

# TRANSPORTATION REVENUE OPTIONS COMMISSION

PA



JULY 14, 2021

# AGENDA

- 1. Meeting Objectives**
- 2. Commission Chair's Opening Remarks**
- 3. Schedule/Milestones**
- 4. Strategic Funding Proposal – Update and Review**
- 5. Briefing**
  - Modernization and Efficiencies (PennDOT Executive Staff)
- 6. Draft Document – Update and Review**
  - TROC Member Review Process
  - Review and Comment Schedule
- 7. Meeting Summary and Public Comments**
- 8. Commission Chair's Closing Remarks**
- 9. Next Meeting Date: July 28, 1:00 – 3:00**

# MEETING OBJECTIVES

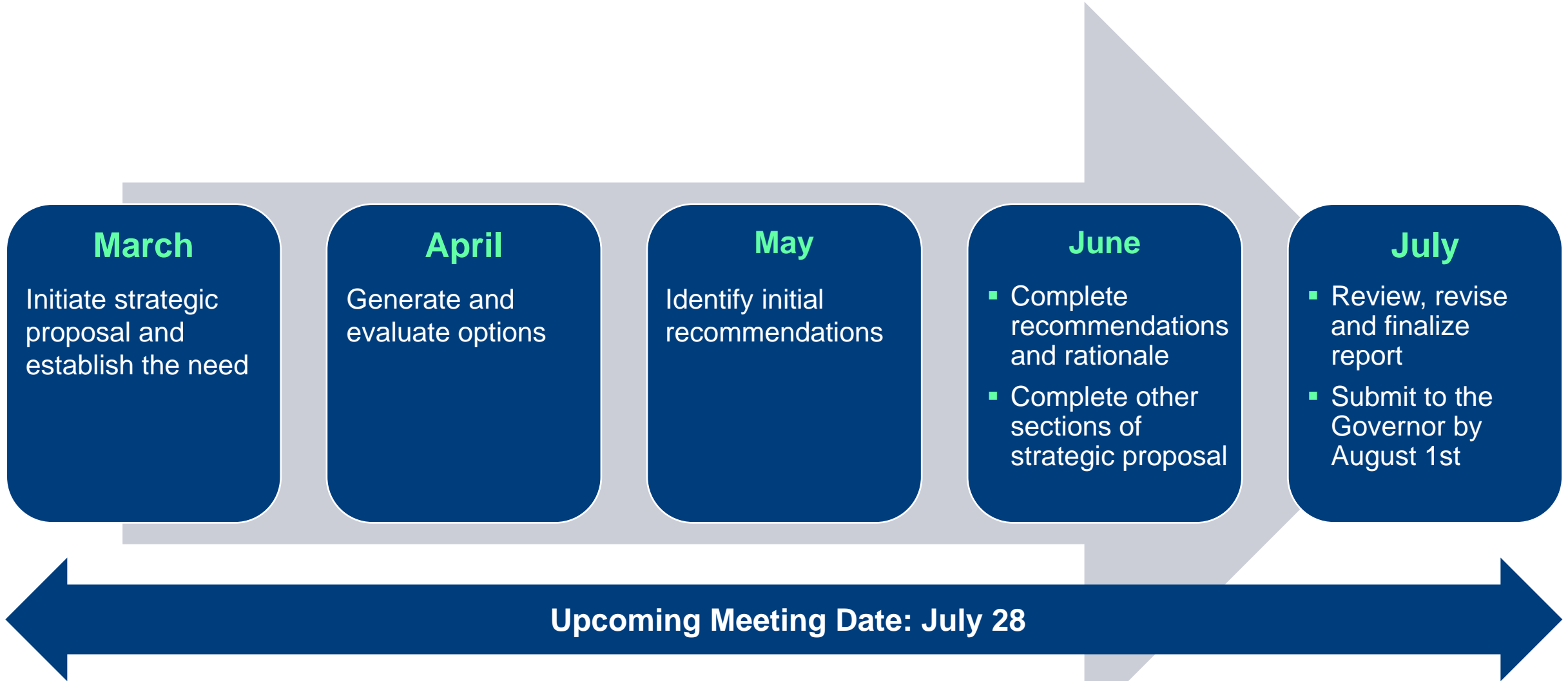
- To review Draft Strategic Funding Proposal.
- To discuss next steps for TROC member review of draft report.
- To receive a briefing on modernization and efficiencies.

# COMMISSION CHAIR'S OPENING REMARKS



Secretary of Transportation,  
Yassmin Gramian

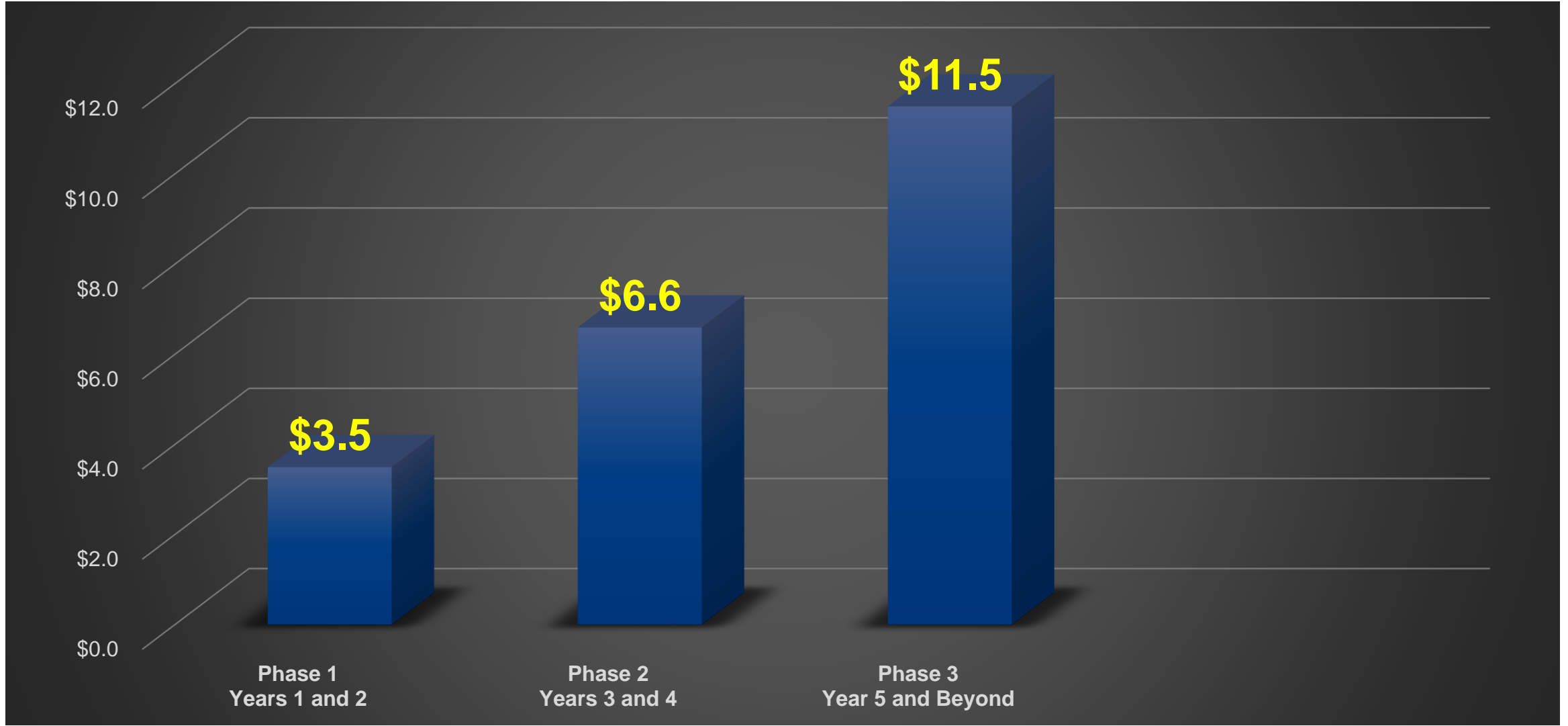
# SCHEDULE/MILESTONE REVIEW



# STRATEGIC FUNDING PROPOSAL – UPDATE AND REVIEW



# ESTIMATED ADDITIONAL ANNUAL REVENUE IN BILLIONS



# ROAD USER CHARGES

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Mileage-Based User Fee (MBUF)	\$0	\$0	\$8,930,065,000
EV MBUF Pilot	\$2,000,000	\$2,121,800	\$2,251,018
<b>Total Road User Charge Revenue</b>	<b>\$2,000,000</b>	<b>\$2,121,800</b>	<b>\$8,932,316,018</b>



# ROAD USER CHARGES

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Phase-out of Gas Tax with Full MBUF	\$0	\$0	-\$4,088,301,000

# TOLLING

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Corridor Tolling	\$0	\$2,444,940,000	\$2,543,716,000
Managed Lanes (Limited Lane Tolling)	\$0	\$260,100,000	\$0
<b>Total Tolling Revenue</b>	<b>\$0</b>	<b>\$2,705,040,000</b>	<b>\$2,543,716,000</b>

# REDIRECTION OF FUNDING

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
<b>PA State Police Funding</b>	\$673,000,000	\$609,000,000	\$545,000,000

# FEES – INCREASE

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Vehicle Registration Fee	\$800,000,000	\$832,320,000	\$865,946,000
Ad Valorem (Value-Based) Vehicle Tax	\$800,000,000	\$832,320,000	\$865,946,000
Reduction to Registration Fees with Ad Valorem	-\$350,000,000	-\$364,140,000	-\$378,851,000
<b>Total Fees/Tax – Increased Revenue</b>	<b>\$1,250,000,000</b>	<b>\$1,300,500,000</b>	<b>\$1,353,041,000</b>

# FEES – INCREASE

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Vehicle Lease Fee	\$67,000,000	\$69,707,000	\$72,523,000
Vehicle Rental Fee	\$60,450,000	\$62,892,000	\$65,433,000
<b>Total Fees – Increase Revenue</b>	<b>\$127,450,000</b>	<b>\$132,599,000</b>	<b>\$137,956,000</b>

# FEES – NEW

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Electric Vehicle Fee	\$4,650,000	\$4,939,000	\$5,242,000
Aircraft Registration Fee	\$320,000	\$333,000	\$346,000
Transportation Network Company Fee (Uber, Lyft, taxis, etc.)*	\$0	\$210,160,800	\$218,651,000
Goods Delivery Fee*	\$780,000,000	\$811,512,000	\$844,297,000
<b>Total Fees – New Revenue</b>	<b>\$784,970,000</b>	<b>\$1,026,944,800</b>	<b>\$1,068,536,000</b>

\*Includes local share

# TAXES

	<b>Phase 1</b> <i>Years 1 and 2</i>	<b>Phase 2</b> <i>Years 3 and 4</i>	<b>Phase 3</b> <i>Year 5 and Beyond</i>
Vehicle Sales Tax	\$550,000,000	\$572,220,000	\$595,338,000
Gas Tax (Index to Inflation)	\$75,000,000	\$204,000,000	\$386,000,000
Jet Fuel Tax	\$10,167,000	\$10,578,000	\$11,005,000
<b>Total Tax Revenue</b>	<b>\$635,167,000</b>	<b>\$786,798,000</b>	<b>\$992,343,000</b>

# TAXES

Not included as revenue options:

- Corporate Income Tax
- Personal Income Tax
- Real Estate Transfer Tax





# OTHER

Not projected as significant revenue options for transportation funding at present:

- Legalized recreational marijuana
- Gambling proceeds
- American Rescue Plan



# LOCAL SOLUTIONS

## Local Needs in Perspective

- Vast and aging transportation system of roads and bridges more extensive than the state-owned system.
- An estimated 78,000 linear miles of road and over 6,300 bridges (over 20 feet) managed by 2,560 municipalities.
- Unmet funding need estimated at \$3.9 billion in 2021.
- Multimodal facilities operated by regional or local authorities.



# LOCAL SOLUTIONS

## Funding Local Solutions

- Continue to share in liquid fuels tax.
- Phase in MBUF revenues to offset reductions in liquid fuels proceeds.
- Share in local package-delivery proceeds.
- Share in transportation network companies fees (TNCs).
- Opportunity for sales tax at county level.



# TRANSPORTATION REVENUE OPTIONS COMMISSION

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## TROC – COST SAVING INITIATIVES AND STREAMLINED EFFICIENCIES

LARRY SHIFFLET, DEPUTY SECRETARY FOR PLANNING

MICHAEL KEISER, P.E. ACTING DEPUTY SECRETARY FOR HIGHWAY ADMINISTRATION

KURT MYERS, DEPUTY SECRETARY FOR DRIVER AND VEHICLE SERVICES

# PENNDOT EFFICIENCIES

- State Transportation Innovation Council (STIC)
- Transportation Funding Advisory Commission (TFAC) – Modernization Recommendations
- PennDOT Efficiencies Report – [https://www.penndot.gov/about-us/funding/Documents/TROC-Meeting\\_04-15-21/TROC\\_4-15-21\\_PennDOT-Efficiencies-Report.pdf](https://www.penndot.gov/about-us/funding/Documents/TROC-Meeting_04-15-21/TROC_4-15-21_PennDOT-Efficiencies-Report.pdf)
- Focus is on Continuous Improvement

# TRAFFIC CONTROL ENFORCEMENT AND SAFETY

- Update traffic signals to LED and optimize timing
- Automate work zone traffic control
- Install red-light-running cameras
- Expand and update HOP permitting

# PROJECT DELIVERY

- Bundle Individual Projects into Programs.
- When improving state highways, PennDOT would construct curb ramps compliant with the Americans with Disabilities Act at all affected cross-streets, and seek maintenance agreements with municipalities.
- PennDOT executes about 600 minor projects (such as small bridge repairs) each year. This option would streamline the required design submissions and reviews with consultants performing the work.
- Implement faster processes for testing and verifying performance of prospective materials and technologies while mitigating risk.

# INTER-AGENCY COORDINATION & FINANCE

- Consolidate to a Statewide Traffic Management Center
- Service patrol advertising





# DRIVER AND VEHICLE SERVICES

- Non-CDL Third Party Testing
- iPads at DLC's for Testing
- Opex 3 to 1
- Mobile Ticketing and Concierge Service

# DRIVER AND VEHICLE SERVICES

- Re-Entry Program
- Elimination of License Plate Stickers
- Evaluate Opportunities and Transition of PennDOT Stand-Alone Photo Centers to Co-Located Centers
- Payment Cards at PennDOT Driver License Centers

# DRIVER AND VEHICLE SERVICES

- Qmatic (computerized customer queuing system) Expansion
- Expressia Customer Feedback Units
- Green Initiative – Paperless Publications
- Green Initiative – Implement Environmentally “green” Products, Processes, and/or Services at Driver License and Photo Center Facilities

# DRAFT DOCUMENT REVIEW

## Proposal Review

- Initial draft to TROC members Thursday, July 15
  - Report cover
  - Strategic funding proposal table
  - Draft report
- Comments requested by Monday, July 19
  - General comments by email
  - Proposed track changes edits and comments in report
- Comments will be addressed as part of second draft preparation
- Final draft review (Work Group Leaders' meeting) on Friday, July 23

# DRAFT DOCUMENT REVIEW

## TROC Member Comments

- Level of support
- Conditions or qualifications
- Additional comments or statements

# MEETING SUMMARY AND PUBLIC COMMENTS



# COMMISSION CHAIR'S CLOSING REMARKS



Secretary of Transportation,  
Yassmin Gramian

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