

PENNDOT BUDGET HEARING WRAP

Wednesday, February 19, 2025



General Overview:

Pennsylvania Department of Transportation (PennDOT) Secretary Mike Carroll and PennDOT senior staff testified before the House Appropriations Committee this morning. House Republicans focused their questions on government efficiency, the fairness of distributing state and federal funds for roads, bridges, and mass transit, and how to sustainably fund infrastructure improvements moving forward.

Key Takeaways:

- Committee members questioned Governor Shapiro's plan to divert a total of \$1.74 billion in Sales and Use Tax (SUT) revenues to Mass Transit, which would be an increase of \$347.2 million over the current year.
 - Committee members noted that under Gov. Shapiro's plan, more than \$1 out of every \$10 in sales tax (10.4%) paid across the Commonwealth would be dedicated to mass transit moving forward, a significant increase from the current 8.6%. While Sec. Carroll claimed that the state has not increased mass transit funding since 2013, committee members highlighted that SUT revenues have increased 56% during that time, resulting in a commensurate increase in state support to mass transit over that timeframe.
 - Committee members expressed concerns that the majority of the \$1.74 billion SUT revenue for Mass Transit would be directed to Philadelphia, seemingly neglecting the needs of other regions of the Commonwealth.
 - Committee members further raised concerns about the varying transit fares imposed by local transit agencies, emphasizing the need for consistency statewide.
- The governor's proposal calls for the continued shift of State Police spending from the Motor License Fund (MLF) to the General Fund, but only \$50 million of the remaining \$250 million in the upcoming fiscal year. This represents a decrease from the two previous budgets, as the governor's proposal continues to fund the State Police with money intended for roads and bridges. Committee members shared concerns that this budget does not move quickly enough to end the State Police's reliance on the MLF.
- Pennsylvania Turnpike tolls continue to increase yearly; at the same time, toll collections are moving to an automated system. The committee examined unpaid toll collection efforts, particularly focusing on the effectiveness of the automated system in reducing unpaid tolls and the potential impact of these unpaid tolls on the Turnpike's financial health.
- Committee members questioned whether Governor Shapiro's use of the state plane for personal purposes is an appropriate use of taxpayer-funded assets.

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Notable Q&A:



Rep. Jamie Barton discusses how this budget proposal slows down the process of removing State Police spending from the Motor License Fund to increase MLF support to road and bridge projects.

Rep. Charity Krupa questions why Governor Shapiro's use of the state-owned plane doesn't fall under PennDOT's policies for inappropriate use.



Rep. Marci Mustello discusses the already significant state funding for mass transit and the importance of an equitable formula for the distribution of mass transit monies.

Rep. Ann Flood examines PennDOT's "motor voter" program, and how citizens are verified as eligible to vote.

