

## Summary of PennDOT's Appropriation's Hearing

The committee held a budget hearing with the Department of Transportation (PennDOT), represented by:

- Michael Carroll, acting secretary, PennDOT,
- Kurt Myers, deputy secretary for driver and vehicle Services, PennDOT,
- Meredith Biggica, deputy secretary for multimodal transportation, PennDOT,
- Chuck Zimmerman, director, Bureau of Fiscal Management, PennDOT,
- Larry Shifflet, deputy secretary for planning, PennDOT and
- Nicole Taylor, director, Transportation Equity, PennDOT.

Sec. Carroll noted that he represented some of the citizens of northeastern Pennsylvania in the House for 16 years. "I have 13 million constituents as you all do and we have a common goal and that is to provide a safe and efficient transportation network for all of our residents and all the folks that enter our great commonwealth," he stated.

Rep. Schmitt said Pennsylvania is expected to receive around \$4 billion over five years from the Infrastructure Investment and Jobs Act (IIJA) and the state match needed over five years is \$930 million. He asked for the process of how state dollars will match federal dollars. Sec. Carroll said IIJA is critically important, and that money requires a 20 percent match and any discretionary federal dollars also require a 20 percent match. "Absent the preservation of \$100 million that the state police gets from our Motor License Fund, we would have to match dollars from our current programming. Preservation of that \$100 million is the match we need to preserve the current program and do the IIJA dollars without sacrificing an existing program... I was thrilled the governor incorporated the \$100 million preservation in the first year, another \$100 million for the remaining five years to recapture the \$500 million that currently flows to the state police," he stated. Sec. Carroll noted that the \$500 million for the state police equates to eight cents a gallon in the gas tax.

Rep. Schmitt asked how the project selection process works for the IIJA dollars. Sec. Carroll said the IIJA dollars will follow the regular PennDOT selection process but there will be an application process for the discretionary dollars.

Rep. Salisbury indicated that a highway rail bridge owned by Norfolk Southern in Swissvale is no longer operational and said the Public Utility Commission (PUC) is requiring municipalities to take ownership of the bridges. She asked what the economic burden is to PennDOT to keep those bridges maintained. Sec. Carroll said he is not directly familiar with the bridge in Swissvale but emphasized that he is aware of the struggle municipalities have to maintain that infrastructure. "The solution you are looking for is the maintenance and ownership of the bridge moving forward after it is replaced. I will do my best but I can't give you a guarantee we can accomplish what we're you're asking for but I will commit to an honest and sincere look," he stated. Rep. Salisbury expressed concern about using public funds for private industry infrastructure and asked how much state money is going to maintain those bridges. Sec. Carroll said he did not know off the top of his head but could provide that information to the committee.

Rep. Eric Nelson inquired about the governor's plan to eliminate the funding from the state police from the Motor License Fund argued that a portion of gas tax could be reduced because of the \$4 billion IIJA funds. Sec. Carroll said that PennDOT has thousands of miles of state roads that need to be maintained and millions of dollars in unmet needs for bridges and the interstate network. "\$4 billion sounds good but it's over five years. It's \$350 million for bridges, \$350 million for highways... I'm happy to take a look at what you're describing to see if there's a path but I am wildly familiar with unmet needs we have in Westmoreland County and the other 66 counties in this state," he stated.

Rep. Kinkead inquired about the department's relationship with Interlock and asked why those services are farmed out to a third party. Sec. Carroll said he often heard constituent concerns with Interlock. "The current system we have is broken and it demands a reconsideration and I'm going to," he stated. Rep. Kinkead asked if an additional allocation would be necessary. Sec. Carroll said he did not think an additional appropriation would be necessary and indicated that the issue was more a matter of process rather than finances.

Rep. Kinkead asked what programs and processes PennDOT is taking to address systematic issues related to minority communities were underserved due to redlining. Sec. Carroll said PennDOT is currently undertaking projects to reconnect communities in Pittsburgh and Philadelphia and emphasized the agency is committed to addressing these issues, noting the hiring of Taylor to lead those efforts.

Rep. Kutz said the new P3 Program has been approved for six bridges and inquired about the status of the South Bridge in Harrisburg. Sec. Carroll said the South Bridge is going to be return to PennDOT inventory and will not be bundled into any future packages. "The cost of that bridge is \$1.1 billion. No small number for us at PennDOT, but we are going to accomplish that bridge as we do the rest of our program and advance it to construction as soon as possible," he stated.

Rep. Kutz questioned when construction for the first bridge in the P3 project will commence. Sec. Carroll said construction is still a few years away. Rep. Kutz asked how many jobs will be created as a result of the P3. Sec. Carroll said the department will provide that information to the committee.

Rep. Mullins inquired about the status of passenger rail opportunities in Pennsylvania, specifically the proposal to link Scranton to New York City. Sec. Carroll said Biggica and her team submitted the application for the project to the Federal Railroad Administration.

Rep. Mullins expressed concern about the 2023 construction material quantities list related to the decrease in the amount of concrete being utilized. Sec. Carroll emphasized the importance of having a viable concrete industry but indicated that concrete pave presents challenges related to traffic control. "We at PennDOT will do our level best to ensure the concrete pave folks have a fair shot and we have a healthy industry," he stated.

Rep. Struzzi shared a negative experience with the multimodal transportation fund grants and explained that four applications were rejected because they were deemed administratively incomplete. He said other agencies reach out to collect the necessary paper if something is incomplete, but PennDOT never provided that opportunity. He asked how PennDOT will improve their customer service. Sec. Carroll said PennDOT has far more applications received than funds available to be awarded. "Because of the volume of applications we receive, it would be very difficult but, not impossible and I will try, to come up with a better system to let applicants know that the application is deficient in some way or another," he stated.

Rep. Struzzi noted that the bridge replacements can take up to six years but Fern Hollow Bridge was completed in eight months. He asked if the process for bridge replacement can be streamlined moving forward. Sec. Carroll said there are federal requirements related to bridge replacement but indicated that he will look for ways to streamline the process. He emphasized that there was an emergency declaration related to Fern Hollow. "It changed the rules of engagement for us, it made the delivery of the bridge must easier," he stated.

Rep. Fleming said a 2018 PennDOT study found an underrepresentation of contracts for minority- and women-owned businesses and asked what is being done to address the issue. Taylor said PennDOT recently launched a mentor/protégé program that pairs experienced PennDOT prime and subprime contractors with new and existing minority- and women-owned business. "It's a program them to give them the ins and out and how to work with the prime, secure business with the prime, and also how to expand their skill sets," she stated. Sec. Carroll affirmed the Shapiro administration is committed to diversity.

Rep. Ecker asked why PennDOT or Department of Revenue (DOR) did not inform the legislature that the gas tax was projected to rise. Sec. Carroll said the gas tax is statutorily required to rise based on the wholesale price of gasoline. "I'm not sure when somebody would be prepared to say what the consumer price index is going to be, what the inflation rate is going to be in advance. Those numbers are always in retrospect, not prospectively," he stated.

Rep. Curry said mass transit ridership on SEPTA has been impacted by mental health, violence, and drug use issues and asked how PennDOT will assist in addressing the issue. Sec. Carroll said he understands the gravity of the issue and affirmed that PennDOT will do what they can but the agency is limited. He added that Southeastern Pennsylvania Transportation Authority (SEPTA) is taking the issue seriously. Rep. Curry questioned what can be done to protect the operators. Sec. Carroll said it is hard to mitigate criminal activity but those encounters often stem from toll collection and indicated that technology can help minimize negative interactions in the future.

Rep. Mustello said mass transit ridership is down across Pennsylvania and asked if PennDOT believes ridership will ever get to pre-pandemic levels. Sec. Carroll said the pandemic had a huge impact on the number of riders and remote work has changed the way people navigate to and from work. "The delivery models need to reflect the current environment and it's hard to adjust on the fly with any agency. There are still a huge number of folks that rely on those assets and we have to find a way to get deliver those services and fund it properly," he stated.

Rep. Siegel inquired about PennDOT's position on passenger rail expansion in Allentown through SEPTA. Sec. Carroll said the administration is supportive of passenger rail but he was not familiar with SEPTA's expansion into Allentown.

Rep. Siegel questioned if PennDOT would support an initiative that prioritize firms that have apprenticeship programs that would lead to greater workforce development. Sec. Carroll said broadly speaking he understands the need to have a workforce to deliver on infrastructure and will speak to the representative about any specific initiatives.

Rep. Siegel inquired about PennDOT's position on transit-oriented development. Sec. Carroll said transit-oriented development is smart planning. "Being able to utilize assets in a smart way is always good policy and everything the department can do to advance that vision is something we would support," he stated.

Rep. Lawrence said salaries for PennDOT are not competitive with the private sector and there are many opening in Chester County. He asked if PennDOT has one pay scale across the state. Sec. Carroll responded "yes" but acknowledged that it costs more money to live in certain parts of the state. Rep. Lawrence asked what can be done address the issue in higher cost of living areas. Sec. Carroll said the union negotiations would have to be part of the discussion and was unsure about the viability of the potential varied pay scales.

Rep. Lawrence said Pennsylvania provides a subsidy to Amtrack for the lines between Harrisburg and Philadelphia. He said those lines were acquired by Amtrack in the 1970s for no money and spoke in support of returning those lines to the state. He explained that the Pennsylvania Congressional Delegation would have to be involved in returning those lines and asked if PennDOT would support the initiative. Sec. Carroll said he is familiar with the issue and agreed that federal action would need to be required but he is happy to have the conversation. "I would be hopeful to minimize the transfer of funds from PennDOT to Amtrack but at the same time we are not going to risk that service," he stated.

Rep. Napoleon Nelson indicated that neighboring states have greater access to electric vehicles and the revenue generated from those sales because they have a zero-emission standard and inquired about further information about the issue from the department's perspective. Sec. Carroll said he would provide additional information to the committee but emphasized that PennDOT is advancing a buildout of charging stations across the interstate network with IJA funds.

Rep. Mako said the governor is proposing \$31.1 million for the rollout of REAL ID and asked how the funds will be used. Meyers noted that PennDOT has issued a little over 2 million REAL IDs and said the REAL ID budget is supporting the build out for 13 different centers across Pennsylvania. "These centers are built to the standards that the Department of Homeland Security requires for the purposes of being issued a REAL ID over the counter," he stated. Rep. Mako asked if individuals who purchased a REAL ID in Pennsylvania, and then moved out-of-state and then came back to Pennsylvania will need to receive a new REAL ID. Meyers said those individuals would need to purchase another REAL ID if they purchased an ID in the state that they moved to.

Rep. Guzman said Norfolk Southern owns the rail line through the City of Reading and they are being an impediment to bringing rail services back to the city. He asked for a commitment from the department to help the city have discussions with Norfolk Southern to move the project forward. Sec. Carroll gave Rep. Guzman his commitment and explained that PennDOT had similar discussions with Norfolk Southern regarding rail service from Harrisburg to Pittsburgh.

Rep. Guzman inquired about PennDOT policies regarding passenger protections for autonomous vehicles. Sec. Carroll said the necessity of public safety must be reconciled with a future that will have autonomous vehicles and requirements will need to change as the technology advances. "There have been some challenges and the investment by folks especially advancing the interests of Carnegie Mellon and other leaders when it comes to autonomous vehicles. Your desire to include safety must be at the top of the list when it comes to changes in law or regulation," he stated.

Rep. Guzman asked what PennDOT is doing to enhance driver visibility on roads and inquired about regulations against LED lights. Sec. Carroll said there are regulations in place regarding LED lights and it is up to the police to enforce those laws.

Rep. Owlett asked what PennDOT is doing in terms of maintenance. Sec. Carroll said the budget for maintenance for has been static but acknowledged that costs for personnel have increased. "As those personnel costs tick up, the ability for maintenance crews is minimized. My suspicion is that as the conversation unfolds in respect to the state police money and what it will be used for, I welcome a conversation that includes maintenance as well as the augmentation for roads and bridges," he stated.

Rep. Owlett indicated that there has been a pilot program with the Department of Conservation and Natural Resources (DCNR) to expand opportunities for utility terrain vehicles (UTVs) and asked if PennDOT has considered a registration program for UTVs. Sec. Carroll said PennDOT would be open to a conversation on the issue.

Rep. Madsen asked if there will be relief for infrastructure by third class cities such as Harrisburg in the budget. Sec. Carroll said he would be open to having conversations with the representative, noting that Harrisburg is unique because it houses the State Capitol Complex.

Rep. Brennan asked what PennDOT can do to encourage individuals to purchase hybrid and electric vehicles. Sec. Carroll reiterated that Pennsylvania will receive \$170 million in federal funds to build charging stations. "It will hopefully be completed and I expect it will be before General Motors and Ford shifting to an all-electric vehicle fleet. I think the economics are going to drive this more than public policy. There is going to be demand to accommodate those vehicles," he stated. Rep. Brennan asked if electric vehicle fees would be necessary to make up for the lost of gas tax revenue. Sec. Carroll said he expects there to be a conversation with respect to electric vehicles and how they will support Pennsylvania's transportation network.

Rep. Benninghoff, minority chairman of the House Transportation Committee, inquired about the governor's executive order related to a standard response time for permits. Sec. Carroll indicated that PennDOT will make every effort to comply with the governor's order. "There is some nuance here for PennDOT and that is if an applicant for a driver's license submits an application without a signature or check and we reject it, it goes back to the applicant and if they sit on that application for 88 days we aren't going to meet that standard. I would like to believe there will be protections so we don't have to issue a product for free," he stated.

Rep. Benninghoff inquired about cutbacks in shared ride programs across the state. Biggica said the financial footing for shared ride is unstable and PennDOT is working transit agencies and human services providers to provide a study on what future funding or service could be. She said she hopes to have that report to the General Assembly in the next several months.

Rep. Benninghoff asked if agencies are required to put a certain amount of miles or hours on vehicles in order to retain the vehicle. Sec. Carroll said he would examine the issue and provide further information to the committee.

Rep. Neilson, chairman of the House Transportation Committee, asked if Pennsylvania is prepared for implementation of REAL ID. Sec. Carroll said every Pennsylvania has had the opportunity to get a REAL ID the last four years and the department is going to encourage Pennsylvanians to get their REAL ID.

Rep. Neilson inquired about the efficacy of the red light camera pilot program in Philadelphia and work zone cameras. Sec. Carroll said the programs have saved lives and changed driver behaviors. He noted that the programs need to be renewed by the end of the year.

Minority Chairman Grove referred to PennDOT's seven-year financial statement and said PennDOT's beginning balance for the fiscal year (FY) 2021-22 was \$115 million and ended with \$347 million and the balances drop to \$9.1 million in FY 2027-28. He said the projections reflect a decline in revenue but an increase in costs and asked how emergency costs will be paid. Zimmerman said in addition to COVID-19 waivers, the biggest reason for \$347 million figure was because of the budget this year that returned \$191 million from state police funds that were moved to the general fund. Chairman Grove asked where emergency bridge construction costs come from. Shifflet said the emergency declaration and anticipation of IIJA funds allowed PennDOT to fund the Fern Hollow Bridge project. "We do hold back \$20-\$30 million a year for county emergencies," he stated.

Chairman Grove said there has been a decline in liquid fuels tax and asked if an analysis has been done to find the "sweet spot" in order to maximize revenue coming in. Sec. Carroll indicated that those revenues will continue to decline as fuel efficiency standards increase and more electric cars come online. He said the General Assembly and the administration are going to have to find alternative sources of revenue to make up the loss in the years ahead.

Chairman Harris asked what the General Assembly can do to ensure Pennsylvania is in the best position to maximize federal dollars. Sec. Carroll encouraged members reach out to the congressional delegation and Senators Bob Casey (D-PA) and John Fetterman (D-PA). Chairman Harris questioned if PennDOT will maintain a list of projects that were submitted. Sec. Carroll said PennDOT will track projects submitted by the department but it would be difficult to track projects submitted by every other entity and municipality. Chairman Harris asked what state match number will be necessary. Sec. Carroll said PennDOT is using the \$100 million each year that was going to the state police to match the federal funds.