

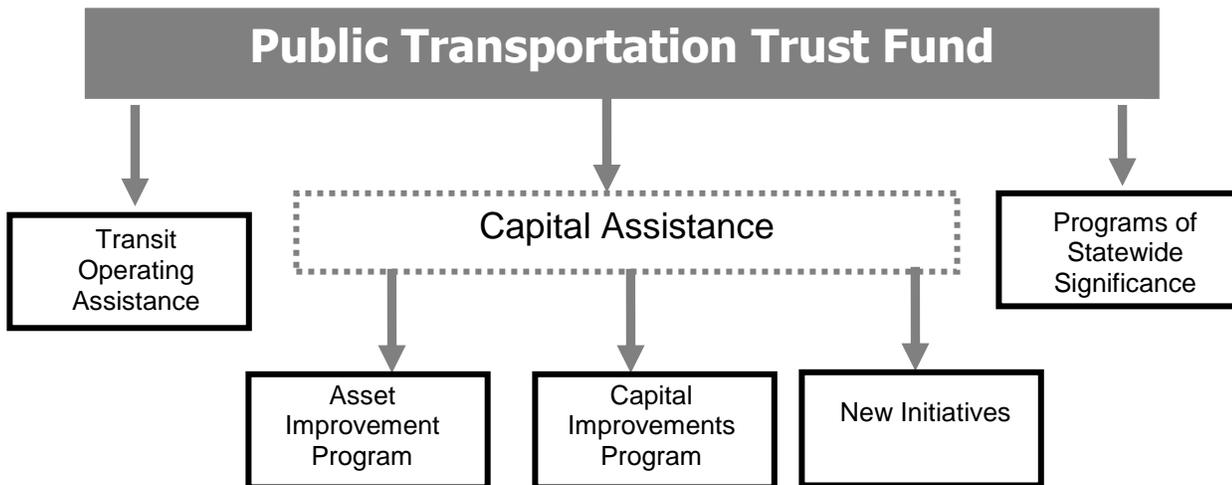
Act 44 Public Transportation Program

7/5/2011

Public Transportation Program Principles

- Dedicated, predictable funding
- Funding structure and distribution simple and transparent (easily understood)
- Funding linked to need and performance
- Strengthen transit accountability and Department oversight
- Promote operating and financial efficiency

Dedicated Public Transportation Trust Fund with five program accounts:



PTTF Revenue Sources:

- a. Dedicate 4.4% of sales tax (Revenue neutral swap for existing General Fund operating and Act 3)
- b. Dedicate **\$85 - \$90 million** from the Lottery fund for the Free Transit for Senior Citizens Program in FY07-08.
- c. Continue to use **\$125 Million** in state bond funding for capital projects.
- d. Retain PTAF funding of **\$180 Million** (Make payments on existing debt and deposit remainder of PTAF funds into the Fund)
- e. Deposit Annual payments from Turnpike Commission. (**\$250 Million for operating**)

Operating Assistance

Performance based distribution of new funding. Performance factors will include: passengers per hour; cost per hour; revenue per hour; cost per passenger trip

Oversight/Reporting: Mandated reporting of standardized and verified data to support formula and performance evaluation. PennDOT will conduct periodic financial and performance based system reviews. Annual system performance reported to Governor and Legislature.

Operating Account

Base Funding (\$536 Million) - Systems would receive a base allocation of funding that would be distributed to them every year.

New Formula Funds (Approximately \$250 Million) - New operating funds will distributed by formula based on needs and performance factors

Distribution Formula		
25%	Total passengers	Performance
10%	Senior passengers premium	Performance
35%	Total revenue vehicle hours	Need
30%	Total revenue vehicle miles	Need

Local Match Requirement

- 15% local match required
- Hold Harmless on Local Match - Systems would be expected to collect at least 5% more each year over prior year contribution until they reach required level.

Hold Harmless: No system would receive less operating funding than in the prior year.

Growth Caps: In first year, 50% growth cap, succeeding years 20%.

Capital Assistance

Capital Needs Development: Develop and maintain statewide four to twelve year transit Capital Needs. PennDOT will work with transit agencies and MPO's/RPO's to provide the technical project review of needs through an established, respected process linked to the State Transportation Improvement Program.

Oversight/Reporting: PennDOT will conduct regular project field reviews and technical assistance. PennDOT to oversee development of statewide transit capital plan and program. An annual report on transit capital investment will be provided to the Governor and legislature.

Asset Improvement Account	(\$125 Million Capital Bond)
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Funding Distribution: Funds a statewide Transit Capital program based on NEED. Discretionary distribution based on needs in the following categories in priority order:

1. Existing debt service commitment
2. Matching funds for federally approved projects

3. Non – Federal Capital projects – in the following priority order:
 - a. Emergency/Mandatory/Safety Projects
 - b. Replacement of existing assets that have exceeded their useful life
 - c. Non emergency asset replacement projects
 - d. Asset expansion (Not New Starts)- Capital projects that show a ROI that improves operating efficiency and or customer service.
- o **Local Match contribution at 3 1/3% of state grant.**

Capital Improvements Account	(Approximately \$60 Million per year)
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Distribution: Formula distribution based on passengers.

No local match required

New Initiatives Account

Distribution - Discretionary based on available funding and eligible projects

- a. Priority given to match Federal New Starts funding
- b. If not matching Federal New Starts then project must meet following criteria:
 - i. Investments in existing service areas have been optimized
 - ii. Analysis reveals reasonable return on investment
 - iii. Public benefit of the project has been identified
 - iv. Local dedicated funding commitment has been identified
 - v. Local technical ability and capacity to manage, construct and operate project
 - vi. Local municipality has adopted integrated land use plan that includes the project.

Local Match no less than 3 1/3% of state grant.

Programs of Statewide Significance Account	(Approximately \$50 Million per year)
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- Authorizes Persons with Disabilities program statewide (except Allegheny and Philadelphia Counties).
- Provides matching funds for JARC and state funds for Welfare to Work
- Provides support to intercity rail and intercity bus
- Establishes Community Transportation Service Stabilization program and funds capital program.
- Funds Technical Assistance and Demonstration projects
- Funds Rail Safety & Transit Security.

Distribution –Discretionary distribution for each program based upon needs.

Program administration remains consistent with existing program requirements and policies. PennDOT will continue to streamline, simplify and improve the accountability of these programs.

