

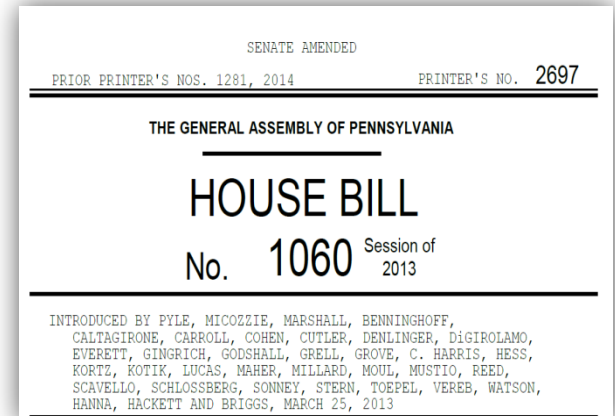


Act 89 of 2013

January 2014

▶ Act 89 Basics

- Passed by the Legislature
 - November 21, 2013
- Signed by Governor into law
 - November 25, 2013
- Increase funding for transportation by \$2.3 Billion annually
- Address all modes of transportation



▶ Annual Additional Investment

Transportation Mode	Year 1 (Jan. 1- June, 30 2014)	Year 5 est.
State Roads and Bridges	\$186 million	\$1.3 billion
Public Transportation	\$59 million	\$480-\$495 million
Local Roads and Bridges	\$34 million	\$237 million
PA Turnpike Expansion Projects	\$12 million	\$86 million
Multi-Modal Fund	\$30 million	\$144 million
Dirt/Gravel/Low-Volume Roads	-	\$30 million
TOTAL	\$321 million	\$2.3 billion-\$2.4 billion

▶ Investing in Pennsylvania

- Generate a net of 62,000 jobs.
 - 50,000 new jobs created, and
 - 12,000 additional jobs preserved.
- Thousands of bridges and more than 10,000 roadway miles will be improved or rebuilt
- Ensure economic competitiveness with neighboring states.
- Investment in statewide public transportation will avoid crippling service cuts

▶ Eliminating and Deregulating Taxes

- Eliminates the state retail gas tax (12 cents) (Jan. 1), replacing it with equivalent increase in Oil Company Franchise Tax (OCFT)
- Removes the artificial cap on the OCFT in thirds over five years.
- Counties and municipalities receive proportionally the same investment from the OCFT increase replacing the retail gas tax as they receive today from the 12 cent gas tax.

Local Governments

- Additional \$220 million a year for local roads and bridges (60% increase)
- \$40 million in grant money by FY2016-17 to coordinate traffic signals to alleviate congestion
 - 50/50 match requirement
- \$8 million available annually for paving of low-traffic/volume rural roads as part of a \$35 million Dirt & Gravel Roads program.

▶ Local Governments

- Up to 100 percent savings for municipalities that participate in PennDOT's bridge bundling program
- County option to assess a \$5 vehicle registration fee to generate additional revenue for local and regional highway and bridge needs.
- Provides incentives for transit agencies to consolidate in regions studies show potential for significant cost savings and efficiencies.
- Additional tools and incentives to help ease the pressure on property taxes.

▶ Multimodal Deputate

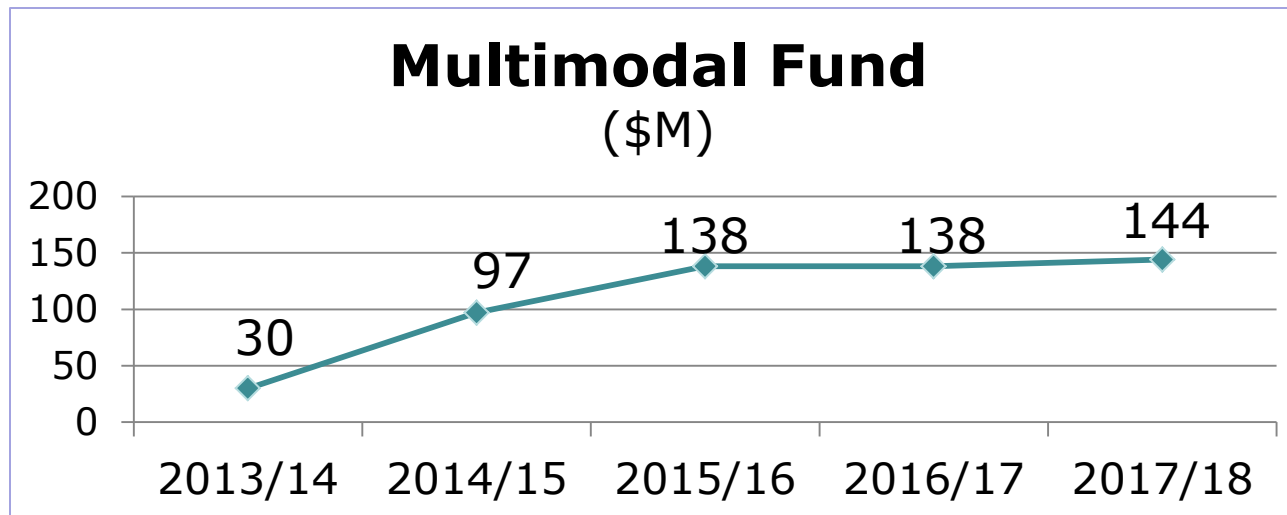
- Creates new Deputy Secretary for Multimodal Transportation
- Responsibilities include:
 - Transit
 - Aviation
 - Passenger and Rail Freight
 - Ports

▶ Multimodal Fund

- Creates a statewide multimodal fund
- Meet critical capital needs of non-highway modes
 - Projects that coordinate local land use with transportation assets to enhance existing communities
 - Projects related to streetscape, lighting, sidewalks and pedestrian safety
 - Projects improving connectivity or utilization of existing transportation assets
 - Projects related to transit-oriented development

▶ Multimodal Fund (cont.)

- Revenue
 - Turnpike
 - Unprotected Motor License Fund Fees
 - Oil Company Franchise Tax



► Multimodal Fund (cont.)

PennDOT administered funding

	2013/14	2014/15 and beyond
Aviation	\$5 Million	\$6 Million
Rail Freight	\$8 Million	\$10 Million
Passenger Rail	\$6 Million	\$8 Million
Ports/Waterways	\$8 Million	\$10 Million
Bicycle/Pedestrian	\$2 Million	\$2 Million
PennDOT Discretion*	\$0	\$20 Million

* 2015/16 and beyond \$40 Million per year

- Additional funding distributed by the Commonwealth Financing Authority

▶ Multimodal Fund (cont.)

- **Balanced Multimodal Transportation Policy Commission**
 - Composed of legislative appointees and secretaries of DOT, DEP and DCED
 - Study ways to implement balanced multimodal transportation in metropolitan areas
 - Report to General Assembly every 4 years



Public Transportation Key Changes

Efficiency and Operations

- Transit Board policy on fare adjustments
- PennDOT may operate service if service cancellation is imminent and no existing transportation organization can provide the service. No PUC jurisdiction.

Consolidation and mutual cooperation

- Feasibility study of transit consolidation and mutual cooperation
- Locals make decisions to implement savings
- Eligible for temporary waiver of local match on operating and/or capital **not to** exceed estimated annual savings

Shared Ride Pilot Program

- Authorizes PennDOT to develop and implement a Pilot Program to explore different service delivery and payment options for community/shared-ride transportation
- Program Goals
 - Stays within budget
 - Community transportation standards with needs based priorities developed
 - Business model that works across funding structures
 - Maximize service efficiency and effectiveness

Shared Ride Pilot Program (cont)

- Advisory Committee
 - Legislative Appointees (4)
 - PPTA appointees (2)
 - Person with Disability
 - Senior citizen
 - County Commissioner Association of PA
 - Medical Assistance Transportation Program (MATP)
 - Secretary (4)
 - DPW
 - PennDOT
 - Aging
 - Budget

Public Transportation Funding

Year 1 FY 2013-14 (\$Millions)

Funding Source Section/Use↓	Turnpike [b(1)]	PTAF [c(3) and c(3.1)]	Bond [c(2)]	Lottery [b(2)]	SUT [c(1)]	MLF [75 1904 b(1)]	6506	3111 [c(3.3)]	Fee in Lieu of Sus [c(3.2)]	<u>TOTAL</u>
1513/Operating	209	188	0	91.27	336.23	5.85	0	0	0	830.32
1514/Capital-Discretionary	18.95	0	0	0	0	28.21	5	21	0	73.16
1517/Capital-Formula	0	0	0	0	35.98	0	0	0	0	35.98
1516/PSS (Various)	2.05	0	0	0	56.80	0	0	0	0	58.85
Capital Bond	0	0	125	0	0	0	0	0	0	125
Multi-Modal Fund	0	0	0	0	0	30.82	0	0	0	30.82
1517.1 Alternative Energy	20	0	0	0	0	0	0	0	0	20
TOTAL	250	188	125	91.27	435	64.85	5	21	0	1174.13

5 Year Funding Growth

Year 1 FY 2013-14 (\$Millions)											FY 17-18
Funding Source Section/Use↓	Turnpike [b(1)]	PTAF [c(3) and c(3.1)]	Bond [c(2)]	Lottery [b(2)]	SUT [c(1)]	MLF [75 1904 b(1)]	6506	3111 [c(3.3)]	Fee in Lieu of Sus [c(3.2)]	TOTAL	
1513/Operating	209	188	0	91.27	336.23	5.85	0	0	0	830.32	992.94
1514/Capital-Discretionary	18.95	0	0	0	0	28.21	5	21	0	73.16	433.97
1517/Capital-Formula	0	0	0	0	35.98	0	0	0	0	35.98	0.00
1516/PSS (Various)	2.05	0	0	0	56.80	0	0	0	0	58.85	81.65
Capital Bond	0	0	125	0	0	0	0	0	0	125	125.00
Multi-Modal Fund	0	0	0	0	0	30.82	0	0	0	30.82	147.80
1517.1 Alternative Energy	20	0	0	0	0	0	0	0	0	20	25.00
TOTAL	250	188	125	91.27	435	64.85	5	21	0	1174.13	1806.36

▶ 1513 – Operating Funds

Year 1 FY 2013-14 (\$Millions)											FY 17-18
Funding Source Section/Use↓	Turnpike [b(1)]	PTAF [c(3) and c(3.1)]	Bond [c(2)]	Lottery [b(2)]	SUT [c(1)]	MLF [75 1904 b(1)]	6506	3111 [c(3.3)]	Fee in Lieu of Sus [c(3.2)]	TOTAL	
1513/Operating	209	188	0	91.27	336.23	5.85	0	0	0	830.32	992.94
1514/Capital-Discretionary	18.95	0	0	0	0	28.21	5	21	0	73.16	433.97
1517/Capital-Formula	0	0	0	0	35.98	0	0	0	0	35.98	0.00
1516/PSS (Various)	2.05	0	0	0	56.80	0	0	0	0	58.85	81.65
Capital Bond	0	0	125	0	0	0	0	0	0	125	125.00
Multi-Modal Fund	0	0	0	0	0	30.82	0	0	0	30.82	147.80
1517.1 Alternative Energy	20	0	0	0	0	0	0	0	0	20	25.00
TOTAL	250	188	125	91.27	435	64.85	5	21	0	1174.13	1806.36

Operating Program

- Changes the base operating allocation from 2005/06 to the last fiscal year that the transit agency received assistance.
- Preventative maintenance eligible as capital expense upon written Department approval
- Local match remains at 15% with grow up provision of 5% over the previous year

Capital Funds

Year 1 FY 2013-14 (\$Millions)											FY 17-18
Funding Source Section/Use↓	Turnpike [b(1)]	PTAF [c(3) and c(3.1)]	Bond [c(2)]	Lottery [b(2)]	SUT [c(1)]	MLF [75 1904 b(1)]	6506	3111 [c(3.3)]	Fee in Lieu of Sus [c(3.2)]	TOTAL	
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1516/PSS (Various)	2.05	0	0	0	56.80	0	0	0	0	58.85	81.65
Capital Bond	0	0	125	0	0	0	0	0	0	125	125.00
Multi-Modal Fund	0	0	0	0	0	30.82	0	0	0	30.82	147.80
1517.1 Alternative Energy	20	0	0	0	0	0	0	0	0	20	25.00
TOTAL	250	188	125	91.27	435	64.85	5	21	0	1174.13	1806.36

Capital Funding by Transit Agency

\$ Millions	SEPTA	Port Authority	Other Fixed Route	PennDOT discretionary	Total Capital
2013-14*	158.72	47.90	18.13	9.91	234.66
2014-15	316.09	102.93	36.44	23.97	479.43
2015-16	338.13	110.11	38.98	25.64	512.87
2016-17	338.79	110.33	39.05	25.69	513.87
2017-18	368.53	120.01	42.48	27.95	558.97

*includes \$36 Million of 1517 funds from first six months of 13/14

Capital program

- Retains annual \$125 Million bond program in Section 1514
- Gradually shifts Turnpike funding out of transit operating and into transit capital
- Sunsets Turnpike funding as revenue source in 2021, and replaces it with funding from sales tax on motor vehicles (general fund)
- Local match remains at 3.33% of state funds

Capital Program - TIP

- Bureau of Public Transportation will provide updated financial guidance to the Program Center to share with planning partners
- Reminder – Section 1514 (bond and other capital funds) state funding should not be identified as a funding source for projects until Bureau of Public Transportation awards a grant in dotGrants
 - Non federal funding can be shown as local until a state grant is awarded

Alternative energy

- Authorizes up to \$60 million from 1514 discretionary capital for alternative energy projects
- Provides authority to use a portion of the alternative energy funding to re-base transit operating funds and to fund “orphan” transit projects

Programs of Statewide Significance

Year 1 FY 2013-14 (\$Millions)											FY 17-18
Funding Source Section/Use↓	Turnpike [b(1)]	PTAF [c(3) and c(3.1)]	Bond [c(2)]	Lottery [b(2)]	SUT [c(1)]	MLF [75 1904 b(1)]	6506	3111 [c(3.3)]	Fee in Lieu of Sus [c(3.2)]	TOTAL	
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Capital Bond	0	0	125	0	0	0	0	0	0	125	125.00
Multi-Modal Fund	0	0	0	0	0	30.82	0	0	0	30.82	147.80
1517.1 Alternative Energy	20	0	0	0	0	0	0	0	0	20	25.00
TOTAL	250	188	125	91.27	435	64.85	5	21	0	1174.13	1806.36

Programs of Statewide Significance

- Allegheny County eligible for PwD Program
- Increased capital funding for community transportation/shared-ride
- Funding may be used to support the Shared Ride Pilot Project

Multimodal Funds

Year 1 FY 2013-14 (\$Millions)											FY 17-18
Funding Source Section/Use↓	Turnpike [b(1)]	PTAF [c(3) and c(3.1)]	Bond [c(2)]	Lottery [b(2)]	SUT [c(1)]	MLF [75 1904 b(1)]	6506	3111 [c(3.3)]	Fee in Lieu of Sus [c(3.2)]	TOTAL	
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1517/Capital-Formula	0	0	0	0	35.98	0	0	0	0	35.98	0.00
1516/PSS (Various)	2.05	0	0	0	56.80	0	0	0	0	58.85	81.65
Capital Bond	0	0	125	0	0	0	0	0	0	125	125.00
Multi-Modal Fund	0	0	0	0	0	30.82	0	0	0	30.82	147.80
1517.1 Alternative Energy	20	0	0	0	0	0	0	0	0	20	25.00
TOTAL	250	188	125	91.27	435	64.85	5	21	0	1174.13	1806.36