

PennDOT

MULTIMODAL TRANSPORTATION

The deputate for Multimodal Transportation at PennDOT was created by Act 89 of 2013. Programs housed under its umbrella include *Public Transportation*, *Rail*, *Freight*, *Ports*, *Waterways*, *Bicycle & Pedestrian*, and *Aviation*. Unique to the deputate are the various funding sources that it utilizes. As we navigate through 2021/22, the General Assembly must consider the consequences of the reduction in the Pennsylvania Turnpike's (PTC) annual payments. Statutorily dictated by Act 89 of 2013 and starting in 2022/23, PTC payments are reduced to \$50 million annually. In turn, \$450 million would be transferred from Sales and Use Tax (SUT) on motor vehicles, trailers, and semi-trailers. As the table below highlights, PTC payments support Public Transportation and while current law provides for backfilling that funding through SUT, practically speaking those present General Fund proceeds are already committed to other state programs and diverting them will lead to budgetary challenges. As discussed in the Transportation Revenue Options Commission's (TROC) final report, the General Assembly must find ways to diversify the revenue stream supporting PennDOT and, given that current Public Transportation allocations fall short of required needs, provide additional support specifically for those needs.

PennDOT Multimodal Programs & Funding									
Primary Revenue Sources	Program & FD Source	Program Activities							
Sales Tax Transfers	Public	Fixed Route Operating Assistance Grants							
PTC Payments (\$420 m through 2021/22, \$50 m thereafter)	Transportation	Fixed Route Asset Improvement Grants							
Sales Tax on Motor Vehicle Sales (\$450 m starting in 2022/23)		Older Pennsylvanians Fixed Route/Shared Ride Subsidies							
Lottery Fund Pmt & Transfers		Intercity Passenger Rail and Bus Subsidies							
Motor Vehicle Fees (77 %), Civil Penalties / Fines	Public Tran Trust FD	Persons with Disabilities Transportation Subsidies							
Fed Capital / Oper Grants (Non-Urban)	Public Tran Assistance FD	State Match for Federal Access Programs							
Capital Facilities Fund Bonds (GF)									
Jet Fuel & Aviation Gas Taxes	Aviation	Airport Development Grants for Facilities and Equipment							
Treasury Investment Earnings		Real Estate Tax Rebates							
Federal Airport Development Capital Grants	Motor Lic FD	Aviation Safety and Licensing							
Capital Facilities Fund Bonds (GF)	Aviation Restr Acct								
Unconventional Gas Well Fund	Rail Freight	Track Improvement / Land Acquisition / Fac Constr Grants							
Capital Facilities Bonds (GF)	Capital Facilities FD								
Multimodal Transportation Fund	Ports / Waterways	Facility Maintenance, Development and Promotion							
	General FD	Philadelphia Regional Port Authority Debt Service							
Motor Vehicle Fees (22 %)	Multimodal	Act 89 directed Rail Freight, Ports/Waterways, Rail							
PTC Payments (\$30 m through 2021/22)		Passenger, Aviation and Bicycle/Pedestrian Grants							
Public Trans Trust FD Transf (\$30 m starting in 2022/23)		Commonwealth Financing Authority Grants							
Oil Company Franchise Tax (OCFT) Transfer	Multimodal Tran FD	PennDOT Statewide Program Grants							
Treasury Investment Earnings									
Multimodal Transportation Fund su	pplements program activi	ties in all transportation modes							

The Multimodal deputate is comprised of several programs:

Public Transportation

Public Transportation offers an accessible <u>alternative</u> to gridlocked communities, individuals who do not own a vehicle, and ever-changing gas prices. From an environmental standpoint, it provides a cleaner alternative to driving, which also reduces traffic congestion. Currently, the commonwealth provides more than \$1.5 billion annually to support <u>Mass Transit</u>. PennDOT manages operating and capital investments for **34** fixed-route systems. As defined by the Federal Highway Administration (FHWA), <u>fixed-route</u> refers to a transit service that is regularly scheduled and operates over a set route, including local bus, light & commuter rail services. Further, the department oversees **44** community transportation systems providing shared-ride services, **13** intercity bus routes, and Keystone Corridor & Pennsylvanian Amtrak services. To learn more about each county's Public Transportation services and programs map, information can be found on department's <u>website</u>.

As highlighted in TROC's <u>final report</u>, public transportation's current funding allocation does not fully provide for its needs. The importance of the program's benefits should be an integral reason why its unfunded needs necessitate action by the General Assembly. As highlighted in TROC's report, Public Transportation and Passenger Rail's unfunded need amounts to **\$1.1 billion**. Executive Authorizations that provide funding for Public Transportation include:

- Mass Transit Operating provides funding for transit operations within Public Transportation Trust Fund (PTTF) as provided within Act 44 of 2007 and Act 89 of 2013. Both acts made changes to Title 74, specifically §1513. Financial assistance under this authorization, shall be matched by local or private cash funding in an amount not less than 15 percent of funds being provided, unless such match has been waived by the General Assembly for a particular fiscal year. Each qualifying organization receives funds under this authorization based on:
 - 1) Its base operating allocation multiplied by **1.0506**
 - 2) An additional amount allocated based on distribution formula:
 - A. 25 percent of award amount is based on the number of passengers such as:
 - a) Total amount of funding multiplied by 0.25
 - b) Product under (a) multiplied by total number of the local transportation organization's number of passengers
 - c) Product under (b) is divided by the total number of passengers for all local transportation organizations
 - B. <u>10 percent</u> of award amount based on the number of senior passengers to offset free fares for such passengers, such as:
 - a) Total amount of funding multiplied by 0.10
 - b) Product under (a) multiplied by total number of the local transportation organization's number of senior passengers
 - c) Product under (b) is divided by the total number of senior passengers for all local transportation organizations
 - C. 35 percent of award amount based on the number of revenue vehicle hours, such as:
 - a) Total amount of funding multiplied by 0.35
 - b) Product under (a) multiplied by total number of the local transportation organization's number of revenue vehicle hours
 - c) Product under (b) is divided by the total number of revenue vehicle hours for all local transportation organizations
 - D. 30 percent of award amount based on the number of revenue vehicle miles
 - a) Total amount of funding multiplied by 0.30
 - b) Product under (a) multiplied by total number of the local transportation organization's number of revenue vehicle miles
 - c) Product under (b) is divided by the total number of revenue vehicle miles for all local transportation organizations



- Asset Improvement includes funding for asset improvement activities within the Public Transportation Trust Fund (PTTF) as provided by Act 44 of 2007 and Act 89 of 2013 that amended Title 74 (Transportation). As Title 74 §1514 lays out, such activities encompass:
 - 1) Essential asset improvement projects
 - 2) Standard replacement of existing assets, that have exceeded their useful life
 - 3) Projects that extend the useful life of an asset
 - 4) Acquisition of new assets

It should be noted that asset improvement funds shall be matched by local or private cash funding in an amount not less than 3.33 percent of funds being provided, unless such match has been waived by the General Assembly for a particular fiscal year. Furthermore, funds under this authorization are distributed based on the following percentage basis:

- 1) 69.4 percent to a Metropolitan Transportation Organization for the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia - <u>SEPTA</u>
- 2) **22.6 percent** to a local transportation organization existing under the Second-Class County Port Authority Act - Allegheny County Port Authority
- 3) 8 percent to other local transportation organizations existing as primary providers of public transportation for counties not included in (1) or (2)
- <u>Capital Improvement</u> this executive authorization supplies funding for capital improvements within the Public Transportation Trust Fund (PTTF) as provided by Act 44 of 2007 and Act 89 of 2013 that amended Title 74 (Transportation). Under §1517 of Title 74, funds are allocated to local transportation organization based on a distribution formula with two components:
 - 1) Local transportation organization's number of passengers divided by the available capital improvement funding
 - 2) Product derived under (1) is divided by the sum of the passengers for all qualifying local transportation organizations
- Programs of Statewide Significance the authorization includes funding for Programs of Statewide Significance within the Public Transportation Trust Fund (PTTF), provided by Act 44 of 2007 and Act 89 of 2013, which amended Title 74 (Transportation). Specifically, §1513 of Title 74 provides that such programs shall include:
 - 1) Persons with Disabilities program provides reduced fares to persons with disabilities
 - 2) Intercity passenger rail and bus services programs
 - 3) Community transportation
 - 4) The Welfare-to-Work program and matching funds for similar federal programs
 - 5) Technical assistance, demonstration, and emergency
- <u>Transit Administration and Oversight</u> this executive authorization provides for administrative coordination, planning and support for Public Transportation Trust Fund (PTTF) operations. Statutory authority is included within Act 44 of 2007.
- Mass Transit the executive authorization provides grants to transit systems having prior Public Transportation Assistance Fund (PTAF) debt obligations, as authorized in §9511.13, Section 8 (B) of Act 44 of 2007.
- <u>Transfer to Public Transportation Trust Fund (PTTF)</u> the authorization provides for the transfer from PTAF to PTTF per Act 44 of 2007, §9511.13 Section 9 (1)(V).
- Passenger Rail Grants deliver support for intercity rail and rail grants that improves the mobility and the quality of life for urban and rural Pennsylvanians and enhances economic activity throughout the commonwealth as required by Act 89 of 2013. Funding is provided within the Multimodal Transportation Fund.



- Older Pennsylvanian Shared Rides provides funds to transportation agencies for the provision of Shared Ride Demand Responsive transportation at reduced fare for Older Pennsylvanians aged 65 and older. The statutory authority is the State Lottery Law. Annual expenditure authority is granted via executive authorization.
- <u>Transfer to Public Transportation Trust Fund (PTTF)</u> the authorization provides funding for the transfer from Lottery Fund to Public Transportation Trust Fund per Act 44 of 2007.
- <u>Capital Facilities Fund</u> dollars from this fund are utilized to meet financial costs of capital projects authorized by capital budget acts. Fund revenues are derived from the sale of general obligation debt, authorized within the Capital Facilities Debt Enabling Act (Act 67 of 2004), and interest earnings.

MASS TRANSIT GRANTS										
(\$ arr	our	nts in thousa	inds	:)						
Fund		Actual	tual Actual			Enacted		ss Actual		
PUBLIC TRANSPORTATION TRUST FUND (PTTF)		2019/20		2020/21		2021/22		\$ Chng	% Chng	
Mass Transit Operating (EA)	\$	854,093	\$	854,093	\$	884,093	\$	30,000	3.5%	
Asset Improvement (EA)	\$	505,000	\$	880,000	\$	375,000	\$	(505,000)	-57.4%	
Capital Improvement (EA)	\$	38,132	\$	67,465	\$	25,000	\$	(42,465)	-62.9%	
Programs of Statewide Significance (EA)	\$	110,000	\$	210,000	\$	120,000	\$	(90,000)	-42.9%	
Transit Administration and Oversight (EA)	\$	4,488	\$	4,488	\$	4,488	\$	-	0.0%	
PTTF Subtotal	\$1	,511,713	\$2	2,016,046	\$1	1,408,581	\$	(607,465)	-30.1%	
PUBLIC TRANSPORTATION ASSISTANCE FUND (PTAF)		2019/20		2020/21		2021/22		\$ Chng	% Chng	
Mass Transit (EA)	\$	250,808	\$	241,741	\$	259,569	\$	17,828	7.4%	
Transfer to Public Transportation Trust Fund (EA)	\$	-	\$	-	\$	24,631	\$	24,631		
PTAF Subtotal	\$	250,808	\$	241,741	\$	284,200	\$	42,459	17.6%	
MULTIMODAL TRANSPORTATION FUND	2019/20		2020/21			2021/22		\$ Chng	% Chng	
Passenger Rail Grants	\$	8,621	\$	8,621	\$	8,959	\$	338	3.9%	
Multimodal Transit Subtotal	\$	8,621	\$	8,621	\$	8,959	\$	338	3.9%	
LOTTERY FUND		2019/20		2020/21		2021/22		\$ Chng	% Chng	
Older Pennsylvanians Shared Rides (EA)	\$	75,000	\$	75,000	\$	75,000	\$	-	0.0%	
Transfer to Public Transportation Trust Fund (EA)	\$	95,907	\$	95,907	\$	95,907	\$	-	0.0%	
Lottery Fund Subtotal	\$	170,907	\$	170,907	\$	170,907	\$	-	0.0%	
CAPITAL FACILITIES FUND	\$	102,336	\$	135,000	\$	135,000	\$	-	0.0%	
MASS TRANSIT GRANTS TOTAL	\$2	2,044,385	\$2	2,572,315	\$2	2,007,647	\$	(564,668)	-22.0%	

A majority of funding related to Public Transportation program comes from two sources (listed below). A quick overview of the revenue sources for each fund is displayed on the next page.

- Public Transportation Trust Fund (PTTF)
- Public Transportation Assistance Fund (PTAF)



Public Transportation Trust Fund (PTTF) Revenue Sou	irces
Туре	Amt
Sales & Use Tax (SUT)	4.4 percent
Sales & Use Tax (SUT) on motor vehicles, trailers, and semi-trailers (starting in 2022/23)	\$450 m
Pennsylvania Turnpike Commission (PTC) Pmt (through 2021/22)	\$420 m
Lottery Fund Transfer	\$95.9 m
Public Transportation Assistance Fund (PTAF) Transfer	\$22 m
Motor Vehicle Fees (77% to PTTF / 22% to Multimodal FD)	Varies
Certificate of Inspection - Title 75 §1958	
Identification Card - Title 75 §1951(c)	
Certificate of Title - Title 75 §1952	
Security Interest - Title 75 §1953	
Information Concerning Drivers & Vehicles - Title 75 §1955	
Certified Copies of Records - Title 75 §1956	
Vehicle Code Fines (Title 75)	Varies
Interest (BA 18 - Revenue & BA 73 - Tresury)	Varies

Public Transportation Assistance Fund (PTAF) Revenue Sources							
Туре	Amt						
Sales & Use Tax (SUT)	0.947 percent						
Tire Fee, Rental Fee and Lease Tax	Varies						
Interest (BA 73 - Tresury)	Varies						

Remaining programs receive the majority of funding through the Multimodal Transportation Fund and a small portion receive funding via the Motor License Fund.

Rail Freight

Few of us are aware of the fact that the Commonwealth <u>leads the nation</u> in terms of the number of operating railroads (*65*) and is near the top in terms of total track milage (> *5,600 miles*). A full display of the vast network, managed by PennDOT, is available by viewing Pennsylvania's railroad <u>map</u>. Grant funding is available through the Rail Freight authorization. As we look at current funding level, it's worth noting that the program has additional unmet annual needs, totaling *\$10 million*, as mentioned in TROC's report.

<u>Rail Freight Grants</u> - the executive authorization provides support for rail grants, that improves the
mobility and the quality of life for urban and rural Pennsylvanians and enhances economic activity
throughout the Commonwealth as required by Act 89 of 2013. Funding is provided through Multimodal
Transportation Fund.

RAIL FREIGHT PROGRAM FUNDING											
SOURCE & APPROPRIATION/AUTHORIZATION Actual Actual Enacted Enacted less Actual								ss Actual			
STATE DOLLARS	20:	19/20	2	020/21	20	021/22	\$	Chng	% Chng		
MULTIMODAL TRANSPORTATION FUND	MULTIMODAL TRANSPORTATION FUND (\$ amounts in thousands)										
Rail Freight Grants	\$	10,775	\$	10,775	\$	11,197	\$	422	3.9%		
CAPITAL FACILITIES FUND	\$	30,000	\$	30,000	\$	30,000	\$	-	0.0%		
STATE TOTAL	\$	40,775	\$	40,775	\$	41,197	\$	422	1.0%		



Aviation

Pennsylvania <u>ranks</u> 16th in the nation as it relates to public aviation facilities, heliports, and seaplane bases. With its 124 airports, the aviation industry is home to more than 300,000 jobs. Furthermore, the commonwealth aids 228 private-use airports and 280 private-use helipads. Our program review also must include needs that are currently unmet. As highlighted by Transportation Revenue Option Commission, the aviation program has additional annual needs, which amount to **\$10 million**. Line-items utilized by the program for funding purposes include:

- <u>Airport Development</u> aids airports throughout the state with grants of money to assist in the maintenance and improvement of Pennsylvania's airport facilities. The statutory authority for this appropriation is Act 120 of 1970, which established the Department of Transportation and Act 164 of 1984.
- <u>Real Estate Tax Rebate</u> provides aid to airports throughout the state with grants of money to assist in
 the maintenance and improvement of Pennsylvania's airport facilities. The statutory authority for this
 appropriation is Act 120 of 1970, which established the Department of Transportation and Act 164 of
 1984.
- <u>Aviation Operations</u> maintains and operates the Bureau of Aviation. The statutory authority for this appropriation is Act 120 of 1970 and Act 164 of 1984.
- <u>Aviation Grants</u> provide support for aviation grants which improves the mobility and the quality of life
 for urban and rural Pennsylvanians and enhances economic activity throughout the Commonwealth as
 required by Act 89 of 2013. Funding is provided by the Multimodal Transportation Fund.

AVIATION PROGRAM FUNDING														
SOURCE & APPROPRI	ATION/AUTHORIZATION	Actual	Actual	Enacted	Enacted less	Actual								
STATE DOLLARS		2019/20	2020/21	2021/22	\$ Chng	% Chng								
MOTOR LICENCE FUND	MOTOR LICENCE FUND				(\$ amounts in thousands)									
	Airport Development	\$6,500	\$6,500	\$6,000	\$(500)	-7.7%								
	Real Estate Tax Rebate	\$250	\$250	\$250	\$-	0.0%								
	Aviation Operations	\$6,228	\$3,813	\$5,530	\$1,717	45.0%								
MULTIMODAL TRANSPORTATION	ON FUND	(\$	amounts in t	housands)										
	Aviation Grants	\$6,466	\$6,466	\$6,720	\$254	3.9%								
CAPITAL FACILITIES FUND		\$10,000	\$10,000	\$10,000	\$-	0.0%								
	STATE SUBTOTAL	\$29,444	\$27,029	\$28,500	\$1,471	5.4%								
FEDERAL DOLLARS			(\$ amounts i	n thousands	5)									
NON-STIMULUS FUNDS		2019/20	2020/21	2021/22	\$ Chng	% Chng								
	Aviation Planning	\$275	\$772	\$411	\$(361)	-47%								
	Airport Development	\$40,000	\$40,000	\$40,000	\$-	0%								
COVID STIMULUS FUNDS														
	COVID - Airport Development	\$-	\$65,621	\$-	\$(65,621)	-100%								
	COVID - Airport Operations	\$-	\$2,000	\$-	\$(2,000)	-100%								
	FEDERAL SUBTOTAL	\$40,275	\$108,393	\$40,411	\$(67,982)	-62.7%								
	STATE SUBTOTAL	\$29,444	\$27,029	\$28,500	\$1,471	5.4%								
	FY TOTAL	\$69,719	\$135,422	\$68,911	\$(66,511)	-49.1%								



Other Multimodal Grants

- <u>Transfer to Commonwealth Financing Authority</u> any funds not allocated to the Multimodal Transportation Fund for PennDOT shall be transferred to the Commonwealth Financing Authority to fund eligible programs to support public transportation, intercity bus, intercity rail, aviation, rail, ports and bicycle and pedestrian facilities options that improves the mobility and the quality of life for urban and rural Pennsylvanians and enhances economic activity throughout the commonwealth as required by Act 89 of 2013 §2104(4).
- <u>Statewide Program Grants</u> provides statewide programs grants to support public transportation, intercity bus, intercity rail. aviation, rail, ports and bicycle and pedestrian facilities options that improves the mobility and the quality of life for urban and rural Pennsylvanians and enhances economic activity throughout the commonwealth as required by Act 89 of 2013.
- <u>Ports and Waterways Grants</u> PennDOT's <u>ports program</u> was organized to oversee and administer the issuance of state funding to PhilaPort, Port of Pittsburgh, and Port of Erie. Funding supports ports and waterways options for grants that improves the mobility and the quality of life for urban and rural Pennsylvanians and enhances economic activity throughout the Commonwealth as required by Act 89 of 2013. The Transportation Revenue Options Commission's final report identified an additional annual need of **\$10 million** related to those grants.
- <u>Multimodal Administration and Oversight</u> funds support aviation, rail freight, passenger rail, ports and
 waterways options, and bicycle and pedestrian grants that improves the mobility and quality of life for
 urban Pennsylvanians and enhances economic activity throughout the commonwealth as required by
 Act 89 of 2013.
- <u>Bicycle and Pedestrian Facilities Grants</u> to provide support for <u>bicycle</u> and <u>pedestrian</u> facilities grants
 that improves the mobility and the quality of life for urban and rural Pennsylvanians and enhances
 economic activity throughout the commonwealth as required by Act 89 of 2013. The Transportation
 Revenue Options Commission identified an unmet annual need of **\$18 million**, related to those grants.
- <u>PennPorts PRPA Debt Service</u> the commonwealth's obligation to make payment on Philadelphia Regional Port Authority debt service as authorized in the General Appropriation Act of 2019 (Act 1-A).

OTHER MULTIMODAL GRANT FUNDING										
(\$ amounts in thousands)										
SOURCE & APPROPRIATION/AUTHORIZATION		Actual Act		Actual		Enacted		Enacted less Actual		
MULTIMODAL TRANSPORTATION FUND	2019/20		2020/21		2021/22		\$ Chng		% Chng	
Transfer to CFA	\$	59,123	\$	64,164	\$	61,971	\$	(2,193)	-3.4%	
Statewide Program Grants	\$	40,000	\$	40,000	\$	40,000	\$	-	0.0%	
Ports & Waterways	\$	10,775	\$	10,775	\$	11,197	\$	422	3.9%	
Multimodal Administration and Oversight	\$	4,317	\$	4,317	\$	4,317	\$	-	0.0%	
Bicycle & Pedestrian Facilities Grants	\$	2,155	\$	2,155	\$	2,239	\$	84	3.9%	
PennPORTS Debt Service	\$	4,607	\$	4,608	\$	-	\$	(4,608)	-100.0%	
OTHER MULTIMODAL TOTAL	\$	120,977	\$	126,019	\$	119,724	\$	(6,295)	-5.0%	



Multimodal Transportation: Primer November 17, 2021 - Page 7

As we conclude our discussion of Multimodal Transportation programs, the multitude of programs along with the benefits associated with those programs, should serve as a reminder to the General Assembly of the enormous social and economic ramifications of not adequately funding those programs.

MULTIMODAL TRANSPORTATION SUMMARY										
(\$ amounts in thousands)										
ADEA & FUNDING TYPE	Actual		Actual 2020/21			Enacted	Enacted less Actual			
AREA & FUNDING TYPE		2019/20			2021/22		\$ Chng		% Chng	
PUBLIC TRANSPORTATION	\$	2,044,385	\$	2,572,315	\$2	2,007,647	\$	(564,668)	-22.0%	
AVIATION								•		
STATE FUNDING	\$	29,444	\$	27,029	\$	28,500	\$	1,471	5.4%	
FEDERAL FUNDING	\$	40,275	\$	108,393	\$	40,411	\$	(67,982)	-62.7%	
RAIL FREIGHT	\$	40,775	\$	40,775	\$	41,197	\$	422	1.0%	
OTHER MULTIMODAL GRANT	\$	120,977	\$	126,019	\$	119,724	\$	(6,295)	-5.0%	
MULTIMODAL TRANSPORTATION TOTAL	\$	2,275,856	\$:	2,874,531	\$2	2,237,479	\$	(637,052)	-22.2%	

