital Assistance

Programs of
Statewide
Significance

Asset
Improvement
Program

Capital
Improvements
Program

New
Initiatives

Key Changes

- Eliminates Classes 1-4
- Creates Public Transportation Trust Fund with five accounts
- Funding distributed based on need and performance
- Fully funds Programs of Statewide Significance



Public Transportation Trust Fund

- Dedicate \$396M from Sales Tax
 - Revenue Neutral Swap to replace existing Operating, and Act 3 Funding
- Dedicate \$80M from Lottery for Free Transit for Seniors
- Dedicate additional \$300M from Pennsylvania Turnpike Commission
- Maintain PTAF funding of \$180M
 - \$121M to PTTF
 - \$59M to pay existing debt

Transit Operating Assistance

- Base Funding – \$ 537 Million
- New Funding - \$250 Million
 - Allocated by formula



Base Funding

- 05/06 funding published in the PA Bulletin
- For subsequent years, each system will receive the adjusted base operating allocation
- 07/08 Base funding = Base Operating Allocation X 1.0506

Transit Operating Formula

\$250 Million

25%
Passengers

10%
Senior Passenger
Premium

35%
Revenue
Vehicle Hours

30%
Revenue
Vehicle Miles

Growth Caps – No system gets more than 50% first year and 20% more in subsequent years

Hold Harmless - No system gets less funding than prior year

Local Match - 15% local match required. Systems may increase by 5% current year match until they achieve full 15%. Cash only.

System Performance Criteria

- Passengers per revenue vehicle hour
- Operating cost per revenue vehicle hour
- Operating Revenue per revenue vehicle hour
- Cost per passenger trip

System Performance Evaluation

- Periodic performance reviews
- If performance falters, corrective action required
- Locals pay for non-performance



Decreasing Performance since last fiscal year

- Hold harmless on formula driven operating assistance (2 years)
- Three step improvement process
 1. Action plan – given to local elected officials and PennDOT
 2. Quarterly progress reports
 3. PennDOT review of progress
 - If improved – full formula funding restored
 - If not improved – Hold harmless released – system get negative impact of funding formula

Required Coordination

- Requirement in law to coordinate (§ 1512)
- Regions where two or more award recipients have services



Capital Program

- All capital projects must be on statewide Capital Plan
- Asset Improvement Program
 - Discretionary
 - 3 1/3 % local match
- Capital Improvement Program
 - Formula
 - No local match
- New Initiatives (Fixed guideways)



Asset Improvement Program

- Statewide program based on NEED
- Discretionary distribution
 1. Existing Debt Service/Leases
 2. Matching Funds for Federally approved projects
 3. Non-Federal capital projects
 - a) Emergency Projects
 - b) Standard replacement of existing assets that have exceeded their useful life
 - c) Non-emergency asset improvement projects
 - d) Acquisition of new assets (not New Starts)

Capital Improvements Program

- Same priorities as Asset Improvement
- Funding distributed by formula
(passengers)
- No Local match required

New Initiatives

- Priority for local match requirements of Federal New Starts
- If not – applicant must meet following tests
 - Investments in existing service areas optimized
 - Return on Investment analysis
 - Local dedicated funding for operating
 - Local ability to construct, manage and operate
 - Integrated land use plan in place
- Local Match – no less than $3 \frac{1}{3} \%$

Programs of Statewide Significance

- Persons with Disabilities
- Intercity transportation
- Community Transportation
- Welfare to Work and Federal Programs Match
- Technical Assistance and Demonstrations
- Program Oversight and Administration

Programs of Statewide Significance

- Distribution based on need
- PennDOT discretion
- Consistent with existing program requirements
- PennDOT to continue to streamline, simplify and improve accountability of these programs

Persons with Disabilities

Rural Transportation Program for Persons with Disabilities



Counties offering reduced transportation services for persons with disabilities

Remaining counties eligible for Persons with Disabilities



Counties not eligible for Persons with Disabilities Program

Intercity Transportation



Funding to continue Keystone Corridor improvements and operating assistance



Increased funding for intercity bus operators

Community Transportation

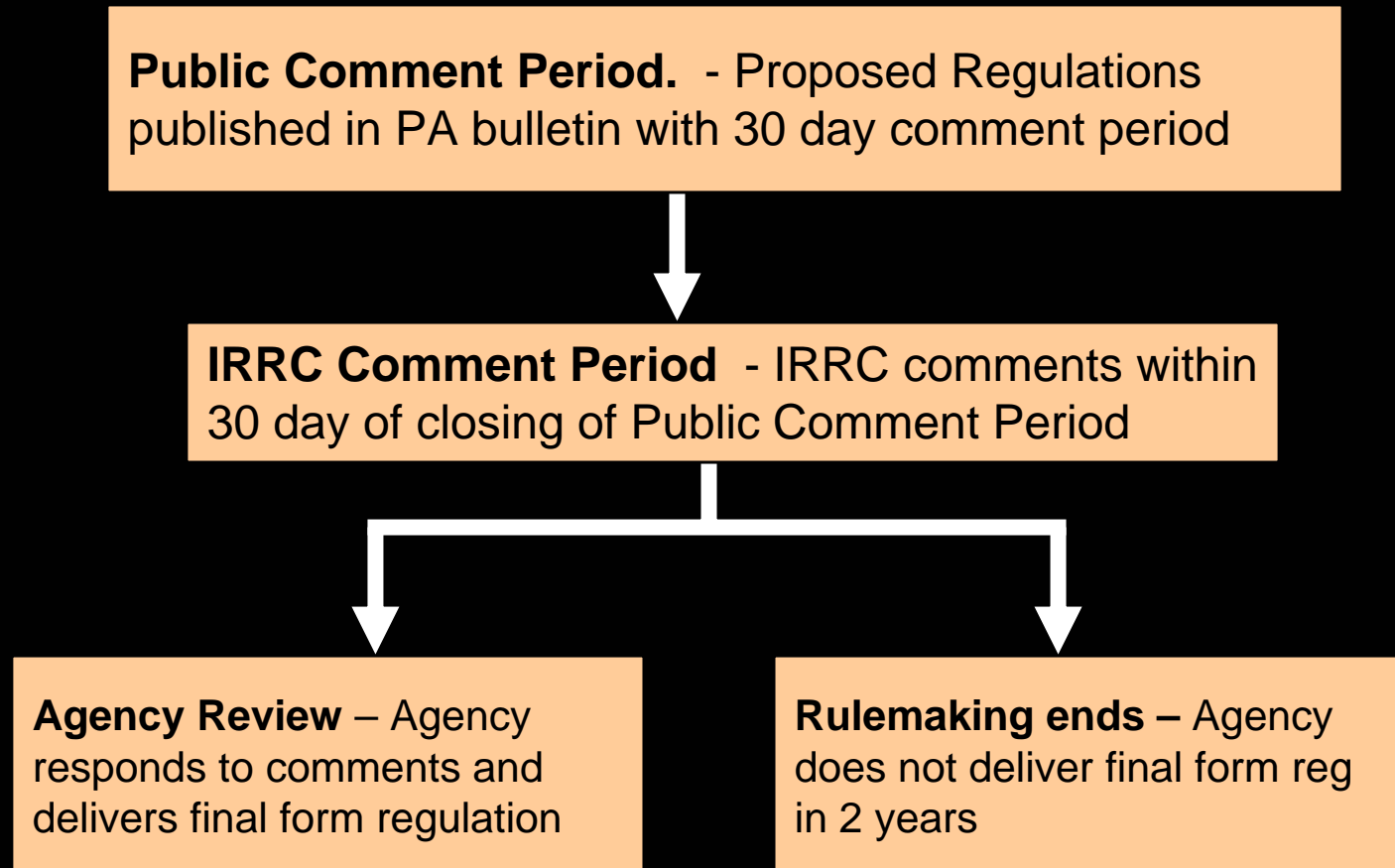
- Service Stabilization funding
 - Provides \$1.5 Million across 35 counties
- Capital funding available for shared ride systems
- Human Service Coordination Study
 - Multi-agency study



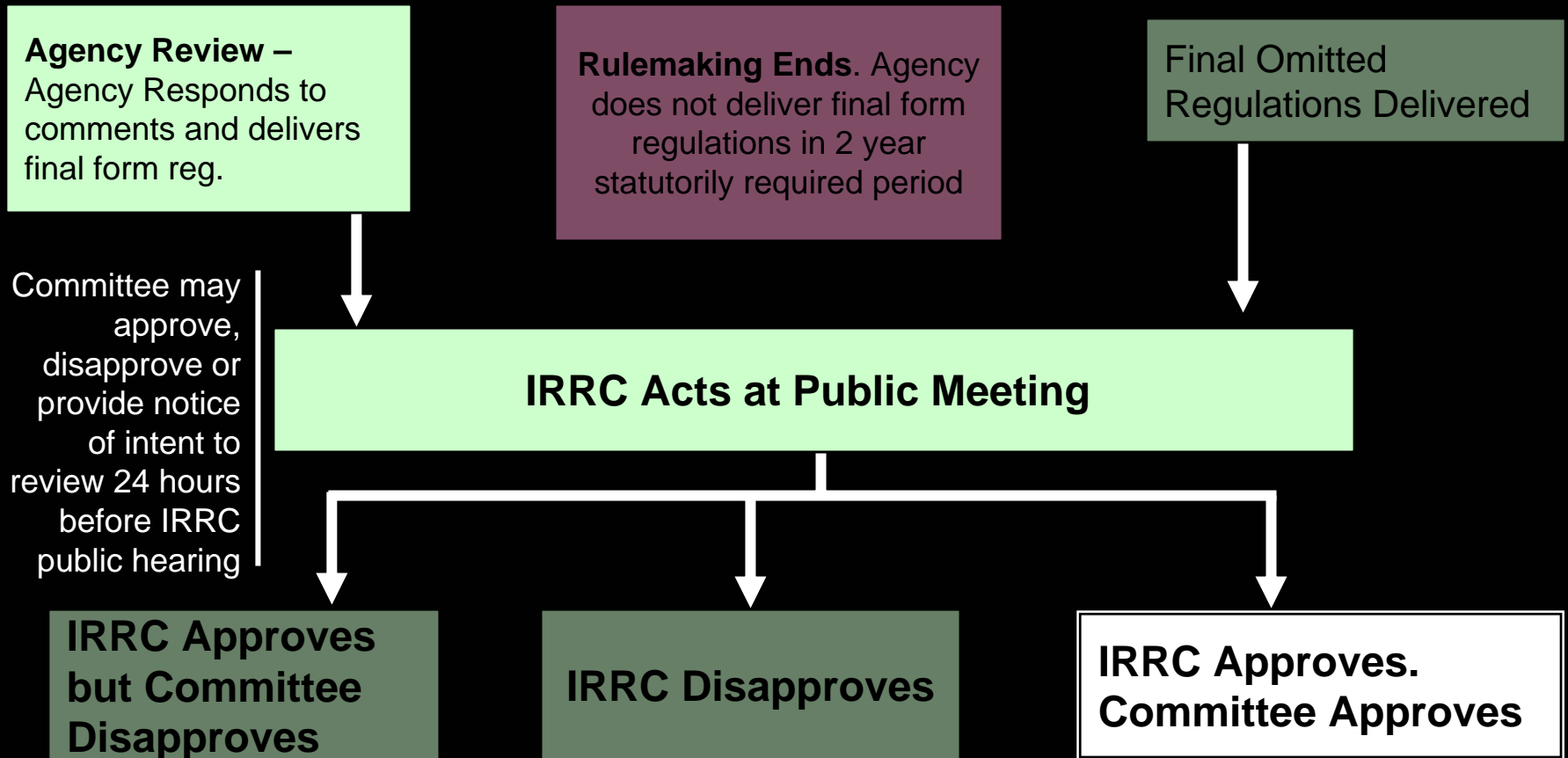
Welfare to Work and Federal Programs Match

- Match funding for:
 - Job Access Reverse Commute
 - New Freedoms
- Continues state Welfare to Work program
- No local match required

Regulations – Proposed Stage



Regulations – Final Stage



Regulation Development Process

