



# Transportation Funding and the PA Turnpike

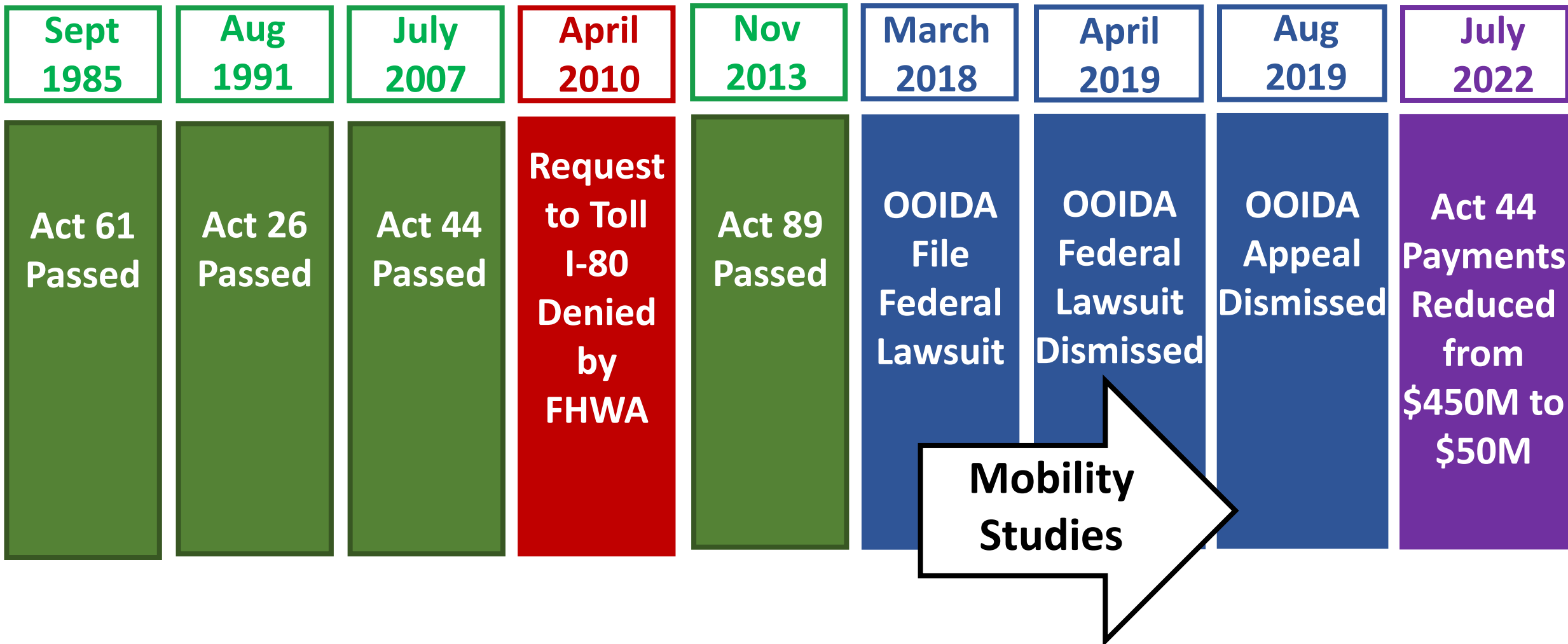
December 11, 2019



**PennState**  
College of Engineering

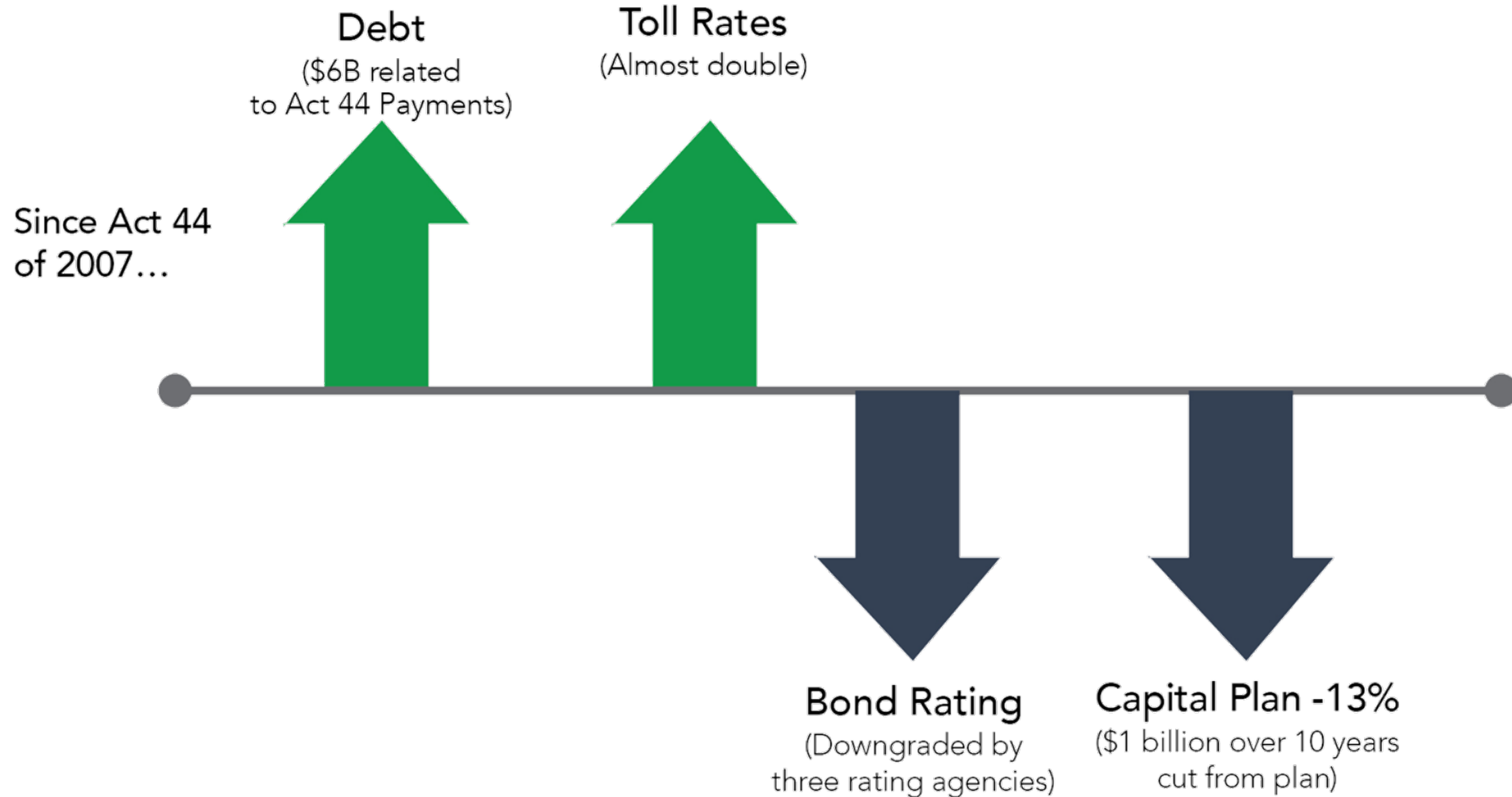
**TRANSPORTATION ENGINEERING  
AND SAFETY CONFERENCE**

# Funding Timeline

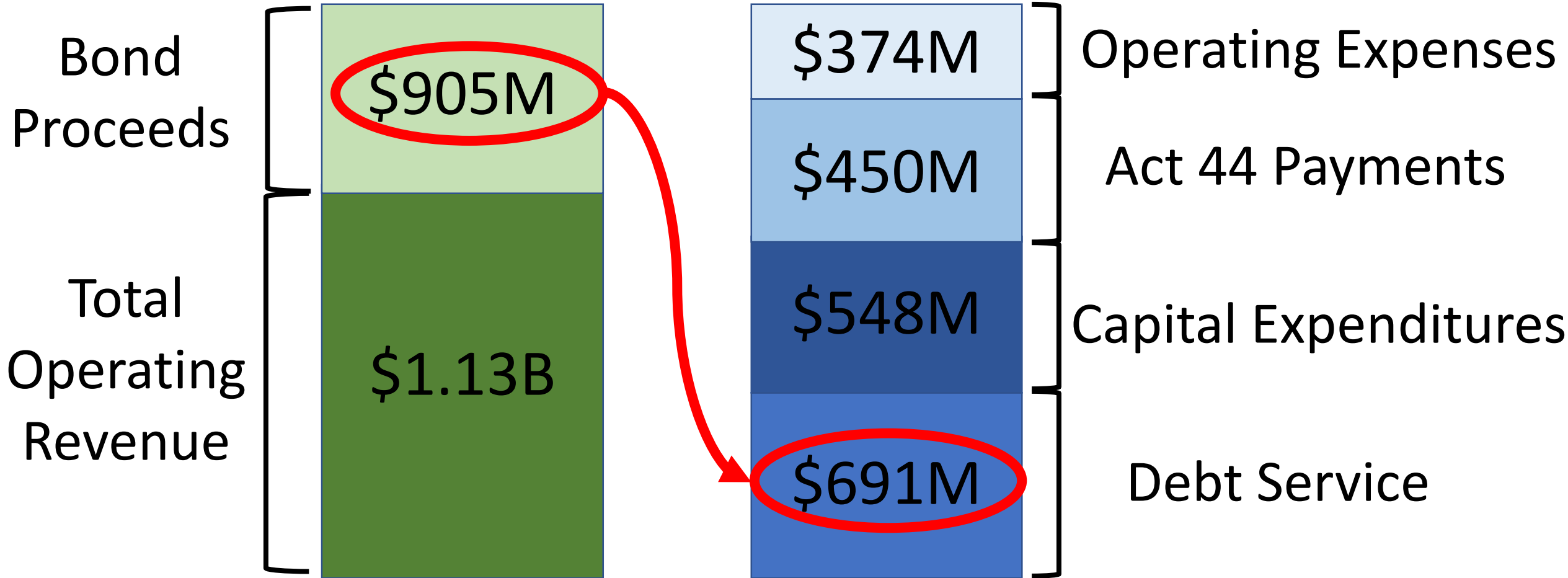


**Mobility Studies**

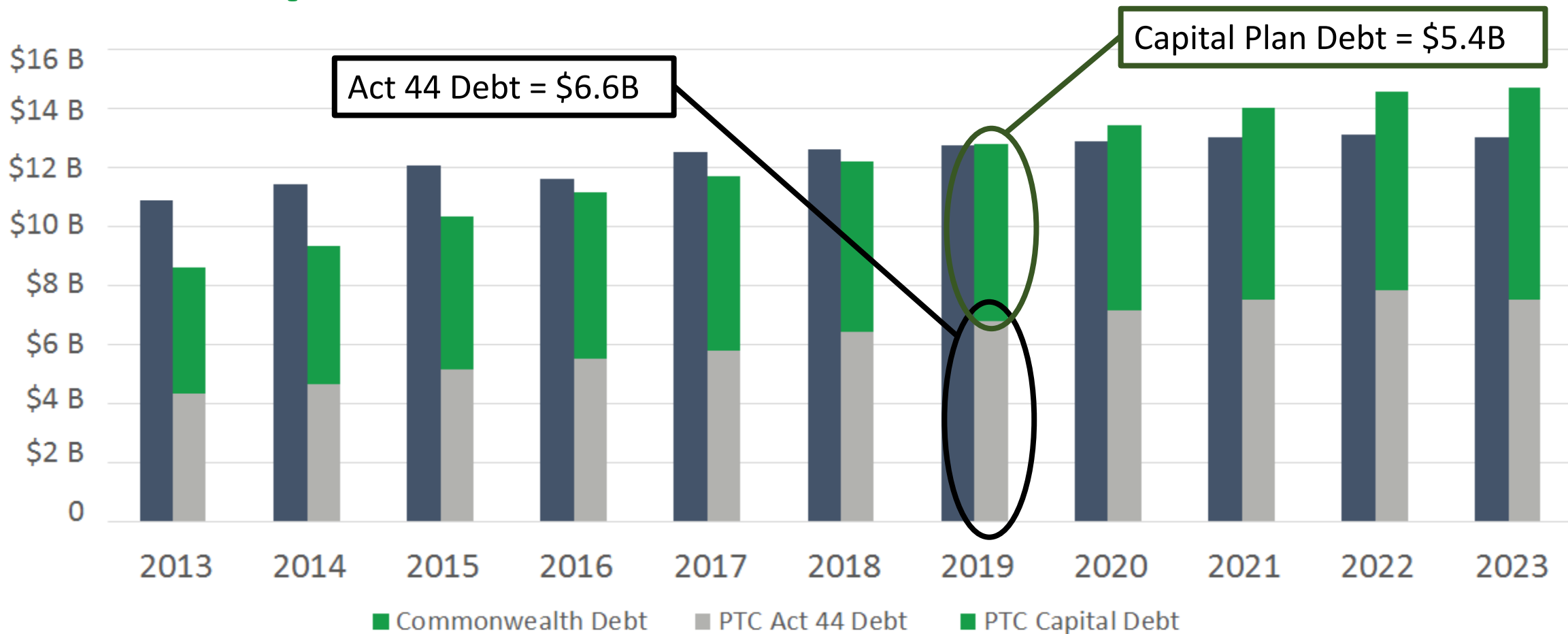
# Act 44 Impact to PA Turnpike



# PA Turnpike Finances (FY19)

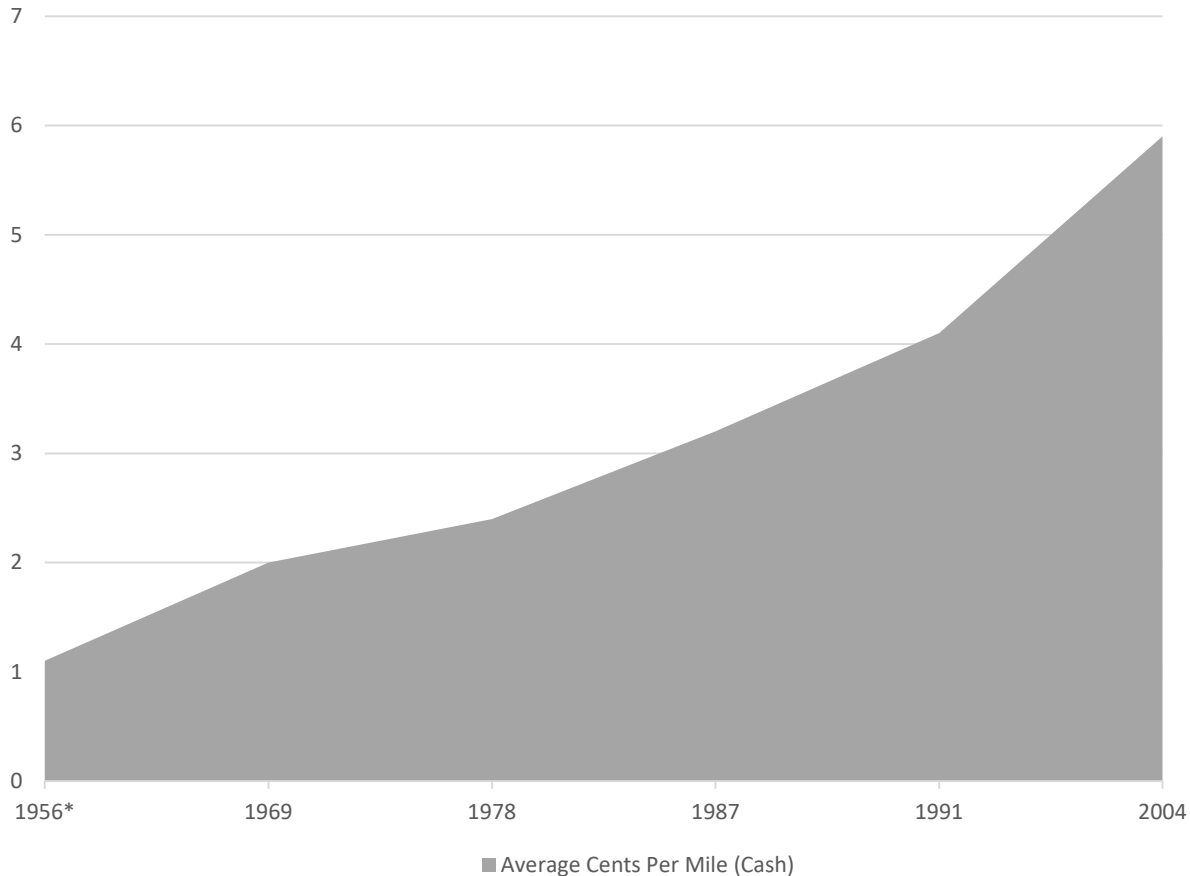


# PA Turnpike Debt

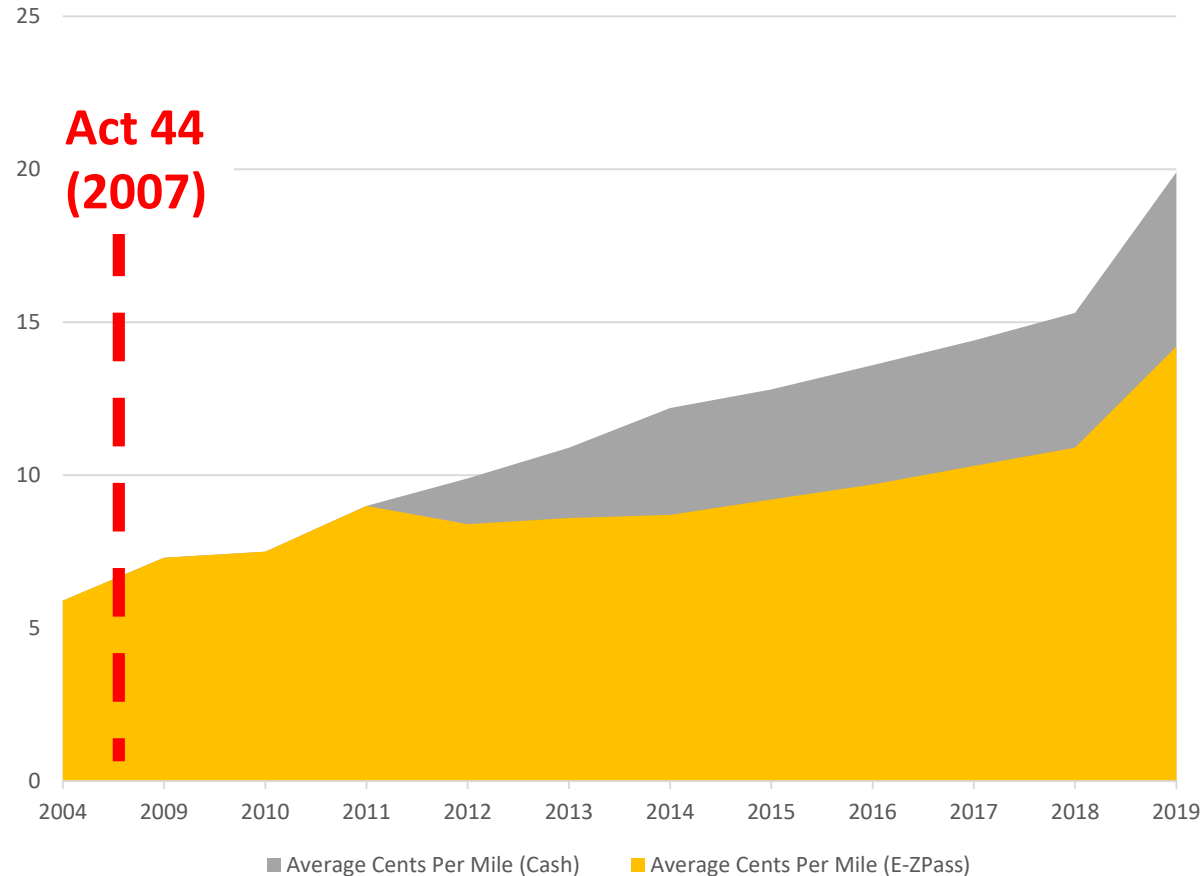


# PA Turnpike Toll Rates

Toll Increases Prior to Act 44 – 48 Years



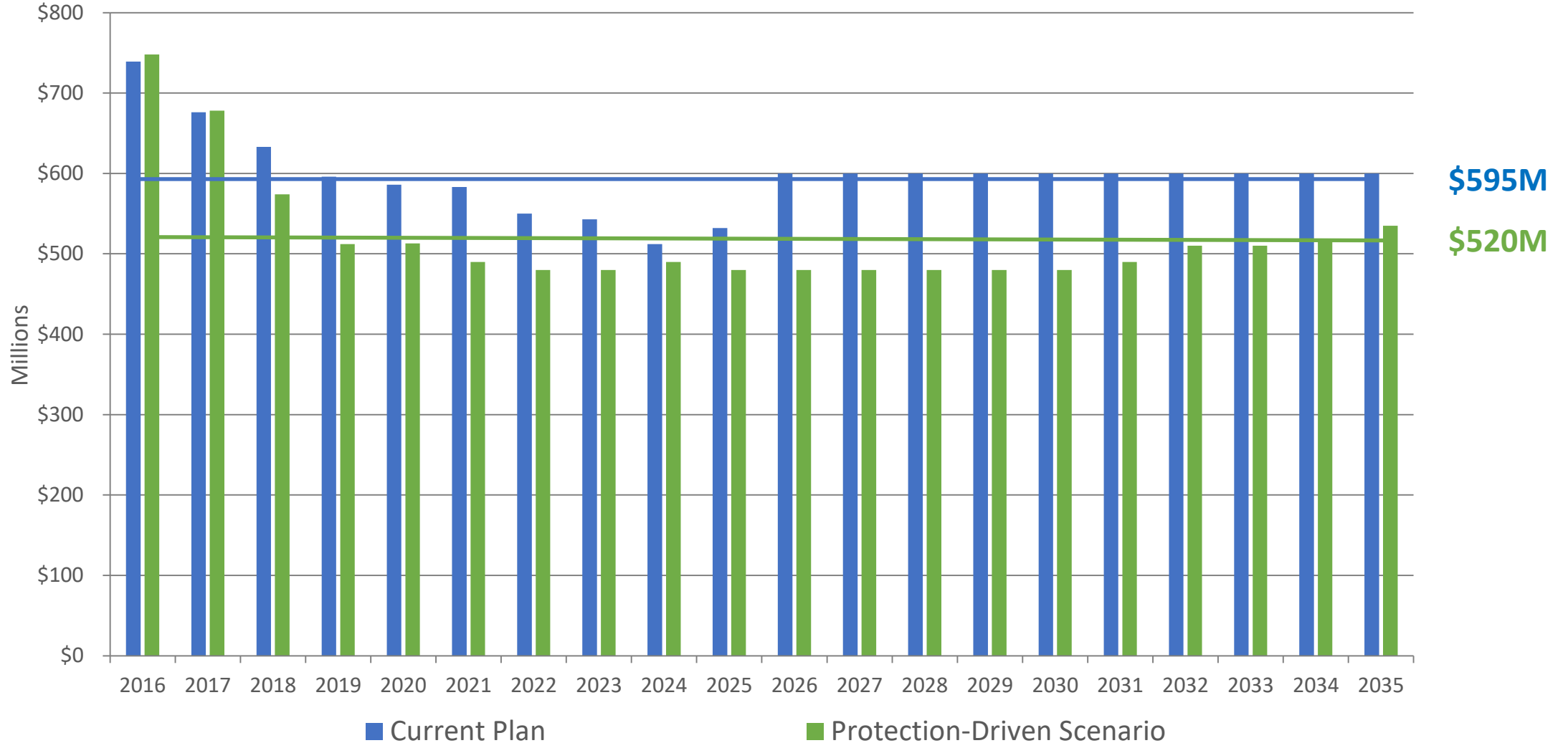
Toll Increases for Act 44 – 10 Years



# PA Turnpike Bond Rating

	Moody's	S&P	Fitch	Kroll
<b>1998-2008</b>	<b>Aa3</b>	<b>AA-</b>	<b>AA-</b>	
<b>2008-2013</b>	<b>Aa3</b>	<b>A+</b> (2008)	<b>A+</b> (2008)	
<b>2013-2016</b>	<b>A1</b> (2013)	<b>A</b> (2015)	<b>A+</b>	
<b>2017-2019</b>	<b>A1</b>	<b>A+</b> (2018)	<b>A+</b>	<b>AA-</b> (2017)

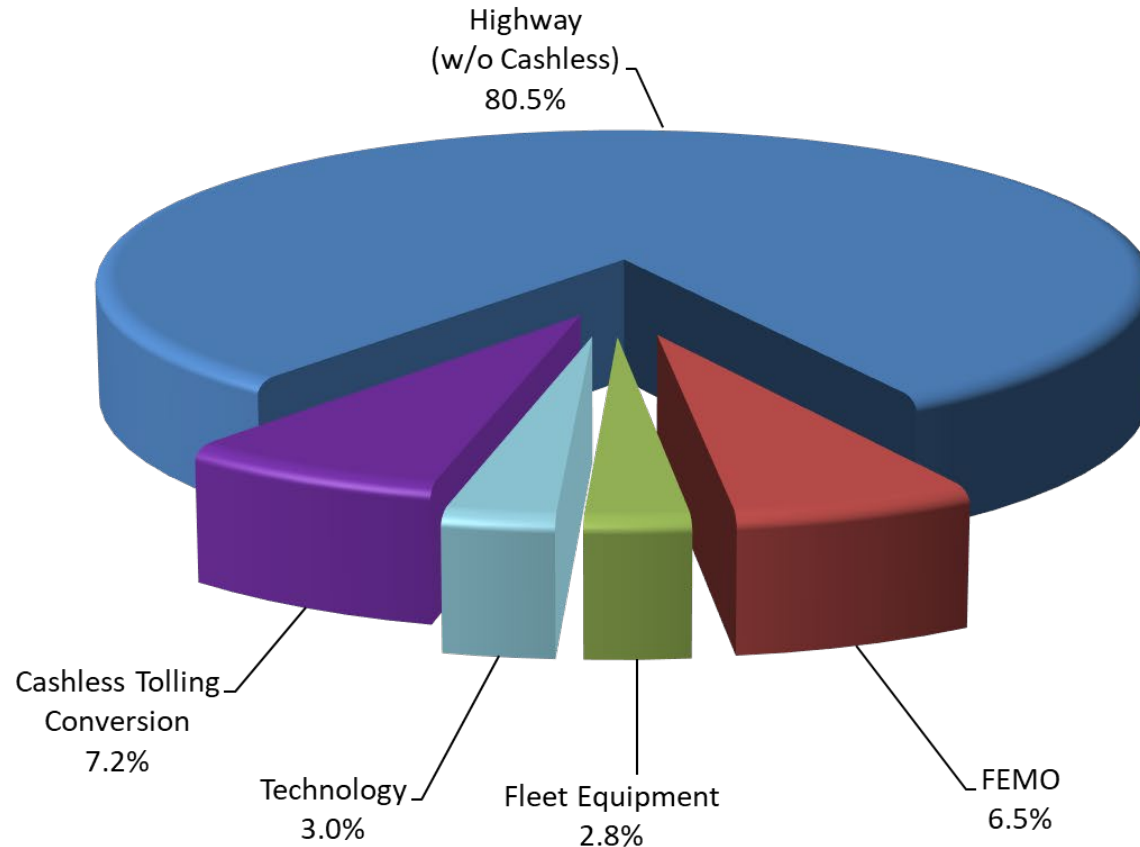
# PA Turnpike Capital Plan Impacts





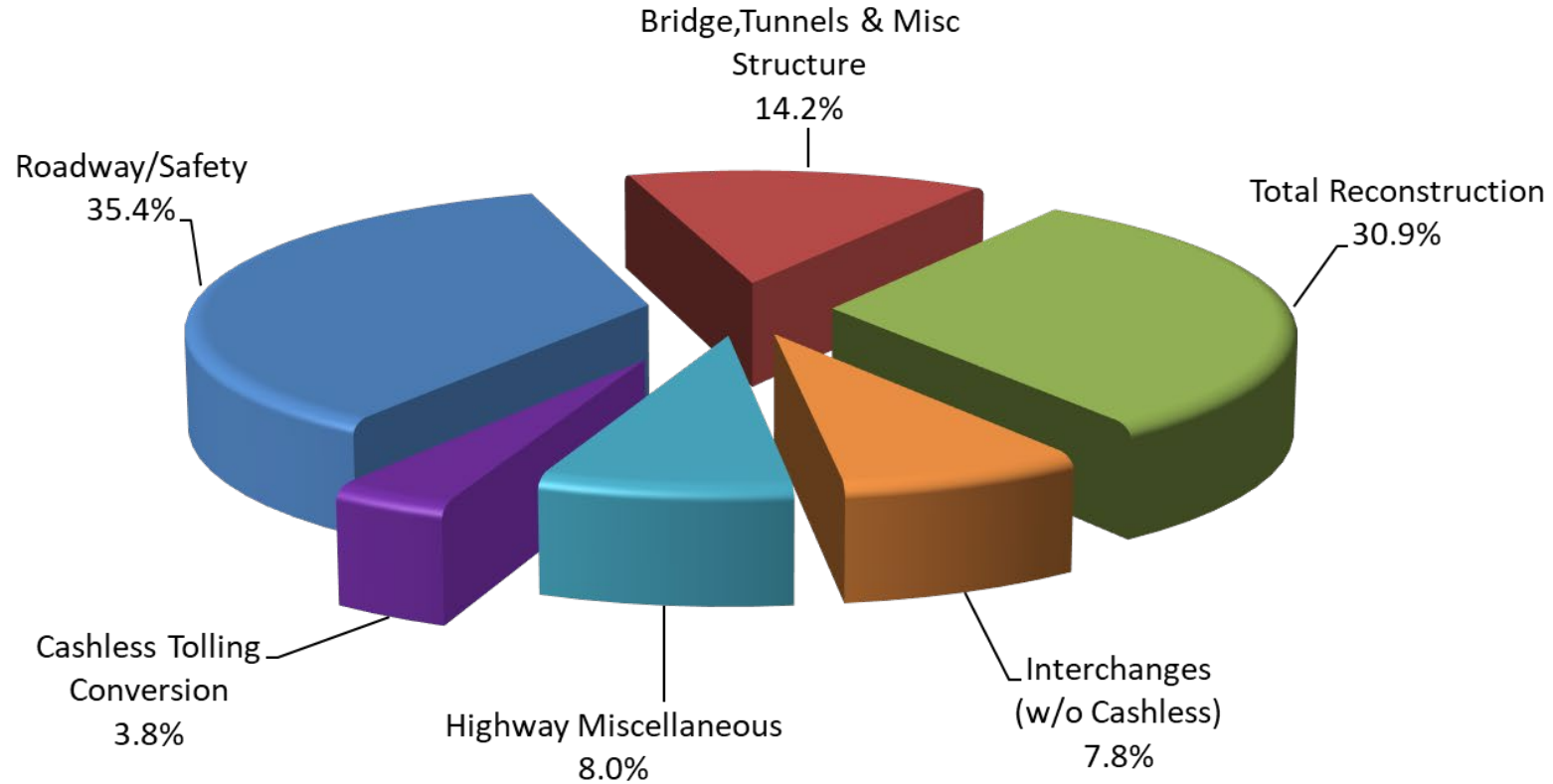
# PA Turnpike Capital Plan Impacts

**FY 2020 Capital Plan Ten Year Total = \$5.94 Billion  
By Program**

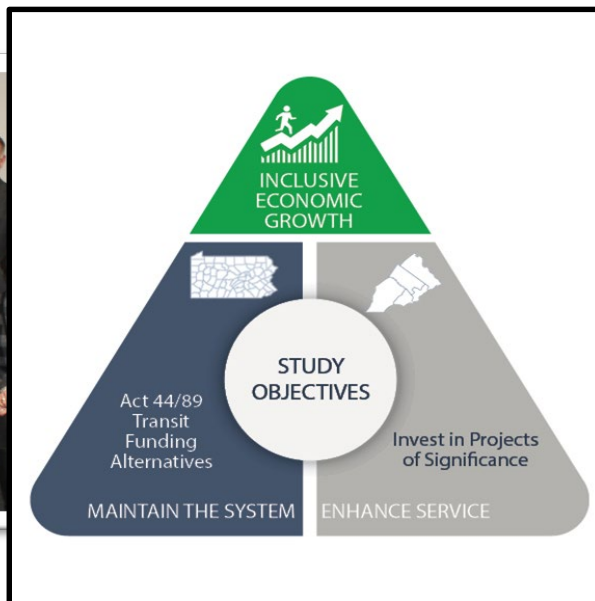


# PA Turnpike Capital Plan Impacts

**FY 2020 Highway Program First Year Spending = \$480,939,219**  
**By Category**



# Advisory Council



[www.pamobilitypartnerships.com](http://www.pamobilitypartnerships.com)

# Guiding Principles

- ***Transportation is not a cost—it is an investment*** that supports jobs, economic growth, and quality of life.
- Companies and employees view mass transit as a key differentiator in choosing where to locate their business or where to work.
- Competing states are making higher levels of investment in mass transit.
- Turnpike toll rate increases necessitated by Act 44 adversely affect our economic competitiveness.
- New additional recurring revenue is needed to support the projects that will make a difference.

# Report Call to Action

*Legislative action is needed to solve the problem by:*

1. Securing statewide public transportation funding to ease PTC's need for future toll increases and ensure stable funding for public transportation.
2. Pass enabling legislation to allow the new local revenue sources to be invested in projects to accommodate and accelerate regional growth.

# Act 44 Relief: Funding and Financing Options

- Stay the course as legislated in Acts 44/89
- Establish New Revenue Sources
- Provide relief to the PTC prior to 2022 with a \$100M per year step-down starting this year

## The Benefits of a Gradual Stepdown

Gradual transition  
to General Fund

Additional relief  
to PA Turnpike

Additional bondable  
revenue to PA  
transit operators

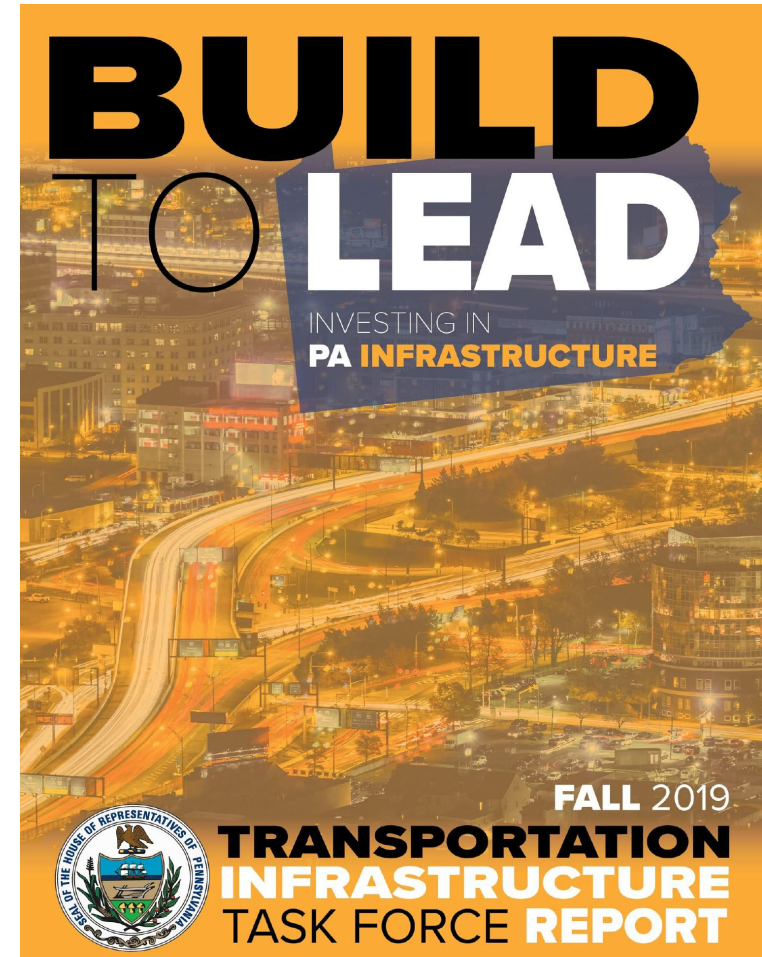
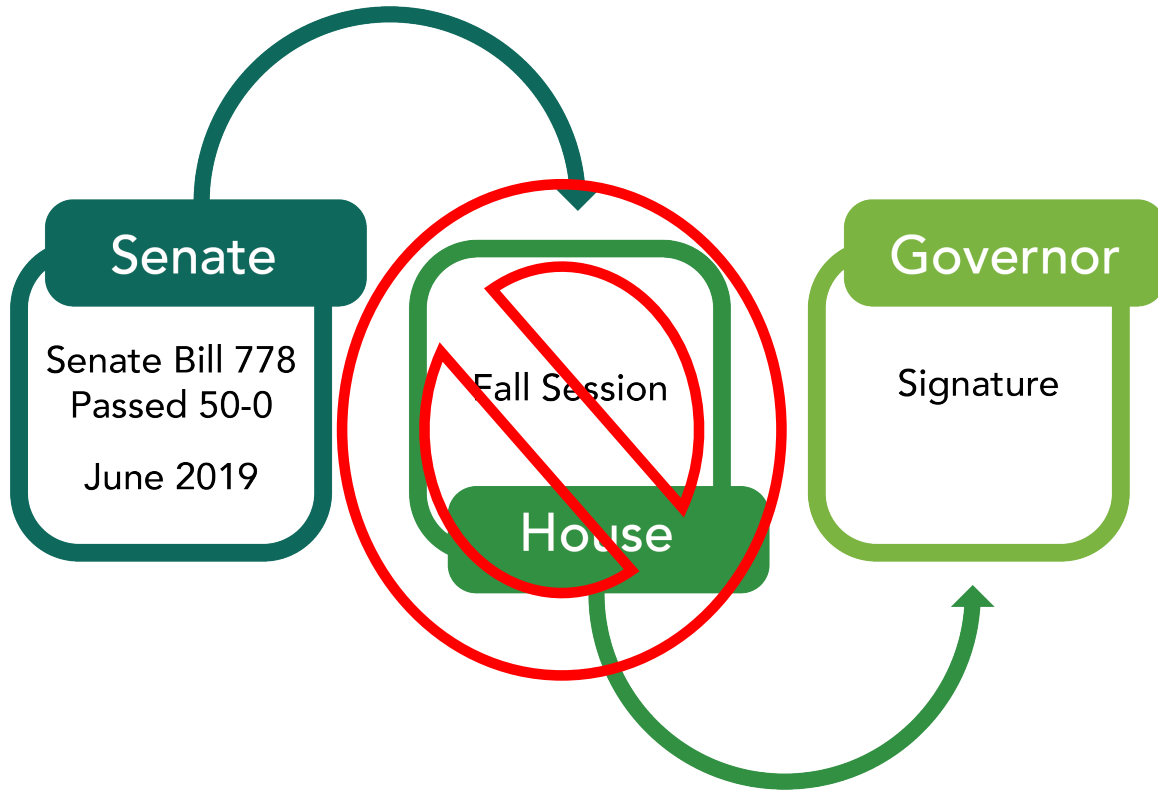
Quicker toll rate  
stabilization

# Act 44 Replacement - Statewide Funding Options

Option	Basis	Revenue Potential (\$ millions)
Sales Tax	Increase of 0.25%	\$350 - \$450
Personal Income Tax	Increase of 0.10%	\$350 - \$450
Real Estate Transfer Tax	Increase of 0.50%	\$215 - \$265
Transportation Network Company (TNC) Fees (Uber, Lyft, etc.)	New fee of \$1 per trip	\$80 - \$100
Congestion Pricing	Tolling of additional PA Interstates, and other congestion pricing strategies	At least \$200 depending on extent
Tire, Vehicle Lease, and Vehicle Rental Fees (Public Transportation Assistance Fund)	Increase fees from \$1 to \$2 per tire, \$2 to \$4 per rental, and from 3% to 6% of lease payment	\$125 - \$150

*These options have been used in other states and in Pennsylvania to address transportation funding needs.*

# Act 44 Relief - Post Report Release





## Questions & Discussion

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# Transportation Funding and the PA Turnpike

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