



House Bill 453 Printer's Number 2410

Transportation

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

The House Republican budget proposal to take \$630.5 million from special funds to help balance the General Fund budget targets \$125.5 million, or 20 percent, in transportation-related programs, primarily related to public transportation for operating costs and capital improvements.

Businesses, local communities and commuters should worry.

The following analysis reflects the House Republican proposal as adopted by the House in HB453 PN2410. This proposal has changed since the Republican press conference on Sept. 5. Since then, Republicans have reduced the transfers from the funds identified below but the consequences remain problematic.

Public Transportation Trust

- Amount identified: \$50 million.
- One-time
- Description: Provides dedicated funding for public transportation
- The proposed cuts to state grants for operating costs would significantly cut rail and transit and increase fares.
- Five agencies are at risk of losing the local funding requirement, totaling \$6.5 million.
- Amtrak Pennsylvanian service between Pittsburgh and Harrisburg may 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.
- \$32.1 million less for SEPTA, the commonwealth's largest transit agency. The cut would result in:
 - Service reductions – including cuts to transit and regional rail in all five counties
 - Fare increases
 - Loss of 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.

- Interrupted service for one year with no guarantee that funding will be reduced in subsequent years.
- \$11.3 million less for the Port Authority of Allegheny County, the second largest transit agency, has indicated the cut would mean:
 - The elimination of bus and light-rail routes;
 - The reduction of weekday service hours impacting or eliminating 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;
 - Decreased paratransit support serving people with disabilities and elderly throughout the county; and
 - Fare increases.
- \$81,000 less for the Indiana County Transit Authority;
- \$234,000 less for the Area Transportation Authority in the north central region;
- \$334,000 less for the Red Rose Transit Authority;
- \$447,000 less for the Berks Area Regional Transportation Authority;
- \$478,000 less for the Erie Metropolitan Transit Authority; and
- \$841,000 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

Reductions to Transit Agency Operating Grants (estimate)

Transit Agency	Geography	Reduction
SEPTA - Philadelphia	Urban	\$32,076,482
PAAC - Pittsburgh	Urban	\$11,300,266
LANTA - Allentown, Bethlehem, Easton	Urban	\$840,979
EMTA - Erie	Urban	\$478,116
BARTA - Reading	Urban	\$446,941
CAT - Harrisburg	Urban	\$418,130
CCTA - Johnstown	Urban	\$343,556
COLTS - Scranton	Urban	\$342,885
YCTA - York & Gettysburg	Urban	\$334,401
RRTA - Lancaster	Urban	\$333,893
CATA - State College	Urban	\$316,199
LCTA - Wilkes Barre	Urban	\$285,522
ATA - North Central PA	Rural	\$234,304
NCATA - New Castle	Rural	\$215,157
WBT - Williamsport	Urban	\$206,153

Reductions to Transit Agency Operating Grants (estimate)

Transit Agency	Geography	Reduction
BCTA - Beaver Co.	Urban	\$187,366
WCTA -Greensburg & Westmoreland Co.	Urban	\$170,166
AMTRAN - Altoona	Urban	\$149,538
MMVTA - Charleroi	Urban	\$141,921
MCTA - Monroe Co.	Rural	\$98,869
HPT - Hazleton	Rural	\$97,589
COLT - Lebanon	Urban	\$95,372
ICTA - Indiana Co.	Rural	\$81,241
STS - Schuylkill Co.	Rural	\$78,768
Washington County	Urban	\$72,733
POTTSTOWN	Urban	\$62,412
FACT - Fayette Co.	Urban	\$55,086
EMTA (Endless Mtns) - Bradford, Sullivan, Tioga Co.	Rural	\$48,951
BTA - Butler	Rural	\$45,678
*SEPTA Philly Phlash	Urban	\$45,140
*SEPTA Chester County TMA	Urban	\$43,636
*Heritage Health Foundation	Urban	\$43,636
CATA - Crawford Co.	Rural	\$42,597
SVSS - Hermitage/Sharon	Urban	\$38,932
TAWC - Warren Co.	Rural	\$33,605
*Heritage Health Foundation (ACTA)	Urban	\$32,852
*SEPTA Bucks County Transport	Urban	\$31,347
MID-CO - Armstrong Co.	Rural	\$29,840
DUFAST - DuBois	Rural	\$29,029
VCTO - Venango Co.	Rural	\$22,435
*SEPTA Philadelphia Unemployment Project	Urban	\$18,056
BMC - Mount Carmel	Rural	\$15,205
CARBON Co.	Rural	\$12,512
SEPTA Upper Merion - FTP	Urban	\$945
SEPTA Krapf's Coach (Chester County Route "A") - FTP	Urban	\$898
LCTA MARTZ - FTP	Urban	\$661
Total reduction		\$50,000,000
	Urban	\$48,914,222
	Rural	\$1,085,778

Multimodal Fund

Amount identified: \$50 million.

One-time

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.
 - Zelienople 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: \$25 million.
- One-time
- 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.
- One-time
- 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.