

**Keystone Transportation Funding Coalition  
21<sup>st</sup> Century Transportation Funding Plan  
December 2010**

The Keystone Transportation Funding Coalition is a diverse group united under one common goal: that a **comprehensive solution** to the highway and transit funding problem in Pennsylvania is critical for safety and quality of life of all Pennsylvanians. Such a comprehensive solution must address maintenance and capacity needs for PennDOT's system, local highways, and public transit agencies.

**The solution must be comprehensive**

- A comprehensive funding solution is essential because the various modes of transportation are all interconnected.
- Public transportation relies on a sound highway system. Airports and seaports need to move freight and people in and out of their terminals efficiently. Freight rail ultimately relies on trucking – and efficient highway systems – to move goods and materials into the market. Inadequate public transit service puts more people on the roads, adding to congestion and pollution. Inadequate freight rail capabilities puts more trucks on already crowded highways.
- Better roads and more efficient traffic flow – to which public transit and freight and passenger rail make a significant contribution – provide a greater degree of safety for the motorists and families who are using the highway system.

**What would a comprehensive funding package accomplish?**

- Improve Pennsylvania's economy-
  - Better traffic flows will make the Commonwealth more attractive to new business. Businesses would save on worker and product travel times. Workers will have more time for family. Product mobility and improved worker quality of life are attractive to business location considerations.
  - Create 50,000 new jobs. An ARTBA Economic Impact Study indicates that of the new jobs created, 44 percent are in construction; 56 percent in other sectors such as retail, health care, and manufacturing. Doubling the investment in transportation infrastructure will reduce Pennsylvania's unemployment by 10 percent.
- Connect transportation systems – highway, air, rail freight, public transit, bike.
- Provide local tax relief – The increase in funding this plan provides for boroughs, townships and counties will reduce the strain on local governments' budgets.
- Promote development – Under this plan, local governments would have additional infrastructure funds, so they could promote business development in their area instead of viewing relocating businesses and developers as sources of funds.
- Make our senior citizens' quality of life better - Funding Rural Shared Ride programs will allow seniors who can't drive get to the doctor's office and make other much needed trips. Otherwise, they are trapped in their homes.

- Enhance bicycle safety– Funding for widened shoulders will improve commuting and recreational biking safety. Widening shoulders will also benefit the Amish, as well as, other agriculture interests who move farm vehicles along rural roads.

### **The public supports a comprehensive solution**

- A well-funded transportation program is supported by a diverse coalition, including labor unions, smart-growth advocates, environmental groups, AARP, a statewide association of hospitals, the business community, the trucking industry, highway users, freight and passenger rail associations, air and sea port organizations, bike and pedestrian advocates, farmers and municipalities, in addition to the highway construction industry and public transit organizations.
- State and national public opinion research shows that the public supports investing in the transportation system because it understands the extent of the problem and the benefits of addressing it.
- The public will support a funding solution that spreads the responsibility fairly across all geographic areas and classifications of transportation users.

### **What is the coalition’s funding plan?**

- The Coalition believes that the General Assembly should adopt—at a minimum—the levels of funding as recommended by the State Transportation Advisory Committee’s Transportation Funding Report (the “TAC Report”) as adopted by the State Transportation Commission in May 2010. **This recommendation was for an additional \$3.5 billion infrastructure investment in 2011.**
- The Coalition recommends that the General Assembly provide the needed funds in phases with **an additional \$2 billion investment** in 2011 for Pennsylvania’s highway, transit and local government transportation network.
- The Coalition recommends that increased revenue sources must be **inflation sensitive and growth oriented**. As a result, the Coalition recommends additional revenues in 2012, 2013, 2014 and **culminating in a total of \$2.2 billion in additional annual revenue by 2015**. This does not get to the level of funding recommendations outlined in the TAC Report. However, the coalition is hopeful that by 2015, additional funds will be secured by action at the federal level on the reauthorization of the Surface Transportation Act.

**How do we get there? The Keystone Transportation Funding Coalition Proposal:**

**Additional funding for improving and maintaining PennDOT's state highway system:**

<b>Mechanism</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Remove Oil Company Franchise Tax cap and index to present day wholesale value (approx. \$2.14)	\$720 million	\$720 million	\$720 million	\$720 million	\$720 million
Index retail gas tax every two years to inflation	\$0	\$0	\$120 million	\$120 million	\$240 million
Bonding Financing to Jump Start Capacity Projects	\$400 million (4 year program with dedicated payback funds)	\$400 million	\$400 million	\$400 million	\$0
Increase current retail fuel tax by 4 cents/gallon. To be used to fund bond program above.	\$150 million (net) use \$50 million to pay back bonds issued in 2011	\$100 million (net) use \$50 million to pay back bonds issued in 2012	\$50 million (net) use \$50 million to pay back bonds issued in 2013	\$0 (net) use \$50 million to pay back bonds issued in 2014	\$0
Shift Act 44 funds to transit	(\$200 million)	(\$200 million)	(\$200 million)	(\$200 million)	(\$200 million)
Shift portion of State Police funding to General Fund and set cap at \$350 million.	\$0 but put cap on current FY 2010-11 levels	\$0 – cap still at FY 2010-11 levels	\$50 million	\$100 million	\$150 million
<b>Net Total:</b>	<b>\$1,070 million</b>	<b>\$1,020 million</b>	<b>\$1,090 million</b>	<b>\$1,090 million</b>	<b>\$960 million</b>

**Additional funding for PA public transit agencies:**

<b>Mechanism</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Additional Act 44 funds - Earmark \$30 million for rural shared-ride program	\$200 million				
Non-protected Title 75 fees*	\$169 million				
Increase in PTAF fees*	\$36 million				
Parking tax	\$52 million				
Professional sports ticket fee	\$70 million				
Undetermined sources*	\$80 million				
<b>Total*:</b>	<b>\$607 million</b>				

\* = amounts to grow with inflation

**Additional funding for local government road maintenance and construction:**

<b>Mechanism</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
20% portion from OCFT increase	\$180 million				
Increase various highway-related and vehicle Title 75 fees	\$275 million				
20% portion of retail fuel tax increase	\$50 million				
Index retail gas tax every two years to inflation	\$0	\$0	\$50 million	\$50 million	\$100 million
<b>Total:</b>	<b>\$505 million</b>	<b>\$505 million</b>	<b>\$555 million</b>	<b>\$555 million</b>	<b>\$605 million</b>

**Other components of the plan**

- \$30 million annually for dedicated shared ride services (from Act 44 transfer proposal)
- Plan calls for adjustment for inflation (CPI) and growth escalator (3%) for all Title 75 and PTAF fee increases dedicated to transit
- Program \$20 million in 2011 from existing highway funds for bicycle transportation funding and related programs. \$10 annual allocation thereafter.
- Increase the aviation fuel tax by 5 cents per gallon and program to the existing Aviation Restriction Account
- Establish a High Speed Rail Authority to begin the planning for an inter-city high speed rail corridor in Pennsylvania

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