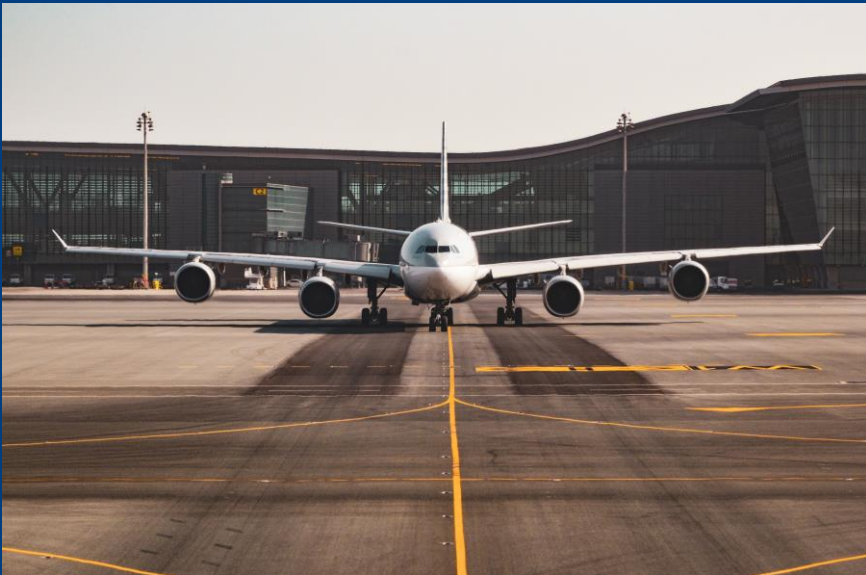


# TRANSPORTATION REVENUE OPTIONS COMMISSION

PA



JULY 28, 2021

# AGENDA

- 1. Meeting Objectives**
- 2. Commission Chair's Opening Remarks**
- 3. Submission Plan**
- 4. Strategic Funding Proposal**
  - Review of Draft Final, and . . .
  - Comments Review and Disposition
- 5. Next Steps to Advance the Proposal**
- 6. Meeting Summary and Public Comments**
- 7. Commission Chair's Closing Remarks**

# MEETING OBJECTIVES

- To summarize comments received and their resolution.
- To review highlights of the Draft Final Strategic Funding Proposal.
- To review the submission plan.
- To discuss next steps for advancing the proposal.

# COMMISSION CHAIR'S OPENING REMARKS



Secretary of Transportation,  
Yassmin Gramian

# TROC BY THE NUMBERS

- Nine TROC meetings
- Eight work group collaborations
  1. Multimodal Revenue Sources
  2. Transit Revenue Sources
  3. Mileage-Based User Fees
  4. Vehicle Registration Fees
  5. Tolling Scenarios
  6. Taxing and Other Revenue Scenarios
  7. Local Solutions
  8. PSP Funding



# TROC BY THE NUMBERS

- Nine briefings
  - *National Perspective* (Dr. Alison Premo Black and Carolyn Kramer)
  - *Planning and Environmental Linkages* (PEL) [Provided through video link]
  - *Multimodal* (Jennie Granger)
  - *MBUF Presentation* (Patricia “Trish” Hernden, Ph.D.)
  - *Highway Overview* (Mike Keiser)
  - *Federal Funding Initiatives* (Larry Shifflet)
  - *Package Tax/Fee Feasibility* (Jennie Granger)
  - *PennDOT Maintenance Funding* (Mike Keiser)
  - *Modernization and Efficiencies* (Larry Shifflet, Michael Keiser, and Kurt Myers)
- Numerous reviews and revisions of a 39-page report

# SUBMISSION PLAN

- Minor editing continues through Thursday
- InDesign formatting completed by COB Thursday
- Submission on Friday, July 30
- PDF of proposal provided to TROC members simultaneously

# STRATEGIC FUNDING PROPOSAL





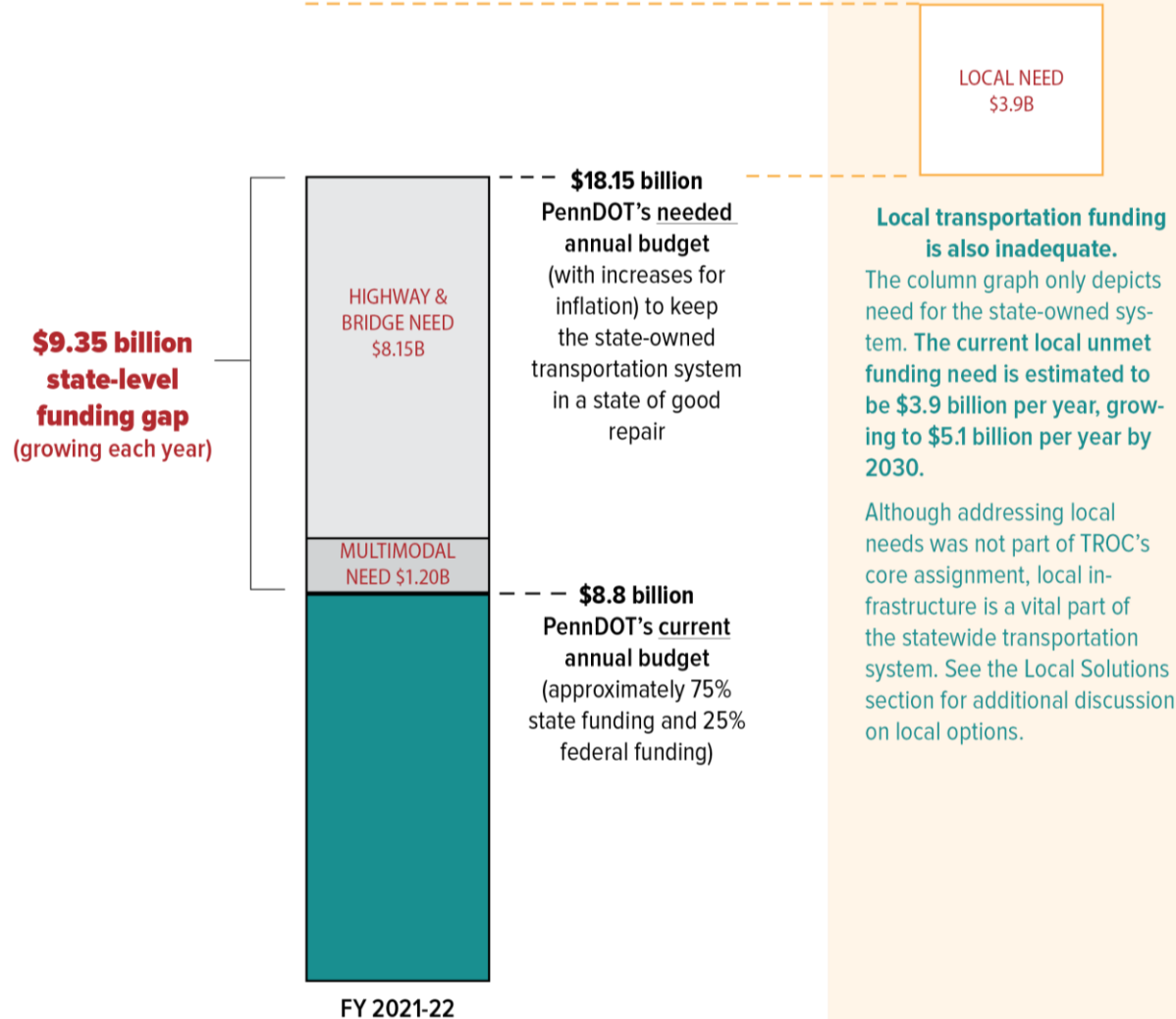
# COMMENTS REVIEW AND RESOLUTION

## Major Categories of Feedback Received

- Local Solutions
- Multimodal
- Intergovernmental Partnership
- Efficiencies
- Consequences of Inaction
- Making the Case
- Next Steps (especially work group leaders)

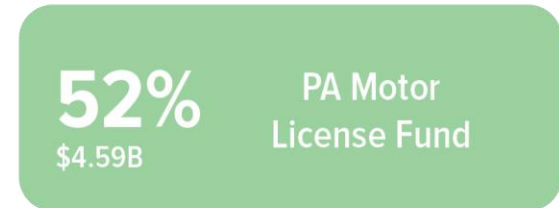
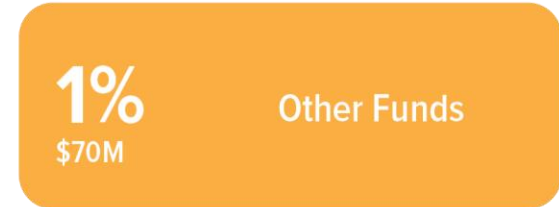
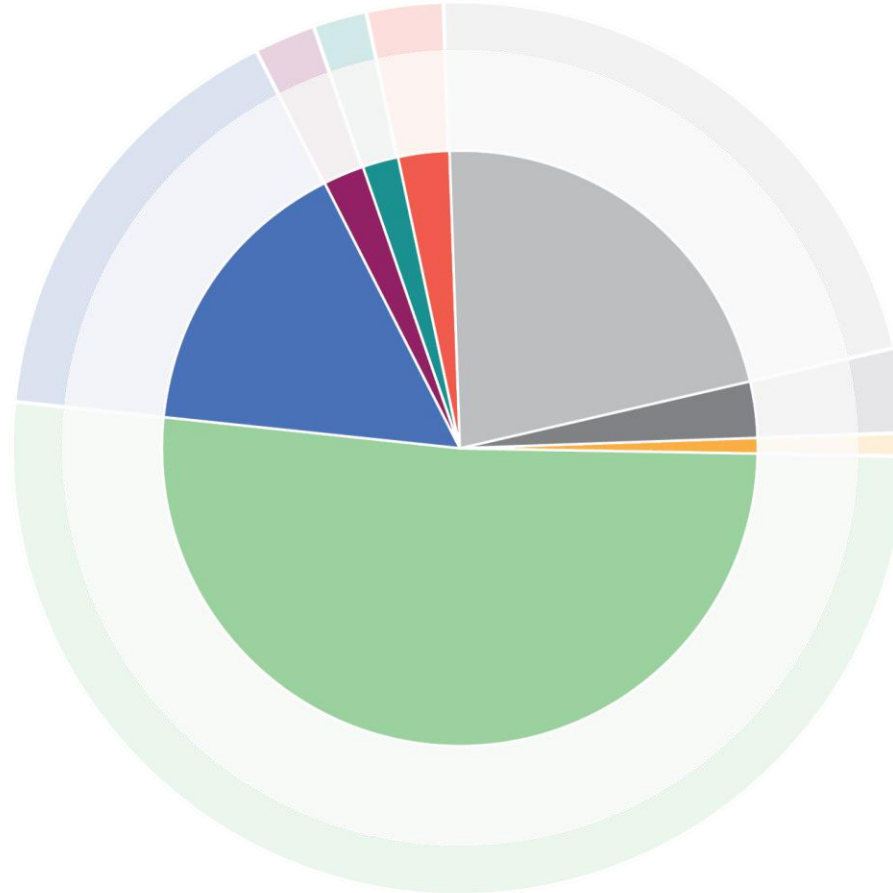
# REVIEW OF DRAFT FINAL

## Pennsylvania's Transportation Funding Gap



# REVIEW OF DRAFT FINAL

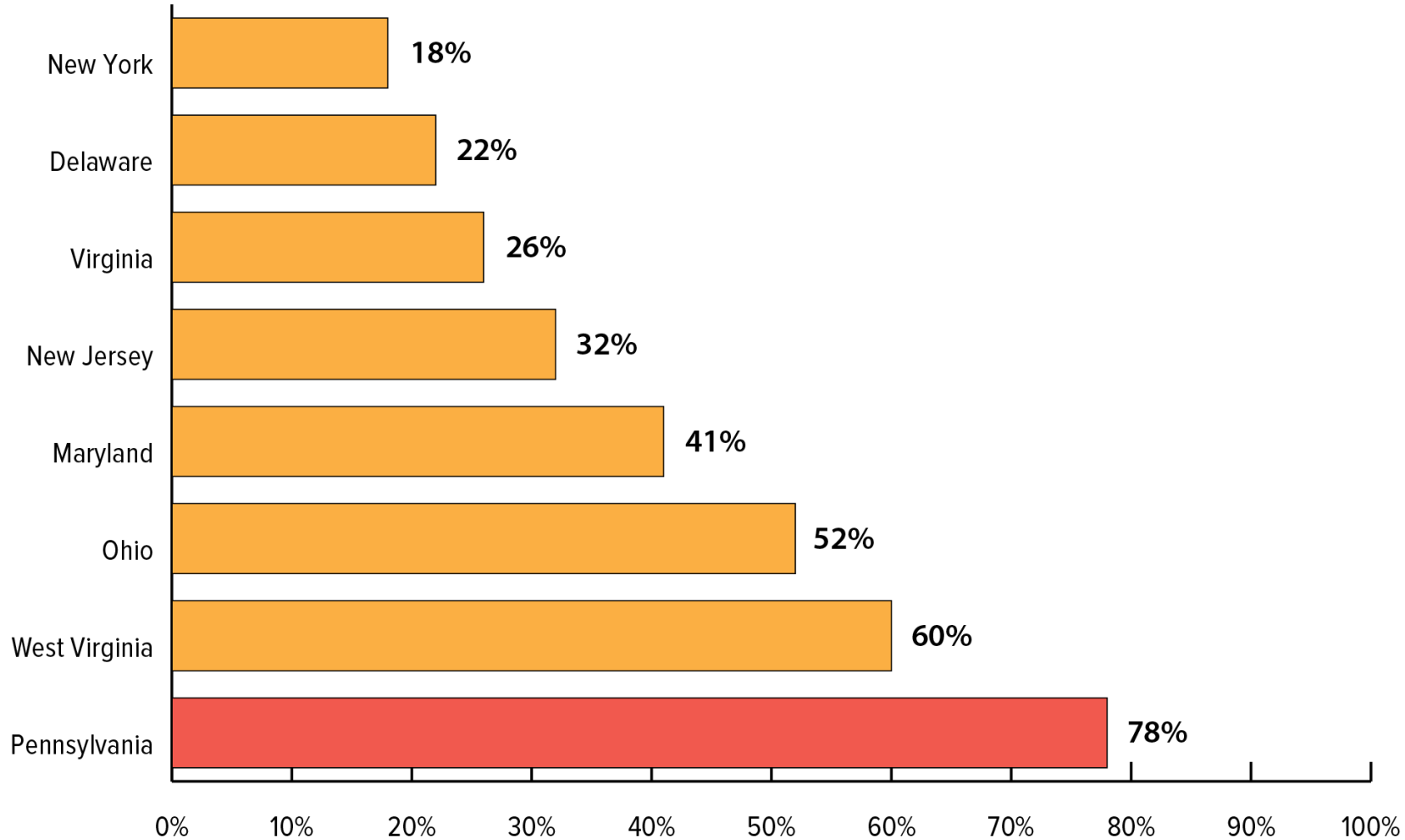
PennDOT's Current Funding by Source



\$8.8 billion annual budget  
(Fiscal Year 2021-22)

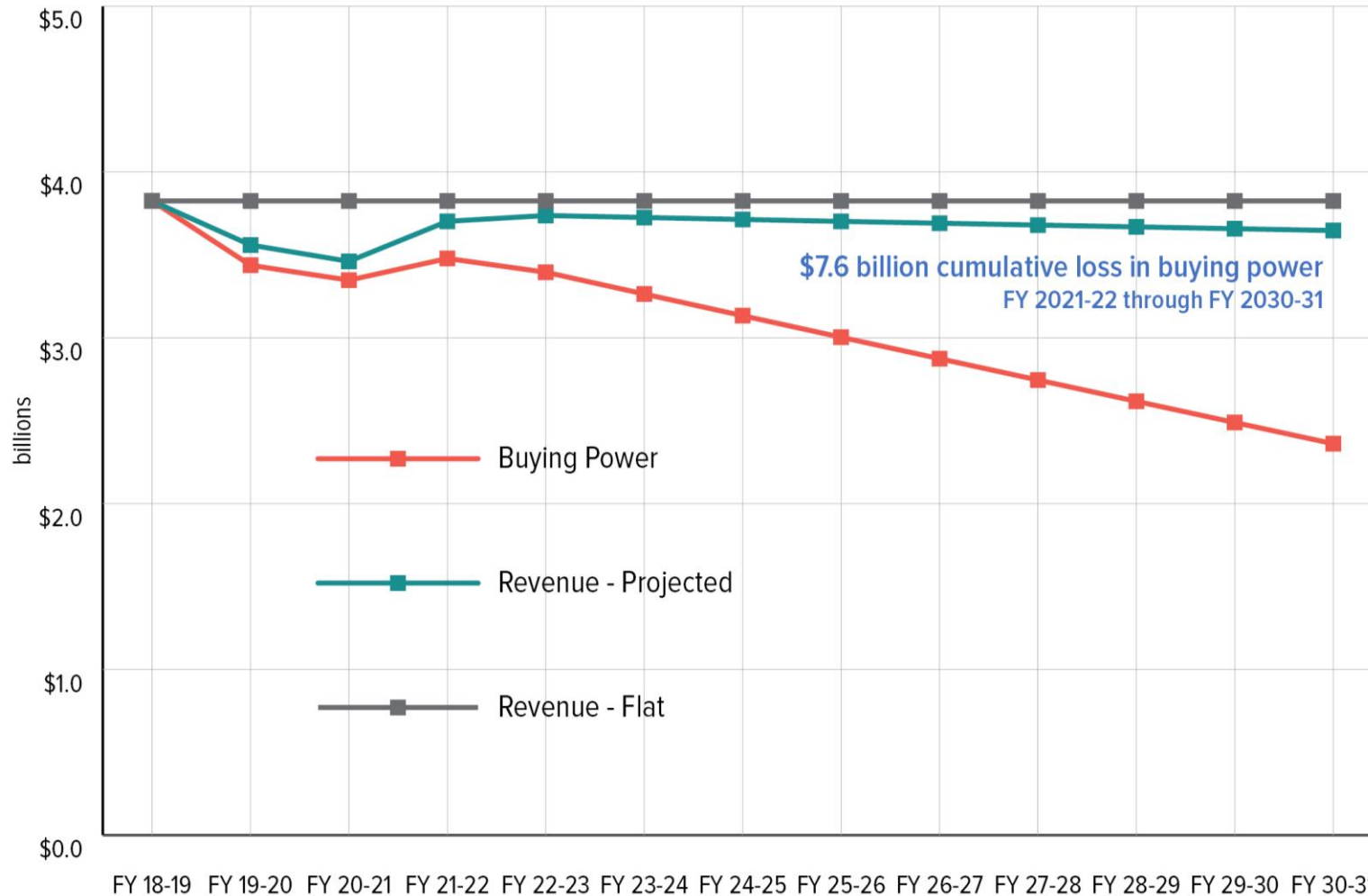
# REVIEW OF DRAFT FINAL

Gas Tax as a Percentage of Total Transportation Revenue, by State



# REVIEW OF DRAFT FINAL

PennDOT Loss in Buying Power  
Impact of Inflation and Reduced Consumption on Motor Fuels Revenue

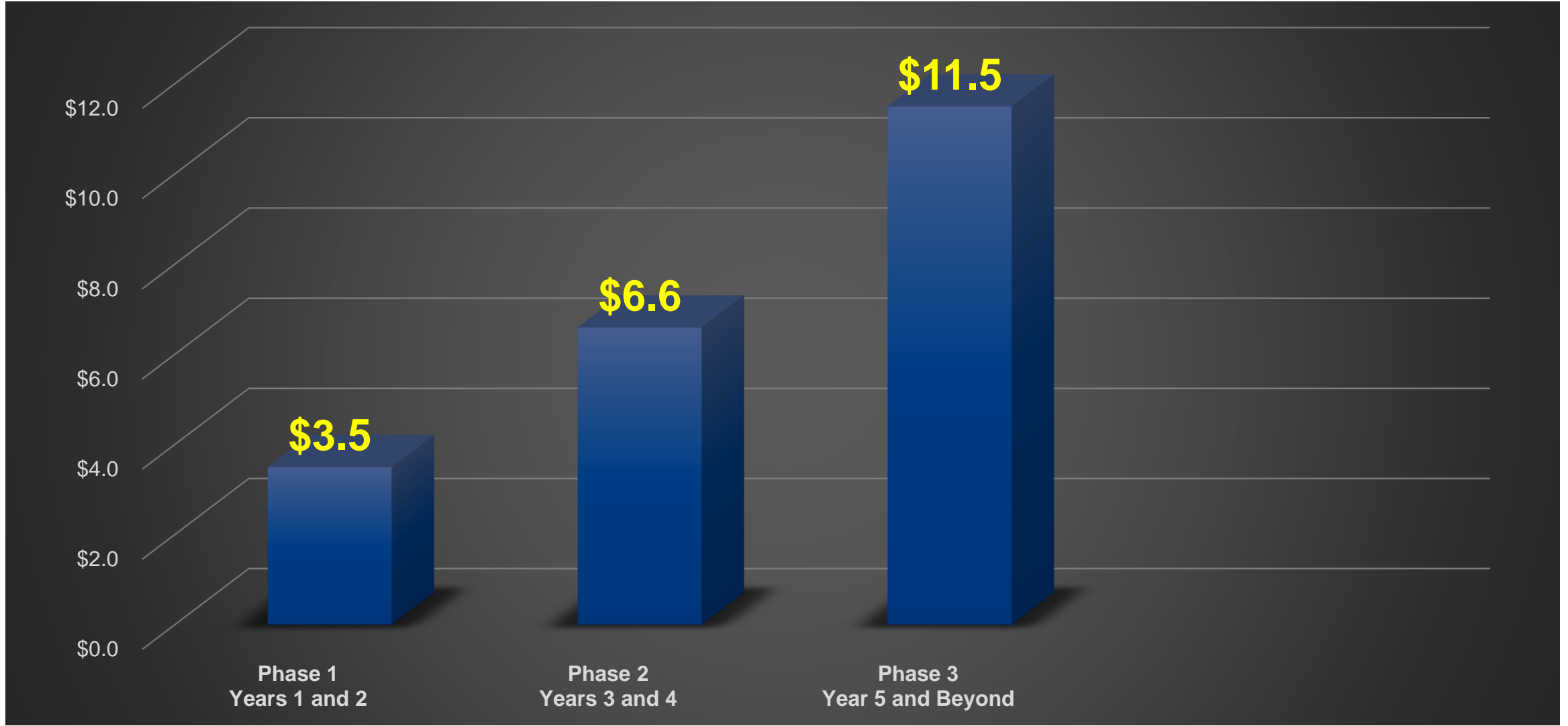


# REVIEW OF DRAFT FINAL

Figure X. Strategic Transportation Funding Proposal

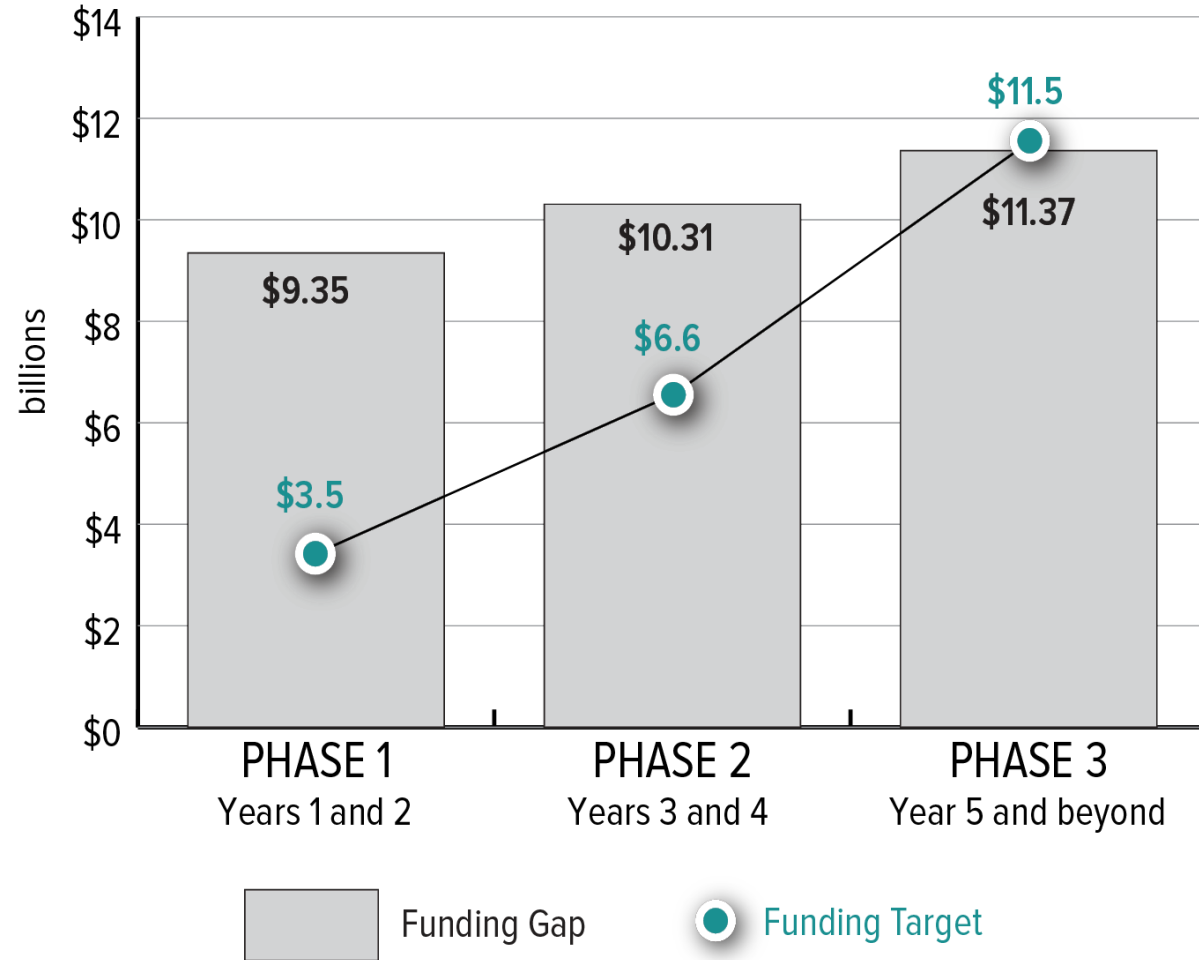
PROPOSED REVENUE SOURCE	DESCRIPTION	BRIEF RATIONALE	ESTIMATED ADDITIONAL ANNUAL REVENUE			ASSUMPTIONS AND BASIS FOR ESTIMATE	USE RESTRICTIONS
			PHASE 1 (Years 1 and 2)	PHASE 2 (Years 3 and 4)	PHASE 3 (Year 5 and Beyond)		
<b>ROAD USER CHARGES</b>							
Mileage-Based User Fee (MBUF)	Implement an 8.1-cents-per-mile MBUF on all miles traveled in Pennsylvania.	MBUF is the long-range funding solution for gas tax replacement. National implementation is expected; PA has the opportunity to prepare.	\$0	\$0	\$8,930,065,000	8.1 cents per mile would yield the targeted revenue amount (at 102 billion miles traveled multiplied by 8.1 cents).	No restriction on use.
Electric Vehicle (EV) MBUF Pilot	Implement a pilot MBUF for electric vehicles.	The growing prevalence of electric vehicles provides a useful pilot to prepare for MBUF and to capture a fair share of revenue from those using the system but not paying gas tax.	\$2,000,000	\$2,122,000	\$2,251,000	Rate determined by the targeted additional revenue of \$2 million.	No restriction on use.
<b>TOLLING</b>							
Corridor Tolling	Toll Interstates/expressways based on the distance traveled along that highway.	Corridor tolling supports transition to MBUF implementation. Traffic volumes support corridor tolling.	\$0	\$2,444,940,000	\$2,543,716,000	Rate determined by the targeted additional revenue of \$2.2 billion.	No restriction on use.
Managed Lanes (Limited Lane Tolling)	Toll additional lanes on a highway where the traffic is regulated by charging a toll or by encouraging carpooling.	Managed lanes are a revenue-raising mechanism suitable for a limited number of high-volume roads or road segments. Revenues flow to the improvement and maintenance of the facility, not to other purposes.	\$0	\$260,100,000	\$0	Rate determined by the targeted additional revenue of \$260 million.	Restricted to State Highways and Bridges.
<b>REDIRECTION OF FUNDING</b>							
PA State Police Funding	Eliminate transfers from the Motor License Fund to the State Police and replace those amounts from the General Fund.	MLF dollars should be used for transportation; other more appropriate funding sources should be used for State Police.	\$673,000,000	\$609,000,000	\$545,000,000	The PSP amount currently to be paid out of the Motor License Fund per the Fiscal Code Reduction.	Restricted to State Highways and Bridges.
<b>FEES</b>							
Vehicle Registration Fee	Increase all vehicle registration fees 100%.	The proposed increase aligns with the "user pays" principle and brings the fee more in line with costs to improve, maintain, and operate the system.	\$800,000,000	\$832,320,000	\$865,946,000	The current Department of Revenue (DOR) estimate is \$799 million for FY 2021-22.	Restricted to State Highways and Bridges.
Electric Vehicle Fee	Introduce a \$275 fee for electric vehicles and eliminate the Alternative Fuels Tax on electric vehicles.	Electric vehicles are a rapidly increasing percentage of the total vehicle fleet, but	\$4,650,000	\$4,939,000	\$5,242,000	Assumes a higher conversion to electric vehicles in Phases 2 and 3.	Restricted to State Highways and Bridges.

# REVIEW OF DRAFT FINAL



# REVIEW OF DRAFT FINAL

## Funding Targets by Phase



Feasible funding targets by phase aim to close the funding gap over time.



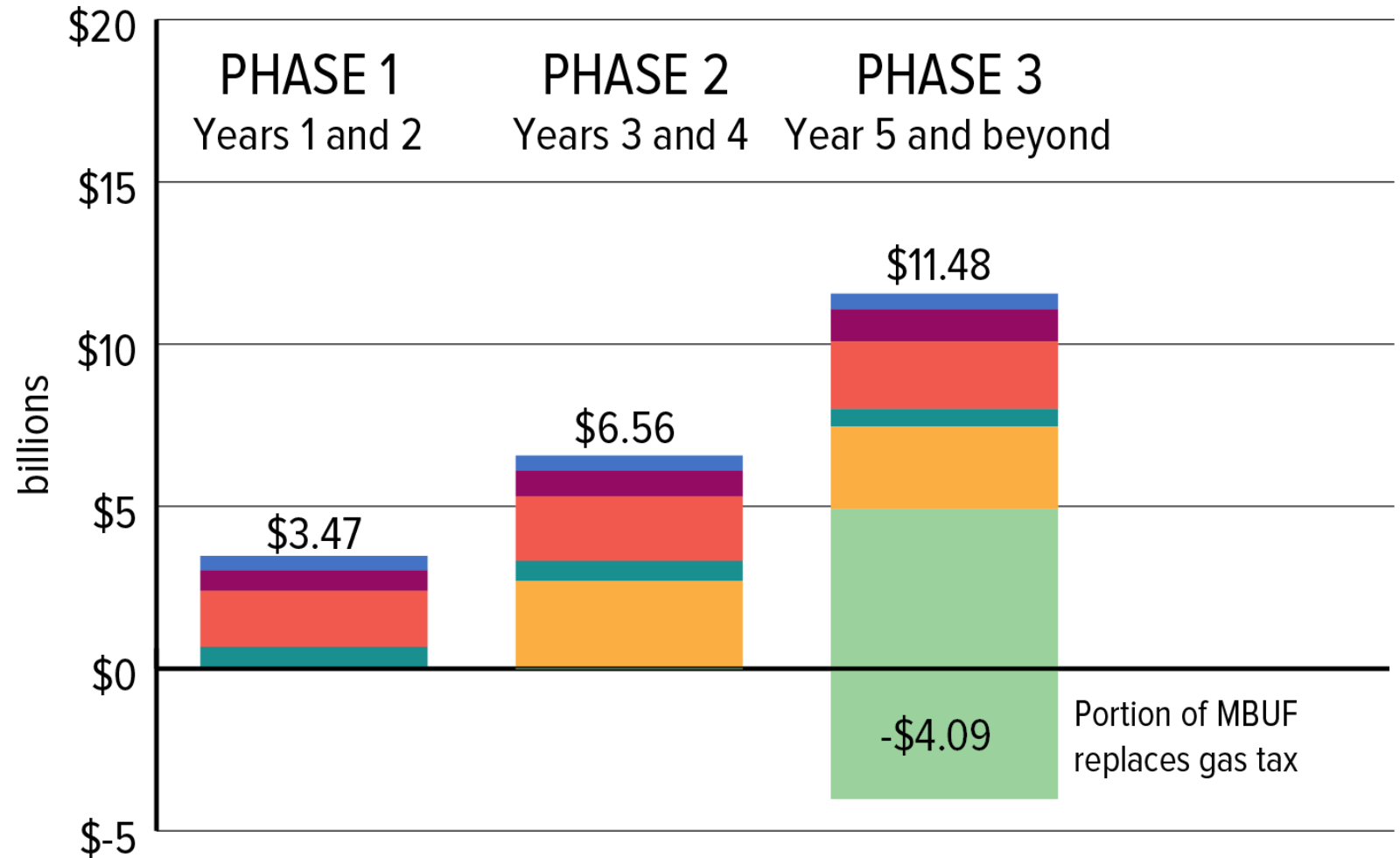
# REVIEW OF DRAFT FINAL

## Funding Proposal Summary by Revenue Type

	PHASE 1 (Years 1 and 2)	PHASE 2 (Years 3 and 4)	PHASE 3 (Year 5+)
PROPOSED REVENUE TYPE	ESTIMATED ADDITIONAL REVENUE		
Road User Charges (MBUF)	\$2,000,000	\$2,122,000	\$8,932,316,000
Tolling	\$0	\$2,705,040,000	\$2,543,716,000
Funding Redirection	\$673,000,000	\$609,000,000	\$545,000,000
Fees	\$1,712,420,000	\$1,991,864,000	\$2,072,438,000
Taxes	\$635,167,000	\$786,798,000	\$992,343,000
Other	\$450,000,000	\$468,180,000	\$487,095,000
Eliminate Gas Tax	\$0	\$0	-\$4,088,301,000
<b>TOTAL</b>	<b>\$3,472,587,000</b>	<b>\$6,563,004,000</b>	<b>\$11,484,607,000</b>

# REVIEW OF DRAFT FINAL

The TROC proposal is an integrated package that achieves the funding targets for each phase of implementation.



# NEXT STEPS TO ADVANCE THE PROPOSAL

1. Work collaboratively with the Wolf Administration to act on the proposal.
2. Continue to expand and strengthen a coalition.
3. Establish leadership and technical teams to support the General Assembly and Administration.
4. Adhere to a six-month timeline for acting on TROC's proposal.
5. Secure sponsor(s) to introduce the TROC proposals as legislation.
6. Ensure public involvement.

# MEETING SUMMARY AND PUBLIC COMMENTS



# ACKNOWLEDGMENT

- PA Senator Pat Browne, Chair, Senate Appropriations Committee
- PA Senator Vincent Hughes, Minority Chair, Senate Appropriations Committee
- PA Senator Wayne Langerholc, Jr., Chair, Senate Transportation Committee
- PA Senator John Sabatina, Minority Chair, Senate Transportation Committee
- PA Representative Matthew Bradford, Minority Chair, House Appropriations Committee
- PA Representative Mike Carroll, Minority Chair, House Transportation Committee
- PA Representative Tim Hennessey, Chair, House Transportation Committee
- PA Representative Stan Saylor, Chair, House Appropriations Committee
- Gene Barr, Pennsylvania Chamber of Business and Industry
- Carl Belke, Keystone State Railroad Association
- Becky Bradley, Lehigh Valley Planning Commission
- Howard A. Cohen, Esq., Temple University, Fox School of Business
- Mark Compton, Pennsylvania Turnpike Commission
- Patricia Cowley, Pennsylvania Bus Association
- Secretary Dennis Davin, Pennsylvania Department of Community and Economic Development
- Jeffrey DiPerna, ATU Local 85
- Ronald Drnevich, State Transportation Commission
- Secretary Cindy Dunn, Pennsylvania Department of Conservation and Natural Resources
- Christina Edgerton, Pennsy Supply
- Colonel Robert Evanchick, Pennsylvania State Police
- Rich Fitzgerald, Allegheny County Executive
- Mike Glezer, Wagman
- James Harper, Jr., Laborers' International Union of North America
- Secretary C. Daniel Hassell, Pennsylvania Department of Revenue
- Jeffrey L. Iseman, Pennsylvania Statewide Independent Living Council
- Katherine Kelleman, Port Authority of Allegheny County
- Amy Kessler, North Central Pennsylvania Regional Planning and Development Commission
- Robert Latham, Associated Pennsylvania Constructors
- Ted Leonard, Pennsylvania AAA Federation
- Secretary Patrick McDonnell, Pennsylvania Department of Environmental Protection
- Thomas Melisko, International Union of Operating Engineers Local 66
- Brock Myers, Alan Myers
- Rebecca Oyler, Pennsylvania Motor Truck Association
- Secretary Russell Redding, Pennsylvania Department of Agriculture
- Leslie Richards, Southeastern Pennsylvania Transportation Authority
- Shawna Russell, Pennsylvania Public Transportation Association
- Dave Sanko, Pennsylvania State Association of Township Supervisors
- Bob Shaffer, Aviation Advisory Committee
- Leeann Sherman, American Council of Engineering Companies of Pennsylvania
- Karl Singleton, Pennsylvania Diversity Coalition
- Matt Smith, Greater Pittsburgh Chamber of Commerce
- Sarah Clark Stuart, Pennsylvania Pedalcycle and Pedestrian Advisory Committee
- Secretary Jen Swails, Office of Budget
- Andrew Swank, Swank Construction
- Jerry Sweeney, Southeast Partnership for Mobility
- Secretary Robert Torres, Pennsylvania Department of Aging
- Laura Chu Wiens, Pittsburgh for Public Transit
- George Wolff, Keystone Transportation Funding Coalition

# COMMISSION CHAIR'S CLOSING REMARKS



Secretary of Transportation,  
Yassmin Gramian

# TRANSPORTATION REVENUE OPTIONS COMMISSION

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JULY 28, 2021