

**Testimony of**  
**Jennie Granger, Deputy Secretary for Multimodal Transportation**  
**Pennsylvania Department of Transportation**  
**Mass Transit Funding**  
**House Transportation Committee**  
**September 13, 2019**

Good afternoon, Chairman Hennessey, Chairman Carroll, members of the committee and staff.

My name is Jennie Granger, and I am the Deputy Secretary of Multimodal Transportation for the Pennsylvania Department of Transportation. On behalf of Secretary Leslie Richards, thank you for the opportunity to testify before all of you today and discuss public transportation in Pennsylvania.

I would like to address the following topics in my testimony today.

- The importance of all public transportation in Pennsylvania to the quality of life of our citizens
- Pennsylvania's current investment and what we have done with the funding
- Ongoing investment needs and consequences of not making that investment
- Funding alternatives

Pennsylvania's public transit system is open, accessible, and affordable to all Pennsylvanians regardless of gender, age, income, disability, race, etc. It is available in some form in all 67 counties. There are 53 different public transportation agencies that provide a variety of public transportation services, from demand response shared-ride only to fixed route services. We have systems that have one or two busses to systems such as SEPTA and Port Authority with over 1,000 busses and rail cars.

## **Urban Areas**

Public transportation is an important part of our economy and provides direct access to work, shopping, medical appointments, school and the ability for individuals to remain independent in their communities.

- SEPTA and Port Authority are our largest systems. SEPTA provided 302 million trips on their fixed route buses and trains in FY 17-18. Port Authority provided over 62 million trips during that same time period.
- Other small and larger urban transit systems provided 29.4 million trips. This means that outside of the Pittsburgh and Philadelphia regions, more than 80,000 trips are taken every day, providing critical connections and keeping tens of thousands of people from adding to congestion with their private vehicles.

## **Rural Connections**

While prevalent in urban areas, public transportation is also critical in rural areas throughout the state. There are 12 rural systems covering 20 counties that provided more than 2.4 million fixed route trips in the 2017-18 fiscal year. That translates to over 6,500 trips to work, medical appointments, business centers, and more every single day.

## **Shared Ride Service**

Through the statewide shared-ride program, roughly 3.5 million trips were provided for seniors in the 2017-18 state fiscal year. Also, over 396,000 trips were provided at a reduced cost for persons with disabilities on the shared ride system in all counties except Philadelphia (which has service through SEPTA).

Through a multi-year effort to conduct rider surveys throughout the state, we know that outside of Pittsburgh and Philadelphia, 34 percent of people use the bus to go to work. Fifty-nine percent of people who use the bus, do not have access to a car.

### **Transit drives the economy**

Besides being a way for individuals to get from one place to another, public transportation agencies contribute to the economy of Pennsylvania. Between 2013 and 2016, Pennsylvania public transit agencies bought more than \$1.3 billion in Pennsylvania goods and services.

According to conservative estimates, investment in public transportation generates more than \$10 billion in economic activity per year in Pennsylvania. Transit creates or maintains more than 100,000 jobs annually in Pennsylvania through its activities.

### **Pennsylvania's Sustained Financial Support of Public Transportation**

Over the past four decades, the commonwealth has provided significant support to our public transportation. With the passage of Act 44 in 2007 and the creation of the Public Transportation Trust Fund, we have a more streamlined funding structure that has allowed us to stabilize public transportation and invest in our capital improvements in a thoughtful and deliberate way. Act 44 also strengthened the accountability of transit systems as the state took a stronger role in auditing and reviewing performance of transit agencies. Each year we provide information to you through our Annual Performance Report and we regularly review transit agencies to ensure that they are improving the management and performance of their systems.

The passage of Act 89 in 2013 brought an increase in capital funding that would assist with the backlog of capital projects that had many systems in a state of disrepair. SEPTA and Port

Authority now have dedicated funding that allows them to plan project investments, so they can tackle their longstanding capital issues.

We have also made significant investments in other systems across the state. These projects have reduced operating expenses, created safer working environments for agency employees, provided safer and more reliable transportation and leveraged our federal investments.

Attachment 1 lists projects that have either been started or completed with these funds. Also, we have invested over \$150 Million to purchase nearly 900 new, more fuel-efficient vehicles between 2013 and 2019.

In addition to facility improvements and vehicle purchases for transit agencies, PennDOT has also invested in technology to improve public transportation and standardize it across the state.

### **Capital Planning Tool**

PennDOT developed a Capital Inventory and Planning Tool that is available for transit agencies to store, maintain, edit, and report on capital assets. The tool is used to track the replacement, rehabilitation, or major overhaul of capital assets and the associated costs and well as project statewide investment needs into the future.

### **Statewide Scheduling Software**

PennDOT purchased a Statewide Scheduling Software and deployed it at all shared ride systems across the state except SEPTA and Port Authority who already had scheduling software. This project elevated the shared ride systems to a new standard of scheduling technology by replacing the disparate mixture of outdated and manual processes

previously used across the state. Systems using the software now have real time vehicle location information, interactive voice technology that allows for reminder telephone calls and cancellations, and access to a large amount of historic data that helps to improve the customer experience and improve service efficiency.

Having a common shared ride scheduling platform has been beneficial in facilitating the regionalization of shared ride service in areas such as Berks and Lancaster Counties and a 10-county region in south central Pennsylvania. Regionalization leads to more cost effective and sustainable service and may allow for an expansion of service areas or times. PennDOT has also leveraged the statewide scheduling software to create an analytical tool that can track statewide service trends and to create *FindMyRidePA* which allows for customers to plan and schedule shared ride trips online via a website or mobile device.

### **Fixed Route Intelligent Transportation System (FRITS)**

PennDOT is working to implement a statewide FRITS project to give both large and small agencies access to a suite of technologies that include real time passenger information, mobile and web applications, flexible fare payment options, vehicle health monitoring systems etc. These technologies will allow agencies to provide better service to their customers and customers will have more information at their fingertips.

Additionally, PennDOT will have information on ridership, routes and on time performance readily available on a statewide basis.

### **CNG P3**

PennDOT manages an \$84.5 million Public Private Partnership that will provide Compressed Natural Gas (CNG) fueling infrastructure for 25 transit agencies at 28 sites throughout the commonwealth. In June 2016 PennDOT contracted with a private developer, Trillium CNG, to design, build, operate, and maintain fueling sites until April 2037. This project will allow participating transit agencies to convert vehicle fleets to CNG, saving more than \$5 million annually. Six sites will allow for public fuel sales where consumers can access CNG fuel. For all public fueling, PennDOT will receive a 15 percent royalty, excluding utilities and taxes, for each gallon of CNG sold over the 20-year contract. To date, 15 project sites are completed, of which four also include public fueling. Four additional project sites are currently under construction and will be completed by Spring 2020.

### **Investment Needs**

While I believe all of the things I have discussed today make Pennsylvania's public transit systems some of the best in the country, I would be remiss if I did not talk about funding. All of this requires public investment and Pennsylvania has made that investment over the past four decades to create a system that has become the fabric of many of our communities.

- Act 89 of 2013 requires the PA Turnpike to dedicate \$450 Million annually to public transit and multimodal fund.
- In 2022, Turnpike payments to PennDOT will be reduced to \$50 million.

- The legislation requires that \$450 Million be deposited from the General Fund (motor vehicle sales tax) into the Public Transportation Trust Fund.
- While Act 89 provided much needed stability in capital investment, there is roughly \$1.2 billion a year in remaining state-of-good-repair needs statewide.

These cost estimates are simply to make sure we keep what we have now in a state of good repair. They do not include regional projects of significance that will require additional investments.

We need a long-term, sustainable funding solution for transit. You will need to determine whether the current legislation and funding structure is doable from a commonwealth perspective.

If Act 89 is amended to eliminate the vehicle sales tax commitment beginning in 2022-23 when the Turnpike payments are reduced, \$3.6 billion in public transportation investment is at risk between 2022 and 2030.

There will be impacts if we lose this funding. On an operating level, it will restrict the growth of transit and impede workforce development in this commonwealth. We know that if transit becomes less reliable, we lose passengers because they cannot depend on it to get to their activities on time. This becomes a downward spiral as revenues drop and service is cut.

Capital funding is also important to continue to bring our system into good repair. We have done a good job over the past five years to make appropriate investments. Currently the average bus is 5.7 years old and over 80% of busses are within their targeted useful life. As busses age, they require larger maintenance investments and spend more time out of service and reliability decreases. Additionally, safety concerns increase as vehicles and infrastructure age. We would like to keep our average bus age within the current range to prevent these impacts.

Finally, PennDOT depends on the Public Transportation Trust fund to support the passenger rail service in the commonwealth. The loss of this funding would have both operating and capital impacts. We would have to reduce service on the Keystone and the Pennsylvanian since current funding is used to subsidize operations on that service. We would also not be able to continue our robust station improvement program that is addressing longstanding ADA accessibility issues as well as improving the overall passenger experience. We risk also losing federal funds if we do not have state funding to provide match.

We look to you to find funding solutions. Several studies to date have been done by the Transportation Advisory Committee and the Southeast and Southwest Partnerships for Mobility. They have suggested alternative funding solutions that include:

- Sales Tax
- Personal Income Tax
- Real Estate Transfer Tax
- Transportation Network Fee
- Congestion Pricing

- Tire, Vehicle Leasing, Vehicle Rental Fees.

We will continue to work with stakeholders and legislators to identify long-term funding strategies to maintain these critical services while supporting economic growth. The Wolf administration believes strongly that mass transit is a vital part of our communities and economy, and it is essential that we continue making strong investments in it.

## Attachment 1

<b>AGENCY</b>	<b>COUNTY</b>	<b>PROJECT DESCRIPTION</b>	<b>CURRENT STATUS</b>	<b>PROJECT COST</b>	<b>STATE FUNDING</b>
Cambria County Transit Authority	Cambria	New Administration, Operations and Maintenance Facility	Complete	\$21,768,477	\$4,395,907
Central Pennsylvania Transportation Authority	York, Adams	Renovate the Zarfoss Road property into an Administrative/Maintenance and Bus Storage Facility	Complete	\$24,958,540	\$4,655,177
Centre Area Transportation Authority	Centre	New Administrative/Maintenance/Bus Storage and Parking Garage	Complete	\$38,777,360	\$14,799,390
City of Washington	Washington	Construction of a new Intermodal Transit Facility	Complete	\$4,787,497	\$423,037
City of Williamsport	Lycoming	New Intermodal Transit Center Facility	Complete	\$15,755,378	\$4,488,726
County of Lackawanna Transit System	Lackawanna	New Intermodal Transportation Center in Scranton, PA	Complete	\$14,509,635	\$4,173,430
Crawford Area Transportation Authority	Crawford	New Bus Storage and Light Maintenance Facility	Complete	\$5,779,351	\$1,389,544
Erie Metropolitan Transit Authority	Erie	New Bus Storage, Administration and Parking Garage Project	Almost Complete	\$70,952,556	\$22,897,912
Mid Mon Valley Transit Authority	Westmoreland, Fayette, Washington	Donora Bus Storage Facility Rehabilitation	Complete	\$4,908,072	\$525,862
South Central Transportation Authority	Berks	Bus Storage Expansion Project (BARTA Facility)	Construction	\$6,875,487	\$1,330,751

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<b>AGENCY</b>	<b>COUNTY</b>	<b>PROJECT DESCRIPTION</b>	<b>CURRENT STATUS</b>	<b>PROJECT COST</b>	<b>STATE FUNDING</b>
Venango County	Venango	Venango County Multimodal Facility	Out for bid	\$8,395,000	\$1,019,392
Luzerne County Transportation Authority	Luzerne	New Administrative and Maintenance Facility	Design	\$30,000,000	\$15,636,000
Schuylkill Transportation System (STS)	Schuylkill	New Operations and Maintenance Facility	Design	\$32,000,000	\$6,400,000
Hazleton Public Transit Authority	Luzerne	New Bus Storage and Maintenance Facility	Design	\$15,000,000	\$10,000,000
Indiana County Transportation Authority	Indiana	Indiana County Storage Facility Addition & Administration Upgrade	Design	\$11,000,000	\$2,200,000
County of Lackawanna Transit System	Lackawanna	New Maintenance Facility	Design	\$20,000,000	\$9,000,000
Altoona Metro Transit (AMTRAN)	Blair	New 5,000 square foot auxiliary garage	Design	\$1,200,000	\$240,000
Area Transportation Authority of NC Pennsylvania	Clearfield	Dubois Joint Bus Storage, Maintenance and Operations Facility	Design	\$14,175,000	\$2,835,000
Butler Transit Authority	Butler	Training room/waiting area addition & parking expansion	Design	\$1,500,000	\$300,000
County of Lebanon Transit Authority	Lebanon	Park N Ride	Planning Phase	\$4,000,000	\$800,000
Washington County Transportation Authority	Washington	New Maintenance and Bus Storage Facility	Planning Phase	\$20,000,000	\$20,000,000
Shared Ride Only Agencies	Statewide	Bus Storage and Bus Wash Facilities	Planning Phase	\$56,732,000	\$16,146,240