

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 597

PRINTER NO. 592

AMOUNT

No Fiscal Impact

FUND

Public Transportation Trust Fund

DATE INTRODUCED

April 17, 2023

PRIME SPONSOR

Senator Laughlin

DESCRIPTION

Senate Bill 597 amends Title 74 (Transportation) of the Pennsylvania Consolidated Statutes to modernize the management of local transportation organizations with comprehensive reforms to deliver the operating and capital programs to these organizations.

This legislation amends Chapter 15 (Sustainable Mobility Options) of Title 74 as follows:

- Limits the use of money in the Public Transportation Trust Fund (PTTF) for costs incurred directly by the Department of Transportation (department), not to exceed the amount allocated to the department;
- Requires a local transportation organization to submit a statement of policy outlining the basic policy for fare adjustments that may be needed to meet the financial and performance target of the transit organization as part of its five-year financial projections;
- Establishes that financial assistance under this chapter shall be used only for activities provided under the financial assistance agreement unless the department grants the award recipient a waiver allowing the funds to be used for a different purpose;
- Develops a predictable distribution formula for rural local transportation organizations to receive federal funds from the department;
- Clarifies coordination is required in regions where two or more award recipients have fixed routes, shared rides or both services;
- Emphasizes the department shall only study the feasibility of consolidation at the request of local governments and local transportation organizations;
- Waives the match requirement under sections 1513 (relating to operating program) and 1514 (relating to asset improvement program) for an additional five years;
- Clarifies a Commonwealth agency or instrumentality whose primary purpose is providing public transportation may apply for financial assistance for operating expenses;

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- Authorizes a local transportation organization to utilize nontraditional transit revenue for a local match;
- Replaces the performance reviews with detailed planning studies, including performance goals established by the local transportation organization and adopted by the board;
- Clarifies the entities that are eligible to apply for financial assistance for capital expenses;
- Requires the department and the local transportation organization to develop and maintain a four-year and a twelve-year plan that summarizes the capital projects and financial assistance commitments for each local transportation organization in accordance with its adopted transit asset management plan and annual performance goals;
- Stipulates that the distribution procedure for capital project, asset maintenance and other program funds shall be distributed to each local transportation organization on a monthly basis in accordance with existing formula specified in section 1514;
- Provides guidance to the department on how to address a change in the number of vehicles operated by a local transportation organization to update the funding distribution;
- Clarifies a public or nonprofit entity or organization eligible to apply for financial assistance under Section 1514 shall also be eligible to apply for financial assistance for new or expansions of fixed guideway systems or the physical or roadway improvement elements of a corridor project designed to expedite bus service;
- Provides that the department may develop and implement a pilot program to test and evaluate new models of paying and delivering shared ride and community transportation in collaboration with existing public transit systems and other transportation organizations and entities in this Commonwealth with the goal of developing a sustainable and need-based delivery and payment of services model;
- Requires the department to issue an annual notice of the availability of funds for Programs of Statewide significance;
- Expands the use of financial assistance to include offsetting operating expenses that cannot be covered by fare revenue due to emergencies declared by the Governor or acts of the General Assembly;
- Clarifies the department shall give high priority to providing financial assistance as a match for federal funding as long as the federal funding being matched is not reducing the amount of federal funding available to support existing federally-funded public transportation direct or subrecipients;
- Removes the department's requirement to study community transportation service delivery as it relates to human service programs;

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- Requires the department to annually produce a report on the department's publicly accessible internet website detailing the amount of funding received for administering the program, total funding received and total funds disbursed;
- Authorizes a local transportation company or transportation organization to use small purchase procedures to acquire services, supplies or other property valued at more than the micro-purchase threshold but less than the federal simplified acquisition threshold as defined under 2 CFR 200.1 (Code of Federal Regulations); and
- Repeals section 1520 (relating to evaluation of private investment opportunities) which requires a local transportation organization receiving more than \$5 million to conduct a study to evaluate the feasibility of utilizing partnerships with private service providers and financial partners as a method to operate and finance new or existing services.

This act shall take effect in 60 days.

FISCAL IMPACT:

According to the department, enactment of this legislation will have no fiscal impact on Commonwealth funds.