

PennDOT House Appropriations Statement



Chairs Harris and Grove, and members of the Appropriations Committee, thank you for the opportunity to review the Pennsylvania Department of Transportation's (PennDOT) efforts to maintain and improve our state's transportation system.

Transportation is the backbone of our economy and central to our quality of life. Pennsylvania's transportation system – as well as PennDOT's responsibility – is vast. Pennsylvania has the fifth-largest state-maintained road system and the third-largest state-maintained bridge system in the nation. Public transportation exists in some form in all 67 of Pennsylvania's counties, and more railroads operate in Pennsylvania than in any other state in the country.

As demonstrated by our swift, collaborative response to reopen I-95 in only 12 days after a tanker fire caused the collapse of a section of the highway in Philadelphia last year, or our efforts to quickly reopen roadways after catastrophic flooding in Bucks, Northampton and Lackawanna counties, we are committed to keeping people and goods moving safely and reliably through Pennsylvania.

INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

The 2021 passage of the Infrastructure Investment and Jobs Act (IIJA) – or Bipartisan Infrastructure Law (BIL) – is the largest federal infrastructure investment in decades, and PennDOT is grateful for this meaningful, historic action. The BIL has elevated the conversation around infrastructure investment and has provided Pennsylvania with the opportunity to invest billions of dollars to modernize our roads, bridges, ports, and rail, while creating sustainable, good-paying jobs that will transform our transportation system and our local economy.

Over five years, the IIA will bring \$4 billion in new federal highway and bridge funds to Pennsylvania. This includes \$1.77 billion in a new funding stream specifically for bridges. These funds have already made a significant impact in critical projects all over Pennsylvania.

Federal funding is reimbursed, so we must first spend state dollars to get the federal ones, and federally funded projects usually require a 20-percent state match. With current revenue projections, we expect we will need approximately \$442 million in additional state funds over five years to match this funding. Thanks to action as part of last year's budget that established an accelerated reduction of Motor License Funds to the Pennsylvania State Police – which is proposed at \$250 million for fiscal year 24-25 – from \$375 million in FY 23-24, followed by reductions of \$125 million each fiscal year until it reaches \$0 in FY 26-27. This would total an additional \$1.75 billion for transportation over five years. If the legislature continues to approve the accelerated reduction, Pennsylvania will have no issue meeting the match requirements of the new IIA funds and it will allow us to take full advantage of this critical federal investment without taking funds from projects currently planned.

National Electric Vehicle Infrastructure (NEVI) Program

The BIL also includes funds to help states accommodate the increased adoption of electric vehicles (EVs). Pennsylvania will receive \$171.5 million in formula funding over five years to build Alternative Fuel Corridors (AFCs) throughout the state and to help support EV charging infrastructure.

In August 2023, PennDOT announced the first round of conditional awards for NEVI funding. Fifty-five projects in 36 counties were selected to expand access to and reliability of electric vehicle charging in Pennsylvania. The 55 projects conditionally awarded amount to a total federal investment of \$34.1 million for Round 1. In December 2023, PennDOT became one of the first states to open a NEVI-funded charging station, installed at the Pilot travel center at 417 Route 315 in Pittston, as part of Pilot Travel Center LLC's collaboration with General Motors.

PennDOT recently closed the NEVI Round 1A funding opportunity, which seeks to fill in the remaining AFC gaps. We anticipate between 25 and 35 awards from this funding round, which will be announced in April.

Once a state's AFC network is "fully built out" according to Federal Highway Administration (FHWA) criteria — NEVI-compliant DC Fast-Charging (DCFC) stations that are both: a) no more than 50 miles apart along each AFC; and b) no more than 1 mile from the nearest AFC interchange — then that state may use NEVI Formula Program funds for EV charging infrastructure on any public road or other publicly accessible location.

IIA Discretionary Grant Opportunities

The IIA also includes many discretionary grant opportunities. Pennsylvania can compete for billions of dollars in funding across a wide range of grant programs, including bridge infrastructure, safety programs for all modes of transportation, funds to support reconnecting communities as well as new and emerging technologies. PennDOT has created comprehensive resources on our website at www.penndot.pa.gov/IIA, including a guide for developing grant proposals as well as Grant Alerts, which provide basic background information about grant

opportunities including eligibility and application due dates, project timeframes and PennDOT's areas of emphasis and support. PennDOT seeks to lead, partner, and provide support to projects that make the Commonwealth's transportation network safer and more efficient.

I was proud to join United States Transportation Secretary Buttigieg at an event in Pittsburgh in January to celebrate a \$142 million grant to support massive improvements on the Parkway East and the Martin Luther King Jr. Busway.

These critical federal investments will help us prepare for the future, connect Pennsylvanians to opportunity and each other, and move us forward.

OVERALL SYSTEM STATUS, NEEDS

In 2023, 612 construction contracts for highway, bridge, and other improvement projects were completed statewide through PennDOT's private-sector partners, for a total of \$2.93 billion. Additionally, 684 bridges were let to be repaired, replaced, or preserved by PennDOT or industry forces through December 2023. And 7,011 miles of roadway were improved by Department or partner crews through December 2023. This includes 2,522 miles of paving. You can track this progress at www.penndot.pa.gov/results.

These increased investments were largely made possible by new federal funds through the BIL and additional state Motor License Funds thanks to the reduced PSP allocation. These funds have helped us make real progress in improving Pennsylvania's transportation network under some challenging circumstances.

However, increased inflation, which has affected every corner of our economy, has not spared PennDOT, and we've seen bids come in over 20% higher than anticipated in some cases. Reduced gas tax revenues have only highlighted how dependent we are on this revenue source – to a much higher degree than other states. For example, our neighbor to the north, New York, only relies on gas tax for 18% of its transportation funding, while gas tax revenues fund 75% of PennDOT's roadway and bridge budget. As an additional note, the locally owned roadway and bridge network is also reliant on gas tax revenues and is impacted by these shortfalls, as PennDOT's annual liquid fuels distribution (over \$467 million this year, down from \$470 million last year) helps local governments pay for important day-to-day expenses, like snow removal and road repaving.

Gas tax revenues will continue to decrease as more people choose to drive electric vehicles. Because of our outsized reliance on gas tax to fund our roads and bridges, it has become increasingly clear that we need to look at other options to reliably fund transportation. We are pleased that conversations around a potential electric vehicle fee are happening in earnest among the General Assembly. We know that an EV fee alone will not solve our funding challenges, but it's an important starting point. PennDOT believes that any potential EV fee should be fair, easily understood, and easily implemented, and we're committed to active collaboration with the General Assembly in service of a sustainably funded transportation system.

Bridges

Pennsylvania is home to a large network of state and locally- maintained bridges. The average age of the 25,400 bridges in PennDOT’s purview, for example, is 55 years—in many cases, nearing or exceeding their 60-year design life span. Around 250 of the state-maintained bridges move into the “poor-condition” category each year due to their age and deterioration. With a system of aging bridges, we expect this to increase. We must maintain and improve more than that number each year because if bridges must be weight restricted or closed, it severely impacts commerce, emergency services, and quality of life.

We have made considerable progress, as the number of state-owned bridges in poor condition has decreased from a high of 6,034 in 2008 to less than 2,300 today.

Because we have a large aging bridge population, we cannot rest on this progress. In fact, we anticipate this number rising as bridges we have maintained and preserved cycle back to needing full replacements or more extensive repairs. In the local system, we have 1,598 bridges that are in poor condition, so the needs extend beyond the state system.

The needs of Pennsylvania’s bridge network have been thrown into sharp focus since the collapse of the Fern Hollow Bridge, owned by the City of Pittsburgh, in January 2022. Thanks to collaboration with the City of Pittsburgh and PennDOT's innovative approach to the standard design process, multiple design phases occurred simultaneously, which allowed project delivery to be expedited by multiple years. The bridge opened to traffic on December 22, 2022, less than a year after the collapse, and costs were covered by federal funds made available through the BIL and did not impact any regionally funded projects.

The BIL did include a new funding stream specifically for bridges, which will bring \$1.77 billion to Pennsylvania. This breaks down to \$353 million annually, \$53 million of which will go to off-system bridges and \$300 million will be available for the replacement, rehabilitation, preservation, protection, resurfacing and construction of new highway bridges that are listed in the National Bridge Inventory (i.e. greater than 20 feet in length/span length). Consistent with our planning process, these funds flow through the 23 Metropolitan and Rural Planning organizations (MPOs/RPOs) as all available federal highway and bridge funds have in the past.

Roadways

With PennDOT directly responsible for approximately 40,000 roadway miles and 25,400 bridges in Pennsylvania, maintaining our transportation network takes strong partnership among the Department, federal and local governments, planning partners, the construction industry and our communities.

These new programs, federal requirements, and our subsequent funding-distribution changes have brought much attention to our interstate system. Many of the interstates in Pennsylvania were designed in the 1950s and constructed in the 1960s, and many major bridges on the interstate network are nearing the end of their useful life. These bridge assets on the interstate system serve as the economic backbone to communities, local businesses, and interstate commerce. Though rehabilitation or replacement is costly, bridge maintenance and preservation

costs only increase over time. Since this network carries 26 percent of the total vehicle miles traveled in the state, it is imperative to keep these assets in a state of good repair.

Beginning in 2021, PennDOT adjusted its funding formulas to provide increased investment in Pennsylvania's interstate network. But increasing focus on the 1,300-mile interstate network has impacted available resources for non-interstate roadways. Twenty-six percent of the PennDOT-maintained roads that are not on the interstates or the rest of the National Highway System (NHS) are rated as "Poor" on the International Roughness Index (IRI). On non-NHS roadways with an average daily traffic volume of fewer than 2,000 vehicles, 33 percent of the miles are in "Poor" condition on the same scale. These lower-traffic roadways make up a large part of our system. In addition to a rougher ride, poor IRI may indicate insufficient pavement structure and the need to repair the pavement base.

While we certainly have significant needs across our roadway network, we are proud of the many improvements that we've completed or are currently underway, like Route 15 resurfacing and safety project in Adams and York counties, which includes many intersection and safety improvements along this important corridor, or the I-90 reconstruction project in Erie County, which, when complete, will reconstruct or restore 28 miles of Interstate 90. We understand that every road project, big or small, can improve the lives of the surrounding community.

Multimodal

Public Transit

Public transportation is available in some form in every county in Pennsylvania and these services are critical in communities across the state. On average, 64 percent of the people who use these services say that they have no alternate means of transportation (based on responses in past transit-agency performance surveys). In fiscal year 2022-2023, there were 232 million fixed-route bus trips, including 23.8 million trips for seniors. There were 4.5 million shared ride trips in 2022-23, most of which were for senior citizens and people with disabilities.

Transit connects people to their jobs, their medical appointments, and their communities while reducing congestion and air pollution and we must ensure that they are funded adequately. The Governor's Budget proposes an additional \$282.8 million in operational funding for these critical services, split between Mass Transit Operating and Programs of Statewide Significance. This is due to an additional 1.75% of the Pennsylvania Sales Tax being deposited into the Public Transportation Trust Fund.

Transit agencies must deal with inflation and increasing costs in order to continue providing their essential services. Some agencies, like CAMTRAN in Cambria County and CATA in Centre County, have had to seek out additional state funds to stabilize their shared ride services. Ridership has been significantly reduced across transit agencies since the pandemic, and increased operational support can lead to increased services, which will help drive ridership back up. The increase in operational funding for transit proposed by Governor Shapiro – the first of its kind in over a decade – would connect people to opportunity. It will stabilize critical services while giving providers options to improve transit and quality of life in the communities they serve.

Aviation

There has been a significant reduction in aviation fuel revenue due to the impacts of the pandemic. As a result, there is less funding available for the Aviation Development Program (ADP), a state grant program that is funded through the collection of state taxes on jet fuel and funds airport facility projects. We are grateful that the Governor's proposed budget includes an additional \$1.6 million annually. This will help PennDOT match the new federal BIL funds, which will require an additional \$1.5 million to \$2 million annually in match funding.

The Department administers more than \$2.2 million in total federal funding for the state's 40 general aviation airports that are eligible to receive federal funding and are part of the State Block Grant Program.

Additionally, in December 2022 the Transportation Advisory Committee (TAC) published its [Pennsylvania Aviation Needs Assessment and Strategic Action Plan](#). It was the first-ever comprehensive needs assessment with a strategic action plan focused on the improvement of Pennsylvania's aviation system. It took a holistic look at aviation needs in terms of infrastructure capital investment needs, financing, technological advancements, and legislative reforms necessary to advance Pennsylvania aviation as a major mode of transportation, supporting the overall mobility and economic demands of the state.

Amtrak

Our federally mandated support of Amtrak service continues, and we are doing all we can to advance station projects. Construction of the new Middletown station was completed in January 2022, and the station is now open to the public. Parking improvements in Lancaster are almost finalized, and the Coatesville Train Station is under construction. Additional capital improvements in Lancaster, Downingtown, and Parkesburg continue to develop. During fiscal year 2022-2023, there were nearly 1.2 million trips on the Keystone and Pennsylvanian lines.

We are also grateful for new federal investments that will allow for the expansion of passenger rail in Pennsylvania. In December, the Federal Railroad Administration (FRA) announced that Pennsylvania will receive \$143 million through the Federal-State Partnership for Intercity Passenger Rail (FSP-National) program to support the expansion of passenger rail along the Keystone West corridor between Harrisburg and Pittsburgh. Currently, the Pennsylvanian Amtrak service travels roundtrip between New York City and Pittsburgh via Harrisburg once daily. This additional funding supports increasing the Pennsylvanian passenger services to two roundtrips a day. To support these expanded passenger operations, the Commonwealth will invest more than \$200 million in infrastructure and safety improvements, which will now be partially offset by this federal investment.

Additionally, FRA has identified three passenger rail corridors in Pennsylvania for study and development through the Corridor Identification and Development (Corridor ID) program, a comprehensive intercity passenger rail planning and development program that will help guide intercity passenger rail development throughout the country and create a pipeline of intercity passenger rail projects ready for implementation. The Corridor ID grant funds will support the Scranton to New York Penn Station (NYP) Passenger Rail Corridor project, the Keystone

Corridor: Pittsburgh to Philadelphia project, and the Reading-Philadelphia-New York Corridor. Each corridor will receive up to \$500,000.

Enhancing passenger rail and restoring these connections will deliver new mobility options for Pennsylvanians, connecting hundreds of thousands of residents and boosting local economies.

PennDOT Efficiencies and Innovation

We understand that the people of Pennsylvania trust state agencies to be good stewards of taxpayer dollars, and we take our responsibility very seriously. PennDOT continuously evaluates its operations to find opportunities to enhance efficiency and save money.

PennDOT continues to collaborate with our industry and federal partners, as well as other state agencies and the PA Turnpike Commission on Transportation Quality Initiatives, or TQI. TQI process teams review new products, innovation and policy changes that emphasize sustainability, cost effectiveness and efficiencies for design, construction, and maintenance.

In addition to working to implement innovative practices into our own operations, PennDOT is fully engaged in preparing for transportation's future. When it comes to vehicle automation, for example, PennDOT has an active seat at the table, and has been nationally recognized for our leadership as a DOT in this space. This technology will continue to grow, and we are committed to the industry's safe, efficient development which will continue benefiting our communities while the technology is developed in our backyard.

In 2022, 1,179 lives were lost on Pennsylvania roadways. While this is a lower number than in 2021, even one life lost is too many, and we're dedicated to bringing that number to zero. PennDOT's commitment to reducing traffic crashes and fatalities builds on Governor Shapiro's promise to ensure every Pennsylvanian feels safe in their community, including on the roadways.

DRIVER AND VEHICLE SERVICES

PennDOT Driver and Vehicle Services (DVS) is focused on improving the customer experience. On January 1, 2020, the Enhancing the Customer Experience initiative began and will continue over 10 years. This initiative is a holistic approach to enhancing every customer's experience at each touch point. Some of the improvements will be customer facing – such as new or enhanced facilities – while others will be made in systems and processes to create a more efficient environment to serve customers quickly and accurately. Enhancing the Customer Experience will focus on exceeding customer expectations through the innovative use of technology, updated facilities, hiring and training of dynamic staff and through improved interaction with the individual customer.

A positive customer experience is critical to DVS and ensures a lasting impression of government that works. With the evolution of the private-sector business model, customers now compare us to cutting-edge businesses. The customers' experience will be integrated into all processes within DVS.

DVS has added staff to the busier driver license centers to provide an initial point of contact, upon entrance, to assist customers with their visit to the driver license center. This “triage” staff offers customers a review of documents, assistance with choosing the correct service queue, and answers to any questions that might arise about required forms, wait times, etc. In addition, DVS has launched a new operating unit focused on real-time analysis of driver license and photo centers queuing systems to ensure an effective and efficient visit for customers. The staff from this unit will be working together, with the Bureau of Driver Licensing and Bureau of Motor Vehicle staff and management, to analyze wait times, identify trends, provide suggested solutions to customer flow issues for both long-term and near-term impacts to improve the overall customer experience.

Eliminating the License Plate Sticker

In December 2016, as provided for in Act 89 of 2013, PennDOT stopped issuing license plate stickers. This customer service enhancement made it possible for customers to print their permanent registration card online and eliminated the need to mail the registration card as well as the sticker.

Customers have expressed that they appreciate being able to print their registration card right away without having to wait for it to arrive in the mail. Our fleet customers appreciate the efficiency of emailing new registration cards to drivers on the road versus the hassle of getting registration cards and stickers to them.

In addition to sticker savings, there are savings in paper, envelopes, postage, and pre-sort mailing costs. Since the customer can print their permanent registration online, we also have seen savings from vehicle address changes processed online, since we no longer have to mail an updated registration card and the vehicle owner is able to print an updated card immediately upon completion of the change. Savings associated with the elimination of the license plate sticker total approximately \$22,558,000 through December 2023.

REAL ID

PennDOT began issuing REAL ID products on March 1, 2019, and on May 17, 2019, the Department of Homeland Security (DHS) issued a Final Determination of Compliance to Pennsylvania, which means federal agencies can accept REAL ID driver’s licenses and identification cards from Pennsylvania for boarding domestic commercial flights, entering federal facilities, and entering nuclear power plants.

Approximately 2.2 million customers have chosen a REAL ID and 20.8% of all Pennsylvania DL/ID holders possess a REAL ID product. In addition, over 8.1 million customers have chosen to receive a standard issued driver’s license or identification card marked “NOT FOR REAL ID PURPOSES” indicating the vast majority of Pennsylvania driver license and identification card holders have made their initial decision on the product they want to carry. The Department of Homeland Security has postponed the federal enforcement date for REAL ID to May 7, 2025. PennDOT anticipates that as the deadline nears, there will be an increase in issuance rates/demand and is fully prepared to meet the current estimate of 2.7 million REAL IDs by the DHS implementation deadline.

PennDOT has established 13 locations that meet federal standards for the over-the-counter issuance of REAL ID products. The option to request REAL ID pre-verification still exists as well. If a customer received their first Pennsylvania driver's license, learner's permit, or photo ID card AFTER September 1, 2003, PennDOT may already have their REAL ID documentation on file. To find out if the required REAL ID documents are on file with PennDOT, customers can apply for REAL ID pre-verification online. If PennDOT confirms that their documents are on file, they can order their REAL ID online.

Transportation Equity

At PennDOT, we are focused on exploring solutions that will reduce inequities in our system, build resilience against future disruptions, improve safety, and support environmental and financial sustainability.

In support of this, PennDOT has established the Council on Inclusive Excellence, which consists of staff from across the Department, and works to integrate best practices for diversity, equity, and inclusion into agency policies and programs. We are also looking at innovative ways to grow a diverse workforce and cultivate a culture at PennDOT where all employees feel safe, respected and educated to perform their current work assignments and have opportunities for advancement.

We also recognize that small and diverse businesses have an incredible impact on the communities where we all live and work. We want the new ideas, expertise, and perspectives that small and diverse businesses provide. To that end, PennDOT is also placing a strong emphasis on improving diversity in our contracting. We conduct workshops in each of the 11 districts to help small, diverse and disadvantaged businesses pursue contracting opportunities with the Department. We've also rolled out a Mentor-Protégé program, developed collaboratively with industry and our federal partners, that provides an avenue to connect experienced PennDOT vendors with new and growing Disadvantaged Business Enterprise teaming partners to assist with building or expanding their experience in the industry, including assisting them to move into non-traditional areas of work.

But we know that truly cultivating transportation equity isn't about compiling a report or checking a box. These principles must be engrained into our work. Creating and supporting a quality transportation system that works for everyone is at the center of the Department's mission, and PennDOT is committed to the ongoing work that this requires.

Moving Forward

The PennDOT team is making improvements, enhancing equity in our organization and in transportation systems for all people, and – as always – aiming at a safer, more connected Pennsylvania. We appreciate your partnership as we continue in this mission.