AGENDA

1. Meeting Objectives
2. Commission Chair’s Opening Remarks
3. Schedule/Milestones
4. Strategic Funding Proposal – Update and Review
5. Briefing
   ▪ Modernization and Efficiencies (PennDOT Executive Staff)
6. Draft Document – Update and Review
   ▪ TROC Member Review Process
   ▪ Review and Comment Schedule
7. Meeting Summary and Public Comments
8. Commission Chair’s Closing Remarks
9. Next Meeting Date: July 28, 1:00 – 3:00
MEETING OBJECTIVES

- To review Draft Strategic Funding Proposal.
- To discuss next steps for TROC member review of draft report.
- To receive a briefing on modernization and efficiencies.
COMMISSION CHAIR’S OPENING REMARKS

Secretary of Transportation, Yassmin Gramian
SCHEDULE/MILESTONE REVIEW

March
- Initiate strategic proposal and establish the need

April
- Generate and evaluate options

May
- Identify initial recommendations
  - Complete recommendations and rationale
  - Complete other sections of strategic proposal

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

July
- Upcoming Meeting Date: July 28
STRATEGIC FUNDING PROPOSAL – UPDATE AND REVIEW
ESTIMATED ADDITIONAL ANNUAL REVENUE IN BILLIONS

Phase 1
Years 1 and 2
$3.5

Phase 2
Years 3 and 4
$6.6

Phase 3
Year 5 and Beyond
$11.5

TRANSPORTATION REVENUE OPTIONS COMMISSION
## ROAD USER CHARGES

<table>
<thead>
<tr>
<th></th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
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<tbody>
<tr>
<td></td>
<td>Years 1 and 2</td>
<td>Years 3 and 4</td>
<td>Year 5 and Beyond</td>
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<tr>
<td>Mileage-Based User Fee (MBUF)</td>
<td>$0</td>
<td>$0</td>
<td>$8,930,065,000</td>
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<tr>
<td>EV MBUF Pilot</td>
<td>$2,000,000</td>
<td>$2,121,800</td>
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<tr>
<td>Total Road User Charge Revenue</td>
<td>$2,000,000</td>
<td>$2,121,800</td>
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## ROAD USER CHARGES

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<td></td>
<td>Years 1 and 2</td>
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<td>Year 5 and Beyond</td>
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<tr>
<td>Phase-out of Gas Tax with Full MBUF</td>
<td>$0</td>
<td>$0</td>
<td>-$4,088,301,000</td>
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<td></td>
<td>Phase 1</td>
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<td>Years 1 and 2</td>
<td>Years 3 and 4</td>
<td>Year 5 and Beyond</td>
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<tr>
<td>Corridor Tolling</td>
<td>$0</td>
<td>$2,444,940,000</td>
<td>$2,543,716,000</td>
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<tr>
<td>Managed Lanes (Limited Lane Tolling)</td>
<td>$0</td>
<td>$260,100,000</td>
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<tr>
<td>Total Tolling Revenue</td>
<td>$0</td>
<td>$2,705,040,000</td>
<td>$2,543,716,000</td>
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## REDIRECTION OF FUNDING

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<tr>
<td>PA State Police Funding</td>
<td>$673,000,000</td>
<td>$609,000,000</td>
<td>$545,000,000</td>
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TRANSPORTATION REVENUE OPTIONS COMMISSION
# Fees – Increase

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<td>Years 1 and 2</td>
<td>Years 3 and 4</td>
<td>Year 5 and Beyond</td>
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<tr>
<td>Vehicle Registration Fee</td>
<td>$800,000,000</td>
<td>$832,320,000</td>
<td>$865,946,000</td>
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<tr>
<td>Ad Valorem (Value-Based) Vehicle Tax</td>
<td>$800,000,000</td>
<td>$832,320,000</td>
<td>$865,946,000</td>
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<tr>
<td>Reduction to Registration Fees with Ad Valorem</td>
<td>-$350,000,000</td>
<td>-$364,140,000</td>
<td>-$378,851,000</td>
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<tr>
<td>Total Fees/Tax – Increased Revenue</td>
<td>$1,250,000,000</td>
<td>$1,300,500,000</td>
<td>$1,353,041,000</td>
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**Transportation Revenue Options Commission**
## FEES – INCREASE

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<td>Year 5 and Beyond</td>
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<tr>
<td>Vehicle Lease Fee</td>
<td>$67,000,000</td>
<td>$69,707,000</td>
<td>$72,523,000</td>
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<td>Vehicle Rental Fee</td>
<td>$60,450,000</td>
<td>$62,892,000</td>
<td>$65,433,000</td>
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<tr>
<td><strong>Total Fees – Increase Revenue</strong></td>
<td><strong>$127,450,000</strong></td>
<td><strong>$132,599,000</strong></td>
<td><strong>$137,956,000</strong></td>
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## FEES – NEW

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<th>Fee</th>
<th>Phase 1</th>
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<tr>
<td>Electric Vehicle Fee</td>
<td>$4,650,000</td>
<td>$4,939,000</td>
<td>$5,242,000</td>
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<tr>
<td>Aircraft Registration Fee</td>
<td>$320,000</td>
<td>$333,000</td>
<td>$346,000</td>
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<td>Transportation Network Company Fee (Uber, Lyft, taxis, etc.)*</td>
<td>$0</td>
<td>$210,160,800</td>
<td>$218,651,000</td>
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<tr>
<td>Goods Delivery Fee*</td>
<td>$780,000,000</td>
<td>$811,512,000</td>
<td>$844,297,000</td>
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<tr>
<td><strong>Total Fees – New Revenue</strong></td>
<td>$784,970,000</td>
<td>$1,026,944,800</td>
<td>$1,068,536,000</td>
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*Includes local share
## TAXES

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<td>Year 5 and Beyond</td>
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<tr>
<td><strong>Vehicle Sales Tax</strong></td>
<td>$550,000,000</td>
<td>$572,220,000</td>
<td>$595,338,000</td>
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<tr>
<td><strong>Gas Tax (Index to Inflation)</strong></td>
<td>$75,000,000</td>
<td>$204,000,000</td>
<td>$386,000,000</td>
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<tr>
<td><strong>Jet Fuel Tax</strong></td>
<td>$10,167,000</td>
<td>$10,578,000</td>
<td>$11,005,000</td>
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**Total Tax Revenue**

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<th>Total</th>
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<tr>
<td></td>
<td>Revenue</td>
<td>Revenue</td>
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<tr>
<td></td>
<td>$635,167,000</td>
<td>$786,798,000</td>
<td>$992,343,000</td>
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Not included as revenue options:

- Corporate Income Tax
- Personal Income Tax
- Real Estate Transfer Tax
Not projected as significant revenue options for transportation funding at present:

- Legalized recreational marijuana
- Gambling proceeds
- American Rescue Plan
Local Needs in Perspective

- Vast and aging transportation system of roads and bridges more extensive than the state-owned system.
- An estimated 78,000 linear miles of road and over 6,300 bridges (over 20 feet) managed by 2,560 municipalities.
- Unmet funding need estimated at $3.9 billion in 2021.
- Multimodal facilities operated by regional or local authorities.
Funding Local Solutions

▪ Continue to share in liquid fuels tax.
▪ Phase in MBUF revenues to offset reductions in liquid fuels proceeds.
▪ Share in local package-delivery proceeds.
▪ Share in transportation network companies fees (TNCs).
▪ Opportunity for sales tax at county level.
TROC – COST SAVING INITIATIVES AND STREAMLINED EFFICIENCIES

LARRY SHIFFLET, DEPUTY SECRETARY FOR PLANNING
MICHAEL KEISER, P.E. ACTING DEPUTY SECRETARY FOR HIGHWAY ADMINISTRATION
KURT MYERS, DEPUTY SECRETARY FOR DRIVER AND VEHICLE SERVICES
PENNDOT EFFICIENCIES

- State Transportation Innovation Council (STIC)

- Transportation Funding Advisory Commission (TFAC) – Modernization Recommendations


- Focus is on Continuous Improvement
TRAFFIC CONTROL ENFORCEMENT AND SAFETY

- Update traffic signals to LED and optimize timing
- Automate work zone traffic control
- Install red-light-running cameras
- Expand and update HOP permitting
Bundle Individual Projects into Programs.

When improving state highways, PennDOT would construct curb ramps compliant with the Americans with Disabilities Act at all affected cross-streets, and seek maintenance agreements with municipalities.

PennDOT executes about 600 minor projects (such as small bridge repairs) each year. This option would streamline the required design submissions and reviews with consultants performing the work.

Implement faster processes for testing and verifying performance of prospective materials and technologies while mitigating risk.
- Consolidate to a Statewide Traffic Management Center
- Service patrol advertising
DRIVER AND VEHICLE SERVICES

- Non-CDL Third Party Testing
- iPads at DLC’s for Testing
- Opex 3 to 1
- Mobile Ticketing and Concierge Service
▪ Re-Entry Program

▪ Elimination of License Plate Stickers

▪ Evaluate Opportunities and Transition of PennDOT Stand-Alone Photo Centers to Co-Located Centers

▪ Payment Cards at PennDOT Driver License Centers
Qmatic (computerized customer queuing system) Expansion

Expressia Customer Feedback Units

Green Initiative – Paperless Publications

Green Initiative – Implement Environmentally “green” Products, Processes, and/or Services at Driver License and Photo Center Facilities
Proposal Review

- Initial draft to TROC members Thursday, July 15
  - Report cover
  - Strategic funding proposal table
  - Draft report

- Comments requested by Monday, July 19
  - General comments by email
  - Proposed track changes edits and comments in report

- Comments will be addressed as part of second draft preparation

- Final draft review (Work Group Leaders’ meeting) on Friday, July 23
TROC Member Comments

- Level of support
- Conditions or qualifications
- Additional comments or statements
MEETING SUMMARY AND PUBLIC COMMENTS

TRANSPORTATION REVENUE OPTIONS COMMISSION
COMMISSION CHAIR’S CLOSING REMARKS

Secretary of Transportation, Yassmin Gramian