



## 2024 KTFC Funding Proposal

*(June 2024)*

The Keystone Transportation Funding Coalition (KTFC) is a diverse group of transportation advocates that supports a comprehensive, long-term, multimodal solution to Pennsylvania's transportation funding needs. Coalition members include the highway construction industry, public transportation agencies, labor unions, farm organizations, AARP, bicycle and pedestrian advocates, rail-trails/multi-purpose trails advocates, land-use advocates, AAA, air and seaport organizations, associations representing local governments, chambers of commerce, travel and tourism organizations, environmental advocates, health care organizations, disability organizations, freight and passenger rail organizations and the trucking industry.

The Coalition has been active for more than a decade and was instrumental in securing the passage of Act 89 of 2013, the funding measure that raised an additional \$2.3 billion annually for transportation in Pennsylvania. Now that the decade of investment from Act 89 has concluded, a plan to adequately fund our interconnected transportation network is essential to support economic growth and quality of life for all Pennsylvanians.

### **OBJECTIVES**

Below are current transportation funding challenges and objectives addressed by the Coalition's proposed funding plan:

- Investing in Pennsylvania's state and locally owned bridges is crucial to staying ahead of aging inventory. If action is not taken, critical bridge repair projects will begin to consume the highway program, leading to neglect of other necessary maintenance needs across the state.
- Funding is needed for regional and local PennDOT system roadways that are ineligible for federal Infrastructure and Jobs Act (IIJA) funding.
- Increasing the state share of public transit systems that nearly one million Pennsylvanians across the state rely on.
- Addressing multimodal transportation needs: Current needs far outweigh the available funds for the Multimodal Fund.
- Unmet Aviation funding needs need to be addressed.
- In addition to directly addressing critical transportation needs, this proposed funding plan would stimulate economic development through infrastructure projects.

## **A MULTIMODAL TRANSPORTATION PLAN**

### *Increase Funding for Public Transit*

Governor Shapiro has called for increased public transit funding by 1.75% – a \$282.8 million investment, and nearly \$1.5 billion in new state funding over five years. This budget proposes that \$161 million annually will go to SEPTA with the rest spread out across the Commonwealth. The Coalition supports the Governor’s proposal and advocates for the following to address the other modes of transportation:

### *Utilize Bond Proceeds for Transportation Funding*

- Cap current general fund revenues derived from motor vehicle sales tax
- Shift expected growth (averages \$60M annually) to the Motor License Fund
- All future annual increases from this fund would be redirected to PennDOT
- Authorize PennDOT to use the full motor vehicle sales tax growth toward debt service on the issuance of 30-year bonds
- Bond proceeds (18:1 on a 30-year bond) is expected to average \$1B annually
- This would grow PennDOT lettings from approximately \$3.0 billion to \$3.5 billion over 2-3 years

## **PROPOSED USES OF BOND PROCEEDS**

The following is a breakdown of how the Coalition suggests the estimated \$1B bond proceeds should be allocated:

- \$700M To PennDOT for state-owned bridge program
- \$150M for a new PennDOT Local Bridge Program (No local match required)
- \$25M to the DCED/PennDOT Transportation Infrastructure Investment Fund (double current funds)
- \$75M to Multimodal Fund (Commonwealth Financing Agency portion)
- \$15M to match locally raised transportation funds (separate local enabling legislation required)
- \$10M increase to the Dirt and Gravel Road Program
- \$25M to Aviation (double current funds)

### **Summary**

This proposed strategic funding proposal would make a substantial positive impact in addressing present unmet needs across the transportation modes.

The diverse organizations that comprise the KTFC are prepared to support lawmakers and advocate for legislation that will move our transportation system forward, support economic growth and enhance the quality of life for all Pennsylvanians.

The full list of KTFC members and supporters can be found [here](#).