
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1264 Session of
2022

INTRODUCED BY YUDICHAK, FLYNN, HUTCHINSON, STEFANO, DUSH, YAW,
BARTOLOTTA, VOGEL, LANGERHOLC AND LAUGHLIN, JUNE 2, 2022

REFERRED TO TRANSPORTATION, JUNE 2, 2022

AN ACT

1 Amending Title 74 (Transportation) of the Pennsylvania
2 Consolidated Statutes, in sustainable mobility options,
3 further providing for definitions, for fund, for application
4 and approval process, for Federal funding, for coordination
5 and consolidation, for operating program, for asset
6 improvement program, for new initiatives program, for
7 programs of Statewide significance, for program oversight and
8 administration, providing for small purchase procedures and
9 further providing for evaluation of private investment
10 opportunities.

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

13 Section 1. The definitions of "asset maintenance costs,"
14 "community transportation service" or "shared ride service,"
15 "community transportation system," "local transportation
16 organization," "operating expenses" and "Public Passenger
17 Transportation Performance Report" in section 1503 of Title 74
18 of the Pennsylvania Consolidated Statutes are amended and the
19 section is amended by adding definitions to read:

20 § 1503. Definitions.

21 The following words and phrases when used in this chapter
22 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

3 "Asset maintenance costs." [All vehicle maintenance
4 expenses, nonvehicle maintenance and materials expenses and the
5 cost of supplies used in the operation of local transportation
6 organizations and transportation companies.] The costs
7 associated with the strategic and systematic process through
8 which a public transit organization procures, operates,
9 maintains, rehabilitates and replaces transit assets to manage
10 the asset's performance, risks and costs over the asset's useful
11 life to provide safe, cost-effective and reliable service in
12 accordance with the public transit organization's transit asset
13 management plan.

14 * * *

15 "Class 1 transit entity." A local transportation
16 organization or transportation company, excluding PAAC,
17 operating 1,000 or more transit vehicles in the peak period.

18 "Class 2 transit entity." A local transportation
19 organization or transportation company, excluding SEPTA,
20 operating more than 300 but less than 1,000 transit vehicles in
21 the peak period.

22 "Class 3 transit entity." A local transportation
23 organization or transportation company, excluding SEPTA and
24 PAAC, operating 300 or less fixed-route transit vehicles in the
25 peak period serving an urbanized area.

26 "Class 4 transit entity." A local transportation
27 organization or transportation company, excluding SEPTA and
28 PAAC, which serves a nonurbanized area and, during the 1990-1991
29 fiscal year, received or was approved to receive funding under
30 the act of February 11, 1976 (P.L.14, No.10), known as the

1 Pennsylvania Rural and Intercity Common Carrier Surface
2 Transportation Assistance Act.

3 * * *

4 "Community transportation service" or "shared ride service."
5 [Door-to-door] A demand response transportation system that is
6 available to the general public on a nonexclusive basis,
7 operates on a nonfixed route basis and charges a fare to all
8 riders. The term does not include exclusive ride taxi service,
9 charter and sightseeing service, nonpublic transportation,
10 school bus and limousine service.

11 "Community transportation system." A [person] public or
12 nonprofit entity or organization that provides community
13 transportation service designated by a county or other
14 governmental entity and contracts with the Department of
15 Transportation to receive revenue replacement funds.

16 * * *

17 "Formula Grants for Rural Areas Program." A public
18 transportation program, authorized by the Congress of the United
19 States and administered by the United States Department of
20 Transportation to assist states and local governmental
21 authorities in financing capital, operating, planning and job
22 access and reverse commute projects, associated with providing
23 public transportation in rural areas under 49 U.S.C. § 5311
24 (relating to formula grants for rural areas).

25 "Full level of performance." The objective standard
26 established by the Federal Transit Administration, the
27 department or both for determining whether a capital asset is in
28 a state of good repair.

29 * * *

30 "Local transportation organization." Any of the following:

1 (1) A political subdivision or a public transportation
2 authority, port authority or redevelopment authority,
3 organized under the laws of this Commonwealth or pursuant to
4 an interstate compact or otherwise empowered to render,
5 contract for the rendering or assist in the rendering of
6 transportation service in a limited area in this
7 Commonwealth, even though it may also render or assist in
8 rendering transportation service in adjacent states.

9 (2) A legally existing and established nonprofit
10 association that directly or indirectly provides public
11 transportation service.

12 (3) A legally existing and established nonprofit
13 association of public transportation providers operating
14 within this Commonwealth.

15 * * *

16 "Operating expenses." Total expenses required to continue
17 service to the public and to permit needed improvements in
18 service which are not self-supporting and otherwise for any
19 purpose in furtherance of public passenger transportation[,
20 including all State asset maintenance costs]. The term does not
21 include expenditures for capital projects unless specific
22 approval is provided by the Department of Transportation.

23 * * *

24 "PAAC." The Port Authority of Allegheny County organized and
25 existing under the act of April 6, 1956 (1955 P.L.1414, No.465),
26 known as the Second Class County Port Authority Act.

27 * * *

28 "Performance target." A quantifiable level of performance or
29 condition, expressed as a value for the measure to be achieved
30 for a fiscal year in order to reach a state of good repair.

1 "Preventive maintenance costs." The activities, supplies,
2 materials, labor, services and associated costs required to
3 preserve or extend the functionality and serviceability of an
4 asset in a cost-effective manner, up to and including the
5 current state of art for maintaining the asset.

6 "Public Passenger Transportation Performance Report." An
7 annual report completed by the Department of Transportation
8 which shall include all of the following:

9 (1) Each local transportation organization's passengers,
10 revenue vehicle miles, revenue vehicle hours and senior
11 [passengers] ridership statistics for the most recently
12 available fiscal year.

13 (2) Any other statistical information that the
14 Department of Transportation deems necessary.

15 "Public transportation agency safety plan." The plan to
16 improve the safety of all public transportation systems that
17 receive Federal and State financial assistance under 49 U.S.C.
18 5329 (relating to public transportation safety program).

19 * * *

20 "SEPTA." The Southeastern Pennsylvania Transportation
21 Authority organization organized and existing under Chapter 17
22 (relating to metropolitan transportation authorities).

23 "State of good repair." The condition in which a capital
24 asset is able to operate at a full level of performance.

25 * * *

26 "Transit asset management plan." The federally required
27 transit asset management plan that includes an inventory of
28 capital assets, a condition assessment of inventoried assets, a
29 decision support tool and a prioritization of investments needed
30 to reach a state of good repair.

1 * * *

2 "Transportation development plan." A planning tool prepared
3 by a transit entity used to analyze the need for transit in a
4 defined area, evaluate the services that are provided and
5 develop strategies to match the service to the identified
6 transit needs.

7 * * *

8 Section 2. Sections 1506(d)(2) and 1507(a)(6.1), (b) and (c)
9 of Title 74 are amended to read:

10 § 1506. Fund.

11 * * *

12 (d) Use of revenues.--Money in the fund shall be used by the
13 department as follows:

14 * * *

15 (2) for costs incurred directly by the department, not
16 to exceed the amount allocated to the department under this
17 chapter, in the administration of public passenger
18 transportation programs, including under this chapter; and

19 * * *

20 § 1507. Application and approval process.

21 (a) Application.--An eligible applicant that wishes to
22 receive financial assistance under this chapter shall submit a
23 written application to the department on a form developed by the
24 department, which shall include the following:

25 * * *

26 (6.1) [A statement of policy outlining the basic
27 principles for the adjustment of fare growth to meet the rate
28 of inflation.] A statement of policy outlining the basic
29 policy for fare adjustments that may be needed to meet the
30 financial and performance goals of the transit organization

1 as part of its five-year financial projections included in
2 the planning study or transit asset management plan update to
3 be completed under section 1513(e).

4 * * *

5 (b) Approval and award.--Upon determining that an applicant
6 has complied with this chapter, applicable rules and regulations
7 and any other requirement with respect to the financial
8 assistance requested, the department may award financial
9 assistance to the applicant. If the department awards financial
10 assistance to the applicant, the department and the applicant
11 shall enter into a financial assistance agreement setting forth
12 the terms and conditions governing the use of the financial
13 assistance and the timing of payment of the funds. The
14 department, in collaboration with and duly considering and
15 responding to all feedback and recommendations received from
16 public transportation providers and organizations, shall develop
17 guidelines for the application for and awarding of financial
18 assistance under this chapter and shall forward them to the
19 Legislative Reference Bureau for publication in the Pennsylvania
20 Bulletin.

21 (c) Restriction on use of funds.--[Unless the department
22 grants the award recipient a waiver allowing the funds to be
23 used for a different purpose, financial assistance under this
24 chapter shall be used only for activities set forth under the
25 financial assistance agreement. The department's regulations
26 shall describe circumstances under which it will consider waiver
27 requests and shall set forth all information to be included in a
28 waiver request. The waiver request shall include a plan of
29 corrective action to demonstrate that the award recipient does
30 not have an ongoing need to use financial assistance funds for

1 activities other than those for which funds were originally
2 awarded. The duration of the waiver may not exceed the duration
3 of the plan of corrective action. The department shall monitor
4 implementation of the plan of corrective action. If the plan of
5 corrective action is not implemented by the local transportation
6 organization, the department shall rescind the waiver approval.]

7 Financial assistance under this chapter shall be used only for
8 activities provided under the financial assistance agreement
9 unless the department grants the award recipient a waiver
10 allowing the funds to be used for a different purpose. The
11 department's regulations shall describe circumstances under
12 which it will consider waiver requests and shall provide all
13 information to be included in a waiver request. The maximum
14 duration of a waiver shall be until the financial need, project
15 or activity is completed that warranted the waiver and may be
16 further extended within the discretion of the department.

17 Section 3. Section 1508 of Title 74 is amended by adding a
18 subsection to read:

19 § 1508. Federal funding.

20 * * *

21 (e) Sub-recipients.--Rural public transportation funding
22 received by the department from the Formula Grants for Rural
23 Areas Program under 49 U.S.C. § 5311 (relating to formula grants
24 for rural areas) shall be distributed to local transportation
25 organizations that are sub-recipients of Federal funds as
26 follows:

27 (1) The department shall distribute 70% of the annual
28 apportionment under 49 U.S.C. § 5311 that the department
29 receives as the direct recipient of funds from the Formula
30 Grants for Rural Areas Program to Class 4 transit entities.

1 The distribution shall not include funding received by the
2 department under 49 U.S.C. § 5311(b) (3).

3 (2) Each month, the department shall distribute one-
4 twelfth of the Class 4 transit entity share under 49 U.S.C. §
5 5311 to Class 4 transit entities as provided under this
6 paragraph. Each Class 4 transit entity shall receive a
7 portion of each monthly distribution of the Class 4 transit
8 entity share under 49 U.S.C. § 5311 as follows:

9 (i) Fifty percent of the monthly distribution of the
10 Class 4 transit entity share under 49 U.S.C. § 5311 shall
11 be distributed to Class 4 transit entities based upon
12 each transit entity's Class 4 operating assistance grant
13 percentage under section 1513 (relating to operating
14 program). The actual amount received by each Class 4
15 transit entity under this subparagraph shall be
16 determined by multiplying a Class 4 transit entity's
17 Class 4 operating assistance grant percentage under
18 section 1513 times the total amount available for
19 distribution under this subparagraph.

20 (ii) Twenty-five percent of the monthly distribution
21 of the Class 4 transit entity share under 49 U.S.C. §
22 5311 shall be distributed to Class 4 transit entities
23 based upon each transit entity's Class 4 revenue mile
24 percentage under section 1513. The actual amount received
25 by each Class 4 transit entity under this subparagraph
26 shall be determined by multiplying a Class 4 transit
27 entity's Class 4 revenue mile percentage under section
28 1513 times the total amount available for distribution
29 under this subparagraph.

30 (iii) Twenty-five percent of the monthly

1 distribution of the Class 4 transit entity share under 49
2 U.S.C. § 5311 shall be distributed to Class 4 transit
3 entities based upon each transit entity's Class 4 revenue
4 hour percentage under section 1513. The actual amount
5 received by each Class 4 transit entity under this
6 subparagraph shall be determined by multiplying a Class 4
7 transit entity's Class 4 transit entity revenue hour
8 percentage under section 1513 times the total amount
9 available for distribution under this subparagraph.

10 Section 4. Section 1512(a) and (b)(1) of Title 74 are
11 amended and subsection (b) is amended by adding a paragraph to
12 read:

13 § 1512. Coordination and consolidation.

14 (a) Coordination.--Coordination is required in regions where
15 two or more award recipients have fixed route, share ride or
16 both services or activities for which financial assistance is
17 being provided under this chapter to assure that the services or
18 activities are provided efficiently and effectively.

19 (b) Consolidation and mutual cooperation.--

20 (1) The department, [in consultation with] at the
21 request of local governments and local transportation
22 organizations, shall study the feasibility of consolidation
23 and mutual cooperation among local transportation
24 organizations as a means of reducing annual expenses without
25 loss of service to the communities they serve. The study
26 shall examine the creation of service regions or mutual
27 cooperation pacts to determine whether either method would
28 reduce annual expenses. The feasibility analysis is to
29 include a cost-benefit analysis and operational analysis.

30 * * *

1 (4) After the five-fiscal-year period under paragraph
2 (3), the department shall waive the match requirement under
3 sections 1513 and 1514 for an additional five fiscal years
4 for the local transportation organization's participation in
5 the recommended action under paragraph (2) in an amount not
6 to exceed the estimated annual net savings of the implemented
7 recommendations. At the end of the five-year period, the
8 local match shall begin at its preconsolidated level.

9 * * *

10 Section 5. Sections 1513(a)(2), (d)(3) and (4), (e), (f),
11 (g) and (h) and 1514(a), (b), (e), (e.1) and (f) of Title 74 are
12 amended to read:

13 § 1513. Operating program.

14 (a) Eligible applicants.--The following may apply for
15 financial assistance for operating expenses under this section:

16 * * *

17 (2) A Commonwealth agency or instrumentality whose
18 primary purpose is providing public transportation.

19 * * *

20 (d) Local match requirements.--

21 * * *

22 (3) Eligible local matching funds shall consist only of
23 cash contributions provided by one or more municipalities or
24 counties. The amount of the match and the time period during
25 which the match must continue to be available shall be
26 specified in the financial assistance agreement. [Funding] At
27 the discretion of the local transportation organization,
28 funding provided by local and private entities, including
29 [advertising or naming rights] nontraditional transit
30 revenue, may qualify as local matching funds to the extent

1 they provide for the cost of transit service that is open to
2 the public. The following shall not be considered local
3 matching funds:

4 (i) Any form of transit operating revenue or other
5 forms of transit income provided by the local
6 transportation organization.

7 (ii) Funds used to replace fares.

8 (4) A municipality in a metropolitan area which is a
9 member of a local transportation organization which receives
10 direct or indirect Federal funds is authorized to provide
11 annual financial assistance from current revenues to the
12 local transportation organization of which it is a member or
13 enter into a long-term agreement for payment of money to
14 assist in defraying the costs of operation, maintenance and
15 debt service of the local transportation organization or of a
16 particular public transportation project of a local
17 transportation organization. The obligation of a municipality
18 under an agreement pursuant to this paragraph shall not be
19 considered to be a part of the indebtedness of the
20 municipality, nor shall the obligation be deemed to impair
21 the status of any indebtedness of the municipality which
22 would otherwise be considered self-sustaining.

23 [~~(e) Performance reviews.--~~

24 ~~(1) The department may conduct performance reviews of an~~
25 ~~award recipient under this section to determine the~~
26 ~~effectiveness of the financial assistance. Reviews shall be~~
27 ~~conducted at regular intervals as established by the~~
28 ~~department in consultation with the management of the award~~
29 ~~recipient. After completion of a review, the department shall~~
30 ~~issue a report that:~~

1 (i) highlights exceptional performance and
2 identifies any problems that need to be resolved;
3 (ii) assesses performance, efficiency and
4 effectiveness of the use of the financial assistance;
5 (iii) makes recommendations on follow-up actions
6 required to remedy any problem identified; and
7 (iv) provides an action plan documenting who should
8 perform the recommended actions and a time frame within
9 which they should be performed.

10 (2) The department shall deliver the report to the
11 Governor, to the chairman and minority chairman of the
12 Transportation Committee of the Senate and to the chairman
13 and minority chairman of the Transportation Committee of the
14 House of Representatives. The department's regulations shall
15 contain a description of the impact on both the amount of,
16 and future eligibility for, financial assistance under this
17 chapter based upon the degree to which the local
18 transportation organization complies with the recommendations
19 in the report. The department shall develop a list of best
20 practices revealed by the reports issued under this
21 subsection and shall post them on the department's Internet
22 website.]

23 (e) Planning studies.--The following shall apply:

24 (1) Beginning January 1, 2022, the department may
25 require each award recipient to conduct an independent
26 planning study or transit development plan update every five
27 years to evaluate the public transit services being funded
28 under this section. The planning study shall include, but not
29 be limited to, the following:

30 (i) A financial performance analysis of existing

1 services and trends.

2 (ii) A customer satisfaction survey.

3 (iii) A five-year capital improvement plan,
4 including performance goals consistent with the
5 recipient's adopted transit asset management plan for
6 reaching a state of good repair.

7 (iv) A five-year service plan based on customer and
8 community input and participation.

9 (v) A five-year financial plan based on the adopted
10 service plan and levels of funding.

11 (vi) An evaluation of safety performance and goals
12 related to the recipients adopted safety plan.

13 (vii) Other analysis as may be needed.

14 (2) The department shall fund the planning studies
15 through a technical assistance grant to the award recipient
16 in full or in part and match Federal funds to conduct the
17 study.

18 (3) Recipients may utilize consultants already under
19 contract with the department or solicit independently or
20 jointly with other transit systems for a consultant to
21 conduct the study in compliance with all applicable Federal
22 and State procurement regulations.

23 (4) The department shall deliver an executive summary of
24 the planning studies to the Governor, to the chairperson and
25 minority chairperson of the Transportation Committee of the
26 Senate and to the chairperson and minority chairperson of the
27 Transportation Committee of the House of Representatives. The
28 department shall develop a list of best practices documented
29 by the studies conducted under this subsection and post the
30 best practices and the executive summary on the department's

1 publicly accessible Internet website.

2 [(f) Performance criteria.--Criteria used for the reviews
3 conducted under subsection (e) shall consist of passengers per
4 revenue vehicle hour, operating costs per revenue vehicle hour,
5 operating revenue per revenue vehicle hour, operating costs per
6 passenger and other items as the department may establish. The
7 department's regulations shall set forth the minimum system
8 performance criteria based upon comparison of the award
9 recipient to its past performance and to its peers that an award
10 recipient must satisfy.

11 (g) Failure to satisfy minimum performance criteria.--

12 (1) If a performance review conducted under subsection
13 (e) reveals that the performance of an award recipient's
14 transportation system has decreased compared to performance
15 determined through a prior review, the department may, upon
16 the written request of an award recipient, waive any
17 requirement for a reduction in the amount of financial
18 assistance to be awarded under this section for a reasonable
19 time period to allow the award recipient to bring the system
20 back to the required performance level. The award recipient
21 shall provide written justification for providing a time
22 period longer than two years. In order to obtain the waiver
23 for the period requested, the award recipient must do all of
24 the following:

25 (i) Develop an action plan to improve system
26 performance that contains key measurable milestones. The
27 action plan must be acceptable to the department and must
28 be approved by the department in writing.

29 (ii) Submit quarterly progress reports on the action
30 plan to the department.

1 (2) The department shall review and evaluate the award
2 recipient's progress to determine if the system has improved.
3 If the system has improved, the award recipient will remain
4 eligible for full formula funding as determined under
5 subsection (c). If the system has not improved by the end of
6 the waiver period, the waiver will be withdrawn. Expenses
7 incurred by the award recipient as a result of the failure of
8 the award recipient's system to meet the minimum performance
9 criteria shall be borne by the award recipient.

10 (h) Adjustments to minimum performance criteria.--Upon
11 written request of an award recipient, the department may adjust
12 the minimum performance criteria described in subsection (g) in
13 a given year if the performance of the award recipient's system
14 is adversely affected by circumstances which are beyond the
15 award recipient's control. Examples are labor strikes,
16 infrastructure failures and natural disasters. The request must
17 include the award recipient's reasons for seeking the
18 adjustment.]

19 (f) Performance criteria.--Performance goals shall be
20 developed by the recipient based on the current and projected
21 trends in service and adopted by the recipient's governing
22 board.

23 § 1514. Asset improvement program.

24 (a) Eligible applicants.--

25 (1) The following may apply for financial assistance for
26 improvement, replacement or expansion of capital projects
27 under this section:

28 (i) A local transportation organization.

29 (ii) An agency or instrumentality of the

30 Commonwealth engaged in public transportation service.

1 (iii) A [person] public or nonprofit entity or
2 organization responsible for coordinating community
3 transportation program services.

4 (iv) Any other [person] public or nonprofit entity
5 or organization that provides public transportation
6 services the department deems to be eligible.

7 (2) The department and the public transit organization
8 shall develop and maintain four-year and 12-year plans that
9 summarize the capital projects and financial assistance
10 commitments for each [applicant] public transit system in
11 accordance with its adopted transit asset management plan and
12 annual performance goals. The department may enter into
13 multiyear agreements to provide financial assistance for
14 capital projects based upon cash flow and revenue projections
15 for the fund. Each capital project shall be based on the
16 transit asset management plan developed by the public
17 transportation organization in collaboration with the
18 department.

19 (b) Applications.--In addition to information required under
20 section 1507 (relating to application and approval process), an
21 application for financial assistance under this section shall
22 include the following:

23 (1) Evidence satisfactory to the department that the
24 proposed capital project is included in the first year of the
25 applicant's four-year capital plan, transit asset management
26 plan's performance goals and its federally approved
27 transportation improvement program.

28 (2) If an applicant is requesting financial assistance
29 for replacement of a capital project, evidence satisfactory
30 to the department that the capital project to be replaced has

1 exceeded the useful life criteria [as defined by the
2 department] in accordance with the applicant's transit asset
3 management plan's performance goals. At its discretion, the
4 department may approve funding to replace a capital project
5 that does not exceed the useful life criteria if the
6 applicant provides documentation acceptable to the department
7 to justify the early replacement of the capital project.

8 [(3) If the applicant is requesting financial assistance
9 for expansion of a capital project, evidence satisfactory to
10 the department that the applicant will have sufficient future
11 annual operating funds to support the proposed expansion.

12 (4) Any other information required by the department,
13 including a return on investment analysis or a life cycle
14 cost analysis, or both.]

15 * * *

16 (e) Priorities.--The award of [financial assistance under
17 this section] discretionary funding under subsection (e.1)(4)
18 shall be subject to the following set of priorities in
19 descending order of significance unless a compelling return on
20 investment analysis for a project in a lower category is
21 provided to and approved by the department:

22 (1) Requests for funds required to support existing
23 local bond issues currently supported with State revenue
24 sources, such as debt service and asset leases. The
25 Commonwealth pledges to and agrees with any person, firm or
26 corporation holding any bonds previously issued by, or any
27 other debt incurred by, a local transportation organization
28 and secured in whole or part by a pledge of the funds
29 provided to the local transportation organization from the
30 fund that the Commonwealth will not limit or alter rights

1 vested in a local transportation organization in any manner
2 inconsistent with obligations of the local transportation
3 organization to the obligees of the local transportation
4 organization until all bonds previously issued or other debt
5 incurred, together with the interest thereon, is fully paid
6 or provided for.

7 (2) Requests for funds required to match federally
8 approved capital projects [funded under 49 U.S.C. §§ 5307
9 (relating to urbanized area formula grants) and 5309
10 (relating to capital investment grants and loans) and other
11 federally approved capital projects].

12 (3) Other non-Federal capital projects as determined by
13 the department, which shall be further subject to the
14 following set of priorities in descending order of
15 significance:

16 (i) Essential emergency asset improvement projects.

17 (ii) Standard replacement of existing assets that
18 have exceeded their useful life.

19 (iii) Asset improvement projects to extend the
20 useful life of the affected assets.

21 (iv) Acquisition of new assets and other acceptable
22 purposes, other than projects to be funded under the new
23 initiatives program described in section 1515 (relating
24 to new initiatives program), as determined by the
25 department.

26 (e.1) Distribution procedure.--During each fiscal year,
27 capital project, asset maintenance and other program funds shall
28 be distributed to each transit organization on a monthly basis
29 in accordance with the formula specified in this section and
30 used strictly in accordance with the use specified in this

1 section. The department shall allocate financial assistance
2 under this section on a percentage basis of available funds each
3 fiscal year as follows:

4 (1) [The local transportation organization organized and
5 existing under Chapter 17 (relating to metropolitan
6 transportation authorities) as the primary provider of public
7 passenger transportation for the counties of Bucks, Chester,
8 Delaware, Montgomery and Philadelphia shall receive 69.4% of
9 the funds available for distribution under this section.]

10 SEPTA shall receive 69.4% of the funds available for
11 distribution under this section.

12 (2) [The local transportation organization organized and
13 existing under the act of April 6, 1956 (1955 P.L.1414,
14 No.465), known as the Second Class County Port Authority Act,
15 as the primary provider of public transportation for the
16 county of Allegheny shall receive 22.6% of the funds
17 available for distribution under this section.] PAAC shall
18 receive 22.6% of the funds available for distribution under
19 this section.

20 (3) Other local transportation organizations organized
21 and existing as the primary providers of public passenger
22 transportation for the counties of this Commonwealth not
23 identified under paragraph (1) or (2) shall receive 8% of the
24 funds available for distribution under this section. The
25 department shall allocate the funds under this paragraph
26 among the local transportation organizations.

27 (4) Notwithstanding paragraphs (1), (2) and (3) and
28 before distributing the funds under paragraph (1), (2) or
29 (3), the department shall set aside 5% of the funds available
30 for distribution under this section for discretionary use and

1 distribution by the secretary.

2 (5) On or before the fifth day of each month, the
3 Treasury Department shall certify to the department the total
4 amount then available for distribution and the department
5 shall make distribution of payments required under this
6 subsection on or before the 20th day of each month.

7 (6) Beginning with the 2021-2022 fiscal year, each month
8 the Treasury Department shall pay one-twelfth of the
9 department project management oversight share for that fiscal
10 year into the General Fund. The money transferred under this
11 paragraph shall be appropriated to the department for
12 expenses related to project management and oversight of
13 capital and asset maintenance projects funded under this
14 section.

15 (7) Each month, the Treasury Department shall pay one-
16 twelfth of the community transportation program share for
17 that fiscal year into the General Fund. The money transferred
18 under this paragraph shall be appropriated to the department
19 to make grants to counties under this section for the purpose
20 of funding capital projects of community transportation
21 programs.

22 (8) Each month, the Treasury Department shall pay the
23 planning, development, research, rural expansion and
24 department-initiated programs share under this section for
25 that month into the General Fund. The money transferred under
26 this paragraph shall be appropriated to the department to
27 incur costs directly or to make grants to local
28 transportation organizations under section 1513(e), for the
29 purpose of funding planning, development, research, rural
30 expansion and department-initiated programs.

1 (9) Each month, the department shall distribute one-
2 twelfth of the Class 4 transit entity share under this
3 section to Class 4 transit entities as provided under this
4 paragraph. Each Class 4 transit entity shall receive a
5 portion of each monthly distribution of the Class 4 transit
6 entity share under this section as follows:

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

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

27 (iii) Twenty-five percent of the monthly
28 distribution of the Class 4 transit entity share under
29 this section shall be distributed to Class 4 transit
30 entities based upon each transit entity's Class 4 revenue

1 hour percentage under this section. The actual amount
2 received by each Class 4 transit entity under this
3 subparagraph shall be determined by multiplying a
4 particular Class 4 transit entity's Class 4 transit
5 entity revenue hour percentage under this section times
6 the total amount available for distribution under this
7 subparagraph.

8 (10) Each month, after providing for payment of the
9 portion of the department project management oversight share,
10 the community transportation program share under this
11 section, the planning, development, research, rural expansion
12 and department-initiated programs shares under this section
13 and the Class 4 transit entity share under this section to be
14 distributed that month, the department shall distribute all
15 remaining capital project, asset maintenance and other
16 program funds as follows:

17 (i) Each Class 1 transit entity shall receive a
18 prorata share of the Class 1 transit entity share under
19 this section. If there is only one Class 1 transit
20 entity, it shall receive the entire Class 1 transit
21 entity share under this section.

22 (ii) Each Class 2 transit entity shall receive a
23 prorata share of the Class 2 transit entity share under
24 this section. If there is only one Class 2 transit
25 entity, it shall receive the entire Class 2 transit
26 entity share under this section.

27 (iii) Each Class 3 transit entity shall receive a
28 portion of the Class 3 transit entity share under this
29 section as follows:

30 (A) Sixteen and sixty-seven hundredths percent

1 of the Class 3 transit entity share under this
2 section shall be distributed to Class 3 transit
3 entities based upon each transit entity's Class 3
4 vehicle mile percentage under this section. The
5 actual amount received by each Class 3 transit entity
6 under this clause shall be determined by multiplying
7 a particular Class 3 transit entity's Class 3 vehicle
8 mile percentage under this section times the total
9 amount available for distribution under this clause.

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

20 (C) Sixteen and sixty-six hundredths percent of
21 the Class 3 transit entity share under this section
22 shall be distributed to Class 3 transit entities
23 based upon each transit entity's Class 3 total
24 passenger percentage under this section. The actual
25 amount received by each Class 3 transit entity under
26 this clause shall be determined by multiplying a
27 particular Class 3 transit entity's Class 3 total
28 passenger percentage under this section times the
29 total amount available for distribution under this
30 clause.

1 (D) Twenty-five percent of the Class 3 transit
2 entity share under this section shall be distributed
3 to Class 3 transit entities based upon each transit
4 entity's Class 3 Federal operating cap percentage.
5 The actual amount received by each Class 3 transit
6 entity under this clause shall be determined by
7 multiplying a particular Class 3 transit entity's
8 Class 3 Federal operating cap percentage times the
9 total amount available for distribution under this
10 clause.

11 (E) Twenty-five percent of the Class 3 transit
12 entity share under this section shall be distributed
13 to Class 3 transit entities based upon each transit
14 entity's Class 3 State operating grant percentage.
15 The actual amount received by each Class 3 transit
16 entity under this clause shall be determined by
17 multiplying a particular Class 3 transit entity's
18 Class 3 State operating grant percentage times the
19 total amount available for distribution under this
20 clause.

21 (11) If, during any fiscal year, either the number of
22 vehicles operated by a local transportation organization or
23 transportation company or the area served by a local
24 transportation organization or transportation company changes
25 so that the local transportation organization or
26 transportation company meets the criteria for a different
27 transit entity class provided under section 1501, on or
28 before July 15 of the fiscal year which follows the change
29 and in each fiscal year thereafter, the department shall
30 reflect any change in the transit entity class of the local

1 transportation organization or transportation company in the
2 department certification for that year and subsequent fiscal
3 years. The following shall apply:

4 (i) In the department's calculation of the transit
5 entity shares under this section for each transit entity
6 class required by paragraph (9) for the fiscal year
7 following the change in a local transportation
8 organization or transportation company's transit entity
9 class and thereafter, the department shall include the
10 amount of the transit entity shares under this section
11 allocated to the local transportation organization or
12 transportation company for the fiscal year prior to the
13 change in the transit entity class, in the transit entity
14 shares under this section for the new transit entity
15 class of such a local transportation organization or
16 transportation company, and shall delete an equal amount
17 from the transit entity shares under this section for the
18 transit entity class for which such a local
19 transportation organization or transportation company no
20 longer meets the criteria in the new fiscal year.

21 (ii) No local transportation organization or
22 transportation company which has changed from one transit
23 entity class to another due to either an increase in the
24 number of vehicles operated or the United States Census
25 Bureau's declaring the transportation organization or
26 transportation company's service area an urbanized area
27 shall receive less than the amount transferred on its
28 account by the department under this section.

29 (12) No change in classification or distribution to a
30 Class 1, 2, 3 and 4 transit entity shall change, reduce,

1 alter or otherwise be done in a manner that would adversely
2 impact the distribution percentages under this section and
3 amounts that SEPTA and PAAC are entitled to under paragraphs
4 (1) and (2).

5 (f) Bonding by award recipients.--With the approval of the
6 department, an award recipient that is permitted by law to issue
7 bonds may do so for the purpose of financing a [multiyear]
8 capital project. The department shall enter into an agreement
9 with the award recipient providing that payments of the awarded
10 funds sufficient to satisfy requirements of the bonds issued be
11 made directly to the trustee of the bondholders until such time
12 as the bonds are retired.

13 Section 6. Section 1515(a) of Title 74 is amended and
14 subsection (c) is amended by adding a paragraph to read:
15 § 1515. New initiatives program.

16 (a) Eligible applicants.--[Persons] A public or nonprofit
17 entity or organization eligible to apply for financial
18 assistance under section 1514 (relating to asset improvement
19 program) shall also be eligible to apply for financial
20 assistance for new or expansions of fixed guideway systems or
21 the physical or roadway improvement elements of a corridor
22 project designed to expedite bus service under this section.

23 * * *

24 (c) Source of funds and priorities.--

25 * * *

26 (3) The department may develop and implement a pilot
27 program to test and evaluate new models of paying and
28 delivering shared ride and community transportation in
29 collaboration with existing public transit systems and other
30 transportation organizations and entities in this

1 Commonwealth with the goal of developing a sustainable and
2 need-based delivery and payment of services model.

3 * * *

4 Section 7. Sections 1516(a)(3) and (d)(2), (3), (4) and (5)
5 and 1518 of Title 74 are amended to read:

6 § 1516. Programs of Statewide significance.

7 (a) General rule.--Money in the fund allocated for programs
8 of Statewide significance shall be used by the department to
9 support public transportation programs, activities and services
10 not otherwise fully funded through the operating program,
11 capital program or asset improvement program. In addition to any
12 requirements contained in this section, applications must comply
13 with section 1507 (relating to application and approval
14 process). Programs of Statewide significance shall include:

15 * * *

16 (3) Community transportation capital and service
17 stabilization. The department shall issue an annual
18 notification of the availability of funds for the programs
19 under this paragraph.

20 * * *

21 (d) Community transportation.--

22 * * *

23 (2) Subject to the limitations of this subsection, the
24 following may apply for financial assistance under this
25 subsection:

26 (i) The governing body of a county, other than a
27 county of the first or second class.

28 (ii) A public or nonprofit or private transportation
29 company designated by the governing body of the county as
30 the coordinator of community transportation service.

1 (iii) An agency or instrumentality of the
2 Commonwealth.

3 * * *

4 (3) Financial assistance for service stabilization may
5 only be provided for the following purposes:

6 (i) Short-term, long-term and strategic planning.

7 (ii) Technology investment.

8 (iii) Training programs designed to enhance
9 transportation management and staff expertise.

10 (iv) Offsetting operating expenses that cannot be
11 covered by fare revenue due to emergencies declared by
12 the Governor or acts of the legislature.

13 (v) Marketing activities.

14 (vi) Other stabilization purposes approved by the
15 department.

16 (4) The department shall give high priority to providing
17 financial assistance under this subsection as match for
18 Federal funding to support capital projects for community
19 transportation systems[.] as long as the Federal funding
20 being matched is not reducing the amount of Federal funding
21 available to support existing federally funded public
22 transportation direct or subrecipients.

23 [(5) The department shall conduct a study to evaluate
24 the effectiveness and efficiency of community transportation
25 service delivery as it relates to human service programs. The
26 Department of Public Welfare, the Office of the Budget and
27 the Department of Aging and other appropriate Commonwealth
28 agencies identified by the department shall participate in
29 the study. Within two years following the effective date of
30 this section, these agencies shall make recommendations to

1 the Governor and the Majority and Minority chairpersons of
2 the Transportation Committee of the Senate and the Majority
3 and Minority chairpersons of the Transportation Committee of
4 the House of Representatives for improving coordination and
5 efficiency of human services and community transportation.]

6 * * *

7 § 1518. Program oversight and administration.

8 The department is authorized to use available money in the
9 fund to cover the costs incurred by the department in
10 administering all of its public passenger transportation funding
11 programs, including those established under this chapter, and
12 incurred in the carrying out of its responsibilities with
13 respect to the programs[.], not to exceed the amount authorized
14 to the department under this chapter. The department shall
15 annually produce a report on the department's publicly
16 accessible Internet website detailing the amount of funding
17 received for administering the program, total funding received
18 and total funds disbursed under each program to be funded in the
19 entire program.

20 Section 8. Title 74 is amended by adding a section to read:

21 Section 1518.1. Small purchase procedures.

22 A local transportation company or transportation organization
23 may use small purchase procedures to acquire services, supplies
24 or other property valued at more than the micro-purchase
25 threshold but less than the Federal simplified acquisition
26 threshold as defined under 2 CFR 200.1 (relating to
27 definitions).

28 Section 9. Section 1520 of Title 74 is repealed:

29 [§ 1520. Evaluation of private investment opportunities.

30 (a) Study.--A local transportation organization receiving

1 funding in an amount greater than \$5,000,000 annually under this
2 chapter shall undertake a study to evaluate the feasibility of
3 utilizing partnerships with private service providers and
4 financial partners as a method to operate and finance new or
5 existing services. Within one year following the effective date
6 of this section, each local transportation organization required
7 to evaluate private participation under this section shall
8 submit a report to the secretary and the majority chairperson
9 and minority chairperson of the Transportation Committee of the
10 Senate and the majority chairperson and minority chairperson of
11 the Transportation Committee of the House of Representatives.

12 (b) Report.--The report shall, at a minimum, include the
13 results of the evaluation, a determination of the viability of
14 greater private partnering and any recommendations about how to
15 achieve greater participation from the private sector.

16 (c) Preclusion.--Nothing in this section shall preclude a
17 local transportation organization receiving less than \$5,000,000
18 annually under this chapter from making an evaluation of greater
19 private involvement in their operations.]

20 Section 10. This act shall take effect in 60 days.