

PPTA FUNDING PRINCIPLES – 2019

The transit systems represented by the Pennsylvania Public Transportation Association (PPTA) are dedicated to delivering safe, reliable, sustainable, accessible and customer-focused public transit services. Each day, public transportation provides over one million rides to people throughout all of Pennsylvania's 67 counties. Together, these trips contribute to mobility, economic vitality, sustainability and an enhanced quality of life throughout the Commonwealth.

Act 89 of 2013 has provided stable and reliable funding to ensure that Pennsylvania's public transportation systems can provide critical mobility to the citizens across the Commonwealth. Emerging funding uncertainty puts these successes at risk, and the Pennsylvania Public Transportation Association recommends the following principles as the basis for a funding solution.

The Pennsylvania Public Transportation Association supports:

1. Continuation of funding provided under the Public Transportation Assistance Fund (PTAF). Operating funds for all systems should be distributed based on formulas established in Act 89 and continue to be protected with the hold harmless provisions.
2. Securing Act 44 public transportation programs, including the Public Transportation Trust Fund. The Trust fund should be distributed directly to recipients based on funding formula previously used under Act 26 and Act 3, updated to reflect the current performance measures for each system.
3. Independent recommendations and legislative measures to begin the gradual transition of \$450 million in Pennsylvania Turnpike Commission obligations to the General Fund Motor Vehicle Sales and Use tax in advance of July 1, 2022, as required by Act 44/Act 89.
4. The findings and recommendations of the Pennsylvania Transportation Advisory Committee's 2019 report, the "Risks to Transportation Funding in Pennsylvania". The Committee's report identified an additional \$1.2 Billion funding need for public transit agencies to address state of good repair needs and grow to respond to economic development in communities throughout the Commonwealth.
5. Legislative changes that would provide communities with the ability to enact local revenue generating streams to help fund state of good repair projects and/or service expansion projects, including "spike" projects, to meet a region's mobility needs. "Spike" funding for projects should be bondable and not replace current funding sources for public transit capital or operating needs.
6. The American Public Transportation Association's Guiding Principles for Reauthorization, which calls for a six year reauthorization of federal Surface Transportation Authorization at funding levels above the current Fixing America's Surface Transportation Act (FAST Act).

APPENDIX TO PPTA FUNDING PRINCIPLES

Demonstration Projects

- PennDOT should give consideration every 2 years for new service, where demonstrated need exists, and allocate an appropriate percentage of growth in funding to create a financial base for those projects.

New Capital

- The PennDOT discretionary capital set aside should be capped at five (5) percent with the remaining capital funding distributed directly to public transit systems via established formulas.
- Asset Maintenance funding should be provided using Act 26 and Act 3 as a guide for their distribution, expenditure and carry over.
- Transit agencies should be granted greater flexibility in the use of capital funding for an expanded list of asset maintenance activities.
- Systems, at their local discretion, should have the option to participate in statewide initiatives.

Medical Assistance Transportation Program (MATP) Revenue Replacement Fund

- In the event that the Department of Human Services implements a Full Risk Brokerage Model, a MATP Revenue Replacement Fund should be established to ensure that revenue lost and expenses incurred as a result of implementing the new model does not jeopardize systems' ability to serve their communities. The new Fund would initially distribute up to \$61M to systems demonstrating lost revenue and increased expenses directly attributable to the change of the current MATP model.

System Performance Criteria

- Each system's performance should be measured against its own historical productivity. Differences in demographics and geography make it nearly impossible to perform objective and accurate interagency analyses.
- All funding should remain subject solely to the Performance Reviews and Criteria set forth in § 1513 (E) and (F) of Act 44.