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Contact: Jenna Reedy, Business Development Manager
PPTA (717) 849.0708

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Pennsylvania transit agencies applaud funding agreement

Funding compromise avoids major service cuts

Harrisburg, Pa. – The Pennsylvania Public Transportation Association (PPTA) and its membership thank members of the Pennsylvania General Assembly and Governor Edward Rendell for adopting a plan to resolve the severe revenue shortfall facing transit services across the state and providing a program to allow those systems to move forward into the future.

“This plan achieves our goal of dedicated, adequate, predictable, and, inflation - adjusted funding for operating and begins to address long-standing capital needs,” said Dennis Louwerse, PPTA Chairman. “This is what PPTA has fought for and supported – a long-term solution with a fair funding formula, accountability and performance standards that transit agencies must meet,” Louwerse noted.

The new legislation includes:

- Creation of a new Public Transportation Trust Fund in the State Treasury, a complete restructuring of mass transit funding and the first single dedicated fund for transit;
- Addition of \$300 million in funding in the first fiscal year (2007-2008); plus increases of \$50 million in each of the two subsequent fiscal years and annual increases of 2.5 percent in years 2010 through 2047 from Pennsylvania Turnpike Commission payments to PennDOT;
- Dedication of 4.4 percent of the state sales tax to the Trust Fund, a revenue neutral action exchanging current funding sources for sales tax revenue;

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- An increase of required local match to a 15 percent minimum local share of operating funds, phased in so that no local match has to increase by more than 5 percent per year until it reaches the 15 percent level. (The current average match is 13.2 percent);
- Establishment of mandatory performance standards for transit agencies to ensure efficient use and equitable distribution of funds. Standards include reimbursement based on number of passengers, vehicle miles and vehicle hours as well as factors such as operating costs per passenger and mile;
- A total funding package for public transportation of \$1.08 billion in 2007-2008 from all sources including the Lottery, PTAF, the sales tax and Act 3 of 1997 capital commitments; and,
- Distribution of funding to various programs including capital (\$75 million), operating (\$785 million), asset improvement (\$175 million) and Programs of Statewide Significance (\$52 million for programs such as transportation for persons with disabilities and jobs access services).

Had this legislation not been enacted, more than 100 million of the 400 million public transportation rides provided each year could no longer have been taken by passengers. "This agreement is a win for transit riders and the entire Commonwealth. It preserves transit's integral role in economic development, congestion reduction and air pollution mitigation," states Martha K. Pierce, PPTA Executive Director. Transit generates an estimated economic return of \$6 for every \$1 invested.

This General Assembly and the Administration are to be commended for resolving the thorny issues inherent in this complex issue and taking action to benefit their constituents and the Commonwealth.

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