



February 3, 2022

The Honorable Tom Wolf
Governor
Commonwealth of Pennsylvania
508 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf,

A 2021 White House analysis states, “ROADS AND BRIDGES: In Pennsylvania there are 3,353 bridges and over 7,540 miles of highway in poor condition. Since 2011, commute times have increased by 7.6% and on average, each driver pays \$620 per year in costs due to driving on roads in need of repair.”

Over the next five years, President Biden’s Infrastructure Investment and Jobs Act provides PennDOT nearly \$4 billion in additional core highway and bridge funds. The Commonwealth will need to raise approximately \$1 billion in state funding to match that additional federal funding. However, while the IJA is a much-needed boost, it will not nearly fund repairs to all of Pennsylvania’s more than 3,000 deficient bridges.

The current state budget diverts \$673 million from the Motor License Fund (MLF) to the State Police budget. This means more than 11 cents per gallon of the state’s gas tax is not going to road improvements. Since the 2013 passage of Act 89, some \$5 billion in user fees have been diverted to the General Fund to supplement the State Police budget.

Our organizations ask that in your FY 2023 budget you permanently move the entire Motor License Fund portion of the State Police budget back to the General Fund. (FY 2023 - \$641.39 million). Use Motor Vehicle License Fund revenues to fund PennDOT’s pay-as-you-go capital program and/or as debt service retirement. By stopping this shift of funds and using gas tax money to pay for road improvements, Pennsylvania could pay for road and bridge improvements without raising taxes.

Consider bond financing PennDOT roadway and bridge projects and dedicate a portion of the restored MLF funds as a debt retirement mechanism. For example, \$2.1 billion in bond financing over 20 years would require annual debt service of \$150 million. Reserving \$150 million per year for debt service would still increase the rest of PennDOT’s capital program by nearly \$500 million per year while, at the same time, financing major construction projects.

This action would immediately boost funding for PennDOT projects and move the capital program back to a level more consistent with Act 89 funding levels. Coupled with a modest bond program, over three years, this would inject \$3 billion into PennDOT’s capital program. Also, much needed additional state funds would then be available to match IJA funds.

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Pennsylvania has the third highest gas taxes in the nation. Polling data shows that 64% of Pennsylvanians oppose diverting transportation funds for non-transportation uses and 73% support restoring transportation funds for transportation uses more quickly than the current schedule as outlined in the Fiscal Code. It's time to restore faith in our state budget process by ending the diversion of motorist fees to non-highway purposes and find new ways to fund the Pennsylvania State Police.

We have been waiting many years for Washington to provide much needed federal funding for safer and more efficient roads and bridges. Finally, that money is coming from the national government. By ending the diversion of Motor License Funds to the General Fund, the Commonwealth can begin to put its bridge and highway capital program on the road to recovery.

Thank you for your consideration.

Sincerely,

Leeann Sherman
American Council of Engineering Companies of Pennsylvania

John M. Becker, P.E.
American Concrete Pavement Association – Pennsylvania Chapter

Robert Latham
Associated Pennsylvania Constructors

James Davis
Contractors Association of Eastern Pennsylvania

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Pennsylvania Aggregates and Concrete Association

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Pennsylvania Asphalt Pavement Association

Hank Butler
Pennsylvania Council of General Contractors

c.c. The Honorable Yassmin Gramian, P.E.