

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1487 Session of
1991

INTRODUCED BY LINTON, MICHLOVIC, EVANS, BATTISTO, KOSINSKI,
WOZNIAK, HUGHES, PETRONE, MAIALE, O'DONNELL, WILLIAMS,
JOSEPHS, JAMES, THOMAS, HARPER AND ROBINSON, MAY 28, 1991

REFERRED TO COMMITTEE ON TRANSPORTATION, MAY 28, 1991

AN ACT

1 Amending the act of January 22, 1968 (P.L.42, No.8), entitled,
2 as amended, "An act empowering and authorizing the Department
3 of Transportation to establish and administer certain grant
4 programs for the betterment of mass transportation systems
5 and facilities throughout the Commonwealth; providing for
6 State grants to transportation companies, municipalities,
7 counties, or their instrumentalities and to agencies and
8 instrumentalities of the Commonwealth for studies, research,
9 demonstration programs, promotion programs, purchase of
10 service projects, and capital improvement projects under
11 certain conditions; authorizing grants by counties or
12 municipalities in metropolitan areas to local transportation
13 organizations, authorizing the creation of a transportation
14 authority to function in each metropolitan area consisting of
15 any county of the first class and all nearby counties within
16 a radius of twenty miles of any such first class county, as a
17 body corporate and politic for the purpose of establishing an
18 integrated mass transportation system with all pertinent
19 powers including, but not limited to, leasing, acquiring,
20 owning, operating and maintaining a system for, or otherwise
21 providing for, the transportation of persons, authorizing the
22 borrowing of money and issuance of bonds therefor, conferring
23 the right of eminent domain on the authority; altering the
24 jurisdiction of the Public Utility Commission, authorizing
25 the acceptance of grants from Federal, State and local
26 governments, limiting actions against the authority and
27 exempting it from taxation, authorizing counties and
28 municipalities to enter into compacts for the financing of
29 each authority and to make appropriations in accordance with
30 such compacts, creating a citizen advisory committee,
31 conferring exclusive jurisdiction upon certain courts with
32 respect to matters relating to such authority, empowering
33 each authority to function outside of the metropolitan area

under certain terms and conditions," further defining certain transit entities; revising and adding definitions; removing certain limitations on State grants; providing for the distribution and use of funds for operations, capital projects, asset maintenance costs and other programs of transit entities; providing for the distribution and use of funds for planning, development and rural expansion; replacing demand response entitlement grants with community transportation programs; authorizing the Department of Transportation to make grants for community transportation programs; and providing additional powers and duties of the Department of Transportation and the Treasury Department.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 101 of the act of January 22, 1968 (P.L.42, No.8), known as the Pennsylvania Urban Mass Transportation Law, added July 10, 1980 (P.L.427, No.101), is amended to read:

Section 101. Short Title.--This act shall be known and may be cited as the "[Pennsylvania Urban Mass] Public Transportation Law."

Section 2. The heading of Article II of the act, added July 10, 1980 (P.L.427, No.101), is amended to read:

ARTICLE II

[URBAN MASS] PUBLIC TRANSPORTATION ASSISTANCE

Section 3. The definitions of "capital project," "Class 3 transit entity," "Class 3A transit entity" and "Class 3B transit entity" in section 202 of the act, amended or added July 10, 1980 (P.L.427, No.101) and October 16, 1987 (P.L.359, No.73), are amended and the section is amended by adding definitions to read:

Section 202. Definitions.--The following terms, whenever used or referred to in this article, shall have the following meanings, except in those instances where the context clearly indicates a different meaning:

1 "Asset maintenance costs" shall include all vehicle
2 maintenance expenses, non-vehicle maintenance expenses and
3 materials and supplies used in the operation of local
4 transportation organizations and transportation companies.

5 * * *

6 "Capital project" shall mean and include any system of public
7 passenger or public passenger and rail transportation, including
8 but not limited to any railway, street railway, subway, elevated
9 and monorail passenger or passenger and rail rolling stock,
10 including self-propelled and gallery cars, locomotives,
11 passenger buses and wires, poles and equipment for the
12 electrification of any of the foregoing, rails, tracks,
13 roadbeds, guideways, elevated structures, buildings, stations,
14 terminals, docks, shelters, airports and parking areas for use
15 in connection with public passenger or public passenger and rail
16 transportation systems, interconnecting lines and tunnels to
17 provide passenger or passenger and rail service connections
18 between transportation systems, transportation routes,
19 corridors, and rights-of-way for any thereof (but not for public
20 highways), signal and communication systems necessary or
21 desirable for the construction, operation or improvement of the
22 public passenger or passenger and rail transportation system
23 involved, or any improvement of or overhaul of any vehicle,
24 equipment or furnishings for any of the foregoing or any part,
25 or fractional and undivided co-ownership or leasehold interest
26 in any one or combination of any of the foregoing, that may be
27 designated as a capital project by the secretary.

28 * * *

29 "Class 3 transit entity" shall mean and include a local
30 transportation organization or transportation company operating

1 three hundred or less fixed route transit vehicles in the peak
2 period serving an urbanized area.

3 ["Class 3A transit entity" shall mean and include a local
4 transportation organization or transportation company operating
5 more than twenty but not more than three hundred fixed route
6 transit vehicles in the peak period.]

7 "Class 3B transit entity" shall mean and include a local
8 transportation organization or transportation company operating
9 twenty or less fixed route transit vehicles in the peak period.]

10 "Class 4 transit entity" shall mean and include any local
11 transportation organization or transportation company which
12 serves a non-urbanized area and, during the 1990-1991 fiscal
13 year, received or was approved to receive funding under the act
14 of February 11, 1976 (P.L.14, No.10), known as the "Pennsylvania
15 Rural and Intercity Common Carrier Surface Transportation
16 Assistance Act."

17 "Class 4 transit entity adjusted base grant" shall mean the
18 State subsidy for operating expenses a Class 4 transit entity
19 received during the 1990-1991 fiscal year, including any funds
20 appropriated under the act of February 11, 1976 (P.L.14, No.10),
21 known as the "Pennsylvania Rural and Intercity Common Carrier
22 Surface Transportation Assistance Act"; adjusted for factors
23 which, in the judgment of the department, caused significant
24 increases or decreases in the amount of State subsidy to a Class
25 4 transit entity during the 1990-1991 fiscal year; and further
26 adjusted, with respect to any Class 4 transit entity which
27 received a State subsidy for less than the entire 1990-1991
28 fiscal year, to reflect the annual subsidy that Class 4 transit
29 entity would have received during that fiscal year if it had
30 received a State subsidy for that entire fiscal year.

1 "Community transportation programs" shall mean programs
2 eligible to be funded pursuant to section 406.1.

3 * * *

4 "Materials and supplies" shall mean those categories of
5 expenses contained in object class code 504 as specified in the
6 National Urban Mass Transportation Statistics, 1989 Section 15
7 Annual Report, Report No. UMTA-IT-06-0352-90-1.

8 * * *

9 "Non-urbanized area" shall mean any area in this Commonwealth
10 which does not fall within an area classified as "urbanized" by
11 the United States Bureau of the Census of the United States
12 Department of Commerce, in the 1980 Census of Population or any
13 area in this Commonwealth not classified as "urbanized" in any
14 future decennial census of the United States.

15 "Non-vehicle maintenance expenses" shall mean the categories
16 of costs associated with the inspection, maintenance and repair
17 of assets other than vehicles, as specified in the National
18 Urban Mass Transportation Statistics, 1989 Section 15 Annual
19 Report, Report No. UMTA-IT-06-0352-90-1.

20 "Pennsylvania Mass Transit Statistical Report" shall mean the
21 summary of selected financial and operating data concerning
22 local transportation organizations and transportation companies
23 for services in urbanized areas published annually by the
24 Department of Transportation since the 1973-1974 fiscal year.
25 The department shall publish the Pennsylvania Mass Transit
26 Statistical Report on an annual basis on or before April 15 of
27 each year, which report shall contain statistics with respect to
28 the prior fiscal year, including those statistics needed for the
29 department to make the calculations required pursuant to
30 sections 204 and 210, and such other material as the department

1 shall determine.

2 "Pennsylvania Rural and Small Urban Public Transportation
3 Program Statistical Report" shall mean the summary of selected
4 financial and operating data concerning rural and small urban
5 local transportation organizations and transportation companies
6 for services in non-urbanized areas published by the Department
7 of Transportation. The department shall publish the Pennsylvania
8 Rural and Small Urban Public Transportation Program Statistical
9 Report on an annual basis on or before April 15 of each year,
10 which report shall contain statistics with respect to the prior
11 fiscal year, including those statistics needed for the
12 department to make the calculations required pursuant to
13 sections 204 and 210, and such other material as the department
14 shall determine.

15 * * *

16 "Planning, development and rural expansion program" shall
17 mean programs eligible to be funded pursuant to section 408.

18 * * *

19 "Revenue hours" shall mean the total amount of time,
20 calculated in hours, during which vehicles of a Class 4 transit
21 entity are in service and available for public use as reported
22 with respect to the most recent fiscal year in the most recently
23 issued Pennsylvania Rural and Small Urban Public Transportation
24 Statistical Report.

25 "Revenue miles" shall mean the total number of in-service
26 miles traveled by vehicles of a Class 4 transit entity as
27 reported with respect to the most recent fiscal year in the most
28 recently issued Pennsylvania Rural and Small Urban Public
29 Transportation Statistical Report.

30 * * *

1 "Urbanized area" shall mean a portion of this Commonwealth
2 classified as "urbanized" by the United States Bureau of the
3 Census of the United States Department of Commerce, in the 1980
4 Census of Population or any area in this Commonwealth classified
5 as "urbanized" in any future decennial census of the United
6 States.

7 "Vehicle hours" shall mean the total amount of time,
8 calculated in hours, during which vehicles of a local
9 transportation organization or transportation company are in
10 service and available for public use listed with respect to the
11 most recent fiscal year reported in the most recently issued
12 Pennsylvania Mass Transit Statistical Report.

13 "Vehicle maintenance expenses" shall mean the categories of
14 costs associated with the inspection, maintenance and repair of
15 vehicles as specified in the National Urban Mass Transportation
16 Statistics, 1989 Section 15 Annual Report, Report No. UMTA-IT-
17 06-0352-90-1.

18 "Vehicle miles" shall mean the total distance, calculated in
19 miles, which is funded in whole or in part by this act, traveled
20 by vehicles of a local transportation organization or
21 transportation company listed with respect to the most recent
22 fiscal year reported in the most recently issued Pennsylvania
23 Mass Transit Statistical Report.

24 Section 4. Section 203(2), (3) and (4) of the act, amended
25 or added July 10, 1980 (P.L.427, No.101) and October 16, 1987
26 (P.L.359, No.73), are amended to read:

27 Section 203. Program Authorizations.--The department is
28 hereby authorized, within the limitations hereinafter provided
29 and is required where the provisions of section 204 apply:

30 * * *

(2) To make grants to municipalities, counties, or their instrumentalities, and to agencies and instrumentalities of the Commonwealth to supplement Federal or local or Federal and local funds for use:

(i) For the purpose of studies, analysis, planning and development of programs for urban common carrier mass transportation service and facilities, and for the purpose of activities related to the planning, engineering, and designing of specific projects which are a part of a comprehensive program including but not limited to activities such as studies related to management, operations, capital requirements, and economic feasibility, to the preparation of engineering and architectural surveys, plans, and specifications, and to other similar or related activities preliminary to and in preparation for the construction, acquisition, or improved operation of urban common carrier mass transportation systems, facilities, and equipment. State funding under this subparagraph shall not exceed [eighty percent or one-half] five-sixths of the non-Federal share of the project costs[, whichever is less].

(ii) To provide for research, development and demonstration projects in all phases of urban common carrier mass transportation (including the development, testing and demonstration of new facilities, equipment, techniques and methods) to assist in the solution of urban transportation problems, in the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. State funding under this subparagraph shall not exceed [eighty percent or one-half] five-sixths of the non-Federal share of the project costs[, whichever is less].

1 (iii) To assist in providing grants to continue necessary
2 service to the public, to permit needed improvements in service
3 which are not self-supporting, to permit service which may be
4 socially desirable but economically unjustified, and otherwise
5 for any purpose in furtherance of urban common carrier mass
6 transportation. The methodology for calculating the amount of
7 the grant under this subparagraph shall be determined in
8 accordance with section 204. Each grant to a Class 1 transit
9 entity, to a Class 2 transit entity or to a Class 3 transit
10 entity made pursuant to this paragraph shall be matched by local
11 or private funding in an amount not less than one-third of the
12 total State grant made pursuant to section 204(b): Provided,
13 however, That any grants to Class 3 transit entities may be
14 matched by an amount not less than the amount of local or
15 private funding [furnished in the 1985-1986] which is specified
16 in the State contract for the 1990-1991 fiscal year if the
17 department shall have received a certification from such Class 3
18 transit entity that such lower level of local or private funding
19 is adequate to prevent significant service reductions or
20 passenger fare increases.

21 (3) To make grants to any transportation company or
22 companies for use in providing necessary service to the public,
23 to permit needed improvements in services which are not self-
24 supporting, to permit services which may be socially desirable
25 but economically unjustified, and otherwise for any purpose in
26 furtherance of urban common carrier mass transportation. In view
27 of the particular sensitivity of special instrumentalities and
28 agencies of the Commonwealth created to serve or coordinate the
29 local transportation needs of substantial metropolitan areas, no
30 grant moneys may be used exclusively or principally in the local

1 service area of any such agency or instrumentality in which a
2 city or county of the first or second class has membership,
3 except in accordance with a system of priorities agreed upon by
4 the department and such agency or instrumentality. In the case
5 of a grant where the moneys granted will be used for an activity
6 to be conducted exclusively or principally within the local
7 service areas of such agency or instrumentality, no grant moneys
8 may be used except in accordance with agreements by the
9 department and such agency or instrumentality with respect to
10 such use. In the case of a grant not falling within the scope of
11 the preceding sentence but where moneys granted will be used
12 both within and without the local service area of such agency or
13 instrumentality, the grant shall require that the routes,
14 schedules, and fares applicable only within such service areas
15 shall be those mutually agreed upon by the department and such
16 agency or instrumentality. No agreement referred to in this
17 paragraph shall impair, suspend, reduce, enlarge or extend or
18 affect in any manner the powers of the Pennsylvania Public
19 Utility Commission or the Interstate Commerce Commission
20 otherwise applicable by law. Each grant to a Class 1 transit
21 entity, to a Class 2 transit entity or to a Class 3 transit
22 entity made pursuant to this paragraph shall be matched by local
23 or private funding in an amount not less than one-third of the
24 total State grant made pursuant to section 204(b): Provided,
25 however, That any grants to Class 3 transit entities may be
26 matched by an amount not less than the amount of local or
27 private funding [furnished in the 1985-1986] which is specified
28 in the State contract for the 1990-1991 fiscal year if the
29 department shall have received a certification from such Class 3
30 transit entity that such lower level of local or private funding

1 is adequate to prevent significant service reductions and/or
2 passenger fare increases.

3 (4) In connection with privately or locally assisted capital
4 projects or capital projects financed with private or local and
5 Federal funds, to make grants for approved capital projects to a
6 local transportation organization or a transportation company,
7 including the acquisition, construction, reconstruction, and
8 improvement of facilities and equipment, buses and other rolling
9 stock, and other real or personal property, including land (but
10 not public highways), needed for an efficient and coordinated
11 mass transportation system for use, by operation, lease or
12 otherwise, in urban common carrier mass transportation service
13 and in coordinating such service with highway and other
14 transportation. No capital project grant shall be made for the
15 purpose of financing, directly or indirectly, the acquisition of
16 any interest in, or the purchase of any facilities or other
17 property of, a private urban common carrier mass transportation
18 company. Each capital project shall be based on a program or
19 plan approved by the department. No capital project grant shall
20 exceed [one-sixth of the "net project cost,"] five-sixths of the
21 non-Federal share, subject, however, to the following specific
22 exceptions:

23 (i) If two or more capital projects are combined for
24 financing purposes, the amount of department funds used for any
25 one of such projects may exceed [one-sixth of the "net project
26 cost"] five-sixths of the non-Federal share, provided that the
27 total amount of department funds provided for all the projects
28 so combined does not exceed [one-sixth of the total "net project
29 costs"] five-sixths of the total non-Federal share of all of the
30 projects so combined.

1 (ii) If a capital project is eligible to receive Federal
2 financial assistance under the Federal Urban Mass Transportation
3 Act of 1964, as amended, and if the project application for such
4 Federal financial assistance has been rejected or delayed
5 because of a lack of Federal funds or if the normal amount of
6 Federal grant cannot be provided because of a lack of Federal
7 funds, and if the department has determined that the capital
8 project is essential and should proceed without delay,
9 department funds for such capital project may be increased
10 temporarily to [an amount not to exceed five-sixths of the "net
11 project cost" so long as the funds provided from local sources
12 shall equal at least one-sixth of the "net project cost,"]
13 finance the entire "net project cost," with the requirement that
14 upon the availability of additional Federal funds and the making
15 to the capital project of a new or an additional Federal grant,
16 the amount of department funds in excess of [one-sixth] five-
17 sixths of the "net project cost" be refunded to the department
18 or be applied as the department may direct to help meet the
19 department's share of the cost of another project, in which the
20 department is a participant.

21 (iii) If a project is ineligible to receive Federal
22 financial assistance under the Federal Urban Mass Transportation
23 Act of 1964, as amended, and if the department has determined
24 that the project is essential and should proceed without delay,
25 the amount of department funds for such project shall be limited
26 to an amount not to exceed [one-half] of the "net project cost."

27 * * *

28 Section 5. Section 204 of the act, amended October 16, 1987
29 (P.L.359, No.73), is amended to read:

30 Section 204. Annual Appropriation, Computation of Subsidy.--

1 (a) The Commonwealth shall annually determine the level of
2 appropriation for urban common carrier mass transportation
3 assistance, using the standards contained in this section, to
4 sufficiently fund and to make fully operative section
5 203(2)(iii) and (3).

6 (b) The General Assembly shall annually make an
7 appropriation to the department for distribution as grants to
8 local transportation organizations and transportation companies.
9 The total amount of moneys appropriated shall be distributed by
10 the department as grants to local transportation organizations
11 and transportation companies in accordance with the provisions
12 of this section.

13 (c) The department shall distribute the total amount
14 appropriated under subsection (b) in the following manner:

15 (1) The department shall calculate the Class 4 transit
16 entity share for the fiscal year.

17 (2) The department shall then calculate the amount of grant
18 due to each Class 4 transit entity as follows:

19 (i) From the Class 4 transit entity share, each Class 4
20 transit entity shall first receive an amount equal to one
21 hundred percent of its Class 4 transit entity adjusted base
22 grant.

23 (ii) With respect to any portion of the Class 4 transit
24 entity share remaining after each Class 4 transit entity
25 receives an amount equal to one hundred percent of its Class 4
26 transit entity adjusted base grant:

27 (A) Fifty percent of such excess shall be distributed to
28 Class 4 transit entities based upon the percentage of the total
29 amount of all Class 4 transit entity adjusted base grants given
30 to Class 4 transit entities which a particular Class 4 transit

1 entity received.

2 (B) Twenty-five percent of such excess shall be distributed
3 to Class 4 transit entities based upon each transit entity's
4 Class 4 revenue mile percentage. The actual amount received by
5 each Class 4 transit entity under this clause shall be
6 determined by multiplying a particular Class 4 transit entity's
7 Class 4 revenue mile percentage times twenty-five percent of
8 such excess of the Class 4 transit entity share.

9 (C) Twenty-five percent of such excess shall be distributed
10 to Class 4 transit entities based upon each transit entity's
11 Class 4 revenue hour percentage. The actual amount received by
12 each Class 4 transit entity under this clause shall be
13 determined by multiplying a particular Class 4 transit entity's
14 Class 4 revenue hour percentage times twenty-five percent of
15 such excess of the Class 4 transit entity share.

16 (3) All Class 4 transit entities may utilize all of the
17 funds received pursuant to this section for any purpose in
18 furtherance of public transportation: Provided, however, That
19 each grant made to a Class 4 transit entity pursuant to this
20 section shall be matched by local or private funding in an
21 amount not less than one-ninth of the total State grant made
22 pursuant to subsection (c).

23 [(1)] (4) The department shall calculate the Class 1 transit
24 entity share, the Class 2 transit entity share and the Class 3
25 transit entity share for the fiscal year. [From the Class 3
26 transit entity share, the department shall calculate the Class
27 3A transit entity share and the Class 3B transit entity share.

28 (2)] (5) The department shall then calculate the amount of
29 grant due to each local transportation organization and
30 transportation company as follows:

1 (i) Each Class 1 transit entity shall receive a prorata
2 share of the Class 1 transit entity share. If there is only one
3 Class 1 transit entity, it shall receive the entire Class 1
4 transit entity share.

5 (ii) Each Class 2 transit entity shall receive a prorata
6 share of the Class 2 transit entity share. If there is only one
7 Class 2 transit entity, it shall receive the entire Class 2
8 transit entity share.

9 (iii) Each Class [3A] 3 transit entity shall receive a
10 portion of the Class [3A] 3 transit entity share calculated as
11 follows:

12 (A) From the Class [3A] 3 transit entity share, each Class
13 [3A] 3 transit entity shall first receive an amount equal to one
14 hundred percent of its Class 3 transit entity adjusted base
15 grant.

16 (B) With respect to any portion of the Class [3A] 3 transit
17 entity share remaining after each Class [3A] 3 transit entity
18 receives an amount equal to one hundred percent of its Class 3
19 transit entity adjusted base grant:

20 (I) Fifty percent of such excess shall be distributed to
21 Class [3A] 3 transit entities based upon the percentage of all
22 Class 3 transit entity adjusted base grants given to Class [3A]
23 3 transit entities which a particular Class [3A] 3 transit
24 entity received.

25 (II) Twenty-five percent of such excess shall be distributed
26 to Class [3A] 3 transit entities based upon each transit
27 entity's Class [3A] 3 vehicle mile percentage. The actual amount
28 received by each Class [3A] 3 transit entity under this
29 subclause shall be determined by multiplying a particular Class
30 [3A] 3 transit entity's Class [3A] 3 vehicle mile percentage

1 times twenty-five percent of such excess of the Class [3A] 3
2 transit entity share.

3 (III) Twenty-five percent of such excess shall be
4 distributed to Class [3A] 3 transit entities based upon each
5 Class [3A] 3 transit entity's Class [3A] 3 operating revenue
6 percentage. The actual amount received by each Class [3A] 3
7 transit entity under this subclause shall be determined by
8 multiplying a particular Class [3A] 3 transit entity's Class
9 [3A] 3 operating revenue percentage times twenty-five percent of
10 such excess of the Class [3A] 3 transit entity share.

11 [(iv) Each Class 3B transit entity shall receive a portion
12 of the Class 3B transit entity share calculated as follows:

13 (A) From the Class 3B transit entity share, each Class 3B
14 transit entity shall first receive an amount equal to one
15 hundred percent of its adjusted base grant.

16 (B) With respect to any portion of the Class 3B transit
17 entity share remaining after each Class 3B transit entity
18 receives an amount equal to one hundred percent of its adjusted
19 base grant:

20 (I) Fifty percent of such excess shall be distributed to
21 Class 3B transit entities based upon the percentage of all
22 adjusted base grants given to Class 3B transit entities which a
23 particular Class 3B transit entity received.

24 (II) Twenty-five percent of such excess shall be distributed
25 to Class 3B transit entities based upon each transit entity's
26 Class 3B vehicle mile percentage. The actual amount received by
27 each Class 3B transit entity under this subclause shall be
28 determined by multiplying a particular Class 3B transit entity's
29 Class 3B vehicle mile percentage times twenty-five percent of
30 such excess of the Class 3B transit entity share.

(III) Twenty-five percent of such excess shall be distributed to Class 3B transit entities based upon each Class 3B transit entity's Class 3B operating revenue percentage. The actual amount received by each Class 3B transit entity under this subclause shall be determined by multiplying a particular Class 3B transit entity's Class 3B operating revenue percentage times twenty-five percent of such excess of the Class 3B transit entity share.

(3)] (6) On or about each July 1, October 1, January 1 and April 1 of each year commencing July 1, 1987, the department shall disburse one-quarter of the total annual amount due to each local transportation organization or transportation company calculated in accordance with the provisions of this section.

(d) Should a new local transportation organization or transportation company be established and meet the criteria of a Class 1 transit entity, Class 2 transit entity, Class 3 transit entity or Class 4 transit entity as such criteria are set forth in section 202 of this act, the department shall make an appropriate determination as to the level of grant to which such local transportation organization or transportation company shall be entitled. Such determination shall include, but shall not be limited to, a determination as to an appropriate adjusted base grant for that local transportation organization or transportation company and a determination of appropriate adjustments to class percentages or transit entity shares.

(d.1) If during any fiscal year, either the number of vehicles operated by a local transportation organization or transportation company or the area served by such a local transportation organization or transportation company changes so that the local transportation organization or transportation

1 company meets the criteria for a different transit entity class,
2 as such criteria are set forth in section 202 of this act, on or
3 before July 15 of the fiscal year which follows such a change
4 and in each fiscal year thereafter, the department shall reflect
5 any change in the transit entity class of such a local
6 transportation organization or transportation company in its
7 calculation of the transit entity shares for each transit entity
8 class for that and subsequent fiscal years. In its calculation
9 of the transit entity shares for each transit entity class
10 required by section 204 of this act, for the fiscal year
11 following the change in a local transportation organization or
12 transportation company's transit entity class and thereafter,
13 the department shall include the amount of the transit entity
14 share allocated to such a local transportation organization or
15 transportation company for the fiscal year prior to the change
16 in the transit entity class, in the transit entity share for the
17 new transit entity class of such a local transportation
18 organization or transportation company, and shall delete an
19 equal amount from the transit entity share for the transit
20 entity class for which such a local transportation organization
21 or transportation company no longer meets the criteria in the
22 new fiscal year or thereafter.

23 (e) Each local transportation organization or transportation
24 company receiving moneys pursuant to this section shall annually
25 fix such rates, fares and charges in such manner that they shall
26 be at all times sufficient in the aggregate, and in conjunction
27 with any moneys received from Federal or other sources, and any
28 other income available to such organization or company, to
29 provide funds for the payment of all operating costs and
30 expenses which shall be incurred by such organization or

1 company.

2 (f) (1) Within one year after the effective date of this
3 act and every year thereafter, each local transportation
4 organization or transportation company receiving moneys pursuant
5 to this section shall adopt a series of service standards and
6 performance evaluation measures. Such standards and measures
7 shall consist of objectives and specific numeric performance
8 levels to be achieved in meeting these standards and objectives.
9 Those standards and measures adopted shall include the
10 following, in addition to others deemed appropriate by the local
11 transportation organization or transportation company:

12 (i) An automatic mechanism to review the utilization of
13 routes.

14 (ii) Staffing ratios (ratio of administrative employees to
15 operating employees; number of vehicles per mechanic).

16 (iii) Productivity measures (vehicle miles per employee;
17 passenger and employee accidents per one hundred thousand vehicle
18 miles; on-time performance; miles between road calls).

19 (iv) Fiscal indicators (operating cost per passenger;
20 subsidy per passenger and operating ratio).

21 (v) Any other matter desired by the governing body of such
22 local transportation organization or transportation company.

23 (2) The service standards and performance evaluation
24 measures shall be established by formal action of the governing
25 body of such local transportation organization or transportation
26 company following an opportunity for comment by the public and
27 the department. Upon submission, the department will review and
28 may make recommendations to the local transportation
29 organization or transportation company concerning the service
30 standards and performance evaluation measures.

1 (3) In the discretion of such governing body, the service
2 standards and performance evaluation measures may be systemwide
3 or based on a sampling.

4 (4) The service standards and performance evaluation
5 measures shall only constitute goals for such local
6 transportation organization or transportation company in
7 providing service in the year following their adoption. At the
8 end of such year (fiscal or calendar, as the case may be), a
9 report shall be transmitted to the department for its
10 consideration indicating the projected performance levels and
11 the performance levels actually achieved. Upon submission, the
12 department will review the report and may make recommendations
13 to such local transportation organization or transportation
14 company concerning the performance levels actually achieved.
15 Such report shall be released to the public at the time of
16 issuance.

17 (g) With respect to grants to Class 1 transit entities and
18 Class 2 transit entities in any fiscal year, the department
19 shall reduce the grant amount due to such local transportation
20 organization or transportation company by an amount equal to one
21 percent of such grant moneys otherwise due to such local
22 transportation organization or transportation company for each
23 percentage point such local transportation organization's or
24 transportation company's operating ratio is less than fifty
25 percent in the case of a Class 1 transit entity, or less than
26 forty-six percent in the case of a Class 2 transit entity.

27 (h) The department is authorized to perform independent
28 financial audits of the financial statements of each local
29 transportation organization or transportation company receiving
30 moneys pursuant to this section. Such audits shall be conducted

1 in accordance with generally accepted auditing standards. Any
2 financial statements subject to such audit or reports resulting
3 from such audit shall be prepared and presented in accordance
4 with generally accepted accounting principles, consistently
5 applied with previous statements rendered for or on behalf of
6 such organization or company. The department may coordinate such
7 audits in conjunction with audits undertaken by the Auditor
8 General.

9 [(i) In addition to the distribution provided for in
10 subsection (c), each Class 3B transit entity shall receive an
11 additional grant equal to eighteen and one-half percent of the
12 amount distributed to such entity under subsection (c). These
13 grants may be used by Class 3B transit entities for activities
14 including, but not limited to, the following:

- 15 (1) Vehicle purchases.
- 16 (2) Equipment purchases.
- 17 (3) Expansion of services.
- 18 (4) Demonstration projects.
- 19 (5) Education and training.
- 20 (6) Professional development.]

21 (j) As used in this section, the following words and phrases
22 shall have the meanings given to them in this subsection:

23 ["Adjusted base grant" shall mean the State subsidy a Class 3
24 transit entity received during the 1985-1986 fiscal year
25 adjusted to reflect the amount of State subsidy certain Class 3
26 transit entities would have received in that fiscal year but for
27 receipt of a one-time Federal grant during the 1985-1986 fiscal
28 year and also adjusted for other factors which, in the judgment
29 of the department, caused significant increases or decreases in
30 the amount of the State subsidy to such Class 3 transit entity

1 during the 1985-1986 or 1986-1987 fiscal years.

2 "Class 1 percentage" shall be equal to seventy and three-
3 tenths percent.

4 "Class 2 percentage" shall be equal to twenty-five and four-
5 tenths percent.

6 "Class 3 percentage" shall be equal to four and three-tenths
7 percent.

8 "Class 1 transit entity share" shall be the product of the
9 Class 1 percentage times the total amount appropriated under
10 subsection (b) in a particular fiscal year.

11 "Class 2 transit entity share" shall be the product of the
12 Class 2 percentage times the total amount appropriated under
13 subsection (b) in a particular fiscal year.

14 "Class 3 transit entity share" shall be the product of the
15 Class 3 percentage times the total amount appropriated under
16 subsection (b) in a particular fiscal year.

17 "Class 3A transit entity share" shall be sixty and sixty-nine
18 one-hundredths percent of the total Class 3 transit entity
19 share.

20 "Class 3B transit entity share" shall be thirty-nine and
21 thirty-one one-hundredths percent of the total Class 3 transit
22 entity share.

23 "Operating ratio" shall mean the proportion of total
24 operating revenue (which shall include all passenger, charter
25 and advertising revenue, fare reimbursement received from the
26 State Lottery Fund and all other receipts associated with the
27 delivery of transit services, but shall exclude Federal grants
28 provided to cover operating losses and State grants made
29 pursuant to subsection (b)) divided by total operating expenses
30 associated with day-to-day operation of the system (but

1 excluding depreciation of capital assets).

2 "Operating revenue" shall mean the total revenue earned by a
3 local transportation organization or transportation company
4 through its transit operations during the 1984-1985 fiscal year,
5 including, but not limited to, passenger revenue, senior citizen
6 grant, charter revenue, school contract revenue, advertising and
7 other revenue as reported in the 1984-1985 Pennsylvania Mass
8 Transit Statistical Report. In the event such revenue for a
9 particular local transportation organization or transportation
10 company is not reported in the 1984-1985 Pennsylvania Mass
11 Transit Statistical Report, "operating revenue" shall mean the
12 total revenue during the 1984-1985 fiscal year indicated in the
13 1986-1987 purchase of service application submitted to the
14 department by such local transportation organization or
15 transportation company: Provided, however, That, if the primary
16 source of State operating assistance of a local transportation
17 organization or transportation company has changed since the
18 1984-1985 fiscal year, from this act to the act of February 11,
19 1976 (P.L.14, No.10), known as the "Pennsylvania Rural and
20 Intercity Common Carrier Surface Transportation Assistance Act,"
21 the term "operating revenue" shall mean the total revenue during
22 the 1986-1987 fiscal year indicated in the 1986-1987 purchase of
23 service application submitted to the department by such local
24 transportation organization or transportation company.

25 "Operating revenue percentage" shall mean the percentage
26 determined by dividing the operating revenues a local
27 transportation organization or transportation company had during
28 the 1984-1985 fiscal year by the total operating revenue of all
29 local transportation organizations or transportation companies
30 during the 1984-1985 fiscal year. "Class 3A operating revenue

percentage" shall mean the percentage determined by dividing the operating revenues a Class 3A transit entity had during the 1984-1985 fiscal year by the total operating revenue of all Class 3A transit entities during the 1984-1985 fiscal year.

"Class 3B operating revenue percentage" shall mean the percentage determined by dividing the operating revenues a Class 3B transit entity had during the 1984-1985 fiscal year by the total operating revenue of all Class 3B transit entities during the 1984-1985 fiscal year.

"Pennsylvania Mass Transit Statistical Report" shall mean the summary of selected financial and operating data concerning local transportation organizations and transportation companies annually published by the department since the 1973-1974 fiscal year.

"Vehicle mile percentage" shall mean the percentage determined by dividing the vehicle miles of a local transportation organization or transportation company for the 1984-1985 fiscal year by the total number of vehicle miles of all local transportation organizations and transportation companies for the 1984-1985 fiscal year. "Class 3A vehicle mile percentage" shall mean the percentage determined by dividing the vehicle miles of a Class 3A local transportation organization or transportation company for the 1984-1985 fiscal year by the total number of vehicle miles of all Class 3A local transportation organizations and transportation companies for the 1984-1985 fiscal year. "Class 3B vehicle mile percentage" shall mean the percentage determined by dividing the vehicle miles of a Class 3B local transportation organization or transportation company for the 1984-1985 fiscal year by the total number of vehicle miles of all Class 3B local

1 transportation organizations and transportation companies for
2 the 1984-1985 fiscal year.

3 "Vehicle miles" shall mean the total distance, calculated in
4 miles, traveled by vehicles of a local transportation
5 organization or transportation company as reported for the 1984-
6 1985 fiscal year in the 1984-1985 Pennsylvania Mass Transit
7 Statistical Report. In the event vehicle miles for a particular
8 local transportation organization or transportation company are
9 not reported in the 1984-1985 Pennsylvania Mass Transit
10 Statistical Report, "vehicle miles" shall mean the total
11 distance, calculated in miles, traveled by vehicles of such
12 local transportation organization or transportation company
13 during the 1984-1985 fiscal year indicated in the 1986-1987
14 purchase of service application submitted to the department by
15 such local transportation organization or transportation
16 company: Provided, however, That, if the primary source of State
17 operating assistance of a local transportation organization or
18 transportation company has changed since the 1984-1985 fiscal
19 year, from this act to the act of February 11, 1976 (P.L.14,
20 No.10), known as the "Pennsylvania Rural and Intercity Common
21 Carrier Surface Transportation Assistance Act," the term
22 "vehicle miles" shall mean the total distance, calculated in
23 miles, traveled by vehicles of such local transportation
24 organization or transportation company during the 1986-1987
25 fiscal year indicated in the 1986-1987 purchase of service
26 application submitted to the department by such local
27 transportation organization or transportation company.]

28 "Class 1 percentage" shall be equal to seventy percent.

29 "Class 2 percentage" shall be equal to twenty-five and three-
30 tenths percent.

1 "Class 3 percentage" shall be equal to four and seven-tenths
2 percent.

3 "Class 1 to 3 allocation" shall mean the total amount
4 appropriated under section 204(b) less the Class 4 transit
5 entity share.

6 "Class 1 transit entity share" shall be the product of the
7 Class 1 percentage times the Class 1 to 3 allocation in a
8 particular fiscal year.

9 "Class 2 transit entity share" shall be the product of the
10 Class 2 percentage times the Class 1 to 3 allocation in a
11 particular fiscal year.

12 "Class 3 transit entity share" shall be the product of the
13 Class 3 percentage times the Class 1 to 3 allocation in a
14 particular fiscal year.

15 "Class 3 transit entity adjusted base grant" shall mean the
16 State subsidy which a Class 3 transit entity received during the
17 1990-1991 fiscal year, including Federal funds transferred from
18 other local transportation organizations and transportation
19 companies from the Federal fiscal year 1989-1990 pursuant to the
20 Governor's apportionment allocation contained in The Urban Mass
21 Transportation Act of 1964 (Public Law 88-365, 49 U.S.C. §
22 1604(b)).

23 "Class 3 vehicle mile percentage" shall mean the percentage
24 determined by dividing the vehicle miles of a Class 3 transit
25 entity with respect to the most recent fiscal year as reported
26 in the most recently issued Pennsylvania Mass Transit
27 Statistical Report by the total number of vehicle miles of all
28 Class 3 transit entities with respect to the most recent fiscal
29 year as reported in the most recently issued Pennsylvania Mass
30 Transit Statistical Report.

1 "Class 4 revenue hour percentage" shall mean the percentage
2 determined by dividing the revenue hours of a Class 4 transit
3 entity as reported with respect to the most recent fiscal year
4 in the most recently issued Pennsylvania Rural and Small Urban
5 Public Transportation Statistical Report by the total number of
6 revenue hours of all Class 4 transit entities as reported with
7 respect to the most recent fiscal year reported in the most
8 recently issued Pennsylvania Rural and Small Urban Public
9 Transportation Statistical Report.

10 "Class 4 revenue mile percentage" shall mean the percentage
11 determined by dividing the revenue miles of a Class 4 transit
12 entity as reported with respect to the most recent fiscal year
13 in the most recently issued Pennsylvania Rural and Small Urban
14 Public Transportation Statistical Report by the total revenue
15 miles of all Class 4 transit entities as reported with respect
16 to the most recent fiscal year reported in the most recently
17 issued Pennsylvania Rural and Small Urban Public Transportation
18 Statistical Report.

19 "Class 4 transit entity share" shall be \$2,500,000 for the
20 1991-1992 fiscal year; and, during the 1992-1993 fiscal year and
21 each fiscal year thereafter, shall mean the Class 4 transit
22 entity share for the prior fiscal year plus (or minus) the
23 product of the Class 4 transit entity share for the prior fiscal
24 year times the percentage increase or decrease in the total
25 operating assistance made available to local transportation
26 organizations and transportation companies for that fiscal year
27 as compared with the most recently completed fiscal year.

28 "Operating ratio" shall mean the proportion of total
29 operating revenue (which shall include all passenger, charter
30 and advertising revenue, fare reimbursement received from the

1 State Lottery Fund and all other receipts associated with the
2 delivery of transit services, but shall exclude Federal grants
3 provided to cover operating losses and State grants made
4 pursuant to subsection (b)) divided by total operating expenses
5 associated with day-to-day operation of the system (but
6 excluding depreciation of capital assets).

7 "Operating revenue" shall mean the total revenue earned by a
8 local transportation organization or transportation company
9 through its transit operations, including, but not limited to,
10 passenger revenue, senior citizen grant, charter revenue, school
11 contract revenue, advertising and other revenue listed with
12 respect to the most recent fiscal year reported in the most
13 recently issued Pennsylvania Mass Transit Statistical Report.

14 "Operating revenue percentage" shall mean the percentage
15 determined by dividing the operating revenues of a local
16 transportation organization or transportation company as
17 reported in the most recently issued Pennsylvania Mass Transit
18 Statistical Report by the total operating revenue of all local
19 transportation organizations or transportation companies as
20 reported in the most recently issued Pennsylvania Mass Transit
21 Statistical Report.

22 Section 6. The act is amended by adding sections to read:

23 Section 210. Distribution of Funding for Capital Projects,
24 Asset Maintenance Costs, and Other Programs.--(a) All moneys
25 made available and required to be used for capital projects,
26 asset maintenance and other programs specified in this section
27 shall be distributed in accordance with the formula specified in
28 this section and used strictly in accordance with section 211.

29 (b) During each fiscal year, capital project, asset
30 maintenance and other program funds shall be distributed as

1 follows:

2 (1) On or before the fifteenth day of each month, the
3 Treasury Department shall determine the total amount of moneys
4 then available for distribution and shall disburse such funds on
5 or before the twentieth day of each month in the manner provided
6 in this subsection.

7 (2) Each month, the Treasury Department shall pay one-
8 twelfth of the Department of Transportation administrative share
9 for that fiscal year into the General Fund. The moneys so
10 transferred are hereby appropriated to the Department of
11 Transportation for use by that department for its administrative
12 expenses and other expenditures with respect to and in support
13 of public transportation programs, including those involving
14 local transportation organizations, transportation companies and
15 community transportation programs.

16 (3) Each month, the Treasury Department shall pay one-
17 twelfth of the community transportation program section 210
18 share for that fiscal year into the General Fund. The funds so
19 transferred are hereby appropriated to the Department of
20 Transportation to make grants to counties, pursuant to section
21 406.1, for the purpose of funding capital projects of community
22 transportation programs.

23 (4) Each month, the Treasury Department shall pay one-
24 twelfth of the planning, development and rural expansion program
25 section 210 share for that fiscal year into the General Fund.
26 The funds so transferred are hereby appropriated to the
27 Department of Transportation to make grants to local
28 transportation organizations or transportation companies, or
29 entities which seek to become local transportation organizations
30 or transportation companies, pursuant to section 408, for the

purpose of funding planning, development and rural expansion programs.

(5) Each month, the Treasury Department shall pay one-twelfth of the Class 4 transit entity section 210 share to Class 4 transit entities in the manner provided in this paragraph. Each Class 4 transit entity shall receive a portion of each monthly distribution of the Class 4 transit entity section 210 share as follows:

(i) Fifty percent of the monthly distribution of the Class 4 transit entity section 210 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 operating assistance grant section 210 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 operating assistance grant section 210 percentage times the total amount available for distribution under this subparagraph.

(ii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 210 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue mile section 210 percentage. The actual amount received by each Class 4 transit entity under this subparagraph shall be determined by multiplying a particular Class 4 transit entity's Class 4 revenue mile section 210 percentage times the total amount available for distribution under this subparagraph.

(iii) Twenty-five percent of the monthly distribution of the Class 4 transit entity section 210 share shall be distributed to Class 4 transit entities based upon each transit entity's Class 4 revenue hour section 210 percentage. The actual amount received by each Class 4 transit entity under this subparagraph

shall be determined by multiplying a particular Class 4 transit entity's Class 4 transit entity revenue hour section 210 percentage times the total amount available for distribution under this subparagraph.

(6) Each month, after providing for payment of the portion of the Department of Transportation administrative share, the community transportation program section 210 share, the planning, development and rural expansion program section 210 share and the Class 4 transit entity section 210 share to be distributed that month, the Treasury Department shall distribute all remaining capital project, asset maintenance and other program funds as follows:

(i) Each Class 1 transit entity shall receive a prorata share of the Class 1 transit entity section 210 share. If there is only one Class 1 transit entity, it shall receive the entire Class 1 transit entity section 210 share.

(ii) Each Class 2 transit entity shall receive a prorata share of the Class 2 transit entity section 210 share. If there is only one Class 2 transit entity, it shall receive the entire Class 2 transit entity section 210 share.

(iii) Each Class 3 transit entity shall receive a portion of the Class 3 transit entity section 210 share as follows:

(A) Sixteen and sixty-seven hundredths percent of the Class 3 transit entity section 210 share shall be distributed to Class 3 transit entities based upon each transit entity's Class 3 vehicle mile section 210 percentage. The actual amount received by each Class 3 transit entity under this clause shall be determined by multiplying a particular Class 3 transit entity's Class 3 vehicle mile section 210 percentage times the total amount available for distribution under this clause.

1 (B) Sixteen and sixty-seven hundredths percent of the Class
2 3 transit entity section 210 share shall be distributed to Class
3 3 transit entities based upon each transit entity's Class 3
4 vehicle hour section 210 percentage. The actual amount received
5 by each Class 3 transit entity under this clause shall be
6 determined by multiplying a particular Class 3 transit entity's
7 Class 3 vehicle hour section 210 percentage times the total
8 amount available for distribution under this clause.

9 (C) Sixteen and sixty-six hundredths percent of the Class 3
10 transit entity section 210 share shall be distributed to Class 3
11 transit entities based upon each transit entity's Class 3 total
12 passenger section 210 percentage. The actual amount received by
13 each Class 3 transit entity under this clause shall be
14 determined by multiplying a particular Class 3 transit entity's
15 Class 3 total passenger section 210 percentage times the total
16 amount available for distribution under this clause.

17 (D) Twenty-five percent of the Class 3 transit entity
18 section 210 share shall be distributed to Class 3 transit
19 entities based upon each transit entity's Class 3 Federal
20 operating cap percentage. The actual amount received by each
21 Class 3 transit entity under this clause shall be determined by
22 multiplying a particular Class 3 transit entity's Class 3
23 Federal operating cap percentage times the total amount
24 available for distribution under this clause.

25 (E) Twenty-five percent of the Class 3 transit entity
26 section 210 share shall be distributed to Class 3 transit
27 entities based upon each transit entity's Class 3 State
28 operating grant percentage. The actual amount received by each
29 Class 3 transit entity under this clause shall be determined by
30 multiplying a particular Class 3 transit entity's Class 3 State

operating grant percentage times the total amount available for distribution under this clause.

(c) If, during any fiscal year, either the number of vehicles operated by a local transportation organization or transportation company or the area served by such a local transportation organization or transportation company changes so that the local transportation organization or transportation company meets the criteria for a different transit entity class, as such criteria are set forth in section 202, on or before July 15 of the fiscal year which follows such a change and in each fiscal year thereafter, the department shall reflect any change in the transit entity class of such a local transportation organization or transportation company in the Department of Transportation certification for that and subsequent fiscal years. In its calculation of the transit entity section 210 shares for each transit entity class required by subsection (f)(1) for the fiscal year following the change in a local transportation organization or transportation company's transit entity class and thereafter, the department shall include the amount of the transit entity section 210 share allocated to such a local transportation organization or transportation company for the fiscal year prior to the change in the transit entity class, in the transit entity section 210 share for the new transit entity class of such a local transportation organization or transportation company, and shall delete an equal amount from the transit entity section 210 share for the transit entity class for which such a local transportation organization or transportation company no longer meets the criteria in the new fiscal year.

(d) The department is authorized to perform independent

1 financial audits of the financial statements of each local
2 transportation organization, transportation company or community
3 transportation program receiving moneys pursuant to this
4 section. Such audits shall be conducted in accordance with
5 generally accepted auditing standards. Any financial statements
6 subject to such audit or reports resulting from such audit shall
7 be prepared and presented in accordance with generally accepted
8 accounting principles, consistently applied with previous
9 statements rendered for or on behalf of such organization or
10 company. The department may coordinate such audits in
11 conjunction with audits undertaken by the Auditor General.

12 (e) (1) Once each fiscal year, each local transportation
13 organization or transportation company receiving moneys pursuant
14 to this section shall adopt a capital budget and an asset
15 maintenance spending plan for submission to the department.

16 (2) The capital budget shall include the following:

17 (i) A description of any such project.

18 (ii) The projected cost of any project undertaken.

19 (iii) The duration of any such project, including the
20 projected starting date, completion date and projected useful
21 life of the project.

22 (iv) The proposed funding sources for any project.

23 (v) A description of projects completed in the prior fiscal
24 year and their impact on operations.

25 (vi) A description of progress to date on projects initiated
26 in the prior fiscal year but not yet completed.

27 (vii) An explanation of any significant project delays.

28 (viii) The use of funds under this section in the prior
29 fiscal year, including projects for which they were used.

30 (ix) A multiyear plan for future use of funds received under

this section for a period of not less than five years.

(x) Any other matter desired by the governing body of such local transportation organization or transportation company.

(3) The asset maintenance spending plan shall include:

(i) The amount of moneys expended for asset maintenance costs.

(ii) The purposes for which such funds were expended.

(iii) Those asset maintenance costs which are projected to be funded during the subsequent twelve months by the local transportation organization or transportation company.

(iv) A multiyear plan for future use of funds received under this section for a period of not less than five years.

(4) The capital budget and the asset maintenance spending plan shall be established by formal action of the governing body of such local transportation organization or transportation company following an opportunity for comment by the public and the department. Upon submission, the department will review and may make recommendations to the local transportation organization or transportation company concerning the capital budget and asset maintenance spending plan.

(5) The capital budget and the asset maintenance spending plan may be amended by formal action of the governing body of such local transportation organization or transportation company from time to time. Any amendments to the capital budget and the asset maintenance spending plan shall be transmitted to the department for its review, and the department may make recommendations to the local transportation organization or transportation company concerning any amendments to the capital budget and the asset maintenance spending plan.

(f) As used in this section, the following words and phrases

1 shall have the meanings given to them in this subsection:

2 "Capital project, asset maintenance and other program funds"
3 shall mean moneys made available to finance capital projects and
4 asset maintenance costs of local transportation organizations,
5 transportation companies or community transportation programs or
6 to fund other programs specified in this section from:

7 (1) any fund of the Commonwealth where the legislation
8 creating such fund references this act and states that some or
9 all of the moneys in such fund are to be used to finance capital
10 projects and asset maintenance costs of local transportation
11 organizations, transportation companies or community
12 transportation programs and to fund certain other programs; or

13 (2) any other source, where such moneys are made available
14 specifically to finance capital projects and asset maintenance
15 costs of local transportation organizations, transportation
16 companies or community transportation programs in accordance
17 with this section.

18 "Class 1 section 210 percentage" shall be equal to seventy
19 and three-tenths percent.

20 "Class 2 section 210 percentage" shall be equal to twenty-
21 five and four-tenths percent.

22 "Class 3 section 210 percentage" shall be equal to four and
23 three-tenths percent.

24 "Class 1 to 3 section 210 allocation" shall mean the total
25 amount of capital project, asset maintenance and other program
26 funds available for distribution by the Treasury Department
27 during a particular month, less:

28 (1) the amount of the Department of Transportation
29 administrative share to be paid each month under subsection
30 (b)(2);

(2) the amount of the community transportation program
section 210 share to be paid each month under subsection (b)(3);
and

(3) the amount of the Class 4 transit entity section 210
share to be paid each month under subsection (b)(5).

"Class 1 transit entity section 210 share" shall be the
product of the Class 1 section 210 percentage times the Class 1
to 3 section 210 allocation.

"Class 2 transit entity section 210 share" shall be the
product of the Class 2 section 210 percentage times the monthly
Class 1 to 3 allocation.

"Class 3 transit entity section 210 share" shall be the
product of the Class 3 section 210 percentage times the monthly
Class 1 to 3 allocation.

"Class 4 transit entity section 210 share" shall mean
\$8,000,000 during the 1991-1992 fiscal year and \$8,320,000
during the 1992-1993 fiscal year. During the 1993-1994 fiscal
year and each fiscal year thereafter, "Class 4 transit entity
section 210 share" shall mean the Class 4 transit entity section
210 share for the prior fiscal year plus (or minus) the product
of the Class 4 transit entity section 210 share for the prior
fiscal year times the percentage increase or decrease in the
total funds available for distribution pursuant to this section
received by the Treasury Department in the most recently
completed fiscal year as compared with the prior fiscal year.

"Class 3 Federal operating cap percentage" shall mean the
percentage determined by dividing the Federal operating ceiling
for a Class 3 transit entity by the total Federal operating
ceilings for all Class 3 transit entities.

"Class 3 State operating grant percentage" shall mean the

1 percentage determined by dividing the State subsidy received
2 pursuant to section 204 during fiscal year 1990-1991 by a Class
3 3 transit entity as stated in the latest Department of
4 Transportation certification by the total State subsidies
5 received pursuant to section 204 during fiscal year 1990-1991 by
6 all Class 3 transit entities as stated in the latest Department
7 of Transportation certification. For purposes of calculating the
8 amount received by a Class 3 transit entity pursuant to section
9 204, any Federal funds transferred from other local
10 transportation organizations and transportation companies from
11 the Federal fiscal year 1990-1991 Governor's apportionment
12 allocation, contained in The Urban Mass Transportation Act of
13 1964 (Public Law 88-365, 49 U.S.C. § 1604(b)), shall be
14 considered to be amounts received pursuant to section 204.

15 "Class 3 total passenger section 210 percentage" shall mean
16 the percentage determined by dividing the total passengers
17 transported by a Class 3 transit entity as stated in the latest
18 Department of Transportation certification by the total number
19 of passengers transported by all Class 3 transit entities as
20 stated in the latest Department of Transportation certification.

21 "Class 3 vehicle hour section 210 percentage" shall mean the
22 percentage determined by dividing the vehicle hours of a Class 3
23 transit entity as stated in the latest Department of
24 Transportation certification by the total number of vehicle
25 hours of all Class 3 transit entities as stated in the latest
26 Department of Transportation certification.

27 "Class 3 vehicle mile section 210 percentage" shall mean the
28 percentage determined by dividing the vehicle miles of a Class 3
29 transit entity as stated in the latest Department of
30 Transportation certification by the total number of vehicle

miles of all Class 3 transit entities as stated in the latest Department of Transportation certification.

"Class 4 operating assistance grant section 210 percentage" shall mean the percentage determined by dividing the Class 4 transit entity adjusted base grant received by a Class 4 transit entity by the total Class 4 transit entity adjusted base grants received pursuant to such act by all Class 4 transit entities during fiscal year 1990-1991, as stated in the Department of Transportation certification.

"Class 4 revenue hour section 210 percentage" shall mean the percentage determined by dividing the revenue hours of a Class 4 transit entity as stated in the latest Department of Transportation certification by the total number of revenue hours of all Class 4 transit entities as stated in the latest Department of Transportation certification.

"Class 4 revenue mile section 210 percentage" shall mean the percentage determined by dividing the revenue miles of a Class 4 transit entity as stated in the latest Department of Transportation certification by the total number of revenue miles of all Class 4 transit entities as stated in the latest Department of Transportation certification.

"Community transportation program section 210 share" shall mean \$4,000,000 during the 1991-1992 fiscal year; \$4,160,000 during the 1992-1993 fiscal year; and, during the 1993-1994 fiscal year and each fiscal year thereafter, shall mean the community transportation program section 210 share for the prior fiscal year plus (or minus) the product of the community transportation program section 210 share for the prior fiscal year times the percentage increase or decrease in the total funds available for distribution pursuant to this section

received by the Treasury Department in the most recently completed fiscal year as compared with the prior fiscal year.

"Department of Transportation administrative share" shall mean \$1,000,000 during the 1991-1992 fiscal year; \$1,040,000 during the 1992-1993 fiscal year; and, during the 1993-1994 fiscal year and each fiscal year thereafter, shall mean one-quarter of one percent of the total funds available for distribution pursuant to this section received by the Treasury Department during the prior fiscal year.

"Department of Transportation certification" shall mean the certification by the Department of Transportation to the Treasury Department under subsection (g).

"Federal operating ceiling" shall mean the maximum amount of Federal funds permitted to be used by a Class 3 transit entity to subsidize transit operations, as published in the November 23, 1990, Federal Register (or, where there is more than one transit entity in a region, the maximum amount of Federal funds which such Class 3 transit entity could have utilized to subsidize transit operations pursuant to the subregional allocation as specified in the applicable transportation improvement program) for fiscal year 1990-1991.

"Planning, development and rural expansion program section 210 share" shall mean \$1,000,000 during the 1991-1992 fiscal year; \$1,040,000 during the 1992-1993 fiscal year; and during the 1993-1994 fiscal year and each fiscal year thereafter, shall mean one-quarter of one percent of the capital project, asset maintenance and other program funds received by the Treasury Department during the prior fiscal year.

"Total passengers" shall mean the total of all revenue passengers plus transfer passengers on second and successive

rides of a local transportation organization or transportation company, which are funded in whole or in part by this act, with respect to the most recent fiscal year reported in the most recently issued Pennsylvania Mass Transit Statistical Report.

"Treasury Department" shall mean the State Treasurer and the Treasury Department of the Commonwealth.

(g) On or before July 15 of each fiscal year, the Department of Transportation shall calculate and certify to the Treasury Department the following:

(1) The Department of Transportation administrative share, the community transportation program section 210 share, the Class 1 transit entity section 210 share, the Class 2 transit entity section 210 share, the Class 3 transit entity section 210 share, and the Class 4 transit entity section 210 share.

(2) The names and addresses of each Class 1 transit entity, Class 2 transit entity, Class 3 transit entity and Class 4 transit entity and whether such program or entity is a Class 1 transit entity, Class 2 transit entity, Class 3 transit entity or Class 4 transit entity.

(3) The vehicle miles of each Class 3 transit entity; the total vehicle miles of all Class 3 transit entities; the Class 3 vehicle mile section 210 percentage for each Class 3 transit entity; the vehicle hours of each Class 3 transit entity; total vehicle hours of all Class 3 transit entities; the Class 3 vehicle hour section 210 percentage for each Class 3 transit entity; total passengers for each Class 3 transit entity; the total passengers for all Class 3 transit entities; the Class 3 total passenger section 210 percentage for each Class 3 transit entity; the Federal operating ceiling for each Class 3 transit entity; the Federal operating ceiling for all Class 3 transit

1 entities; the Federal operating cap percentage for each Class 3
2 transit entity; the State subsidy received pursuant to section
3 204, as described in the definition of Class 3 State operating
4 grant percentage, for each Class 3 transit entity; the State
5 subsidy received pursuant to section 204, as described in the
6 definition of Class 3 State operating grant percentage, for all
7 Class 3 transit entities; and the Class 3 State grant percentage
8 for each Class 3 transit entity.

9 (4) The operating assistance grant received by each Class 4
10 transit entity during fiscal year 1990-1991 pursuant to the act
11 of February 11, 1976 (P.L.14, No.10), known as the "Pennsylvania
12 Rural and Intercity Common Carrier Surface Transportation
13 Assistance Act," the operating assistance grant received by all
14 Class 4 transit entities during fiscal year 1990-1991 pursuant
15 to that act, the Class 4 operating assistance grant section 210
16 percentage for each Class 4 transit entity, the revenue miles of
17 each Class 4 transit entity, the revenue miles of all Class 4
18 transit entities, the Class 4 revenue mile section 210
19 percentage of each Class 4 transit entity, the revenue hours for
20 each Class 4 transit entity, the revenue hours for all Class 4
21 transit entities, and the Class 4 revenue hour section 210
22 percentage for each Class 4 transit entity.

23 Section 211. Use of Funds Distributed for Capital Projects,
24 Asset Maintenance Costs, and Other Programs.--(a) Moneys
25 distributed pursuant to section 210 shall be used by local
26 transportation organizations and transportation companies for
27 purposes of paying:

28 (1) all costs of capital projects, including, without
29 limitation, the costs of acquisition, construction,
30 installation, start-up costs of operations, improvement and all

1 work and materials incident thereto;

2 (2) debt service and the cost of issuance of bonds, notes
3 and other evidences of indebtedness which a local transportation
4 organization or transportation company is permitted to issue
5 under any law of this Commonwealth; and

6 (3) to the extent permitted by this section, asset
7 maintenance costs. Community transportation programs shall use
8 moneys distributed pursuant to this section only for purposes of
9 financing capital projects.

10 (b) Notwithstanding any other provision of law, each local
11 transportation organization or transportation company receiving
12 moneys pursuant to section 210 may use such moneys, in the
13 discretion of such local transportation organization or
14 transportation company, to fund all or a portion of capital
15 projects listed in the program prepared pursuant to section
16 2002(a)(13) of the act of April 9, 1929 (P.L.177, No.175), known
17 as "The Administrative Code of 1929."

18 (c) Each local transportation organization or transportation
19 company receiving moneys pursuant to section 210 shall hold such
20 moneys in an account separate from other funds of the local
21 transportation organization or transportation company, and shall
22 invest such moneys until such funds are used in accordance with
23 this section, with such funds being invested in accordance with
24 the limits on investment of the local transportation
25 organization or transportation company. Any interest earned
26 shall be used in the manner provided in this section.

27 (d) (1) Each local transportation organization or
28 transportation company may expend moneys distributed pursuant to
29 section 210 to fund asset maintenance costs as provided in this
30 subsection.

1 (2) Moneys distributed pursuant to section 210 may only be
2 used to fund asset maintenance costs incurred during the fiscal
3 year in which such moneys are allocated. Thereafter, such funds
4 may only be used to fund capital projects.

5 (3) On or before March 1 of each year, the department shall
6 certify to each local transportation organization or
7 transportation company the amount of capital project, asset
8 maintenance and other program funds which the department
9 estimates each local transportation organization or
10 transportation company will be entitled to receive during the
11 ensuing fiscal year. Each local transportation organization or
12 transportation company may expend moneys distributed pursuant to
13 section 210 to fund asset maintenance costs up to the following
14 maximum percentages of the estimate from the department, the
15 amount received during the prior fiscal year or the amount
16 actually received in the current fiscal year, whichever is
17 greater:

18 (i) Class 1 transit entities may utilize for asset
19 maintenance costs up to a maximum of twenty-five percent of the
20 funds received pursuant to section 210: Provided, however, That
21 Class 1 transit entities are required to expend one dollar of
22 local or private funds on asset maintenance costs for each six
23 dollars it spends from moneys distributed pursuant to section
24 210;

25 (ii) Class 2 transit entities may utilize for asset
26 maintenance costs up to a maximum of fifty percent of the funds
27 received pursuant to section 210;

28 (iii) Class 3 transit entities may utilize for asset
29 maintenance costs up to a maximum of fifty percent of the funds
30 received pursuant to section 210; and

1 (iv) Class 4 transit entities may utilize for asset
2 maintenance costs up to a maximum of fifty percent of the funds
3 received pursuant to section 210.

4 (e) Notwithstanding any other provision of this act, moneys
5 provided under section 210 to community transportation programs
6 may be expended only in accordance with section 406.1 and only
7 to fund all or a portion of capital projects of such entities.

8 (f) The moneys provided to local transportation
9 organizations, transportation companies or community
10 transportation programs pursuant to section 210 may be used as
11 matching funds to obtain Federal aid for capital projects.

12 Section 7. Section 406 of the act is repealed.

13 Section 8. The act is amended by adding sections to read:

14 Section 406.1. Community Transportation Programs.--(a) The
15 department is hereby authorized to make grants to all counties,
16 except those of the first and second class, or to entities
17 designated by such counties to coordinate services under this
18 section in such county, for the purpose of adding, replacing,
19 upgrading and overhauling equipment, and purchasing,
20 constructing or renovating facilities to serve as office and
21 maintenance sites for the provision of shared ride transit
22 services responsive to and accessible by the general public as
23 well as the elderly and disabled. Equipment that may be
24 purchased shall include, but shall not be limited to, vehicles,
25 vehicle rehabilitation, major drive-train components,
26 communication equipment, computer equipment and software and
27 office equipment and furnishings.

28 (b) Counties other than counties of the first and second
29 class may obtain grants pursuant to this section by filing with
30 the department an application in a form prescribed by it. The

department shall require with the application a transportation plan plus such other information as the department may require.

(c) The applicant shall certify that all efforts possible have been made to coordinate local service for the elderly and disabled and that the services to be offered with these capital assets do not duplicate existing fixed route services, as provided under the act of February 11, 1976 (P.L.14, No.10), known as the "Pennsylvania Rural and Intercity Common Carrier Surface Transportation Assistance Act," and under other provisions of this act. The local public body fixed route provider must attest to this fact as part of the application.

(d) All purchases by community transportation programs shall be made in accordance with bidding procedures established under the act of May 2, 1945 (P.L.382, No.164), known as the "Municipality Authorities Act of 1945," or the act of August 9, 1955 (P.L.323, No.130), known as "The County Code."

Section 406.2. Planning, Development and Rural Expansion Program.--(a) The department is hereby authorized to make grants, undertake and provide financial support:

(1) To new rural transportation systems for the purpose of funding capital, asset maintenance and operating costs of new rural transportation systems. New rural transportation systems may obtain grants under this section by filing for each fiscal year with the department an application in a form prescribed by it. The department shall require with the application a transportation plan plus such other information as the department may require to establish to the satisfaction of the department that the new rural transportation system is deserving of a grant under this section.

(2) For the purpose of funding studies, analysis, planning

and development of programs for public transportation
assistance, services and facilities.

(3) To make grants to Class 4 transit entities for the
significant expansion of services by such entities from funds
remaining in the development, planning and rural expansion share
after all grants have been made for the fiscal year pursuant to
paragraphs (1) and (2). Grants from the development, planning
and rural expansion share shall be used by the Class 4 transit
entity for the construction, acquisition, capital projects,
asset maintenance and operating costs of the expansion of such
entity. Class 4 transit entities may obtain grants by filing for
each fiscal year with the department an application in a form
prescribed by it. The department shall require with the
application a transportation plan plus such other information as
the department may require to establish to the satisfaction of
the department that the Class 4 transit entity is deserving of a
grant under this section.

(b) Funds not expended under this section in the fiscal year
in which they were made available shall not lapse and shall be
available for use pursuant to this section in the next fiscal
year.

Section 9. (a) During the 1991-1992 fiscal year, local
transportation organizations and transportation companies may
utilize moneys distributed pursuant to section 210 of the act
for asset maintenance costs in an amount which would not exceed
the amounts permitted by section 211(d) of the act, if funding
for asset maintenance costs had been provided pursuant to
section 210 of the act for the entire fiscal year.

(b) The department shall make no distributions to Class 4
transit entities under section 204 of the act in any fiscal year

1 in which the General Assembly has appropriated less than
2 \$242,184,000 for the purposes of section 204 of the act.

3 Section 10. The amendment or addition of sections 204 and
4 210 of the act shall apply to the 1991-1992 fiscal year and to
5 each fiscal year thereafter.

6 Section 11. This act shall take effect immediately.