

SOUTHWESTERN PENNSYLVANIA COMMISSION

RESOLUTION NO. 4-05

A RESOLUTION OF THE SOUTHWESTERN PENNSYLVANIA COMMISSION ("SPC") to authorize the Federal Highway Administration to flex federal highway program funds to the Port Authority of Allegheny County and to recognize in the SPC 2005-2008 Transportation Improvement Program additional FY2005 and FY2006 federal and state funding.

WHEREAS, transit agencies throughout the Commonwealth and all of Southwestern Pennsylvania are facing a chronic fiscal crisis, where in this region the most immediate problem is an operating deficit for the Port Authority of Allegheny County estimated at \$25.3 million through June 30, 2005 with an additional operating deficit of around \$60 million from July 1, 2005 to December 31, 2006,

WHEREAS, FY2005 transit operating deficits of the region's other transit agencies (Class 3 and Class 4) were addressed in January 2005 by Governor Rendell by committing other federal and state funds. And, while the FY2006 Class 3 and Class 4 fiscal gaps have not been specifically identified, but are also expected to be substantial;

WHEREAS, Fayette County is additionally and exceptionally experiencing a unique and heretofore unaddressed transit funding need, having experienced a funding decrease of approximately \$130,000 per year when the County was reclassified for transit funding purposes from a rural area to an urban area based on population changes in the 2000 Census;

WHEREAS, the need for a long-term, predictable, dedicated source of funding has been recognized and a subject of continuing discussion by the Governor's Office and the State Legislature, but action at the state level on a solution in providing such funding for public transportation has not been forthcoming;

WHEREAS, as requested by Governor Rendell, the Southwestern Pennsylvania Commission has been asked to flex an additional \$25.3 million in federal highway funds in FY2005 to the Port Authority of Allegheny County to provide interim assistance through June 30th in meeting these funding needs. Pending this request, the Governor reached agreement with the Port Authority on February 28 to cancel scheduled fare increases and service reductions that were scheduled to be implemented on March 1 to balance the budget with undesired methods, Port Authority will assign the highway flex funds to transit capital preventive maintenance activities;

WHEREAS, this is the third in a series of requested highway fund transfer actions, SPC having approved two previous transfers to transit of previously programmed highway funds totaling \$13.5 million, but the remaining urgent fiscal need has not been otherwise addressed by action of the Commonwealth;

WHEREAS, the Governor has proposed to reserve an additional \$344 million from FY2006 federal highway program funds in a fourth action to address transit needs (Class 1, 2, 3 and 4) that may occur between July 1, 2005 and December 31, 2006. If a legislative solution for the transportation funding crisis is agreed to prior to the expenditure of these highway funds for transit, the money could be returned to the Commonwealth's highway program;

WHEREAS, the funding proposal includes an allocation of federal highway and bridge program funds for Southwestern Pennsylvania - \$128,847,000 in FY2005 and \$12,896,000 in FY2006. \$25.3 million in FY2005 is available to flex to the Port Authority, but the remainder is available for SPC assignment to highway and bridge projects and other projects eligible for surface transportation funding;

WHEREAS, Fayette County has requested transit assistance of \$130,000 in FY2005 and \$130,000 in FY2006 for the Fayette Area Coordinated Transit (FACT) as a result of the unique funding shortfall caused by changing from rural to urban transit funding programs;

WHEREAS, the Commission has stated in its previous "flex" actions and now repeats that the highway and bridge program funding cannot bear the continuing burden of filling the increasing fiscal gap for transit and at the same time adequately attend to the backlog of bridge and highway program needs as well, that the request to flex the highway funds can only be a last resort, and that approval of future flex requests will be even more uncertain to deliver – that this action is made possible only by the commitment of significant additional previously unallocated revenues made available for addressing highway program needs as well as transit needs;

WHEREAS, completion of this action made possible only through the use of fortuitous funds that will not be available again reaffirms the import, the urgency and immediacy of the overarching need to develop a sustainable, long term solution to the pressing transportation funding crisis in the Commonwealth through concerted action of the Governor and the General Assembly at the earliest possible date in order to avoid serious detrimental consequences to the transportation system;

WHEREAS, the Commission is committed to assisting in developing an adequate dedicated funding source for mass transit in an effort parallel to and in cooperation with the state effort;

WHEREAS, the proposed action conforms with SPC's TIP amendment policies and public involvement process, does not change TIP fiscal balance, does not affect any STIP project, or affect the region's air quality conformity determination;

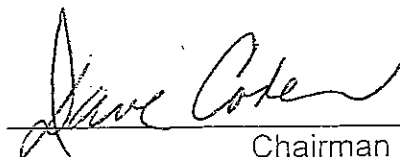
NOW, THEREFORE, BE IT RESOLVED that the Southwestern Pennsylvania Commission approves the Governor's request to authorize FHWA to flex \$25.3 million in federal highway program funds to the Port Authority of Allegheny County for transit capital preventive maintenance activities and recognizes the additional federal and state highway and bridge funding allocations to SPC in the 2005-2008 TIP (\$103,347,000 in FY2005 and \$12,896,000 in FY2006);

BE IT FURTHER RESOLVED that the Executive Director is authorized to work with PennDOT, the Federal Highway Administration and the Federal Transit Administration so that the category of funding meets federal flex requirements;

BE IT FURTHER RESOLVED that the Executive Director is authorized to work with PennDOT, the Federal Highway Administration and the Federal Transit Administration additionally to address the unique Fayette County funding issue resulting from its Census reclassification through a federal flex action using identified highway program funding or other state sources as may be arranged through PennDOT or in cooperation with the Port Authority;

IN TESTIMONY WHEREOF I hereto subscribe my name as Chairman of the SOUTHWESTERN PENNSYLVANIA COMMISSION: that the foregoing resolution was adopted, in accordance with the By-Laws, by the Members of said Commission at a meeting duly called and held on the 10<sup>th</sup> day of March 2005, a quorum being present and that said resolution is now in full force and effect.

IN TESTIMONY WHEREOF I hereto subscribe my name as Chairman.

  
Chairman