Lehigh Valley Planning Commission
Lehigh Valley Transportation Study

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Is the Pandemic Improving Our Transportation Future?

By this time next year, the deficit in the gas tax Pennsylvania uses to fund transportation projects could hit $800 million.

Now, multiply that by 50 states, add in the fact that the national infrastructure funding law expires in September and the picture of how the Lehigh Valley – or any other region – is going to maintain its transportation network isn't so clear, according to a panel of experts who participated in a June 24 LVPC Webinar on Transportation Funding.

Gas tax revenues are down, the pandemic continues and we're in the midst of a politically charged Presidential election, but panelists PennDOT Deputy Secretary for Planning Larry Shifflet, National Association of Regional Councils (NARC) Deputy Director Erich Zimmermann and LVPC Executive Director Becky Bradley all found reason for hope – sort of – during the more than hourlong webcast.

"The estimate was in the $750-$800 million range over say 18 months" Shifflet said. "A 30% [deficit] was the initial estimate, but it's still too early to call that a drop dead amount."

To put that in prospective, that's bigger than the Lehigh Valley's entire transportation investment of $452 million over the next four years. And if that money can't be replaced, likely by federal funding, it could mean more cuts to an already regionally, statewide and nationally austere road bridge and trails plan.

But that's where the glimmer of optimism comes in. Roughly 80% of all money spent on Lehigh Valley transportation projects comes from the U.S. Department of Transportation. The current funding bill, the $305 billion FAST Act, is set to expire September 30. If it runs out without a new bill, the money stops – and so will highway and bridge projects and the transit system.

However, last month, the U.S. House of Representative advanced the Investing in a New Vision for the Environment and Surface Transportation (INVEST) Act. The $494 billion bill would provide short-term and long-term money, last five years and provide a 100% funding match – rather than 80% -- in the first year, figuring that pandemic-ravaged states would not be able to handle their side of the matching money. It provides more money than the last bill, maybe even enough to restore projects that have been recently cut, and is structured in four distinct pieces designed to handle pandemic expense, fund projects, improve safety in the transport of hazardous materials and invest in rail.

And it was proposed during an election year when big spending bills are often put off until after they know who the President will be. Shifflet and Zimmermann agreed that the pandemic likely made lawmakers more willing to at least propose a bill in an election year. They even included some practical elements that will make it easier to keep funding flowing, even if the entire bill doesn't gain support.

"What they did was structure this in pieces so it could potentially be passed together, or separately, depending on what happens," Zimmermann said. "There is a lot of funding provided. It has a COVID recovery piece… and four additional years of new policy."

That's the good news. The bad news is, it doesn't have U.S. Senate support, and it doesn't address the formula that would be used to determine how much the Lehigh Valley, or any other region gets. The current funding formulas rely on 2009 numbers, and in some cases as far back as the 2000 Census. Such an outdated formula doesn't benefit a region like the Lehigh Valley that has been growing steadily every year. The bill does fund a study to update the formula.

In addition, the bill spends more money than is expected to be available in the Highway Trust Fund, which means Congress would have to be willing to raise or replace the gas tax – a 'non-starter' Zimmermann said – or fund some of it out of the General Fund budget, something Congress has been hesitant to do.

"Over 5 years, it would require $140 billion of transfers into the Highway Trust Fund," said Zimmermann, who Director of NARC's Transportation Policy Program. "That will be one of, if not the primary issue between whether we get a bill or not."

The pandemic has had some positive effects on transportation, Bradley, Zimmermann and Shifflet agreed. People are more willing to consider transportation alternatives like transit and mircomobility such as electric scooters or bikes, while the pandemic has elevated a national discussion to better fund transportation infrastructure.

"People are biking, they're walking and our trails and parks use is through the roof," Bradley said. "People aren't just going to stop getting outdoors. They're really enjoying it and they're going to want to focus on those things. Bringing all of the modes together is something we've got to work on, and I think we can make a better argument now than maybe we could have three months ago. We've got to make sure the federal legislation backs that up."

But will new federal funding arrive before it is cut off September 30?

"Probably not by September 30, but I do expect at least an extension of current funding and then they'll get a bill across the line that will have a robust increase in funding, even if it means transferring more money into the trust fund," Zimmermann said.

Shifflet was even more hopeful.

"I'm extremely hopeful that the dialogue continues and at the end of the day heads down the path that allows us to continue to plan for the future, based on known fact, rather than assumptions," Shifflet said. "We'll get there sooner than I would have guessed when we started this year."