

No. 1984-49

AN ACT

SB 1200

Amending the act of January 22, 1968 (P.L.42, No.8), entitled, as amended, "An act empowering and authorizing the Department of Transportation to establish and administer certain grant programs for the betterment of mass transportation systems and facilities throughout the Commonwealth; providing for State grants to transportation companies, municipalities, counties, or their instrumentalities and to agencies and instrumentalities of the Commonwealth for studies, research, demonstration programs, promotion programs, purchase of service projects, and capital improvement projects under certain conditions; authorizing grants by counties or municipalities in metropolitan areas to local transportation organizations, authorizing the creation of a transportation authority to function in each metropolitan area consisting of any county of the first class and all nearby counties within a radius of twenty miles of any such first class county, as a body corporate and politic for the purpose of establishing an integrated mass transportation system with all pertinent powers including, but not limited to, leasing, acquiring, owning, operating and maintaining a system for, or otherwise providing for, the transportation of persons, authorizing the borrowing of money and issuance of bonds therefor, conferring the right of eminent domain on the authority; altering the jurisdiction of the Public Utility Commission, authorizing the acceptance of grants from Federal, State and local governments, limiting actions against the authority and exempting it from taxation, authorizing counties and municipalities to enter into compacts for the financing of each authority and to make appropriations in accordance with such compacts, creating a citizen advisory committee, conferring exclusive jurisdiction upon certain courts with respect to matters relating to such authority, empowering each authority to function outside of the metropolitan area under certain terms and conditions," rewording definitions; increasing the level of loss reimbursement; and further providing for State appropriation for subsidies for local transportation organizations or companies.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The definitions of "average fare" and "linked passenger trips" in section 202 of the act of January 22, 1968 (P.L.42, No.8), known as the Pennsylvania Urban Mass Transportation Law, added July 10, 1980 (P.L.427, No.101), are amended to read:

Section 202. Definitions.—The following terms, whenever used or referred to in this article, shall have the following meanings, except in those instances where the context clearly indicates a different meaning:

"Average fare" shall be defined as total passenger revenue divided by the total **[linked passenger trips excluding trips by senior citizens participating in the free transit program for senior citizens.]** *number of fare-paying passengers. With regard to the calculation of average fare or base fare for the reimbursement of losses resulting from free service to senior citizens authorized by this act, the Department of Transportation shall not differentiate between services provided by any agency for any reason.*

* * *

["Linked passenger trips" shall mean and include transit trips taken by initially boarding (originating) patrons paying a full fare, any reduced fare or no fare (free fare) but shall not mean and shall exclude all transfer rides and all charter rides.]

* * *

Section 2. Sections 203(5)(i), (ii), (iii) and (v) and 204 of the act, added July 10, 1980 (P.L.427, No.101), are amended to read:

Section 203. Program Authorizations.—The department is hereby authorized, within the limitations hereinafter provided and is required where the provisions of section 204 apply:

* * *

(5) To make grants from the State Lottery Fund to transportation companies, county transportation systems and local transportation organizations to pay estimated transit losses resulting from providing:

(i) Free service or local common carrier mass transportation systems to persons sixty-five years or older when such passage is on fixed route public transportation services during nonpeak riding hours and on holidays and weekends. The losses resulting from granting service on mass transportation systems shall be reimbursable at **[seventy-five] one hundred** percent of such system's average *or base* fare, *whichever is greater*, multiplied by the number of trips made by senior citizens participating in such free transit program. **[Transit systems that currently receive a program reimbursement based upon a percentage of average fare greater than seventy-five percent shall receive their current amount of senior citizen program reimbursement until such time as the amount of reimbursement for these systems equals seventy-five percent of the average fare times the number of senior citizens trips: Provided, however, That reimbursement for the fiscal year 1980-1981 shall be calculated using the average fares as of January 1, 1980.] Notwithstanding the foregoing, the department shall, with the approval of the Governor's Office of the Budget, reimburse transportation companies or local transportation organizations for all or a portion of losses resulting from senior citizen transfer trips, incurred under the conditions of this subsection. In fiscal year 1983-1984, such reimbursement shall be sixty percent of the losses incurred resulting from senior citizens transfer trips. Reimbursement for such losses in fiscal year 1984-1985 shall be at least sixty percent of such losses and, in fiscal year 1985-1986 and thereafter, reimbursement shall be one hundred percent of such losses.**

(ii) Free or reduced fare on shared ride county transportation systems for persons sixty-five years *of age* or older:

(A) In case of free service on such county systems, the county shall be reimbursed at **[seventy-five] ninety** percent of the cost incurred or to be incurred in operating and maintaining such system, with the remainder of any such cost being paid by the county.

(B) In case of reduced fare services on such county systems, the county shall be reimbursed at the same rate and under the same conditions as provided in subparagraph (iii).

(iii) Reduced fare services on local common carrier mass transportation systems to persons sixty-five years of age or older when such passage is on shared ride public or contract transportation services during regular hours of operation. On shared public transportation, losses are reimbursable only if the elderly person pays 25¢ or **[twenty-five] ten** percent of the cost of the individual fare, whichever is greater.

(v) The department shall promulgate such rules and regulations as are necessary to carry out the purposes of this subparagraph. *The department, in consultation with the Public Utility Commission and the Department of Aging, shall establish reasonable per mile or trip fare limits for purposes of section 203(5)(ii) and (iii).* In accordance with section 2203-A(27) of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," no such regulation shall take effect until they are submitted to the Department of Aging for comment.

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Section 204. Annual Appropriation, Computation of Subsidy.—
 (a) The Commonwealth shall annually determine the level of appropriation for urban common carrier mass transportation assistance, using the standards contained in this section, to sufficiently fund and to make fully operative section 203(2)(iii) and (3).

(b) The General Assembly shall annually appropriate to the department for distribution an amount based upon the individual projected subsidies of the local transportation organizations or transportation companies participating in the program. Each local transportation organization and transportation company shall be entitled to receive a State subsidy of at least two-thirds but not more than three-quarters of its constrained deficit: Provided, however, That if amount of moneys actually appropriated by the General Assembly is greater or lesser than the lump sum appropriation request, the individual calculated grants shall be prorated among all recipients in accordance with the provisions of this article using a ratio determined by applying the actual lump sum appropriation to the lump sum appropriation request.

(c) The constrained deficit shall be an amount equal to eligible operating costs reduced by assumed revenues and Federal operating subsidies. For purposes of this subsection:

(1) Eligible operating costs for the budget year shall not exceed the prior year's operating costs for the same level of service increased by a percentage equal to the percentage increase in operating costs for all local transportation organizations and transportation companies for the most recently completed State fiscal year as compared to the fiscal year immediately preceding such year plus fifteen percent of such increase.

(2) (i) Assumed revenues shall be a percentage of eligible operating costs as determined by reference to the following table:

FISCAL YEAR	(A)	(B)	(C)
1980-81	48%	38%	
1981-82	48%	38%	
[1982-83	46%	36%	
1983-84	44%	34%	

1984-85	42%	32%]	
1983-84			
and thereafter	48%	46%	34%

(ii) Column (A) is to be used for local transportation organizations or transportation companies operating more than **[twenty] one thousand** transit vehicles in the peak period, **column (B) is to be used for transportation organizations and companies operating between twenty-one and nine hundred and ninety-nine vehicles in the peak period** and column **[(B)] (C)** is to be used for local transportation organizations or transportation companies operating twenty or fewer transit vehicles in the peak period.

(iii) In any case where a local transportation organization or transportation company increases or decreases the number of transit vehicles operating during the peak period so as to move **to or from [column (B) to column (A) or from column (A) to column (B)] column (A), (B) or (C)**, the department may make appropriate adjustments regarding assumed revenues during a reasonable period following such increase or decrease.

(3) Federal operating subsidies shall mean the total operating assistance funds in the budget year which the eligible grantee actually receives under the Federal Urban Mass Transportation Act of 1964, Public Law 88-365 (49 U.S.C. § 1601, et seq.) or any other Federal law.

(d) The basic subsidy for which each local transportation organization or transportation company shall be entitled shall be equal to sixty-six and two-thirds percent of its constrained deficit.

(e) Each local transportation organization or transportation company shall receive, in addition to the basic subsidy, an incentive grant subsidy of up to eight and one-third percent of its constrained deficit based upon a finding that the local transportation organization or transportation company for the most recently completed State fiscal year as compared to the fiscal year immediately preceding such year has met or exceeded the following performance factors. Each factor which a local transportation organization or transportation company meets shall result in an additional increase in State funding of its constrained deficit. The factors to be considered by the department in awarding incentive grant subsidies are as follows:

(1) **[A] No decrease [of no more than two percentage points]** in the system's revenue/cost ratio from the previous fiscal year.

(2) Higher ridership per vehicle hour in the system than in the previous fiscal year.

(3) Higher operating revenue per vehicle hour in the system than in previous fiscal year.

(4) Lower operating costs per vehicle hour in the system (adjusted for inflation) than in the previous fiscal year.

(f) Notwithstanding any other provision of this section, no local transportation organization or transportation company shall be entitled to receive an amount with respect to any fiscal year greater than seventy-five percent of its actual operating costs less actual revenues, **excluding excess revenues determined in accordance with subsection (g)**, and Federal subsidies for that fiscal year.

(g) *A local transportation organization or transportation company may utilize revenues which the department determines to be in excess of assumed revenues for any purpose in furtherance of urban common carrier mass transportation in its service areas except that such excess revenues may not be used to reduce local matching funds for any State operating grant. All excess revenues exceeding twelve percent of actual revenues shall be used to reduce operating deficits for grant determinations by the department. Expenses which are ineligible for reimbursement by the department under sections 203(2)(iii) and 204, including debt service, renewal and replacement and vehicle overhaul, may be funded by transportation companies or local transportation organizations through excess revenues.*

[(g)] (h) A local transportation organization or transportation company may at its option submit an application for project grants covering modes or operating subsidiaries on an individual basis or on a collective basis.

[(h) Recipients] (i) *Each recipient* of funds under this section shall submit to the department between August 15 and September 15 of each calendar year a proposed budget for the budget year beginning July 1 together with budget projections for four succeeding budget years. Budget proposals, based upon information submitted by individual recipients, shall appear as line items in the department's budget request, *subject to the provisions of subsection (b)*: Provided, however, That the department budget request for funds under this section shall be made as a lump sum appropriation request which shall be the total of such line items.

[(i)] (j) Local transportation organizations and transportation companies shall be prepared to appear individually before the appropriation committees of the Senate and the House of Representatives to justify budget requests.

Section 3. Section 406(c) of the act, added July 10, 1980 (P.L.427, No.101), is amended to read:

Section 406. Demand Response Entitlement Grants.—* * *

(c) Upon the termination of the fiscal year 1981-1982, no further grants shall be made directly to the counties under this paragraph: Provided, however, That no county receiving a fiscal year grant under this paragraph shall forfeit such grant or be denied subsequent fiscal year grants solely on the basis that the county has failed within either the fiscal year 1980-1981 or 1981-1982 to fully and completely implement its transit system for the elderly, it being the intent of the General Assembly to provide each county five years from the effective date of this act in which to phase in and make operational some type of transit system for the elderly. In the event that any county fails within such five years to provide some type of an operational transit system for the elderly, any unspent and unencumbered grant moneys made to the counties for the fiscal years 1980-1981 or 1981-1982 shall be returned through the Department of Transportation for deposit in the State Lottery Fund for use in the grant program provided in section 203(5) or for other senior citizens programs. *For the 1984-1985 fiscal year and every year thereafter, all counties except counties of the first and second class shall be*

entitled to grants from the State Lottery Fund for the purpose of replacing and/or upgrading equipment for reduced fare demand response service. The amount entitled to all counties and to be granted by the department shall not exceed \$2,300,000. The amount entitled to any county shall not be more than \$150,000 for each fiscal year. The department may require the counties to coordinate the acquisition of equipment through a Statewide purchase program should the department find such a program to be cost-efficient.

Section 4. No local transportation organization or transportation company receiving State funds under the provisions of the act to which this is an amendment shall receive a lesser amount for the fiscal year 1983-1984 than the amount which had been approved by the department on the effective date of this act.

Section 5. (a) Section 3 of this act shall take effect July 1, 1984.

(b) The amendments to section 203(5)(ii), (iii) and (v) shall take effect in 60 days.

(c) The remainder of this act shall take effect immediately and shall apply to the 1983-1984 fiscal year and to each fiscal year thereafter.

APPROVED—The 1st day of May, A. D. 1984.

DICK THORNBURGH