



COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

April 11, 2023

Michael Carroll – Acting Secretary, PennDOT

Larry Shifflet – Deputy Secretary of Planning, PennDOT

Chuck Zimmerman - Director of Fiscal Management, PennDOT

Thank you, Transportation Chairs Neilson and Benninghoff, as well as members of the House Transportation Committee for holding this important meeting on the future of transportation funding in Pennsylvania, specifically related to the Pennsylvania State Police (PSP) receiving significant funding through the Motor License Fund.

By law, the PSP receives transfers from the Motor License Fund to support their highway safety activities. In 2016, legislative action was taken to cap expenditures from the Motor License Fund going to PSP at \$500 million. The “step-down” to \$500 million began with the 2017-18 budget and was intended to conclude with the 2027-28 budget, but in the 2022-23 budget, the General Assembly reduced the PSP allocation to \$500 million, several years in advance of the planned cap, making up the difference with general funds. This provided PennDOT with an additional \$141 million this fiscal year, which helped us match the new federal funds from the Bipartisan Infrastructure Law. We want to see State Police funding decoupled from the Motor License Fund so we can invest more in our roads and bridges.

Between 2012 and 2019, PennDOT transferred more than **\$4.25 billion** to PSP from the Motor License Fund. In 2022, the PSP allocation from the Motor License Fund was reduced by \$175 million to \$500 million per year. The PSP allocation consumes approximately 15% of PennDOT’s Motor License Fund revenue. In response to this challenge, the Governor’s budget proposes an accelerated reduction of Motor License Funds to the PA State Police – which is \$500 million this fiscal year – to \$400 million in FY 23-24, followed by reductions of \$100 million each fiscal year until it reaches \$0 in FY 27-28. This would total an additional \$1.5 billion for transportation over five years. These funds will be critical in helping Pennsylvania meet the match requirements of the new IIJA funds and will allow us to take full advantage of this crucial federal investment without taking funds from projects currently planned.

However, PSP operations must be maintained, and investment in public safety must be expanded. We look forward to continuing to work with the General Assembly to locate a new source of funding for the State Police while ensuring that the money collected in the Motor License Fund is used toward critical investments in our roads and bridges.

Thank you for inviting me to speak on this important topic and we look forward to answering any questions you may have.