NAVIGATING ZOOM

Click to mute or unmute your audio.

Click to Start/Stop your video.

Click “Chat” to open the group chat panel.
1. Meeting Objectives
2. Commission Chair’s Opening Remarks
3. Schedule/Milestone Review
4. Projection Tool Demo
5. High Potential Options Discussion
6. Work Group Next Steps
   • Multimodal Revenue Sources
   • Transit Revenue Sources
   • Mileage-Based User Fees (MBUF)
   • Vehicle Registration Fees
   • Tolling Scenarios
   • Taxing Scenarios
   • Local Solutions
   • PSP Funding
5. Briefings
   • MBUF Presentation (Patricia “Trish” Hendren, Ph.D., Executive Director, Eastern Transportation Coalition)
   • Highway Overview (Mike Keiser, P.E., Acting Deputy Secretary for Highway Administration, PennDOT)
6. Meeting Summary and Public Comments
7. Commission Chair’s Closing Remarks
MEETING OBJECTIVES

- To kick off the approach for evaluating revenue options scenarios
- To receive an MBUF briefing from a national perspective
- To obtain a more in-depth understanding of the Commonwealth’s highway and bridge program
Secretary of Transportation,
Yassmin Gramian
March
Initiate strategic proposal and establish the need

April
Generate and evaluate options

May
Identify initial recommendations

June
- Complete recommendations and rationale
- Complete other sections of strategic proposal

July
- Review, revise and finalize report
- Submit to the Governor by August 1st

Upcoming Meeting Dates: June 10 and 24
Purpose

- Foster a greater understanding of the extent and complexity of the funding challenge
- Provide hands-on consideration of various revenue scenarios and their impact on need
- Help define the range of high-potential options to ultimately address the funding challenge
PROJECTION TOOL DEMO

<table>
<thead>
<tr>
<th>Phase</th>
<th>Duration</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 to 2 Years</td>
<td>Legislation needed, but can otherwise be done quickly</td>
</tr>
<tr>
<td>2</td>
<td>3 to 4 Years</td>
<td>Needs some system and other changes</td>
</tr>
<tr>
<td>3</td>
<td>5 to 10 Years</td>
<td>Needs major system and other changes</td>
</tr>
</tbody>
</table>
## PROJECTION TOOL DEMO

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Description</th>
<th>Phase</th>
<th>Annual Revenue</th>
<th>Include Revenue Option?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Road User Charges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage-Based User Fee (MBUF)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Fee</td>
<td>Approx. 1.0 cents per mile</td>
<td>3</td>
<td>$1,203 Million</td>
<td></td>
</tr>
<tr>
<td>Medium Fee</td>
<td>Approx. 3.16 cents per mile</td>
<td>3</td>
<td>$3,800 Million</td>
<td></td>
</tr>
<tr>
<td>Medium-High Fee</td>
<td>Approx. 5.1 cents per mile</td>
<td>3</td>
<td>$6,100 Million</td>
<td></td>
</tr>
<tr>
<td>High Fee</td>
<td>Approx. 7.0 cents per mile</td>
<td>3</td>
<td>$8,400 Million</td>
<td></td>
</tr>
<tr>
<td>Custom*</td>
<td>Approx. 6.2 cents per mile</td>
<td>3</td>
<td>$7,500 Million</td>
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</table>

*Custom Change increment: $250 million*
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Open Discussion

As work groups prepare to evaluate revenue options, which ones do you consider most promising?
Go to menti.com
Use your browser, tablet or smartphone.
**WORK GROUP NEXT STEPS AND PROCESS**

**Submission to facilitators**

- **5/25** Work group leaders received tool
- **5/27 to 6/8**
- **6/8**
- **6/10**
- **Remainder of June/July**

**Further evaluation**

**Work groups:**
- “Game out” various scenarios
- Determine generally preferred scenarios
- Identify issues or implications

**Review of range of scenarios during TROC meeting**
Patricia “Trish” Hendren, Ph.D.,
Executive Director, Eastern Transportation Coalition
TROC – HIGHWAY & BRIDGE NEEDS

MICHAEK KEISER, P.E.  ACTING DEPUTY SECRETARY FOR HIGHWAY ADMINISTRATION

DEPARTMENT OF TRANSPORTATION
HIGHWAY AND BRIDGE ASSETS (STATE OWNED)

FUNDING LEVELS 2010 – 2022

TRANSPORTATION NEEDS – HIGHWAYS, BRIDGES AND MAINTENANCE

CONSTRUCTION PROGRAM & GROWTH
PennDOT’s Highway Network (Four Major Components)

- Interstates
- National Highway System (NHS) Non-Interstates
- Non-NHS w/ADT > 2000
- Non-NHS w/ADT < 2000
## Conditions Based on IRI (International Roughness Index)

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstates</td>
<td>60%</td>
<td>24%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>NHS Non-Interstate</td>
<td>27%</td>
<td>38%</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>Non-NHS ADT &gt;2000</td>
<td>34%</td>
<td>36%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Non-NHS ADT &lt; 2000</td>
<td>19%</td>
<td>25%</td>
<td>23%</td>
<td>33%</td>
</tr>
</tbody>
</table>
PennDOT’s Bridge Network (Equal to or > 8’ span)

Three primary categories:

- On Federal Aid System
- Federal Aid Eligible
- Off Federal Aid System
### PENNDOT’S BRIDGE NETWORK

#### Conditions (Inspection Driven)

<table>
<thead>
<tr>
<th></th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Federal Aid System</td>
<td>29%</td>
<td>66%</td>
<td>5%</td>
</tr>
<tr>
<td>Federal Aid Eligible</td>
<td>35%</td>
<td>54%</td>
<td>11%</td>
</tr>
<tr>
<td>Off Federal Aid System</td>
<td>37%</td>
<td>50%</td>
<td>13%</td>
</tr>
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</table>

PennDOT does oversee the local bridge inspection program, so we do have similar information for over 6,663 local bridges.
## CONSTRUCTION PROGRAM 2012-2022

### Annual Letting Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Count</th>
<th>Contract Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>915</td>
<td>$2.20</td>
</tr>
<tr>
<td>2011</td>
<td>846</td>
<td>$1.93</td>
</tr>
<tr>
<td>2012</td>
<td>784</td>
<td>$1.92</td>
</tr>
<tr>
<td>2013</td>
<td>566</td>
<td>$1.63</td>
</tr>
<tr>
<td>2014</td>
<td>833</td>
<td>$2.56</td>
</tr>
<tr>
<td>2015</td>
<td>607</td>
<td>$2.52</td>
</tr>
<tr>
<td>2016</td>
<td>825</td>
<td>$2.43</td>
</tr>
<tr>
<td>2017</td>
<td>703</td>
<td>$2.57</td>
</tr>
<tr>
<td>2018</td>
<td>729</td>
<td>$2.48</td>
</tr>
<tr>
<td>2019</td>
<td>589</td>
<td>$2.20</td>
</tr>
<tr>
<td>2020</td>
<td>473</td>
<td>$1.55</td>
</tr>
<tr>
<td>2021*</td>
<td>518</td>
<td>$1.90</td>
</tr>
<tr>
<td>2022*</td>
<td>500</td>
<td>$1.90</td>
</tr>
</tbody>
</table>

*estimated data points

**Total Contract Amount (Billions):**

- 2010: $2.50
- 2011: $2.50
- 2012: $2.00
- 2013: $2.00
- 2014: $2.00
- 2015: $2.00
- 2016: $2.00
- 2017: $2.00
- 2018: $2.00
- 2019: $2.00
- 2020: $2.00
- 2021*: $2.00
- 2022*: $2.00

**Project Count Bld:**

- 2010: 915
- 2011: 846
- 2012: 784
- 2013: 566
- 2014: 833
- 2015: 607
- 2016: 825
- 2017: 703
- 2018: 729
- 2019: 589
- 2020: 473
- 2021*: 518
- 2022*: 500
FY 2021-22 MOTOR LICENSE FUND INCOME (in 000s)

- Liquid Fuels Tax, $3,038,331
- Licenses and Fees, $1,043,400
- Other, $19,200

Total State Revenue Utilized – $4,100,931
FUEL TAX

1% change in monthly passenger volumes ≈ $2.4M lost revenue
DETERMINING NEEDS

- Bid History
  - Cost/Mile for resurfacing, reconstruction
  - Square foot cost for bridges
- Top Ten Pay Items
- Maintenance and Protection of Traffic
  - How will the project be built – work restrictions
  - Impacts traffic volumes have on productivity/bid price
- Project Complexity
- Energy Costs/Material Availability
- Region
  - Costs do vary throughout PA given the number of producers for bituminous and concrete products in terms of competition
  - Hauling considerations are also a factor
Summary:

The following amounts represent the annual need to maintain pavements and bridges to a state of good repair, through preservation, rehabilitation, and replacement at or near the end of its service life.
TOTAL NEEDS

Total $15.0B Highway and Bridge Related Needs (billions)

- National Highway System (Cyclic Asset, Modernization, and limited system upgrades) $6.50
- Non-NHS $ Maintenance/Operations: Includes basic cyclic asset needs for non-NHS and basic maintenance/operations activities $6.20
- Other Highway/Bridge Related: Payments to Local Gov't, PennDOT DVS, Facilities/Welcome Centers, Other agencies (including PSP and PTC), etc. $2.30

Total $15.0B Highway and Bridge Related Needs (billions)
**ANNUAL NEEDS**

- **Unmet Basic Pavement and Bridge Needs on Interstates: $700 Million**
  - Needs established at a total of $1.2 billion. Current investment: +/- $500 million.
  - Pre-TROC Plan in Place to increase funding to $1.0 billion by 2028 using current revenues.
  - Does not include any backlog of current replacement needs but represents annualized costs to maintain assets in state of good repair.

- **Unmet Basic Needs for the Balance of the NHS System: $1.2 Billion**
  - Increase in funding to the interstates will divert more funding from the remainder of the system, thus growing the unmet needs for the balance of the National Highway System.
  - Represents annualized costs to maintain state of good repair of current system only.
Unmet System Modernization and Upgrades (All NHS): $2.1 Billion
  • Goes beyond basic needs previously identified to address congestion, safety and modernization.
  • Actual range is $2.1 to $3.2 billion.

Unmet Non-NHS and Maintenance and Operations: $4.1 Billion
  • More than three-quarters of the state-maintained network is non-NHS. These assets follow a life cycle of build, maintain, preserve and then repeat when the asset reaches its useful life.
  • Includes unmet County Maintenance Budgets of $600 million – PennDOT County Funding has been fixed at $1.3 billion since the 05/06 State Fiscal Year. The $600 million in unmet needs is simply an adjustment for inflation.
ASSET MANAGEMENT CHALLENGES IN PA

Poor IRI vs. Poor Bridges

- Poor IRI Miles
- Poor Bridge Count

Year: '05, '06, '07, '08, '09, '10, '11, '12, '13, '14, '15, '16, '17, '18, '19

Values:
- Poor IRI Miles: 6,000, 8,000, 10,000, 12,000, 14,000, 16,000, 18,000, 20,000
- Poor Bridge Count: 2,400, 2,900, 3,400, 3,900, 4,400, 4,900, 5,400, 5,900, 6,400
## Cost Based Percentage

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway</td>
<td>69%</td>
<td>53%</td>
<td>64%</td>
<td>60%</td>
<td>70%</td>
<td>61%</td>
<td>65%</td>
</tr>
<tr>
<td>Bridge</td>
<td>24%</td>
<td>35%</td>
<td>21%</td>
<td>28%</td>
<td>19%</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>12%</td>
<td>15%</td>
<td>12%</td>
<td>11%</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Program Direction Given Additional Revenues:

- Initial goal would be to return to a $2.5 billion Annual Program
  - 2020 Program: $1.6 billion
  - 2021 Program: $1.9 billion

- As revenues increase the Annual Program could begin to expand from $2.5 billion to $3.0 billion
TROC – HIGHWAY & BRIDGE NEEDS

MICHAEL KEISER, P.E. ACTING DEPUTY SECRETARY FOR HIGHWAY ADMINISTRATION
MEETING SUMMARY AND PUBLIC COMMENTS

- Opportunity for Public Comment
- A Look Ahead to June 10
  - Review Range of Options Submitted
  - Structure the Final Report of Recommendations
- Other Commission Member Input
UPDATE DRAFT OUTLINE

- Executive Summary (in document and standalone)
- Message from the Chair – What’s at Stake?
- TROC Overview – Purpose and Process (EO, membership, etc.)
- Transportation Needs and Funding Challenges
- Historical Perspective and Progress to Date
- The Options and Evaluation Approach
- Funding Recommendations and Rationale
  - Long-term strategy
  - Short- and medium-term solutions
- Other Recommendations and Considerations
  - Federal
  - Local
- Conclusion—Inaction Is Not an Option
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Use your browser, tablet or smartphone.