

**Testimony for the House Policy Committee  
Representative Stan Saylor, 94<sup>th</sup> District, Chairman  
April 26, 2010**

**INTRODUCTION**

Good Morning, my name is Felicia Dell and I work as the Planning Director for the York County Planning Commission. It is my pleasure to have the opportunity to offer testimony to you today about transportation funding. I thank you for this opportunity. Thank you Representative Saylor.

The remarks that I am making are from the perspective of a Director of a multi-disciplinary planning organization that plays a unique role in the community compared to other County Planning Commissions within Pennsylvania. Our organization provides services and manages programs to our community in several different areas that are often divided among two or three different agencies. Our primary responsibility is to function as the Planning Commission to the York County Board of Commissioners as legislated in the Pa. Municipalities Planning Code (MPC). We perform all the responsibilities as that agency. We also provide numerous community planning services to our 72 municipalities. In addition, we are also the agency that administers the Housing and Community Development funds designated by HUD for the County. Often times those programs are housed in a separate agency such as a redevelopment authority or an economic and community development organization. In York County those responsibilities have been delegated to the Planning Commission. In addition, we are also the agency that administers the Federal transportation planning and programming through the Metropolitan Planning Organization or MPO. Again, depending on how the census designates these boundaries, these responsibilities may or may not be within the County Planning agency. In our case they are. With those responsibilities we are a planning and programming agency and provide assistance for implementation to PennDOT. This spectrum of programs and responsibilities afford us the ability to take advantage of some new initiatives which I will address later in my remarks.

Although I am currently the Director of the York County Planning Commission, I began my employment with the Planning Commission in the Transportation Planning division as a Transportation Planner and also served as the Chief of the Division. That work experience gave me a first hand understanding of transportation planning and funding.

York County has met the designation requirements to be an MPO since they were first created in federal legislation in 1963. So, we are not a rural MPO. However, we are not a large urban MPO either. We are in the middle or average as far as MPO size. However, I would like to think that we do above average work given our size, the number of staff and the limited financial resources we have to support our work. We also have some other advantages in that we are a single county/single state MPO which makes our job a lot less complicated. And, we have the on-going interest and support of our legislative delegation. They don't just show up to meetings when they want a project funded; they

are represented as voting members on the MPO and I think they are the most comprehensively engaged delegation on transportation issues in the Commonwealth.

## **THE LOSS**

I know we are all extremely disappointed in the federal decision that denied Pennsylvania the ability to toll Interstate 80 and generate the funds to fully support Act 44. We've all crunched the numbers to determine the exact hit we are going to take in our MPOs. In the York Area MPO on the highway side we are losing over \$26 million on the next four year Transportation Improvement Program (TIP). It averages out to approximately \$6 million of potential projects each year. rabbittransit, our transit provider will not be able to compete for capital dollars since capital funds are going from \$160 million to \$0. This also eliminates the state funding needed to match federal dollars. So, we are not only missing out on state funds but also federal funds. In addition the 2.5% inflationary increase for the transit operating budget is gone.

I know in our MPO we were all hoping for the best and preparing for the worst so we didn't develop a TIP as though the money was in hand. We would rather be in the position of being pleasantly surprised and have to add projects rather than disappointed and have to cut projects. So, the immediate effect on our program will not be devastating. We didn't dare to over reach. It is the long term impact that we are concerned about.

Since it appears that the Federal legislation is not going to be re-authorized any time soon and the opportunity for earmarks in the appropriation process has been curtailed, the need to develop a transportation funding revenue stream in the Commonwealth is becoming dire. From our perspective, we need to develop a funding source that:

- 1 - will generate funding in a predictable way
- 2 - will generate funding that is phased in over time and grows over time - dynamic not static
- 3 - is flexible for MPOs/RPOs to fund maintenance projects **and** new initiatives; maximize leveragability of federal funds

## **PREDICTABLE** (will generate funding in a predictable way)

MPOs are largely responsible for the planning that leads to project development and construction. We lay the foundation for projects. The current requirement in the federal legislation and guidance requires that the MPO develop a long range plan covering a 20 year time frame. The plan identifies our needs, develops a list of projects that will address those needs and identifies the funds to pay for them. The project costs are projected into "year of expenditure" (YOE) costs. This is an estimate of how much the projects will cost in future dollars, not today's dollars. Essentially, we have to develop a transportation budget and show how we are going to live within our means over the long term. Right now, because of the tolling decision, we have a gap in our 20 year budget. If we don't fill the gap, we are not only missing out on necessary state funds, but we will not be able to fully match the federal funds so, we are shortchanging ourselves twice. Without a

predictable funding source at the state level, we will end up focusing on a lot of smaller projects or the ones that are easy to deliver; more complex, expensive projects will get pushed back and become more critical and more expensive over time. We need to know where the state funds are coming from not just for the next four years but also for the next twenty years and beyond.

**DYNAMIC** (will generate funding that is phased in over time and grows over time - dynamic not static)

Project development is a thorough process. Getting a project funded from a plan and through preliminary and final design, right of way, utilities and construction takes time. We get a lot of requests to have projects on a "back pocket" list that we could pull out and would be ready to go if additional funding would become available. You can't really do this because of the Federal planning requirements we talked about earlier. Federal regulations preclude an MPO from having a lot of projects in various stages of development unless you have the funds over twenty years to pay for them ...all of them. You can't put them on the starting line unless you have the gas to see them across the finish line.

So, when a new funding source becomes available and is shot into the system, the projects that tend to get funded are the projects that have the least amount of hurdles to overcome. Projects are selected based on short term deliverability as opposed to more worthy projects that might take time to work through the project development process. This was some of the philosophy behind the stimulus funding. It was a lot of money shot into the system with the added pressure of a time frame within which it had to be spent. However we are not looking for a stimulative funding source. We need a long term predictable funding source. So, whatever is developed to meet our transportation needs, we hope that it is phased in or ramped up over time so deliverability is not the driver but rather project need, regardless of the complexity and time it takes to deliver the project. We can't continue to pick the low hanging fruit. We also have to address the larger impact, more expensive projects before their cost and criticality consume us.

The other trait of a dynamic funding source is that it is indexed to grow over time. We have all experienced formula funding somewhere in our jobs. Unless the formula considers a growth factor of some sort, it becomes a static fund while everything else is changing. Act 44 funding provided for increases over time and that should be maintained in a new funding source. Let's not lose that.

**FLEXIBLE** (is flexible for MPOs/RPOs to fund maintenance projects **and** new initiatives; maximizes leveragability of federal funds)

Current Act 44 funding is targeted for maintenance projects on our bridges and highways. This supports the "maintenance first" philosophy that has been the priority for PennDOT through at least two administrations. I don't think anyone would disagree with that philosophy. However, without the additional revenue from I-80 tolling the maintenance projects will now be funded from the regular TIP funding. So, without another revenue

source, the "maintenance first" philosophy is becoming "maintenance only". In the York Area MPO this is the case for both highway and transit. The projects that we will not be programming as a result of I-80 tolling revenue loss on the highway side are resurfacing projects and bridge replacements.

On the transit side, the additional funding was targeted for capital projects - fleet replacement for rabbittransit. Without the additional tolling revenue, capital funding is zeroed out. Without funding for capital projects, rabbittransit will have to stretch the serviceable life of the current fleet. Eventually maintenance costs will increase because the fleet is older and requires more maintenance. The additional maintenance money will eventually cut into the operational side of the budget to keep the current fleet going. On both sides of the TIP maintenance is a priority need but without additional funding it will become the only need that is addressed.

While addressing maintenance needs is the smart and prudent thing to do, it is not the only thing to do. There are other needs besides maintenance that we've all identified in our long range plans. But more importantly, there are new initiatives being discussed in Washington that will affect all of us. We need a funding source that won't tie our hands so tightly that we can't respond to these new initiatives such as the emerging federal partnership between HUD, EPA and DOT. The spectrum of programs and responsibilities that we administer at the York County Planning Commission puts us in a prime position to compete in those programs. If they become the foundation of reauthorized transportation legislation at the federal level, we hope new state funding sources are flexible enough to aid us in taking advantage of those programs.

## **CLOSING**

It is challenging to find needed funds, particularly in these economic times. In June, 2009 the York Area MPO and the York County Board of Commissioners adopted our Long Range Transportation Plan. In developing that plan we conducted surveys that included a particular question about whether or not the respondent would support any of the fifteen different revenue generators listed. Only two funding options were supported by more than 50% of the 575 respondents. They were increasing vehicle registration fees and levying traffic impact fees on new development. Based on our limited survey, you certainly have your work cut out for you. As you tackle the issues, I hope you keep in mind the three qualities we think will have a positive long term impact on transportation funding: predictable, dynamic and flexible.