



House Republican Raid 2017 *Transportation*

Updated 9/12/2017 11:11 AM

(Note: This document will be updated as more information becomes available)

The House Republican budget proposal includes significant cuts to public transportation through the transfer of \$507.5 million, or 40 percent, of recommended one-time transfers, out of funds which primarily provide state support for operating and capital improvements to the General Fund.

Businesses, local communities and commuters should worry.

The following analysis reflects the House Republican proposal released Sept. 5. Since then, House Republicans have introduced amendments. A fiscal analysis of the amendments will be provided later.

Public Transportation Trust

- Amount identified: \$357 million.
- Recurring
- Description: Provides dedicated funding for public transportation
- **The proposed cuts to state grants for operating costs would significantly cut rail and transit service by upwards of 30 to 40 percent and increase fares by upwards of 20 to 30 percent within three months.**
- Five agencies are at risk of losing the local funding requirement, totaling \$47 million.
- Amtrak Pennsylvanian service between Pittsburgh and Harrisburg would be eliminated.
- Cuts by transit agency may be found at the end of this document.

Impact on the People

- Mass transit is largely concentrated in urban areas, with ridership in rural areas comprising only 1 percent of all passenger trips.
- PennDOT anticipates these cuts would drive seniors, persons with disabilities, and Medical Assistance recipients who do not have transportation available to them to use shared ride services and would expect to see fares increase.
- \$229 million less for SEPTA, the commonwealth's largest transit agency. The more than quarter-billion-dollar cut would result in:
 - 40 percent service reductions in three months – including cuts to transit and regional rail in all five counties
 - 20 percent fare increases within three months
 - Loss of 500 jobs immediately with more cuts to follow (which belies the Republican promise of “not one job” loss)

- 32 percent of state population on 5 percent of land generating 40 percent of state economic activity – impact to system will increase congestion and risk reversals job gains and economic productivity.
- Creation of a structural budget deficit in subsequent years.
- \$80 million less for the Port Authority of Allegheny County, the second largest transit agency, has indicated the cut would mean:
 - The elimination of 102 bus and light-rail routes;
 - The reduction of 20 percent of weekday service hours impacting or eliminating 40-50 of the remaining 98 routes including high-impact routes
 - Service eliminations impacting 30,000 daily riders. All riders could experience some reduction in service.
 - 4,100 public school students affected who rely on public transit;
 - Elimination of all weekend and evening service on all routes;
 - The closure of 2 of 5 operating divisions;
 - Decreased paratransit support serving people with disabilities and elderly throughout the county; and
 - Substantial fare increases.
- \$580,000 less for the Indiana County Transit Authority;
- \$1.7 million less for the Area Transportation Authority in the north central region;
- \$2.4 million less for the Central Pennsylvania Transportation Authority (rabbittransit);
- \$2.4 million less for the Red Rose Transit Authority;
- \$3.2 million less for the Berks Area Regional Transportation Authority;
- \$3.4 million less for the Erie Metropolitan Transit Authority; and
- \$6 million less for the Lehigh and Northampton Transportation Authority.

Cost Shifts to Communities

- Fare increases
- Job losses
- Congestion
- Lost economic productivity

Balances

The balance is \$573 million, as of Sept. 1. Most of these funds are not available, as they are contractually obligated for current and pending projects. Balances do not reflect funds encumbered by multi-year projects that are paid as project components are completed.

Legal Consequences

- PennDOT says it has some concerns about the legal and/or constitutional implications of taking PTF funds for other purposes.

Other

Taxpayers' Budget -- Reductions to Transit Agency Operating Grants

Transit Agency	Geography	Reduction
SEPTA - Philadelphia	Urban	\$229,026,081
PAAC - Pittsburgh	Urban	\$80,683,899
LANTA - Allentown, Bethlehem, Easton	Urban	\$6,004,591
EMTA - Erie	Urban	\$3,413,748
BARTA - Reading	Urban	\$3,191,158
CAT - Harrisburg	Urban	\$2,985,446
CCTA - Johnstown	Urban	\$2,452,991
COLTS - Scranton	Urban	\$2,448,202

Taxpayers' Budget -- Reductions to Transit Agency Operating Grants

Transit Agency	Geography	Reduction
YCTA - York & Gettysburg	Urban	\$2,387,623
RRTA - Lancaster	Urban	\$2,383,999
CATA - State College	Urban	\$2,257,662
LCTA - Wilkes Barre	Urban	\$2,038,630
ATA - North Central PA	Rural	\$1,672,928
NCATA - New Castle	Rural	\$1,536,220
WBT - Williamsport	Urban	\$1,471,931
BCTA - Beaver Co.	Urban	\$1,337,792
WCTA - Greensburg & Westmoreland Co.	Urban	\$1,214,987
AMTRAN - Altoona	Urban	\$1,067,700
MMVTA - Charleroi	Urban	\$1,013,316
MCTA - Monroe Co.	Rural	\$705,923
HPT - Hazleton	Rural	\$696,783
COLT - Lebanon	Urban	\$680,955
ICTA - Indiana Co.	Rural	\$580,063
STS - Schuylkill Co.	Rural	\$562,400
Washington County	Urban	\$519,317
POTTSTOWN	Urban	\$445,625
FACT - Fayette Co.	Urban	\$393,316
EMTA (Endless Mtns) - Bradford, Sullivan, Tioga Co.	Rural	\$349,511
BTA - Butler	Rural	\$326,139
*SEPTA Philly Phlash	Urban	\$322,302
*SEPTA Chester County TMA	Urban	\$311,559
*Heritage Health Foundation	Urban	\$311,559
CATA - Crawford Co.	Rural	\$304,140
SVSS - Hermitage/Sharon	Urban	\$277,973
TAWC - Warren Co.	Rural	\$239,938
*Heritage Health Foundation (ACTA)	Urban	\$234,564
*SEPTA Bucks County Transport	Urban	\$223,821
MID-CO - Armstrong Co.	Rural	\$213,056
DUFAST - DuBois	Rural	\$207,267
VCTO - Venango Co.	Rural	\$160,187
*SEPTA Philadelphia Unemployment Project	Urban	\$128,921
BMC - Mount Carmel	Rural	\$108,566
CARBON Co.	Rural	\$89,334
SEPTA Upper Merion - FTP	Urban	\$6,746
SEPTA Krapf's Coach (Chester County Route "A") - FTP	Urban	\$6,415
LCTA MARTZ - FTP	Urban	\$4,716
Total – State Operating Grant Reductions		\$357,000,000
	Urban	\$349,247,545
	Rural	\$7,752,455

Multimodal Fund

Amount identified: \$120 million.
Recurring

Description: Provides a dedicated and a supplemental funding source for various modes of transportation.

- Cuts would eliminate many transportation and transportation-related projects throughout the state for rail freight, aviation, ports & waterways, passenger rail, and bicycle and pedestrian facilities.

Program(s)

The fund supports a multitude of programs and initiatives. Of the \$143.9 million in revenue that is expected to be deposited into the fund this fiscal year, \$35 million from the Motor License Fund is constitutionally restricted and may not be transferred to the General Fund for budget balancing purposes.

Multimodal Transportation Fund Program	Source, \$ million		Total
	Motor License Fund <i>Constitutionally Protected</i>	Turnpike & Motor Vehicle Fees	
Commonwealth Financing Authority grants		\$56.8	\$56.8
Rail freight		\$10.6	\$10.6
Ports and waterways		\$10.6	\$10.6
Passenger rail		\$8.5	\$8.5
Aviation		\$6.4	\$6.4
Statewide programs	\$35.0	\$5.0	\$40.0
PennPORTS debt service		\$4.6	\$4.6
Multimodal administration		\$4.3	\$4.3
Bicycle & pedestrian facilities		\$2.1	\$2.1
Total - Multimodal Transportation Fund	\$35.0	\$108.9	\$143.9

- Funds already committed to other projects and those allocated to the Commonwealth Financing Authority, and for distribution by PennDOT, would be eliminated.

Impact on the People

- All geographic regions of the state would be hurt.
- Noteworthy impacts include, but are not limited to:
 - Communities with limited resources for transportation improvements for important needs such as safety improvements to intersections and safety improvements for pedestrians and bicyclists.
 - Assistance for rail freight is an economic generator that opens additional freight shipments to companies and allows them to grow their business and create jobs.
 - Aviation improvements help attract businesses to the state, benefits the economy, and creates new jobs.
- Funding for the Commonwealth Financing Authority would be eliminated, impacting these projects, to name a few:
 - Allentown – the Waterfront Development project
 - Seven Springs, Somerset County – traffic congestion mitigation
 - Westmoreland County – Arnold Palmer Regional Airport apron rehabilitation
 - Lancaster City – Bicycle & pedestrian safety improvement for the Christian Street Bicycle Boulevard and the Northeast Trail Extension.
 - Zelenople Airport Authority – relocate and realign roadway to improve sight distances and safety.

Balances

- The fund balance is \$159.3 million as of Sept. 1. Most of these funds are contractually obligated for current and pending projects.
- Balances do not reflect funds that are encumbered by multi-year projects that are paid as project components are completed.
- The fund provides the annual debt service payment for PennPORTS. Should this funding source be discontinued, another funding source would need to be identified, most likely from the General Fund.

Legal Consequences

- PennDOT is concerned about the legal and/or constitutional implications of taking funds in the PTF to be used for other purposes.

Pennsylvania Infrastructure Bank

- Amount identified: \$30 million.
- Recurring
- Description: Provides low-interest loans to support local transportation improvements.
- The transfer of funds would deplete the bank's balance and would threaten the future viability of this resource for local community transportation initiatives.

Impact on the People

- Municipalities would have to pay higher costs to finance transportation projects, or eliminate projects if cost-prohibitive. Examples:
 - \$500,000 for public street and drainage reconstruction projects in North Manheim Township, Schuylkill County;
 - \$26,000 for street improvements in Stillwater Borough, Columbia County; and
 - \$263,000 for street and drainage improvements in Beaver Meadows Borough, Carbon County.

Cost Shifts to Communities

- Shifts costs to local municipalities that could be avoided, which could force taxing authorities to increase levies.

Balances

- The fund's balance is \$51.3 million, as of Sept. 1. PennDOT says \$20 million of this balance is committed or in the approval process for projects to improve community roadways.
- Of the fund's balance, only \$18 million is in cash or cash equivalents; the remainder is in longer-term, more illiquid investment assets.

Highway Beautification Fund

- Amount identified: \$500,000.
- Recurring
- Description: Supports highway beautification activities, including the regulation of outdoor advertising and junkyards.
- The Highway Beautification Fund supports federally mandated surveillance and enforcement of outdoor advertising and junkyard laws on more than 16,000 miles of state roadways. **Failure to comply with these requirements could threaten \$1.5 billion of federal highway funds.**

Impact on the People

- Impact is statewide.

Cost Shifts to Communities

- Unknown.

Balances

- The fund balance was \$631,993 as of Sept. 1.