

Program: Transportation Support Services

Goal: To provide an effective administrative system supporting both non-highway and highway transportation programs.

This program provides for administrative and overhead services that support the operation of activities necessary for the achievement of commonwealth transportation goals and objectives.

The General Government Operations appropriation within the Motor License Fund develops general guidelines for highway-related activities while directing and coordinating construction, maintenance and safety functions discussed under the Highways and Bridges program and the Driver and Vehicle Services program. Managerial responsibilities include providing support in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. A central

municipal services staff handles grant allocations to local governments and coordinates highway transfer activities which are discussed under the Local Highway and Bridge Assistance program. In addition, the State Transportation Commission and the Transportation Advisory Committee are funded within this appropriation.

Funding for direct supervision and oversight of aviation, mass transportation, rail freight and port activities is shown under the Multimodal Transportation program.

The Refunding Collected Monies appropriation provides for refunds of Motor License Fund overpayments associated with operator licenses, vehicle registrations, and safety inspection stickers.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations
 \$ 137 —to continue current program.

Refunding Collected Monies (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 52,564	\$ 55,119	\$ 55,256	\$ 57,190	\$ 58,620	\$ 60,085	\$ 61,587
Refunding Collected Monies (EA)	1,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL MOTOR LICENSE FUND.....	\$ 54,064	\$ 57,619	\$ 57,756	\$ 59,690	\$ 61,120	\$ 62,585	\$ 64,087

Program: Highways and Bridges

Goal: To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.

Program Element: Highway and Bridge Construction/Reconstruction

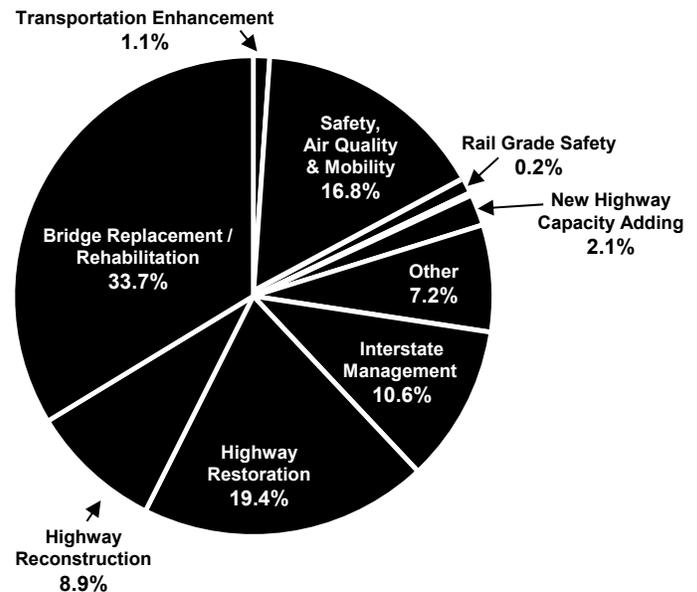
This program contributes to the economic vitality of the commonwealth and to the mobility of its residents through major reconstruction or construction of highways and bridges on the state-owned network. The commonwealth is responsible for nearly 40,000 miles of roadway and approximately 25,000 state-owned bridges that are more than eight feet in length.

Work is performed on heavily traveled interstate and primary routes, as well as on state roads and bridges that are not part of the federal aid system. With funding available from federal aid, local construction contributions and state revenues, the Department of Transportation has the responsibility of developing and executing a program that will correct the most critical deficiencies on the state-administered roadway network, including projects to enhance safety and mobility.

Decisions on regional allocations and project selection for construction and reconstruction investments are determined through two public processes. A Twelve-Year Transportation program is developed and updated every two years. The Twelve-Year program is divided into three four-year sections with projects in the first four years of the Twelve-Year program considered to be "active" projects. Federal surface transportation legislation authorizes grants to states and also addresses planning, program development and management. This federal legislation and its implementing regulations require regional Metropolitan and Rural Transportation Planning Organizations to be partners in the development of fiscally constrained transportation programs. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment efforts during the biennial transportation program update. All regionally developed Transportation Improvement Programs are combined to form the federally mandated Statewide Transportation Improvement Program, which is then considered to be the first four-year segment of the commonwealth's Twelve-Year Transportation Program. This constitutes a mutually agreed upon list of priority projects for each region of Pennsylvania.

A base level of state highway and bridge improvement activity is funded by annual appropriations from the Motor License Fund. These appropriations are supplemented by a series of dedicated revenue sources.

Current Four-Year Project Distribution (October 2014 – September 2018)



Program Element: State Highway and Bridge Maintenance

Pennsylvania, with the fifth largest state-owned roadway network in the nation, experiences high volumes of interstate traffic and is subject to severe winter weather. The state highway and bridge maintenance program entails the following activities that prolong the useful life of existing infrastructure. This work is performed by the department or by private contractors. Roadway treatments range from crack sealing and patching to more extensive surface treatment that may include resurfacing, stabilization and lower-cost betterment projects. Bridge activity ranges from deck washing and cleaning drainage outlets to repair and preventive maintenance of deck surface and structural components.

The department emphasizes durable resurfacing of high-volume routes that serve interstate and regional commerce, intermodal transportation facilities and major population centers. Bridge activities focus on ensuring the safety of the motoring public and minimizing closures or weight restrictions by performing repairs and preservation work. Winter snow and ice control require considerable resources to keep routes under the jurisdiction of the department in a safe and passable condition. Other routine maintenance and betterment

Program: Highways and Bridges (continued)

work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder and curve upgrades and guiderail updates. Maintenance work not directly involved with the roadway surface itself includes activities such as pipe replacement, ditch cleaning, mowing, vegetation control and tree trimming.

Unscheduled maintenance services must be performed in response to flooding, wind storms, landslides, sinkholes and similar acts of nature. These include clean-up and repair of storm damage, which can range from isolated low-cost work to significant restoration projects across many counties. An event that is declared a national disaster becomes eligible for federal assistance, which typically covers approximately half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guiderails or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

The condition of highways and bridges is monitored on an ongoing basis to ensure safety and to assess needs. Highway pavement conditions on the National Highway System are typically reviewed each year while less traveled routes are evaluated every other year. Under the National Bridge Inspection Standards program, the commonwealth is responsible for reporting the status of all Pennsylvania highway bridges greater than 20 feet in length. Bridges must be inspected at least every two years, but more frequent inspections are scheduled as warranted by the

condition of individual structures. The department conducts a bridge inspection training and certification program while contracting with an external consultant to certify and enhance the quality of inspections. Some local bridges are inspected by the department, and the cost is deducted from Motor License Fund grants to these political subdivisions.

The department issues special hauling permits to truck operators with excess weight or size loads for the use of specific highways and bridges. By issuing these permits, the department is able to facilitate the movement of goods over Pennsylvania's roadways without adversely affecting the structural integrity of highways and bridges or the safe and convenient passage of traffic.

An accident analysis program uses computer software to identify those highway locations that have experienced more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles run off the road or hit fixed objects. These programs provide a systematic means of selecting the highest priority sites for maintenance and reconstruction work.

A base level of state highway and bridge maintenance activity is funded by ongoing annual appropriations from the Motor License Fund. These appropriations are supplemented by a dedicated share of Oil Company Franchise Tax. In addition, special maintenance-related appropriations may be approved for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Welcome Centers
 \$ 220 —to continue current program.

Highway Maintenance
 \$ -12,426 —to continue current program with distribution to all 67 counties through a needs-based formula. Additional funding for highway maintenance is available from restricted sources.

All other appropriations are recommended at the current year funding levels to support projects on the Statewide Transportation Improvement Program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
Welcome Centers.....	\$ 3,282	\$ 3,480	\$ 3,700	\$ 3,830	\$ 3,925	\$ 4,023	\$ 4,124
Highway and Safety Improvements.....	105,000	225,000	225,000	116,000	192,000	133,000	98,000
Expanded Highway and Bridge Program ..	165,000	0	0	0	0	0	0
Highway Capital Projects (EA)	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Highway Maintenance	780,000	872,426	860,000	885,000	835,000	830,000	830,000
Secondary Road - Maintenance and Resurfacing (EA).....	61,547	0	0	0	0	0	0
Reinvestment in Facilities.....	12,000	16,000	16,000	16,000	16,000	12,000	12,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND.....	\$ 1,374,829	\$ 1,364,906	\$ 1,352,700	\$ 1,268,830	\$ 1,294,925	\$ 1,227,023	\$ 1,192,124

Program: Local Highway and Bridge Assistance

Goal: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their approximately 78,000 miles of roadway and 6,400 bridges that are greater than twenty feet. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with the Metropolitan and Rural Transportation Planning Organizations.

A portion of the revenues from motor fuel taxes, certain Vehicle Code fines, and other sources are directed by law to municipal payments. The distribution of funds to the commonwealth's 2,562 municipalities is made in accordance with a statutory formula based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities. The department provides technical assistance to local governments and is responsible for assuring expenditures are made in accordance with the law.

The Highway, Railroad and Highway Bridge Capital Budget Act of 1982-1983 and subsequent amendments authorized improvements to both state and local bridges. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax and annual registration fees of commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds. For the local program, both municipalities and counties are eligible for grants on approximately 6,300 bridges greater than 20 feet long owned by these political subdivisions. Projects are selected by the Metropolitan and Rural

Planning Organizations and must be approved in the commonwealth's capital budget.

The Highway Transfer program was created to restore and turn back local service roads. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax receipts. At the onset of the program, approximately 12,000 miles of roads on the state-owned system were identified as candidates for return to local government control. This is a voluntary program in which the department pays to upgrade a road segment to acceptable standards, transfers ownership to the political subdivision and provides a \$4,000 per mile per year subsidy for future maintenance. Since the program's inception in 1983, approximately 4,700 miles of these roads have been returned to local government control.

There are three programs specifically directed toward county governments. The largest of these is funded from 4.17 percent of the additional Oil Company Franchise Tax from Act 89 of 2013, which replaced the 12 cent flat tax. About \$31 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program is funded from a share of the Oil Company Franchise Tax, to assist economically distressed counties in funding the local share of bridge improvement projects. A third program for maintenance and construction of county bridges specifies the distribution of the \$5 million annual appropriation be calculated based on the percentage of bridge deck area in each of the 67 counties compared to the total of all counties in the state.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Local Road Maintenance and Construction Payments		Municipal Traffic Signals
\$ 28,352	—increased transportation investment due to the passage of Act 89 of 2013.	\$ 15,000	—for traffic signal grant and synchronization program established by Act 89 of 2013.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 197,092	\$ 207,191	\$ 235,543	\$ 245,664	\$ 254,787	\$ 267,748	\$ 265,434
Supplemental Local Road Maintenance & Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Maintenance and Construction of County Bridges	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Traffic Signals	0	10,000	25,000	40,000	40,000	40,000	40,000
TOTAL MOTOR LICENSE FUND.....	\$ 237,092	\$ 257,191	\$ 300,543	\$ 325,664	\$ 334,787	\$ 347,748	\$ 345,434

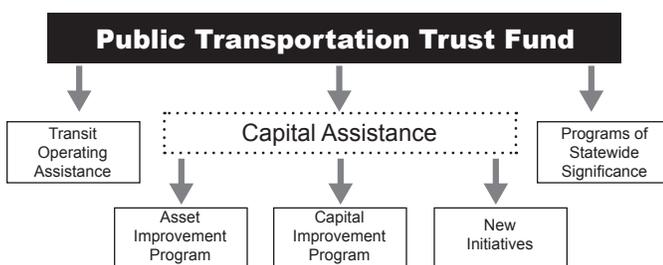
Program: Multimodal Transportation

Goal: To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

Multimodal Transportation provides support for the commonwealth's non-highway infrastructure that includes public transportation, aviation, bicycle, pedestrian, passenger and freight rail, and ports. Improvements and programs for non-highway transportation are funded through various sources.

The Multimodal Transportation Fund provides project funding either through competitive grants or restricted set asides. Revenues deposited into the Multimodal Transportation Fund include payments from the Pennsylvania Turnpike Commission, a portion of certain motor vehicle fees and penalties and, beginning in 2015-16, a portion of the Oil Company Franchise Tax.

The Public Transportation Trust Fund consists of five separate accounts which specifically funds public transportation services, programs and infrastructure. The Transit Operating Assistance account provides grants to service providers for transit operations. Three accounts authorize capital assistance: the Asset Improvement program through capital grants, the Alternative Energy Capital Investment program and New Initiatives for fixed guideway systems such as commuter rail or dedicated bus lanes. The Programs of Statewide Significance account supports a variety of programs including Rural Transportation for Persons with Disabilities, intercity bus and rail, Welfare to Work, technical assistance, demonstration projects and rail safety oversight.



Primary dedicated revenue sources for the Public Transportation Trust Fund are a 4.4 percent share of the state sales and use tax, payments from the Pennsylvania Turnpike Commission, transfers from the Lottery Fund, and the Public Transportation Assistance Fund, and certain motor vehicle fees, fines and surcharges. Transit agencies also receive additional state funds from Capital Facilities Fund bond proceeds. Urban systems receive federal funds directly from the Federal Transit Administration, while federal grants to rural service providers are administered by the department and are reflected in commonwealth budget totals.

Program Element: Public Transportation

Public transportation service within Pennsylvania is provided by 37 transit systems. Operating grants to these organizations are determined by a base allocation equal to the prior year subsidy and supplemental funding distributed on four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours. In order to be eligible for the full amount of state operating assistance, transit agencies eventually will be required to collect a local match equal to 15 percent of the state grant.

The Asset Improvement account provides public transportation capital funding to maintain and improve vehicles, communication equipment, technology and transit facilities. These funds require a local match equal to 3.33 percent of the state grant.

Through the Programs of Statewide Significance account the commonwealth supports affordable access to demographic groups whose mobility would otherwise be more limited. For instance, the Persons with Disabilities program provides discounted fares on shared ride services to individuals who do not have access to other publicly funded transportation. Philadelphia, with its extensive fixed route network and complementary paratransit service, is not eligible for this program. In 2013-14, individuals with disabilities scheduled close to 360,000 shared ride trips and paid only 15 percent of the fare. Intercity bus and rail passenger service and capital are also funded through Programs of Statewide Significance and are described below.

Program Element: Older Pennsylvanians Transit

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit and the Shared Ride programs. Both programs are funded from a portion of the revenues received from state lottery sales.

Pennsylvanians who are 65 years of age or older are eligible for free rides on participating local fixed route operations. Free service is now available during all operating hours. Proceeds from the Lottery Fund are transferred to the Public Transportation Trust Fund for distribution by the department to transit systems as part of their annual operating assistance grant.

The Shared Ride program for older Pennsylvanians enables senior citizens 65 years or older to use demand responsive service at a significant fare discount. The department grants lottery funds to shared-ride service providers who operate on a non-fixed route basis and allow senior citizens to ride at an 85 percent discount on the

Program: Multimodal Transportation (continued)

general public fare. Senior citizen riders pay 15 percent of the applicable fare for their respective trips. This program continues to be administered directly from the Lottery Fund, which reimburses shared-ride transit operators the remaining 85 percent of the shared-ride fare.

The Free Transit and Shared Ride programs recognize the limited availability of private transportation for older Pennsylvanians and their reliance upon public transportation. In 2013-14, fixed route transportation systems provided approximately 34.6 million trips at no charge to senior citizens and shared-ride operators provided 3.9 million trips at an 85 percent discount to senior citizens. These programs enhance the ability of older Pennsylvanians to remain connected with local services and community life.

Program Element: Intercity Transportation

This program element includes intercity bus service operated by private bus companies and intercity rail passenger service operated by the National Railroad Passenger Corporation (Amtrak).

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. In 2013-14, the commonwealth's subsidy resulted in more than 397,920 passengers on intercity bus services. As private operators propose termination of such services, the department evaluates the economic and social impacts of service termination and determines the merits of public subsidy. Federal funds also are used to support intercity bus operations and supplement the existing state-sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by Amtrak. The department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (The Keystone) and to sustain service between Harrisburg and Pittsburgh (The Pennsylvanian). This financial assistance helps to support 26 weekday trains and 14 weekend day trains on The Keystone, with 1.35 million passenger trips made through this service in 2013-14. The commonwealth supports The Pennsylvanian, to provide two one-way trips per day between Philadelphia and Pittsburgh, which transported 228,480 passengers in 2013-14.

Program Element: PennPORTS

Pennsylvania's ports provide a competitive advantage for the commonwealth in attracting and retaining business and a cost effective method of freight movement. Pennsylvania boasts a deepwater port in Philadelphia, a busy, sprawling inland port in Pittsburgh, and a Great Lakes port in Erie with access to the world through the St. Lawrence Seaway, as well as a number of privately-owned

and operated terminals throughout the commonwealth.

The Port of Philadelphia is one of the busiest along the Atlantic Coast. It handles more than one-quarter of the entire North Atlantic District's annual tonnage and it is the fourth largest port in the United States for the handling of imported goods. The Port of Pittsburgh moves more than 36 million tons of cargo annually along its three major waterways, the Allegheny, Monongahela and Ohio Rivers, making it the second largest inland port in the United States and the origin for more tons of raw materials than any other port in the world. Midway between New York and Chicago, the Port of Erie handles more than 500,000 tons of cargo and is within a 300 mile radius of one-third of the population of the United States, making it easy to reach major markets such as Detroit, New York, Chicago, Washington D.C. and parts of Canada.

The PennPORTS program was transferred to the department in 2013-14 and is funded through the Multimodal Transportation Fund. PennPORTS supports the operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia as well as strategic planning and policy development. The program also works with privately-owned and operated terminals engaged in waterborne commerce to increase jobs and cargo opportunities throughout the commonwealth. The funds are distributed among the ports based upon need demonstrated through a competitive application process. State funds aid in the development of port assets to facilitate the efficient, cost effective and environmentally sound movement of goods. These assets generate port and shipping-related jobs and assist Pennsylvania firms to better compete in the global marketplace.

Program Element: Rail Freight

Commonwealth involvement in rail freight began in the mid-1970's as a result of the bankruptcy of seven northeastern and midwestern railroad companies. Short line railroad corporations were formed to acquire and operate these lines so that businesses would continue to have access to low-cost, bulk commodity shipping. The department issues grants to these entities for acquisition, accelerated maintenance and new construction. Pennsylvania now has approximately 67 short line and regional railroad corporations, which is more than any other state.

To address the fact that many rail lines throughout the commonwealth were in a state of disrepair, two programs were initiated to assist railroad owners with infrastructure improvements. The Rail Freight Assistance Program is funded from the Multimodal Transportation Fund and the Transportation Assistance Program is funded from Capital Facilities Fund bond proceeds. Grants may be issued to private railroads, companies utilizing rail in their shipping process, and public authorities or municipalities that are

Program: Multimodal Transportation (continued)

conduits for rail activities. The Rail Freight Assistance Program and Rail Transportation Assistance Program have been used to improve track, make acquisitions and construct new rail facilities. The benefits from these programs include economic development (private investment and associated jobs), environmental quality (fuel efficiency with low emissions), less congestion on the highways (an alternate mode for goods movement), and land use opportunities (redevelopment of existing commercial sites).

Beginning in 2012, the department receives \$1 million annually from the Unconventional Gas Well Fund that is used to fund rail freight grants for projects related to or directly benefitting the commonwealth's Marcellus Shale gas drilling industry.

Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth, with 132 public use airports and heliports. These include 15 with scheduled passenger service, all of which are operated by local governments or authorities. In addition to facilitating the movement of people and goods, aviation facilities

bring substantial economic benefits to the commonwealth. According to a 2011 study, aviation contributes over \$23 billion of economic benefits to Pennsylvania annually and is responsible for over 304,000 jobs, representing \$9.2 billion in payrolls to Pennsylvania workers.

The department provides programs to improve the safety and effectiveness of the commonwealth's aviation network, including an airport inspection and licensing program. The department administers state and federal grant programs that are available for the commonwealth's public use airports. Taxes on jet fuel and aviation fuel sold in the commonwealth fund two state grant programs – the Airport Development program and the Real Estate Tax Rebate program. The Airport Development grant program is used for public use airports to meet safety, security, capacity, environmental and planning needs. The Real Estate Tax Rebate program allows for private and public-use airports to receive rebates on real estate taxes for land that is essential for airport public use. In addition, capital bond funds are available through the Aviation Transportation Assistance program for airports that have a public sector sponsor.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
PennPORTS - Philadelphia Regional Port Authority Debt Service
 \$ 2 —to continue current program.

LOTTERY FUND
 Older Pennsylvanians Shared Rides (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Rail Freight and Intermodal Coordination..	\$ 363	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PennPORTS-Philadelphia Regional Port Authority Debt Service	4,605	4,605	4,607	4,607	4,607	4,607	4,607
TOTAL GENERAL FUND	\$ 4,968	\$ 4,605	\$ 4,607	\$ 4,607	\$ 4,607	\$ 4,607	\$ 4,607
LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA)	\$ 80,975	\$ 85,975	\$ 85,975	\$ 85,975	\$ 85,975	\$ 85,975	\$ 85,975

Program: Multimodal Transportation (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PUBLIC TRANSPORTATION TRUST FUND:							
Mass Transit Operating (EA)	\$ 745,361	\$ 797,426	\$ 956,034	\$ 1,005,157	\$ 1,045,079	\$ 1,062,449	\$ 1,088,435
Asset Improvement (EA)	73,000	310,663	310,156	332,293	376,842	376,842	377,666
Capital Improvement (EA)	22,035	19,500	0	0	0	0	0
Programs of Statewide Significance (EA) ..	92,268	82,717	89,547	95,701	104,165	106,403	109,666
Transit Administration and Oversight (EA)	4,488	4,488	4,488	4,488	4,488	4,488	4,488
TOTAL PUBLIC TRANSPORTATION TRUST FUND	\$ 937,152	\$ 1,214,794	\$ 1,360,225	\$ 1,437,639	\$ 1,530,574	\$ 1,550,182	\$ 1,580,255
MULTIMODAL TRANSPORTATION FUND:							
Aviation Grants (EA)	\$ 4,378	\$ 6,000	\$ 6,360	\$ 6,360	\$ 6,742	\$ 6,742	\$ 7,147
Rail Freight Grants (EA)	7,005	10,000	10,600	10,600	11,236	11,236	11,910
Passenger Rail Grants (EA)	6,000	8,000	8,480	8,480	8,989	8,989	9,528
Ports and Waterways Grants (EA)	7,415	10,000	10,600	10,600	11,236	11,236	11,910
Bicycle and Pedestrian Facilities Grants (EA)	2,000	2,000	2,120	2,120	2,247	2,247	2,382
Statewide Programs Grants (EA)	0	20,000	40,000	40,000	40,000	40,000	40,000
Multimodal Administration and Oversight (EA)	1,000	2,200	2,100	2,100	2,200	2,200	2,300
Transfer to Commonwealth Financing Authority (EA)	0	40,008	57,750	57,740	61,350	61,350	58,823
TOTAL MULTIMODAL TRANSPORTATION FUND	\$ 27,798	\$ 98,208	\$ 138,010	\$ 138,000	\$ 144,000	\$ 144,000	\$ 144,000

Program: Driver and Vehicle Services

Goal: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Driver and Vehicle Services is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Pennsylvania has more than 11 million registered vehicles including individual automobiles, commercial vehicles, trailers and fleet vehicles, as well as fee-exempt vehicles owned by state and local governments and certain non-profit organizations. This total includes over 200,000 heavy trucks greater than 17,000 pounds and more than 205,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.9 million, including 435,000 commercial drivers. The Driver and Vehicle Services program oversees operator and vehicular licensing activities such as testing, inspections and revocations. The department also operates the Driver's License Examination program. Over 745,000 driving knowledge and skills tests were conducted in 2013-14 to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 300,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The Vehicle Safety Inspection program for the commonwealth's more than 11 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 7 million vehicles. In the remaining 42 counties not required to participate in the Vehicle Emissions Inspection program, the annual Vehicle Safety Inspection program incorporates a visual anti-tampering check for the presence of federally-required emission control components that were installed on the vehicle by the manufacturer.

Pennsylvania enforcement officials are responsible for the issuance of citations for Vehicle Code violations. Approximately 470,000 of the 1.4 million citations issued in 2013-14 resulted in the department having to take some action against a driver or vehicle record. In addition to assigning points for driver infractions, the department suspends or recalls driver's licenses for an accumulation of points. Commercial drivers may be sanctioned by having

their commercial driving privilege revoked for certain offenses. This program area also administers the Motor Voter program and the commonwealth's Organ Donor program.

The department processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This process, combined with the authority granted to enforcement officials to cite motorists who do not have insurance, can result in a revocation or suspension of vehicle registration, or payment of a \$500 civil penalty. A total of 116,000 vehicle suspensions were imposed during 2013-14 for insurance infractions.

The department currently has 97 offices statewide offering driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. In 2013-14, 2.3 million customers visited driver license centers and over 3.1 million customers came to get their pictures taken for their photo license and photo identification cards. The computerized online messenger program, which connects private businesses with the department, has been the cornerstone of the decentralization effort. There are currently 254 messenger sites, processing a million driver's license and motor vehicle transactions annually. Other efforts to improve service include more efficient linkage between the department and automobile dealers, leasing and rental agencies, and fleet owners for the immediate processing of registration and titling transactions. Customers can also process transactions on the department's Internet renewal system. During 2013-14, approximately 4.4 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

Beginning December 31, 2016, vehicle owners may elect to renew their vehicle registration for one or two years, and vehicle registration stickers will no longer be issued.

Program: Driver and Vehicle Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		MOTOR LICENSE FUND	
	Vehicle Sales Tax Collections		Driver and Vehicle Services
\$ 120	—to continue current program.	\$ 6,967	—to continue current program.
		4,201	—Initiative-enhanced driver and vehicle services.
	Voter Registration		
\$ 25	—to continue current program.	\$ 11,168	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections.....	\$ 904	\$ 904	\$ 1,024	\$ 1,060	\$ 1,086	\$ 1,113	\$ 1,141
Voter Registration.....	504	504	529	548	561	575	590
Photo ID Cards.....	6	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,414	\$ 1,408	\$ 1,553	\$ 1,608	\$ 1,647	\$ 1,688	\$ 1,731
MOTOR LICENSE FUND:							
Driver and Vehicle Services.....	\$ 125,071	\$ 135,380	\$ 146,548	\$ 153,492	\$ 155,193	\$ 156,517	\$ 159,889