

Moving PA Forward by Investing in Roads, Bridges and Transit

Chair Neilson, Chair Benninghoff, and members of the Committee, thank you for the opportunity to speak with you today. I am Mike Carroll, Secretary of the Pennsylvania Department of Transportation (PennDOT). Joining me today is Kevin M. Keefe, District Executive here in PennDOT District 8. We appreciate your continued commitment to productive conversations about sustainably funding Pennsylvania's transportation systems. The budget signed by Governor Shapiro in July contains many commonsense solutions to real problems Pennsylvanians face, and it builds on much of the progress we made together last year. Thank you for your leadership as we continue this critical good work.

Transportation is the backbone of our economy and central to our quality of life. Pennsylvania's transportation system – as well as PennDOT's responsibility – is vast. Pennsylvania has the fifth-largest state-maintained road system and the third-largest state-maintained bridge system in the nation. Public transportation exists in some form in all 67 of Pennsylvania's counties.¹ Pennsylvania is also home to 120 public-use airports, 228 private-use airports, 275 private-use heliports. More railroads operate in Pennsylvania than in any other state in the country. Also, greater than 48 million tons of goods move through the Pennsylvania Ports of Erie, Philadelphia, and Pittsburgh. *Pennsylvania is host to an impressive transportation system, requiring impressive, sustainable investment and maintenance.*

CURRENT INVESTMENTS

We remain grateful for the increased investments made possible by the Bipartisan Infrastructure Law (BIL) and the additional state Motor License Funds (MLF) afforded by the General Assembly's action in the past two Budgets to reduce the allocation of MLF to the Pennsylvania State Police. These funds have helped us make significant progress toward improving Pennsylvania's transportation network, under some challenging circumstances.

Nevertheless, increased inflation pressures and reduced gas tax revenues have highlighted the Department's dependence on gas tax as a revenue source – to a much higher degree than other

states. For example, New York only relies on gas tax for 18% of its transportation funding, while gas tax revenues fund 75% of PennDOT's roadway and bridge budget.

We are pleased that Senate Bill 656, the electric vehicle (EV) fee bill, passed in a bipartisan fashion. We know that an EV fee alone will not solve our funding challenges, but it's an important starting point. Even with Senate Bill 656, gas tax revenues will continue to decline due to increasing fuel efficiencies. Additionally, the Oil Company Franchise Tax is not likely to increase in the near future. Because of our outsized reliance on gas tax to fund our roads and bridges, it has become increasingly clear that we must explore other options to reliably fund transportation.

Roads and Bridges

Through July 2024, 164 construction contracts for highway, bridge, and other improvement projects were completed statewide through PennDOT's private-sector partners. 246 state and locally owned bridges were let to be repaired, replaced, or preserved by PennDOT or industry forces. 2,256 miles of roadway were improved by Department or partner crews during this time. This includes 773 miles of paving. Project progress can be tracked via www.penndot.pa.gov/results.

Pennsylvania is home to a large network of state and locally maintained bridges. The average age of the 25,400 bridges within PennDOT's purview is 55 years—in many cases, nearing or exceeding their 60-year design life span. However, our teams have made considerable progress, as the number of state-owned bridges in poor condition has decreased from a high of 6,034 in 2008, to just over 2,200 today. Sustained investments in transportation will further support these critical safety efforts.

Earlier this summer, PennDOT successfully secured a \$500 million Large Bridge Program grant through the Federal Highway Administration's (FHWA) competitive Bridge Investment Program to replace the I-83 South Bridge, which connects downtown Harrisburg in Dauphin County to the west shore in Cumberland County. The bridge currently carries more than 125,000 vehicles over the Susquehanna River every day, 15 percent of which is truck traffic. This is the largest

federal transportation grant Pennsylvania has ever received, and with a total cost of \$1.1 billion to \$1.3 billion, these funds allow us to advance this critical project without impacting other priorities around the state.

While our state-owned road and bridge network is vast, there are many needs on the locally owned network as well. The locally owned roadway and bridge network is also reliant on gas tax revenues and is impacted by these shortfalls, as PennDOT's annual liquid fuels distribution (over \$467 million this year) helps local governments pay for important day-to-day expenses, like snow removal and road repaving.

Multimodal

Public Transit

Public transportation is available in some form in every county in Pennsylvania and these services are critical to our communities across the state. On average, 64 percent of the people who use these services report that they have no alternate means of transportation (based on responses in past transit-agency performance surveys). In fiscal year 2022-2023, there were 232 million fixed-route bus trips, including 23.8 million trips for seniors. There were 4.5 million shared ride trips in 2022-2023, most of which were for our senior citizens and people with disabilities.

Transit connects people to their jobs, their medical appointments, and their communities while reducing congestion and air pollution. As Pennsylvania's transportation leaders, we must ensure that transit is funded adequately. We are thankful that the final budget included an increase of \$80.5 million this fiscal year, with 87% of that increase going to operating funds for transit agencies and 13% going to Programs of Statewide Significance, which funds programs like Shared Ride.

There is no denying the positive impact that transit has on citizens and communities across Pennsylvania. We are grateful for the General Assembly's acknowledgement of the transit funding issue highlighted in the Governor's budget address in February, and that transit agencies will see an increase this state fiscal year.

However, this is a temporary fix, and as illustrated by our presence here today, the conversation is not over.

Aviation

There has been a significant reduction in aviation fuel revenue due to the impacts of the COVID pandemic. As a result, there is less funding available for the Aviation Development Program (ADP), a state grant program that is funded through the collection of state taxes on jet fuel and funds airport facility projects. We certainly appreciate that the budget included the additional \$1.6 million annually. This will help PennDOT match the new federal BIL funds, which will require an additional \$1.5 million to \$2 million annually in match funding.

PennDOT administers more than roughly \$21 million in total federal funding for the state's 40 general aviation airports that are eligible to receive federal funding and are part of the State Block Grant Program.

Additionally, in December 2022 the Transportation Advisory Committee (TAC) published its Pennsylvania Aviation Needs Assessment and Strategic Action Plan. It was the first-ever comprehensive needs assessment with a strategic action plan focused on the improvement of Pennsylvania's aviation system. This plan took a holistic look at aviation needs in terms of infrastructure capital investment needs, financing, technological advancements, and legislative reforms necessary to advance Pennsylvania aviation as a major mode of transportation, supporting the overall mobility and economic demands of the state.

MOVING FORWARD

The PennDOT team is making improvements, enhancing equity in our organization and in transportation systems for all people, and – as always – aiming for a safer, more connected Pennsylvania. We appreciate your partnership as we continue this vital mission.