

PENNSYLVANIA STATE TRANSPORTATION COMMISSION
QUARTERLY MEETING MINUTES
HARRISBURG, PENNSYLVANIA
DECEMBER 15, 2016
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CALL TO ORDER:

Secretary Leslie Richards convened a quarterly business meeting of the Pennsylvania State Transportation Commission (STC) at 10:10 a.m. on Thursday, December 15, 2016 in Harrisburg, PA.

ROLL CALL:

Commissioners Present:

Honorable Leslie S. Richards, Chairwoman
Honorable Robert B. Pease, P.E., Vice Chairman
Honorable Edward J. Cernic, Sr.
Honorable Ronald J. Drnevich
Honorable William F. Keller, alternate present
Honorable James D. Kingsborough
Honorable George M. Khoury
Honorable Sharon L. Knoll, via phone
Honorable Charles H. Martin, via phone
Honorable Frank E. Paczewski
Honorable John C. Rafferty, alternate present
Honorable John Taylor, alternate present
Honorable Frederic M. Wentz
Honorable John N. Wozniak, alternate present

MINUTES:

ON A MOTION by Commissioner Wentz seconded by Commissioner Cernic, and unanimously approved, the minutes of the August 11, 2016, STC quarterly business meeting were accepted.

SECRETARY'S REMARKS:

Secretary Richards delivered brief opening remarks, introducing George McAuley, Deputy Secretary for Highway Administration. She also introduced a resolution for Senator Wozniak, who retired in November, thanking him for his service to the State Transportation Commission.

TWELVE YEAR TRANSPORTATION PROGRAM:

2017 Highway and Bridge Program Adjustments/Major Project Adjustments

Deputy Secretary Jim Ritzman presented the 2017 Highway and Bridge Program adjustments, stating that between October 1, 2016 and November 23, 2016 there were 909 program adjustments:

- 335 Project/Phase Additions

- 429 Project/Phase Changes
- 86 Project/Phase Deletions
- 59 Adjustments to Funding Line Items

Mr. Ritzman noted a change of \$134.7 million of which \$118 million are highway and bridge adjustments for the reporting period.

Some of the changes included a bridge rehab in SPC (7th Street Bridge rehab) and the Freedom Road upgrade in Beaver County. Due to the federal August redistribution, these projects were funded on the prior 2015 Program which frees up funds in the current program to be used elsewhere.

Mr. Ritzman also demonstrated Endeca, a data visualization tool. Transportation program data can be analyzed by a variety of means including project phase and program area, planning partner, and PennDOT District. The tool includes links to reports in MPMS-IQ. Endeca can also be used to visualize projects based upon a user-selected cost amount as well.

Mr. Nolan Ritchie asked if the planning partners had access to Endeca. Mr. Ritzman stated that 75 licenses were available and that the planning partners have access.

Mr. Bugaile asked about the I-95 Project involving the Betsy Ross Bridge ramps and its decline in costs. Mr. Ritzman stated that the repurposed earmarks were used, and part of the project was obligated in the previous program.

ON A MOTION by Commissioner Drnevich, seconded by Commissioner Wentz and unanimously approved, the 2017 Highway and Bridge TYP Adjustments/Major Project Adjustments were accepted as presented.

WORKING SESSION

2019 Twelve Year Program

Ms. Jessica Clark gave a brief update on the 2019 Twelve Year Program schedule and Public Participation Plan milestones. The plan will build off the 2017 Transportation Performance Report.

There will be an open comment period beginning on March 6, 2017 when the online survey will launch. The online public meeting is scheduled for March 21, 2017 from 6:30pm to 7:30 pm. The public comment period closes on April 14, 2017. During May, the results will be prepared and analyzed for presentation at the STC's June quarterly business meeting followed by regional planning partners meeting outreach from July through September. The Planning Partners will submit draft TIPs in December of 2017. In August 2018, the 2019 Program will be adopted by the STC and then FHWA and FTA approve the 2019 Transportation Improvement Program in September of 2018 for implementation in October of 2018. The next cycle then begins for the 2021 TYP in December of 2018.

Mr. Ritchie asked if there were any plans on having multiple webcasts. Ms. Clark said that the planning partner focus groups felt that the one webcast was fine, and she added that the webcast is recorded and available for viewing after the initial live event. Commissioner Paczewski also stated that a single webcast was fine, and the strength was in the comments received through the survey tool.

TAC Pennsylvania State Police Funding Options Study

Secretary Richards introduced the TAC Pennsylvania State Police Funding Options White Paper, stating that the white paper was approved at the TAC's December business meeting. She noted that the Legislative Budget and Finance Committee (LB&FC) also has a study underway to determine, according to the Pennsylvania Constitution, the appropriate level of support the Pennsylvania State Police should receive from the Motor License Fund. The completion date of the LB&FC report is scheduled for early 2017.

Keith Chase of Gannett Fleming presented the Pennsylvania State Police Funding Options White Paper. The White Paper's objectives were to identify all known revenue options to replace a portion of the PSP budget derived from the Motor License Fund (MLF) and evaluate a shortlist of funding options against a range of considerations. The white paper contains no recommendations; its purpose is to provide options as a starting point for policymakers. As part of the 2016-2017 State Budget, The General Assembly phased-in a cap on the MLF transfer to the PSP, reaching \$500 million by fiscal year 2027-2028. Mr. Chase stated that budgetary language could change from year to year, but with the current provisions, there would be an annual funding gap of at least \$351 million by 2027-2028. Noting that inflation is not accounted for, the \$351 million gap is a conservative estimate.

Funding sources initially identified were the Personal Income Tax, Corporate income taxes, Natural Gas Severance taxes, Sales and Use Taxes, Cigarette Taxes, Alcohol Taxes, tire fees, Motor vehicle lease tax and motor vehicle rental fees, in addition to the lottery fund, gaming funds, motor license funds and the state stores funds. The following were advanced for further analysis:

1. Personal income tax increase
2. Sales Tax Rate increase
3. Per Capita Municipal policing fee assessed on municipalities that use the PSP for primary police coverage.
4. Sales Tax base expansion
5. Natural Gas Severance tax
6. Excise or other Targeted Tax
7. Gaming Fund Allocation

The seven options were analyzed according to six considerations: revenue potential, revenue certainty, relationship to PSP function, revenue growth, tax burden, and administration and compliance.

The white paper included four funding scenarios, as illustrative examples, and noted that sustainable dedicated PSP funding may require a combination of the options analyzed.

Commissioner Cernic asked about the average state police officer's salary and retirement. Mr. Chase stated that the white paper did not look into that; however, the LB&FC's study may break down those components.

Commissioner Drnevich asked if the study scope included research regarding other states relationship with their state force. Mr. Chase stated that the study did consider the national experience as well as examine the practices of three other states in particular; Ohio, Oregon, and Idaho.

Mr. Ritchie stated that Senator Rafferty and Representative Taylor brought the idea for a PSP study to the TAC and the LB&FC respectively. He stated that the TAC's purpose was to examine revenue options while the LB&FC's study is to examine expenditures. Mr. Ritchie suggested that the white paper's approval be postponed until the next STC meeting, as the LB&FC's study will be completed and the TAC's white paper should align with the LB&FC's report. However, Commissioner Wentz stated the two studies from the TAC and the LB&FC are of different scopes and are two separate reports.

Mr. Bugaile stated that the white paper would be made public simultaneously with the fuel tax increase on January 1, 2017, suggesting that the report's menu of new tax options to pay for PSP might not go over with the public.

Commissioner Drnevich noted that 50% of the municipalities in Pennsylvania are not covered by any local policing. Mr. Chase stated that the PSP is the local police force in some 1,300 municipalities full time and another 400 have PSP coverage part-time. Commissioner Kingsborough suggested that municipalities without police forces should pay something to contribute to their policing needs.

ON A MOTION by Mr. Ritchie seconded by Mr. Bugaile, the TAC PSP Funding Options white paper approval was postponed until the LBFC's report is developed and completed. This **MOTION** was not voted on and was not carried forth.

Mr. Ritchie had concerns that the TAC report developed revenue options before the LBFC's report on expenditures was available. Secretary Richards asked if the lack of stakeholder input was a concern and Mr. Ritchie stated that this was one of the concerns.

The STC discussed the difference between the TAC's report and the LBFC report under development. Mr. Chase noted the options summary on page 31 of the report, stating that the revenue potential sources are adjustable.

Commissioner Khoury stated that the white paper met the parameters the STC gave to TAC and asked if the TAC could revise the report in the future. Commissioner Wentz stated that the two reports are different and have different goals.

ON A MOTION by Mr. Bugaile and seconded by Mr. Ritchie, the PSP Funding Study Options approval would be postponed until the February STC Quarterly Business meeting. The Vote on this MOTION yielded four Yeas and nine Nays and was not carried forth.

ON A MOTION by Commissioner Wentz and seconded by Mr. Bugaile, the PSP Funding Study Options was accepted as passed by the TAC, and was unanimous.

REPORTS:

Transportation Advisory Committee (TAC)

The TAC report stands as written.

Administrative/Budget

Deputy Secretary Suzanne Itzko delivered a brief report for the Administration and Budget Deputate, stating that two positions in HR have been allocated for recruitment activities at colleges and universities.

Mr. Ritchie mentioned the layoffs at Labor and Industry's call centers and asked if PennDOT could be in a similar position. Ms. Itzko stated that PennDOT hasn't had to furlough employees in many years but that she would look further into the matter. PennDOT typically carries about 300 vacancies at any given time.

Driver and Vehicle Services

Deputy Secretary Myers delivered a brief report for Driver and Vehicle Services, highlighting the automated vehicles webinar. A final policy report from the Automated Vehicles Policy Task Force was submitted to the Secretary in late November. Legislation for the testing and use of automated vehicles is pending in the Legislature. Mr. Myers also gave an update on REAL-ID stating there was no real change or no extension.

The last part of Act 89 will be implemented on December 31, 2016, which includes the phase-out of registration stickers and the option of a two-year registration. Registration fees may increase based on the Consumer Price Index (CPI). The adjustment to those fees would occur on July 1, 2017.

Mr. Bugaile asked about a report from ABC 27 about registration stickers, stating that in January consumers would have to scrape off their registration stickers. Mr. Myers stated the media report was incorrect.

Commissioner Kingsborough asked how many registrations are completed online. Mr. Myers stated that 40% are completed over the internet.

Highway and Bridge Program

Deputy Secretary McAuley's report stands as written.

Multimodal Transportation

Deputy Secretary Toby Fauver's report stands as written.

Planning

Deputy Secretary Ritzman's report stands as written.

OTHER BUSINESS

Open Public Comment

Mr. Brad Jones of Modern Transit Partnership (MTP) and the Harristown Development Corporation offered comment on the Keystone West route between Harrisburg and Pittsburgh. MTP would like to see up to three trains a day added to the route. The route currently has one train a day between Harrisburg and Pittsburgh.

Commissioner Cernic asked if additional service would use separate rail. Mr. Jones replied that additional train service would use the existing rail.

2017 Quarterly Meeting Locations

The STC were given the following choices for 2017 Quarterly Meeting locations:

STC Business Meetings

- **February 16, 2017**– Harrisburg
- **June 15, 2017**
 - Reading
 - Clearfield
- **September 21, 2017**
 - Lewisburg
 - Cranberry Township
- **December 14, 2017**- Harrisburg

In addition, there is an online public meeting in 2017.

STC Online Public Meeting

- **March 21, 2017**- Harrisburg

The STC discussed the meeting locations, noting that District 2 has a new facility in Clearfield and that there is an autonomous vehicle test-bed in Cranberry Township that could become a tour location.

ON A MOTION by Commissioner Wentz and seconded by Commissioner Cernic, the STC chose Clearfield for the June 15, 2017 Quarterly Business Meeting and Cranberry Township for the September 21, 2017 Quarterly Business Meeting.

NEXT MEETING:

The next STC quarterly business meeting is scheduled for Thursday, February 16, 2017 in Harrisburg, Pennsylvania.

ADJOURNMENT:

ON A MOTION by Commissioner Pease and seconded by Commissioner Cernic, the STC quarterly business meeting was adjourned at 12:12 p.m.