

# TRANSPORTATION REVENUE OPTIONS COMMISSION

PA



APRIL 29, 2021

# NAVIGATING ZOOM

The image shows a Zoom meeting window with a dark theme. The main area displays two participants: Paul Caulfield and K.C. Yi-Taylor. The bottom toolbar contains icons for Mute, Start Video, Participants, Chat, Share Screen, Record, and Reactions. The right sidebar shows the Participants panel (2), a toolbar with icons for Raise Hand, yes, no, go slower, go faster, and more, and a Chat section. A 'Leave' button is visible in the bottom right corner.

**Callout 1:** Click "Participants" to open the participants panel.

**Callout 2:** Use these buttons to participate. Click "more" to populate the second set of buttons.

**Callout 3:** Click "Chat" to open the group chat.

**Callout 4:** Click "Reaction" to open and share your reaction or raise your hand.

**Callout 5:** Click to switch from "Gallery View" to "Speaker View".

# MATERIALS YOU HAVE RECEIVED

- Draft April 15, 2021, Meeting Minutes
- Affinity-Grouped Mentimeter Results
- PowerPoint Presentation (PDF)
- Chair's Email on Topic Leads
- Today's Meeting Agenda

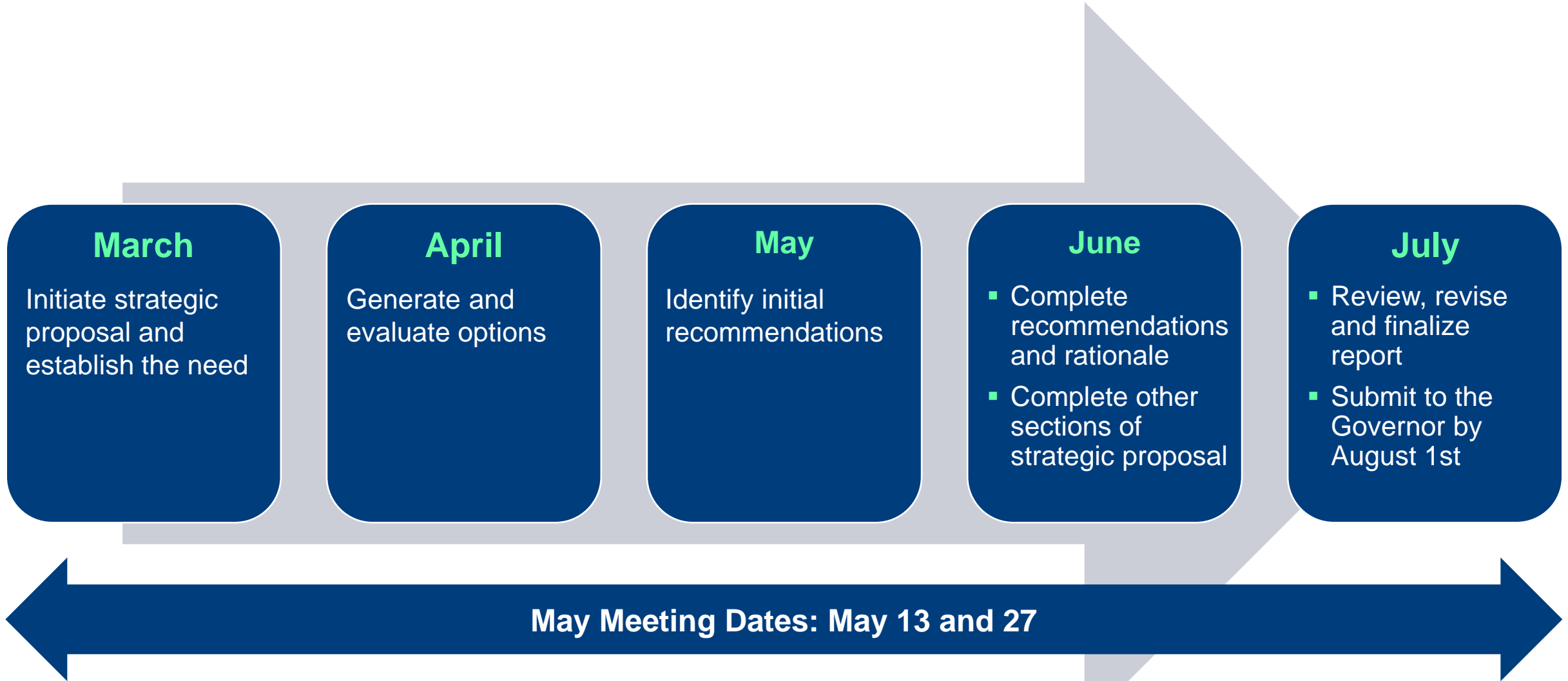
# AGENDA

1. Meeting Objectives
2. Schedule/Milestone Review
3. Commission Chair's Opening Remarks
4. April 15 Outcomes and Initial Perspectives
  - Multimodal Revenue Sources
  - Mileage-Based User Fees (MBUF)
  - Vehicle Registration Fees
  - Tolling Scenarios
  - Taxing Scenarios
  - Local Solutions
  - Accelerated PSP Funding Reduction
5. Briefings
  - National Perspective - ARTBA
  - Planning and Environmental Linkages (PEL)
6. Meeting Summary and Public Comments
7. Commission Chair's Closing Remarks

# MEETING OBJECTIVES

- To frame and focus the Commission's dialogue on key revenue opportunities.
- To brief the Commission on national practices in mileage-based user fees and recent developments of the Planning and Environmental Linkages study.
- To discuss next steps for revenue option evaluation.

# SCHEDULE/MILESTONE REVIEW

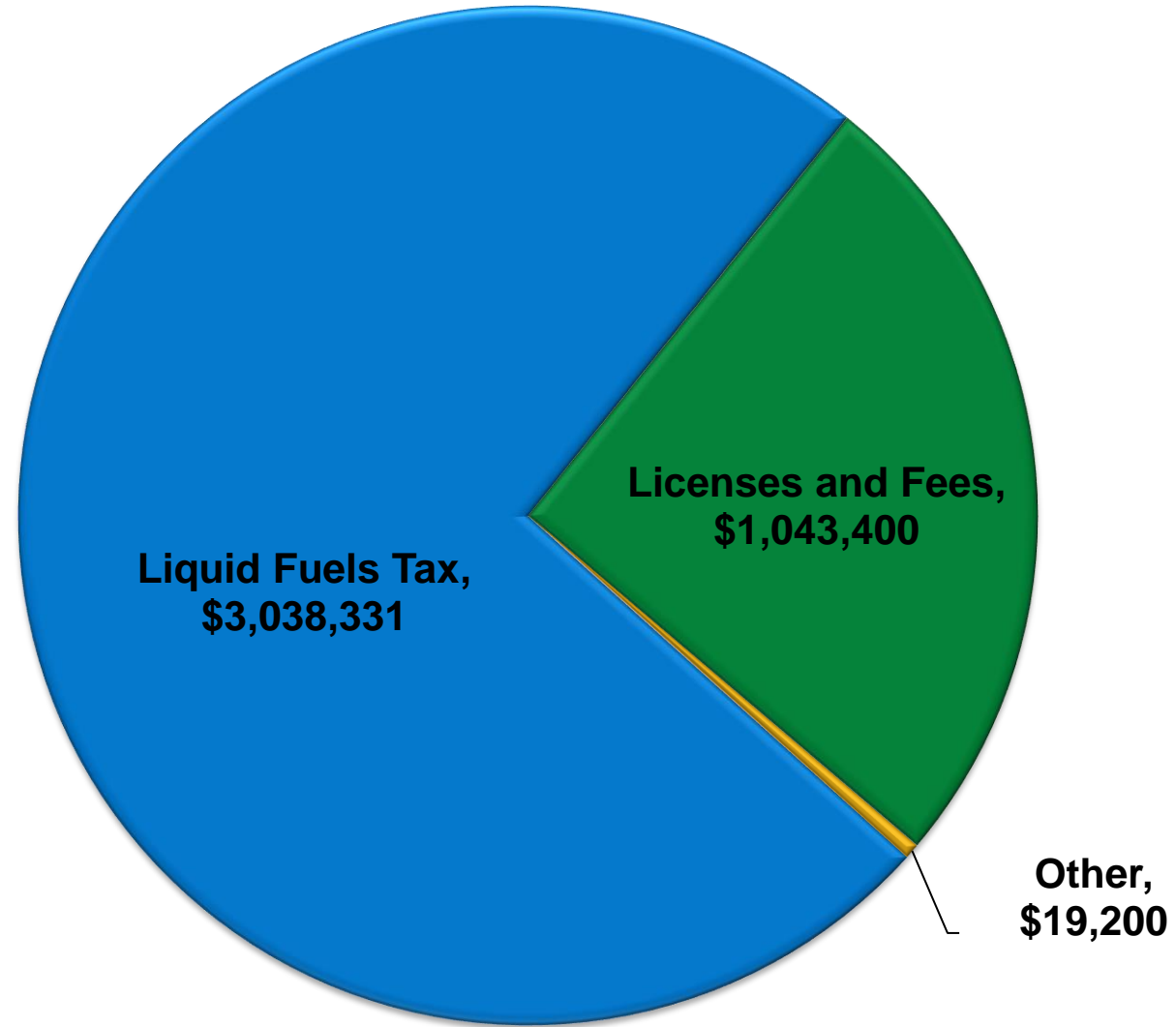


# COMMISSION CHAIR'S OPENING REMARKS



Secretary of Transportation,  
Yassmin Gramian

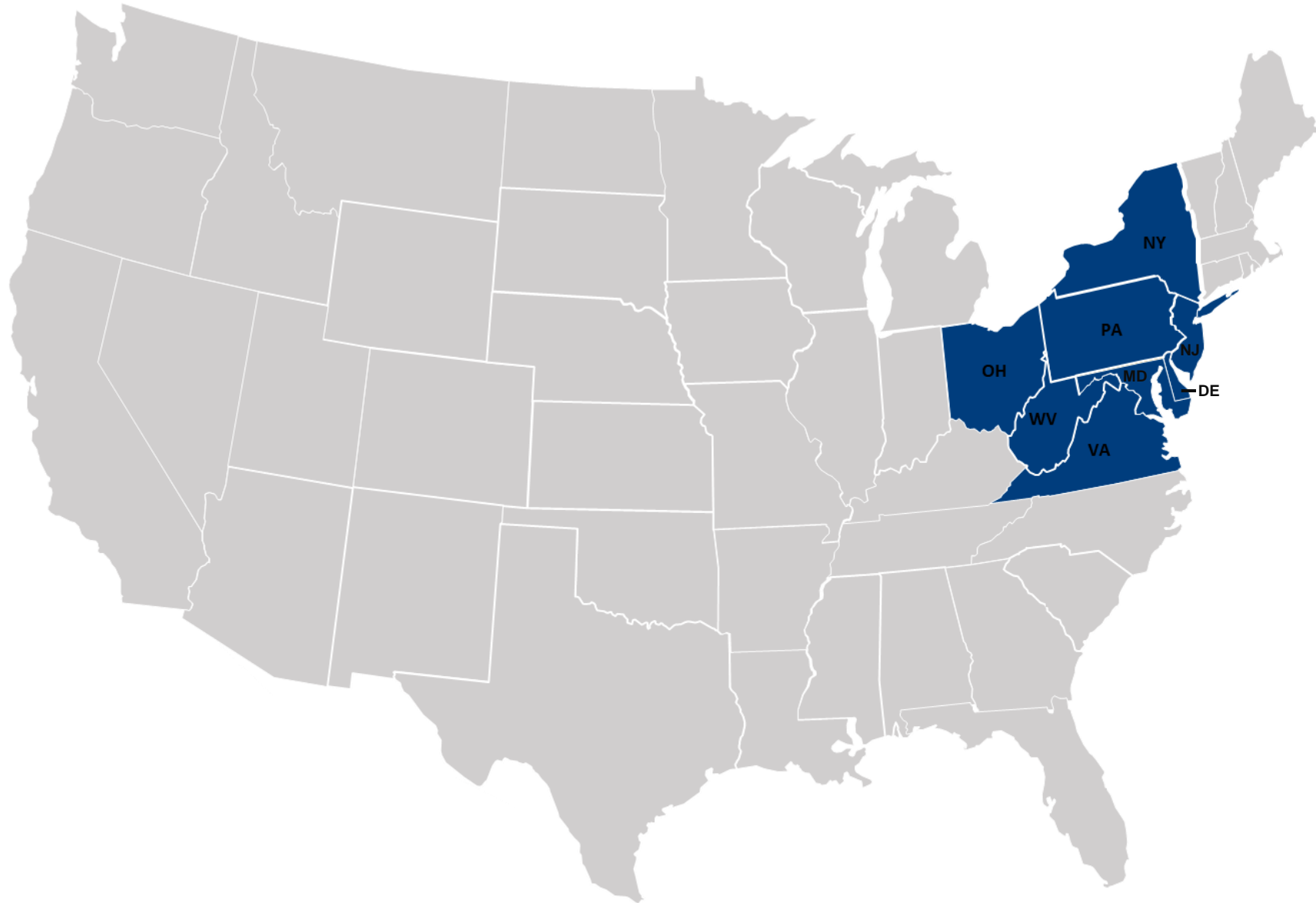
# FY 2021-22 MOTOR LICENSE FUND INCOME (in 000s)



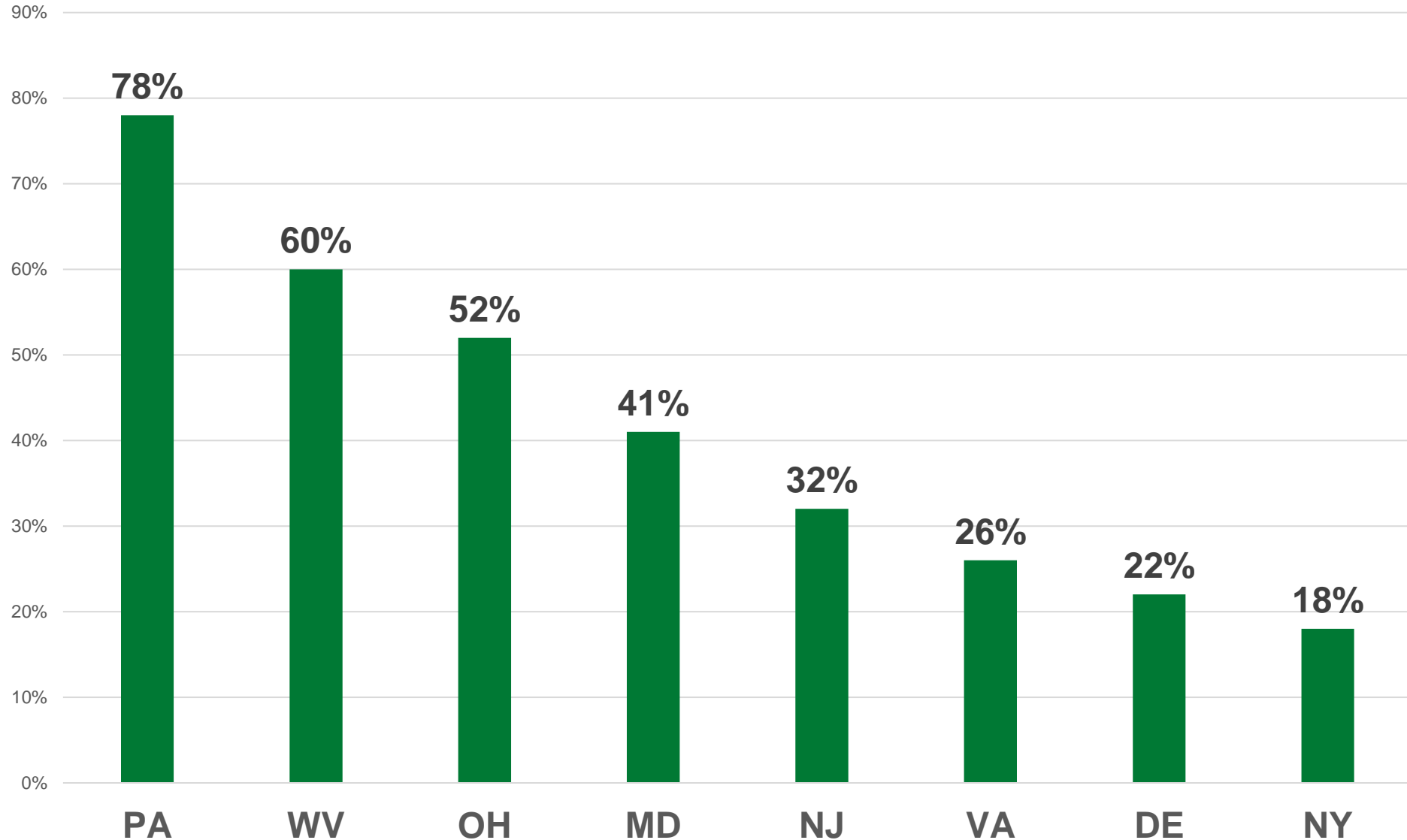
Total State Revenue Utilized – \$4,100,931



# GAS TAX AS % OF STATE HIGHWAY FUNDING



# GAS TAX AS % OF STATE HIGHWAY FUNDING

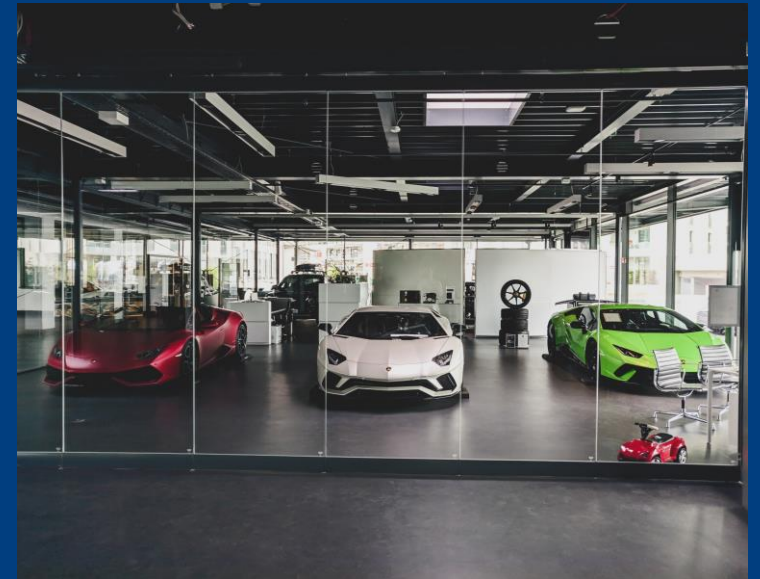
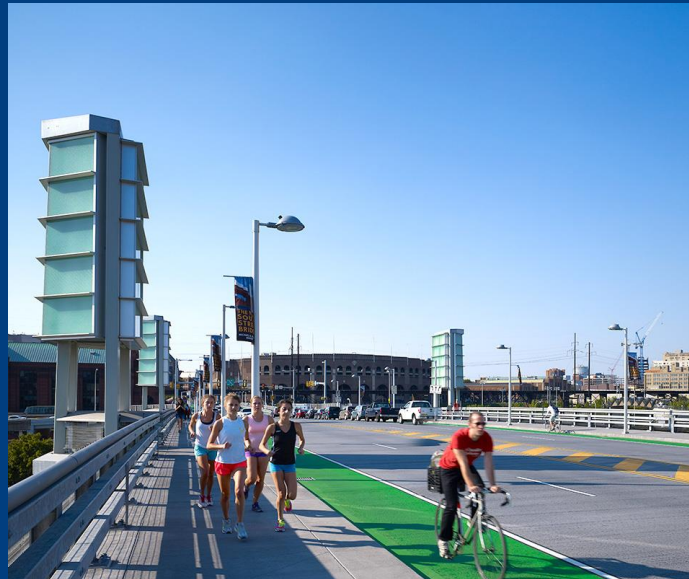


# OTHER MAJOR CONTRIBUTORS



- Corporate Income Tax
- Sin Taxes
- Tolling Revenues
- Sales and Use Taxes (for Highway)
- Higher Vehicle Registration Fees

# APRIL 15 OUTCOMES AND INITIAL PERSPECTIVES

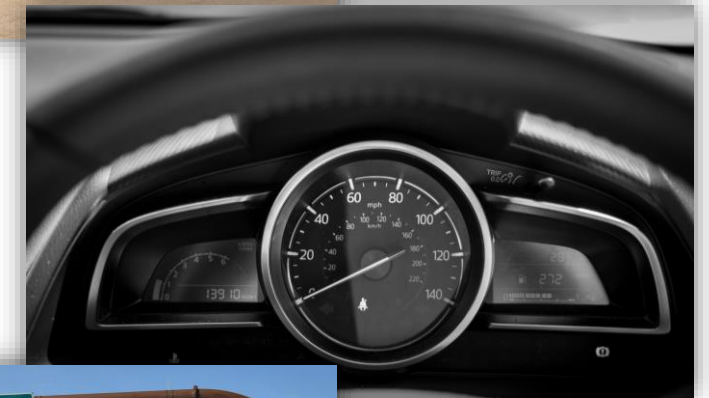




# EXPLORING OPTIONS

## Topic (Category of Revenue Options)

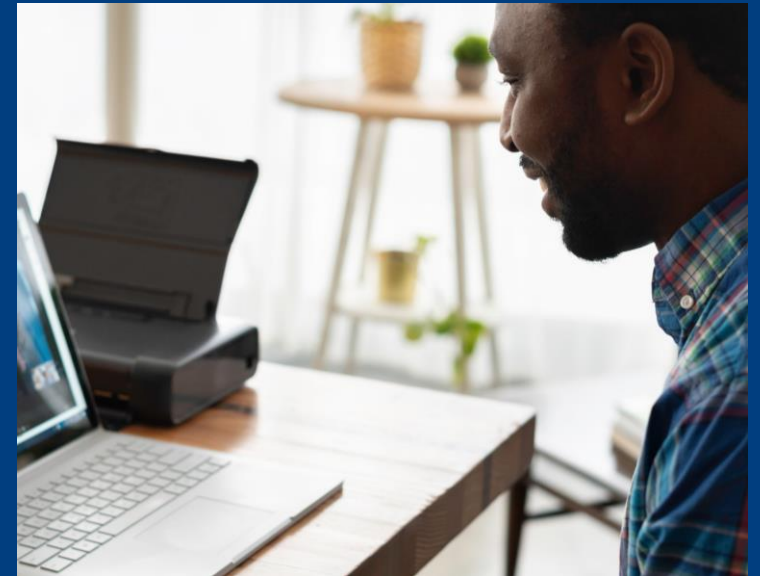
- Multimodal Revenue Sources
- Mileage-Based User Fees (MBUF)
- Vehicle Registration Fees
- Tolling Scenarios
- Taxing Scenarios
- Local Solutions
- Accelerated PSP Funding Reduction



# Go to [menti.com](https://www.menti.com)

Use your browser, tablet or smartphone.

# BRIEFINGS





# NATIONAL PERSPECTIVE – ARTBA

The background of the logo is a halftone-style photograph of the United States Capitol building in Washington, D.C., partially obscured by green trees in the foreground. The text is overlaid on this image.

## American Road & Transportation Builders Association

Your trusted information source for transportation infrastructure investment  
and policy issues, construction safety and economics.



# State & Local Transportation Funding

**Dr. Alison Premo Black, Chief Economist**  
**Carolyn Kramer, Director- Transportation Investment Advocacy Center**  
American Road and Transportation Builders Association

Pennsylvania Transportation Revenue Options Commission Meeting 3  
April 29, 2021



[www.transportationinvestment.org](http://www.transportationinvestment.org)



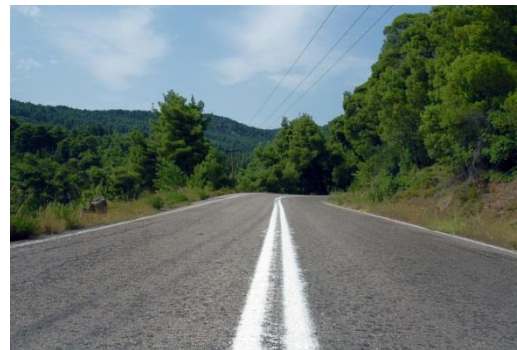
# Transportation Investment Grows the Economy

## Short Run Impacts

- Increase Demand
- Jobs
- Output
- Wages
- Value Added

## Long Run Benefits

- GDP Growth
- Increase Competitiveness
- Productivity Gains
- Raise Standard of Living
- Grow Income & Profits



Source: ARTBA Economic Analysis & State Economic Impact Studies

# Transportation Investment Grows the Economy

## Opportunity Cost

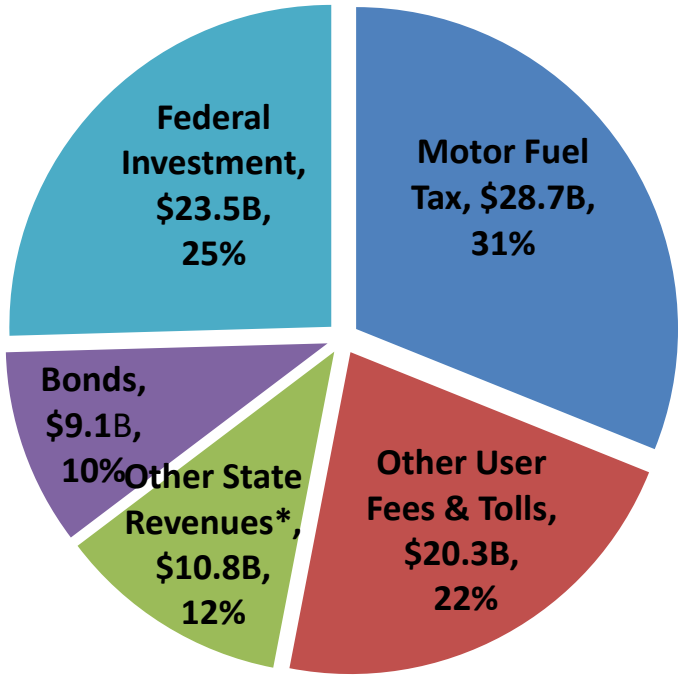
- Loss of potential economic activity
- Increased Cost for Businesses
- Potential Deteriorating Conditions
- Fewer Improvements Made
- Missed Business Opportunities



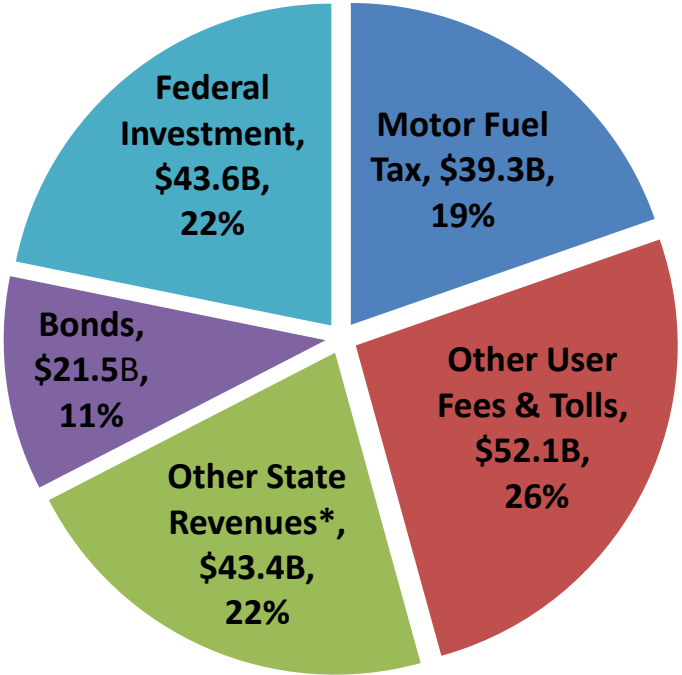
Source: ARTBA Economic Analysis & State Economic Impact Studies

# The Mix of State Highway Program Revenues Has Changed Over Time

**State Highway Program Revenues - 2000**

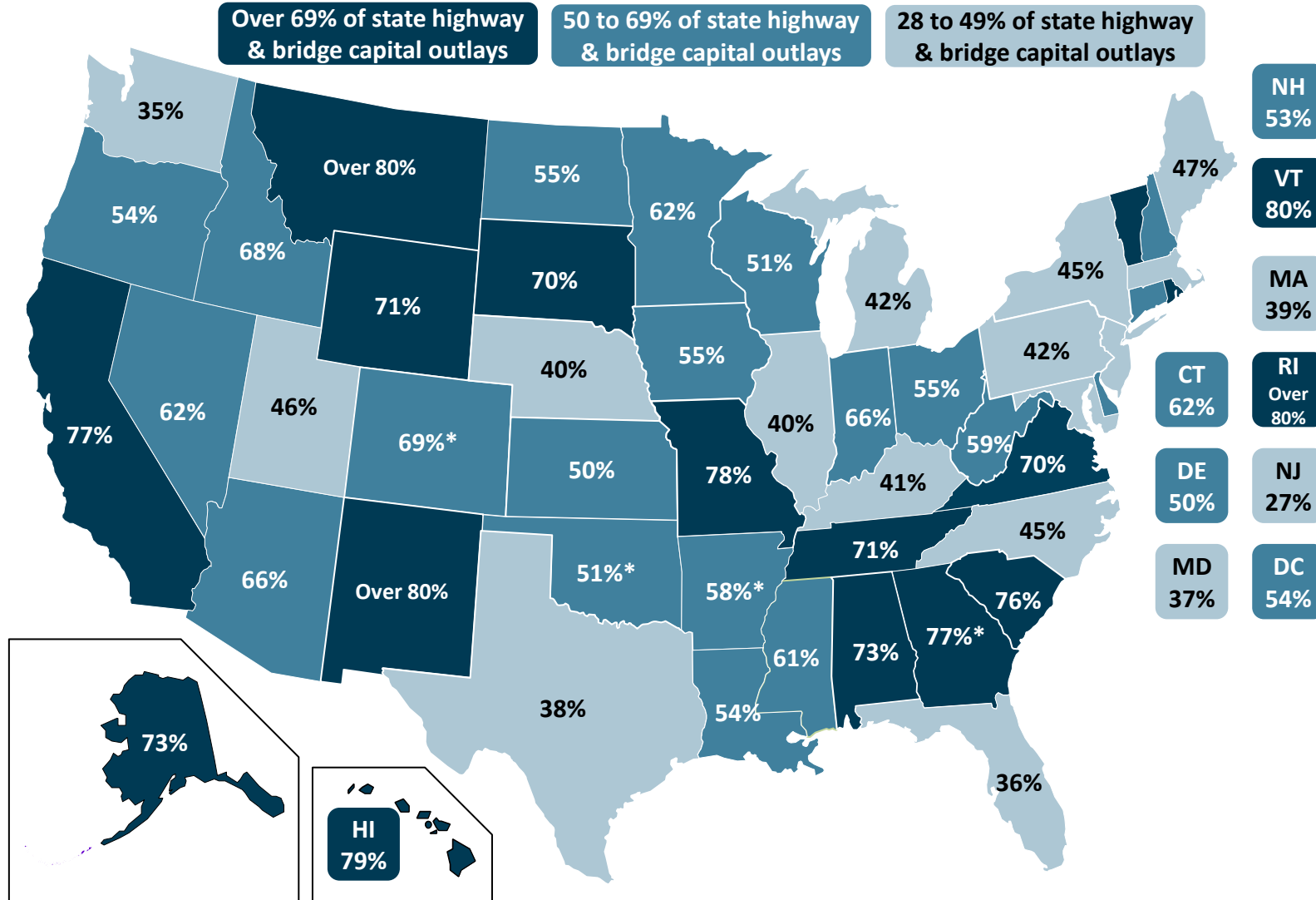


**State Highway Program Revenues - 2019**



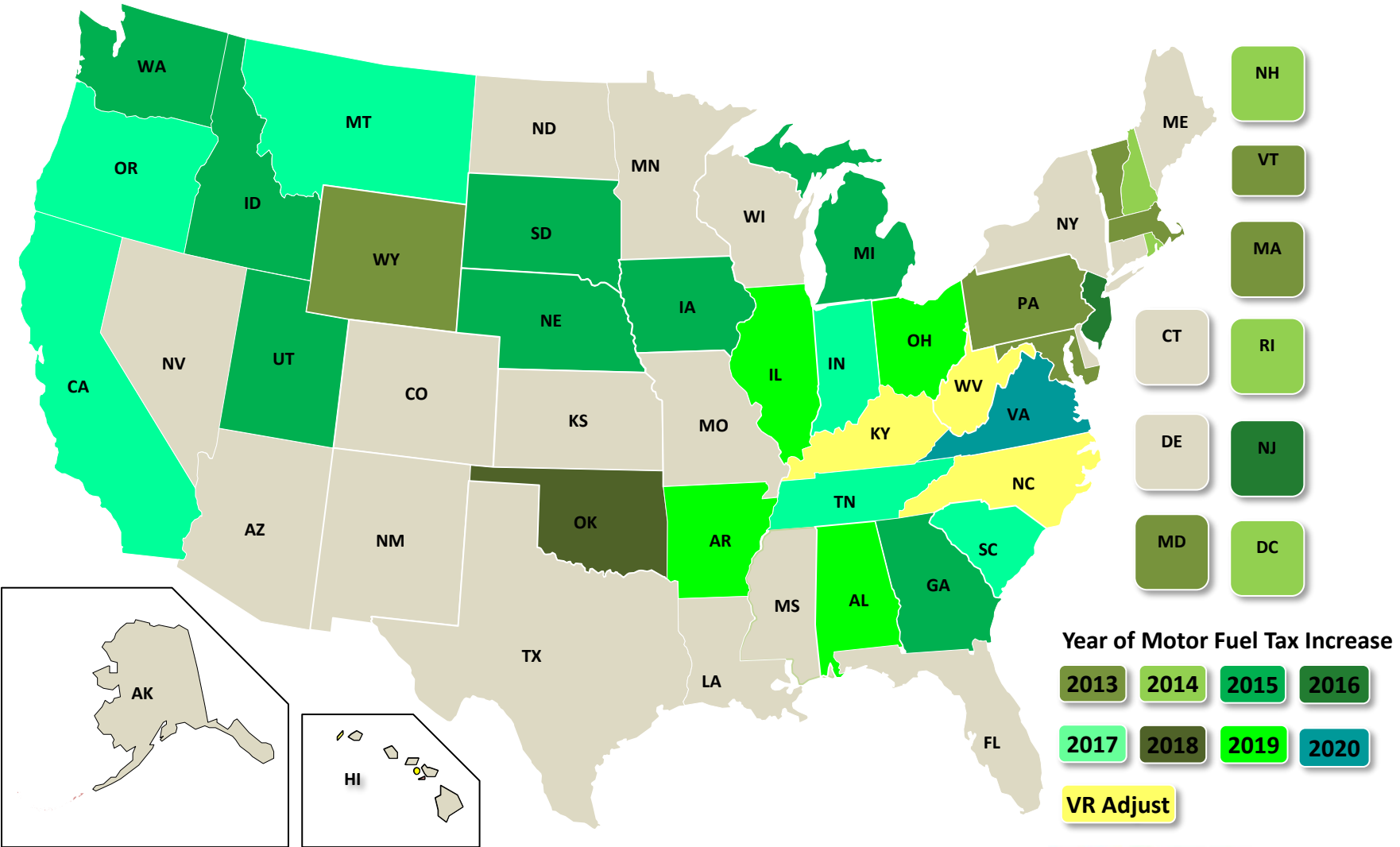
\*Other state revenues include the state General Fund, sales taxes, local government reimbursement and other imposts.  
Source: Federal Aid Highway Statistics

# Federal funds, on average, provide 51% of annual State DOT capital outlays for highway & bridge projects



Source: ARTBA analysis of FHWA Highway Statistics data, total ten-year average 2009-2018 from tables SF-1 and SF-2. The percent is the ratio of federal aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right of way and engineering, but are also used for debt service for GARVEE bonds.

# 31 States Approved/Adjusted State Motor Fuel Tax Increases 2013-2020

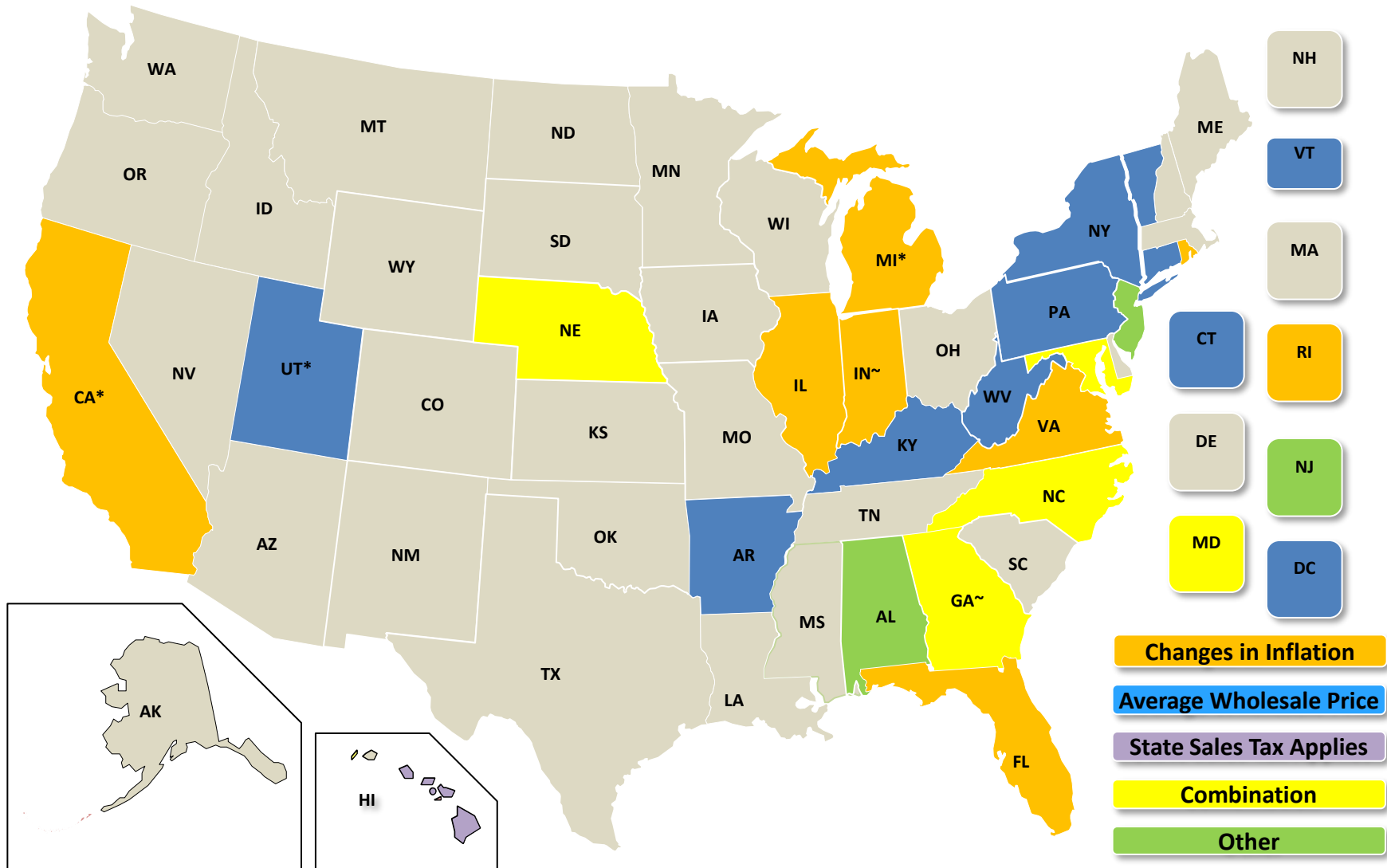


## Variable-Rate State Gas Taxes - Types

- ❖ **Consumer Price Index (10 states)**
- ❖ **Average wholesale price of fuel (10 states + DC)**
- ❖ **Meeting state's transportation fund needs (2 states)**
- ❖ **Changes in population (1 state)**
- ❖ **Corporate average fuel economy (1 state)**
- ❖ **National Highway Construction Cost Index (1 state)**
- ❖ **General sales tax on fuel purchases (4 states)**



# 22 States + DC Use Variable-Rate State Gas Taxes

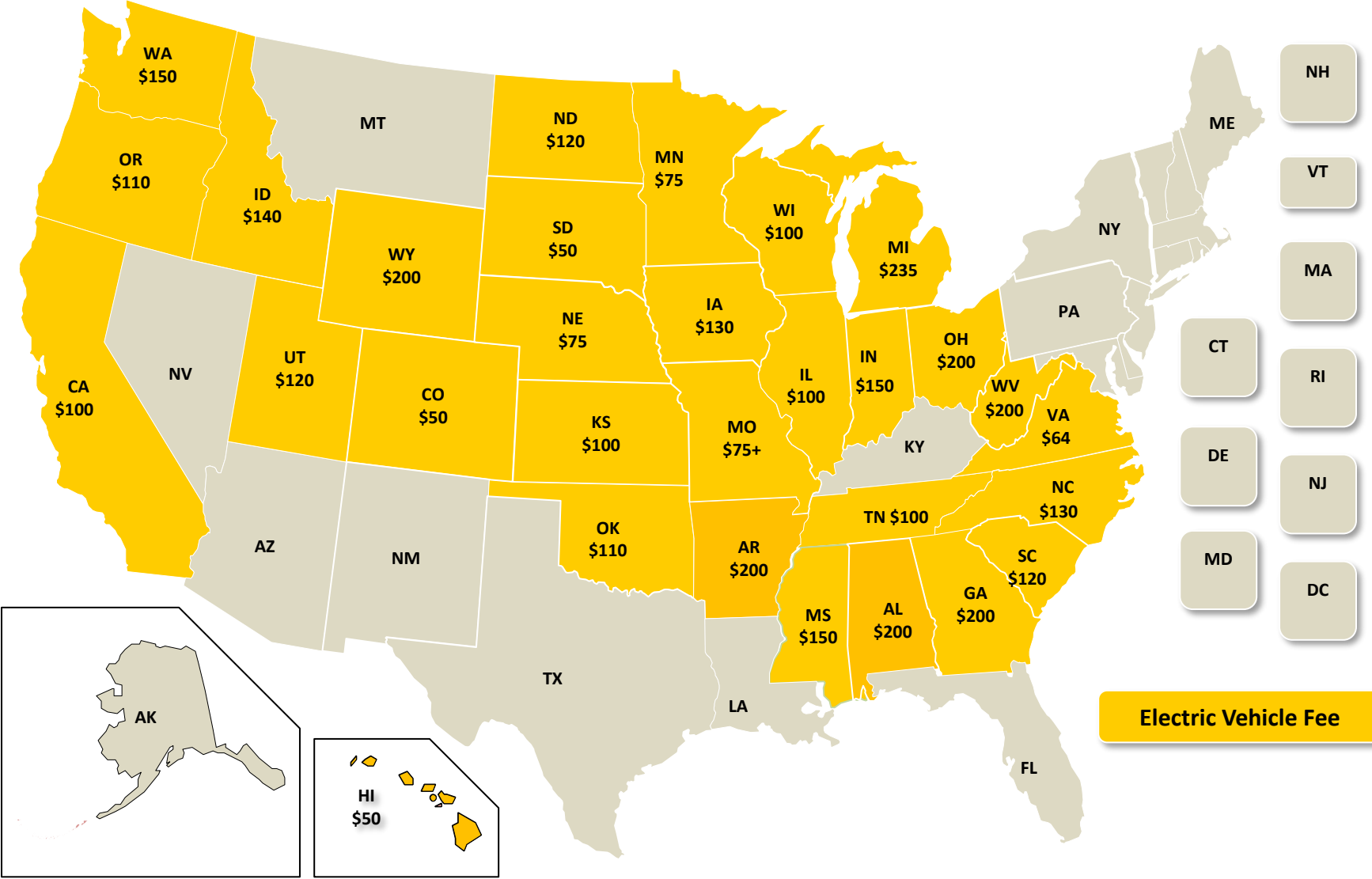


Source: TIAC, "Variable-Rate State Gas Taxes", April 2021

## Electric Vehicle Fees - Overview

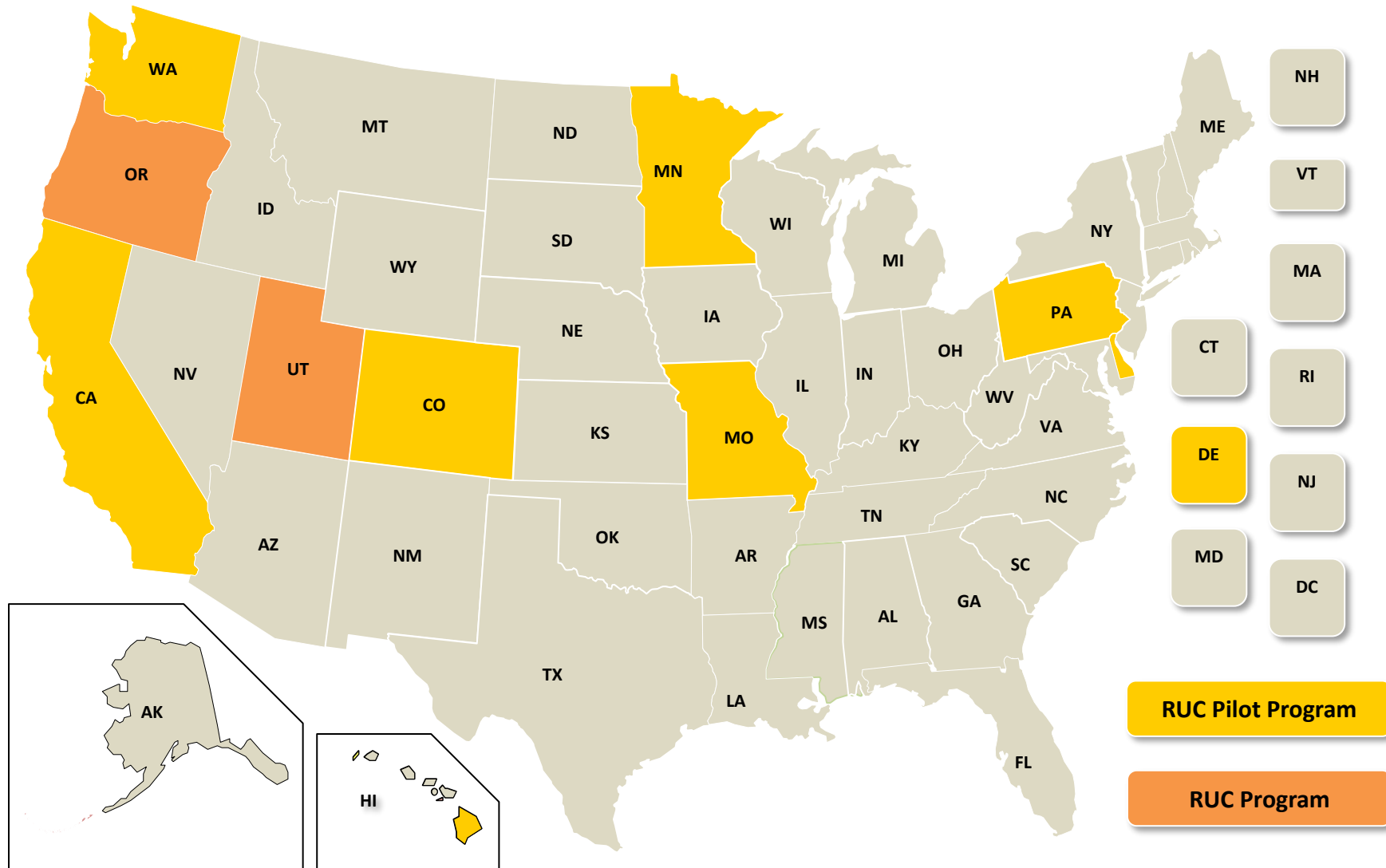
- ❖ 30 states have an electric vehicle fee
- ❖ Fees range \$50 – \$225 (passenger vehicles)
- ❖ Fees indexed in six states
- ❖ Additional hybrid vehicle fees in 14 states
- ❖ Most annual registration fees
  - ❖ South Carolina - biennial fee
  - ❖ Utah - road usage charge option

# 30 States Have an Electric Vehicle Fee



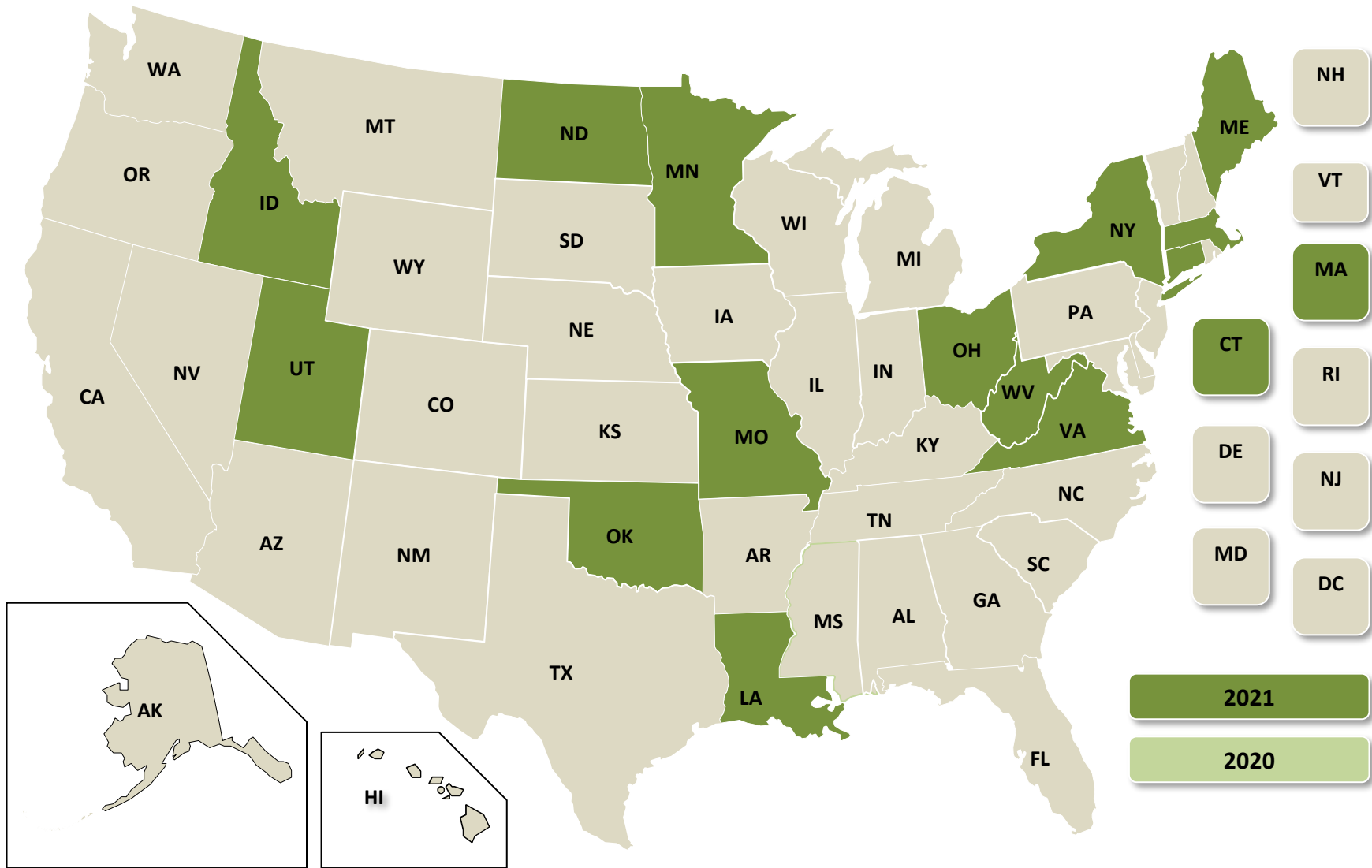
Source: TIAC, "State Electric Vehicle Fees", April 2021

# 10 Road Usage Charge Programs & Pilots



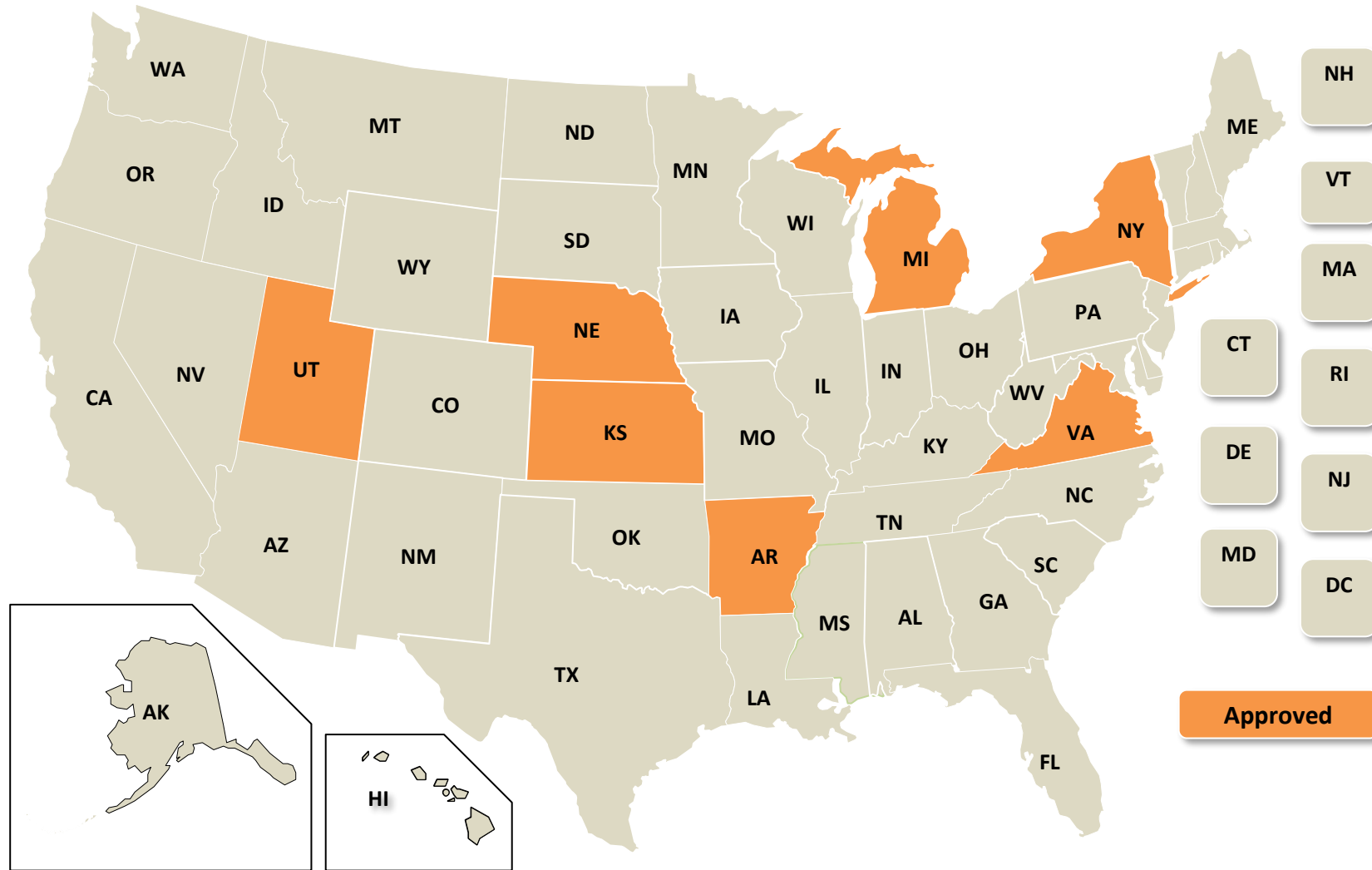
Source: TIAC, "Road Usage Charge Pilot Programs Model Language" April 2021.

# 2019-21: 14 States Approved One-Time Revenues



Source: TIAC™ State Funding Initiatives Report April 2021

# 2019-21: Seven States Approved General Recurring Funding Measures







Dr. Alison Premo Black, Chief Economist | [ablack@artba.org](mailto:ablack@artba.org)

Carolyn Kramer, Director ARTBA-TIAC | [ckramer@artba.org](mailto:ckramer@artba.org)

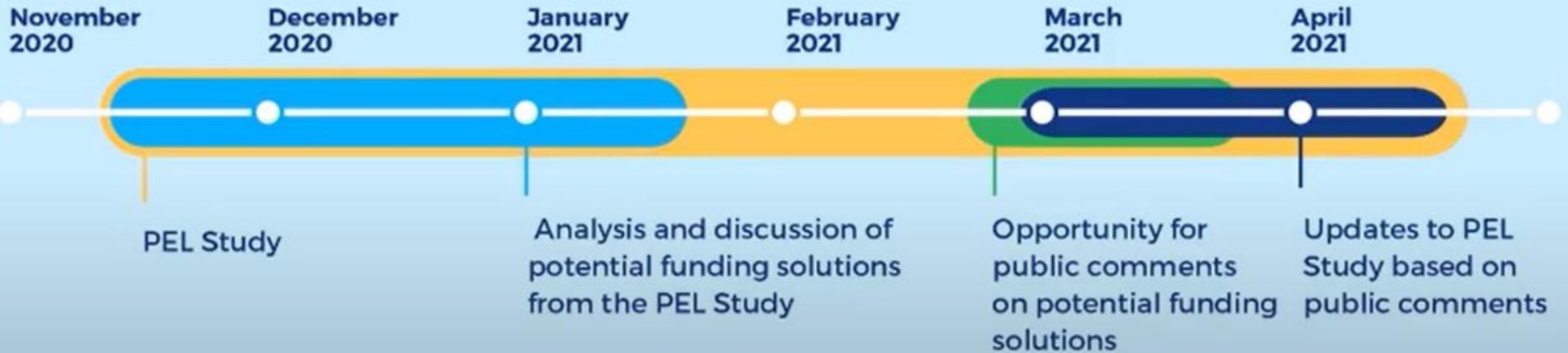
American Road & Transportation Builders Association

202-289-4434



# PLANNING AND ENVIRONMENTAL LINKAGES (PEL)

## Six Month PEL Lookahead





pennsylvania

DEPARTMENT OF TRANSPORTATION

# PAthways

PLANNING AND ENVIRONMENTAL LINKAGES STUDY PRESENTATION

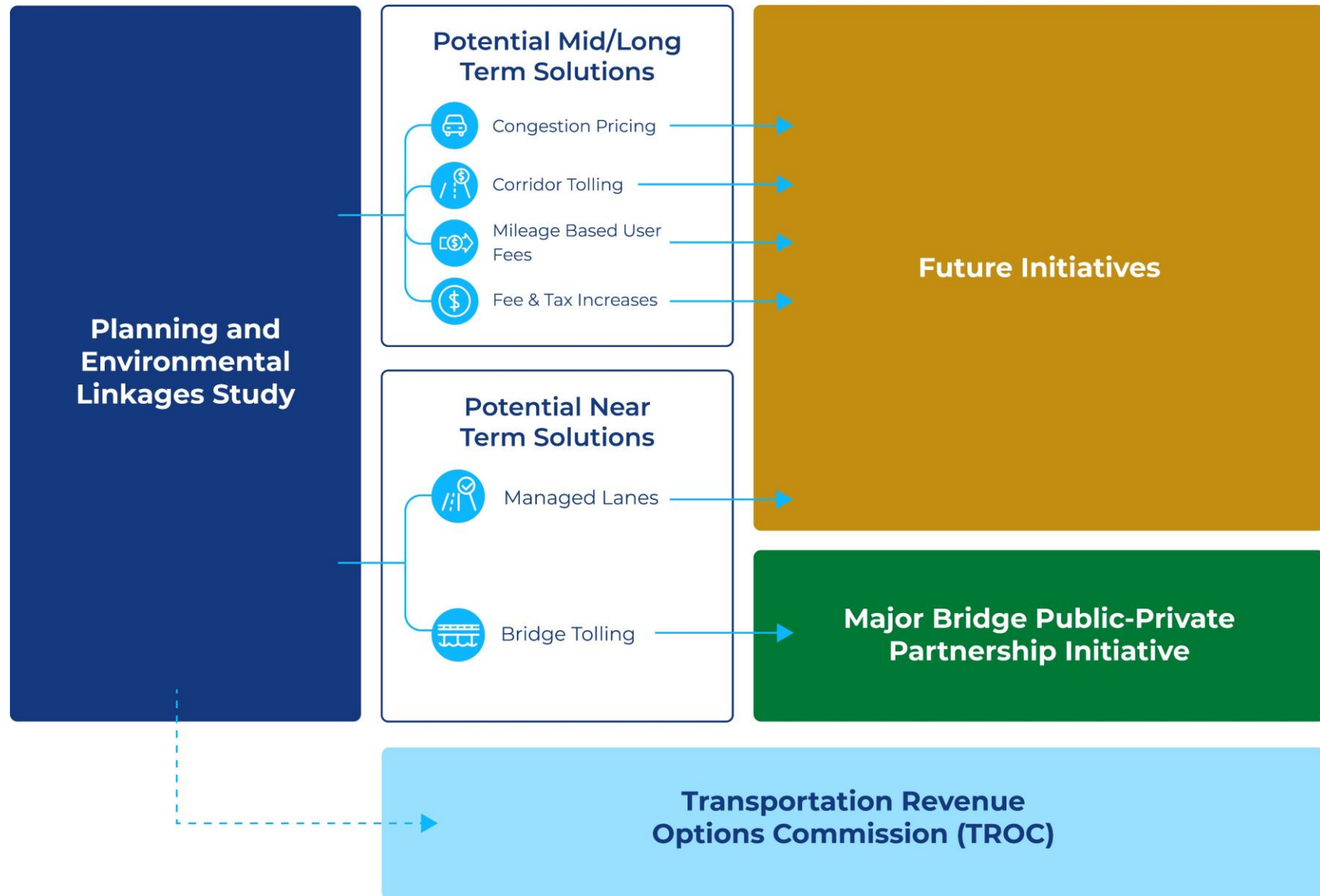
# HOW DID WE GET HERE?



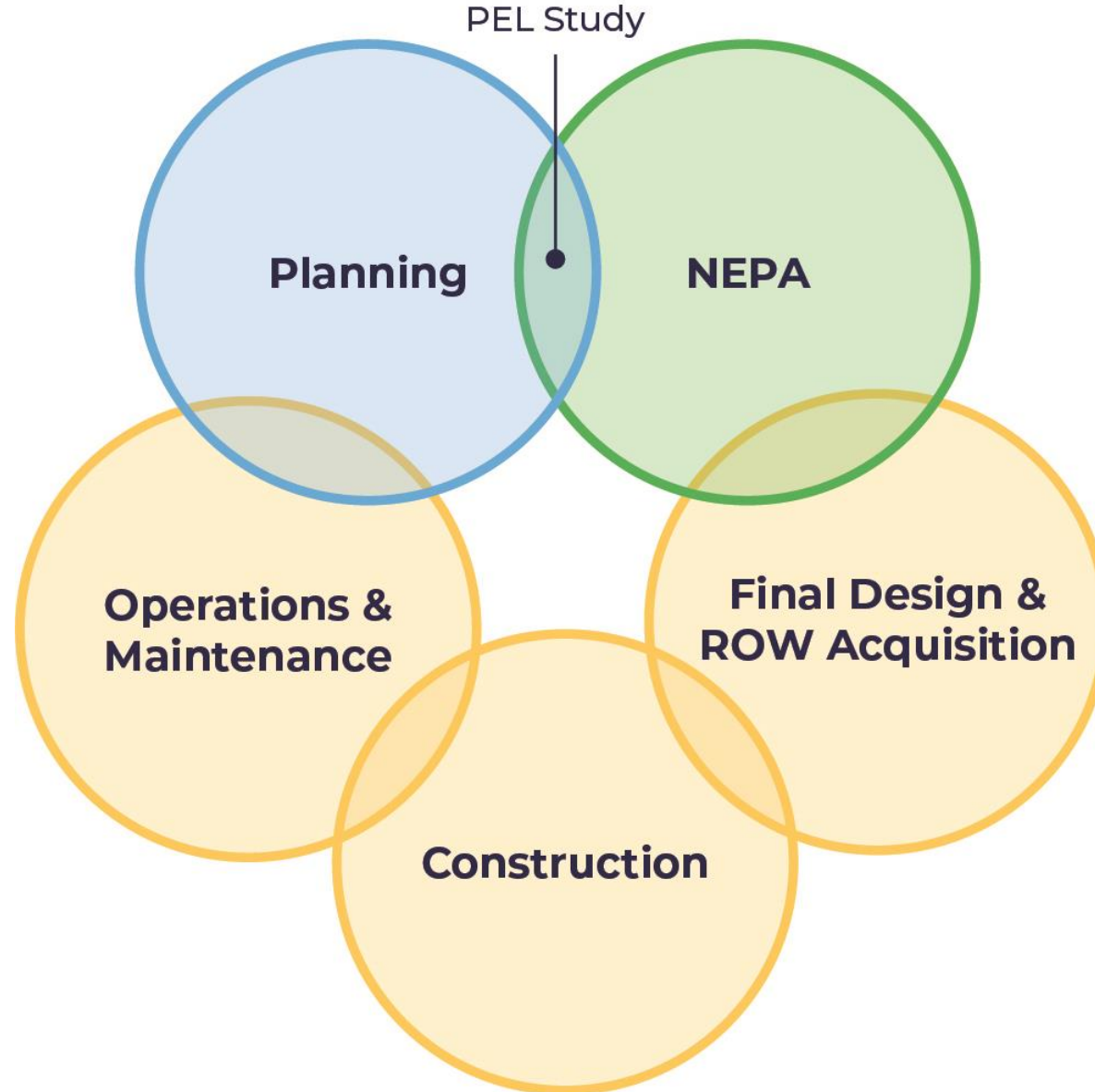
- **November 2020 – December 2020:** PennDOT Pathways Launch and initial public feedback opportunities
- **November 2020:** Major Bridge P3 Initiative approved by the P3 Board
- **February 2021:** Announcement of nine candidate bridge projects for bridge tolling through the Major Bridge P3 Initiative



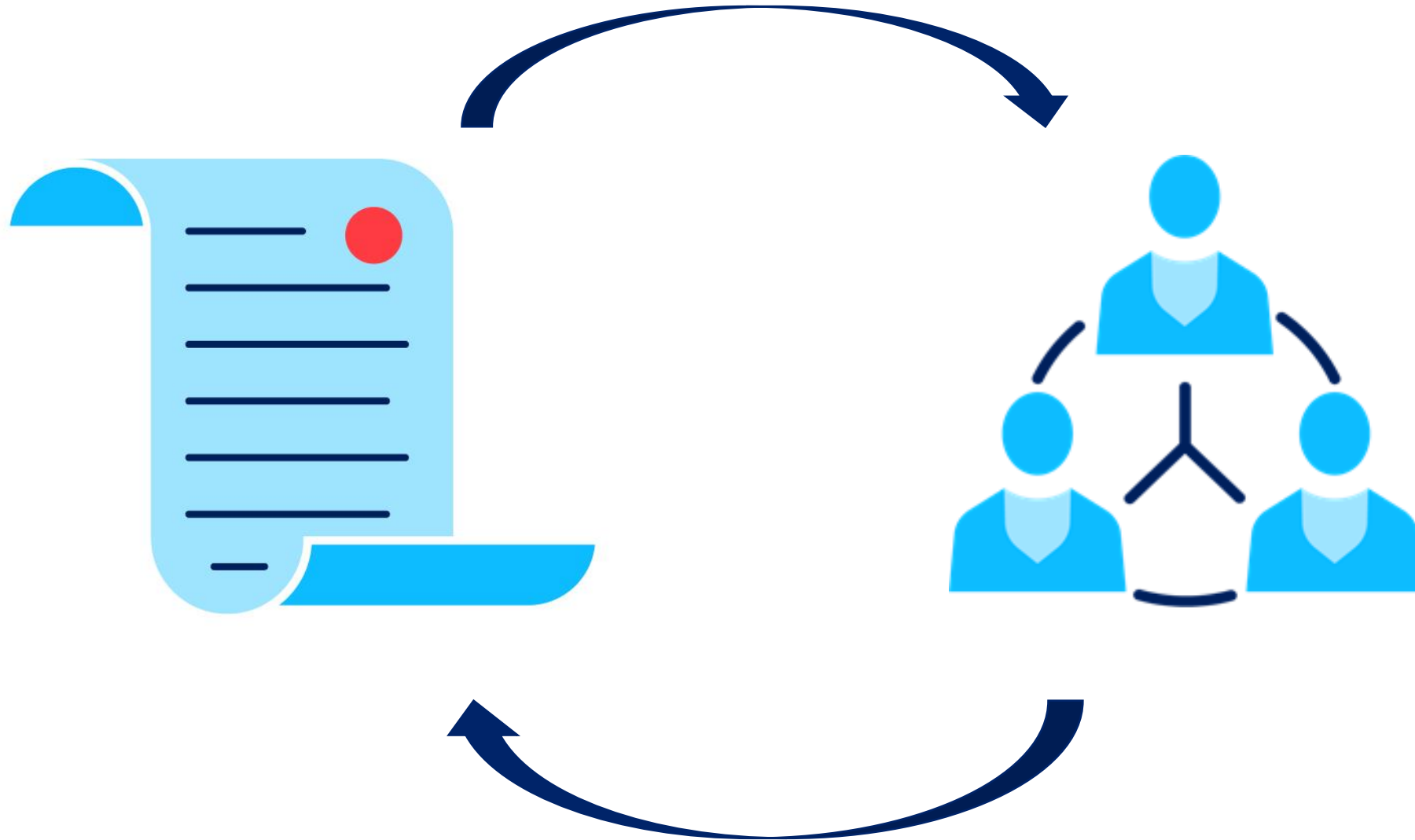
# WHAT IS PENNDOT PATHWAYS?



# WHAT IS THE PEL?



# PATHWAYS PEL & TROC



# WHAT QUESTIONS DID WE EVALUATE?



To what degree can this option fill the funding gap?



What approvals or authority would be needed for implementation?



How long would it take to implement?



How might this option affect the traveling public, low-income and minority populations, as well as various stakeholder organizations?



# PEL STUDY STRUCTURE

## Background

Background about the transportation funding gap and needs

## Funding Options

Discussion of alternative funding options and which might be candidates for near-term versus long-term solutions

## Environmental Effects

Identification of methodology for addressing environmental effects of the solutions including effects on low-income and minority populations

## Outreach

Public and agency outreach conducted as part of the PEL study



# POTENTIAL FUNDING OPTIONS

## Near-Term



**Bridge Tolling**



**Managed Lanes**

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## Medium- to Long-Term



**Congestion Pricing**



**Corridor Tolling**



**Mileage Based User Fees**



**Fee & Tax Increases**





# MANAGED LANES

Potential Funding  
Option:



Managed Lanes

**When** Could potentially be advanced in 2 – 4 years

**Why** Drivers using managed lanes typically receive consistent, reliable travel times.

**How/Where** Corridors with extensive peak-period congestion.



# CONGESTION PRICING

Potential Funding  
Option:



**Congestion  
Pricing**

## **When**

Could potentially be advanced in 4 – 6 years

## **Why**

Congestion pricing can lead to less congested urban centers, meaning better air quality and more reliable travel times.

## **How/Where**

This would require acceptance into the Value Pricing Pilot Program (VPPP) for implementation. To be considered in urban areas with congestion.



# CORRIDOR TOLLING

Potential Funding  
Option:



**Corridor Tolling**

## **When**

Would require 6+ years to advance

## **Why**

Only those that use the interstate or expressway pay for it.

## **How/Where**

Expressways could be tolled under current regulations; interstates would require being accepted into the Interstate System Reconstruction and Rehabilitation Pilot Program (ISRRPP). An extensive statewide system plan would be required which has not yet begun.



# MILEAGE-BASED USER FEES (MBUGS)

Potential Funding  
Option:



**Mileage-Based  
User Fees  
(MBUGS)**

## **When**

Would take 6+ years to advance

## **Why**

Widely studied, MBUGS are viable and equitable ways to replace the gas tax.

## **How/Where**

Mileage-based user fees would require establishing a new statewide program and enabling legislation which is not currently in place.

MBUG = Road User Charges (RUC) = Vehicle Miles Traveled (VMT)



# FUNDING OPTION IMPLEMENTATION\*



**Identify potential projects using the specific funding option**



**Project undergoes environmental review process under NEPA analyzing impacts on natural, community, and cultural resources**



**Opportunities for public input**

\*Consistent with federal and state requirements, including P3 Board approval





# ENVIRONMENTAL JUSTICE



Tolling may have impacts on low-income and minority populations. As part of individual tolling projects' environmental reviews, we will study:

- Potential financial impacts (if applicable);
- Potential diversion routes (if applicable); and
- Potential mitigation measures if adverse effects are determined.



# NEXT STEPS FOR THE PEL STUDY



- **Now through June 1:** Share your comments on the draft PEL Study
- **Summer 2021:** PennDOT reviews and incorporates comments into a final PEL Study
- **Fall/Winter 2021:** PennDOT evaluates potential projects for near- and medium-term funding solutions while further evaluating longer-term options



# SHARE YOUR FEEDBACK

View the virtual public meeting online by navigating through [penndot.gov/funding](http://penndot.gov/funding)

Public comment period open now until **June 1, 2021**.

Website: [www.penndot.gov/funding](http://www.penndot.gov/funding)

Email: [PennDOTPathways@pa.gov](mailto:PennDOTPathways@pa.gov)

Hotline: 717-325-6129



# Thank You

# MEETING SUMMARY AND PUBLIC COMMENTS

- Opportunity for Public Comment
- A Look Ahead
  - Multimodal Presentation on May 13
  - MBUF Presentation on May 27
- Other Commission Member Input



# COMMISSION CHAIR'S CLOSING REMARKS



Secretary of Transportation,  
Yassmin Gramian

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