



AMERICAN COUNCIL OF ENGINEERING COMPANIES  
*of Pennsylvania*

**TESTIMONY ON MOVING PENNSYLVANIA FORWARD BY INVESTING IN ROADS,  
BRIDGES, AND TRANSIT**

**Mark A. Markosky, P.E., President, ACEC/PA**

Good morning Chairman Neilson, Chairman Benninghoff and members of the House Transportation Committee. My name is Mark Markosky and I am the Senior Vice President of The Markosky Engineering Group, Inc., an engineering firm based in Ligonier, PA. with offices in York, PA, Charleston, WV and Steubenville, Ohio. We employ over 100 professionals within our Pennsylvania offices.

I am here today representing the American Council of Engineering Companies of Pennsylvania, or ACEC/PA. I am currently serving as the 2024-2025 President of the ACEC/PA board of directors. ACEC/PA represents 129 member consulting firms and affiliates, and the over 12,000 professionals employed by them. We offer industry representation, educational programs, and opportunities to showcase and enhance this crucial professional service.

For many of our members, Pennsylvania's transportation network is a vital focus of their business operations. We provide a myriad of consulting services to the Pennsylvania Department of Transportation, the Pennsylvania Turnpike Commission, transit agencies, and municipalities in every part of the state. Engineering design, design management, environmental consulting, archaeological and cultural resource evaluations, surveying, construction management, construction inspection, and bridge inspection are commonly provided by consulting engineering firms. We work in close partnership with the facility owners to deliver and maintain an efficient and safe transportation network.

Many of these owners rely heavily on engineering consultants for assistance on infrastructure projects. PennDOT, for example, contracts out approximately 74% of its annual design and inspection work to consultants.

As a result, funding for infrastructure projects provides high quality, stable and good paying jobs for thousands of highly educated Pennsylvania residents – and not only in the urban areas of the state. Infrastructure projects are everywhere, from urban streets and interchanges to two lane rural roads. Replacing a small bridge on a rural state-owned roadway often requires the expertise of land surveyors, environmental scientists, archaeologists, geotechnical engineers, traffic engineers, roadway engineers, bridge engineers, construction inspectors, and other specialized professionals. The opportunity to work on challenging and rewarding projects close to home is keeping many of our young professionals here, and luring some back home from major urban areas out of state to raise their families here.

In 2013, the Pennsylvania legislature approved Act 89, which introduced a massive overhaul of the Commonwealth's transportation funding network. Most notably, the measure eliminated the specified state retail oil and gas tax while simultaneously increasing and uncapping the millage rate on the Oil Company Franchise Tax. While this change added billions of dollars of additional revenue to the state's transportation coffers, it also modified a number of transportation policies, such as the creation of the Multimodal Transportation Fund and increased flexibility for municipalities to develop local projects.

While Act 89 provided a much-needed influx of resources into one of the nation's most aged infrastructure networks, it was not a funding panacea for our transportation systems. Rising costs of goods and services and a sharp increase in the number of repairs and replacements required over the past decade have significantly eroded the financial benefits of Act 89.

In 2021, Congress passed the Infrastructure Investment and Jobs Act (IIJA), which is providing much-needed funding for federal and state infrastructure projects nation-wide. IIJA provided \$350 billion in federal highway funding and \$108 billion in new transit funding, with roughly \$4 billion in highway funding being delivered to PennDOT. Out of necessity, critical maintenance and replacement of existing infrastructure and the effects of inflation have absorbed much of the available funding, reducing opportunities for new projects, expansions into growing areas, and improved transit services. As maintenance projects continue to be underway across the Commonwealth, IIJA is set to expire in the next federal fiscal year, leaving scant opportunity to leverage this landmark legislation for new growth or reinforced transportation systems.

While the past several years have taught us valuable lessons in financial management of governments – from dealing with a global pandemic to critically restricted supply chains – Pennsylvania, in part due to its divided government, has balanced the need for new growth and investment with fiscal conservatism. An excellent example of this is the current fiscal year budget: despite record investments in education and economic development, the commonwealth will still end FY 2024-2025 with a projected budget surplus in excess of \$10 billion.

There is arguably no better time than now to make committed investments in our own transportation network. Despite the recent financial investments at both the state and federal levels, our transportation network is still in need of upgrades that have been deferred for too long.

Recent proposals have offered historic investments in both transit systems and Pennsylvania's road and bridge network. Governor Shapiro proposed a \$283 million increase in public transit funding in his February 2024 budget address, which would amount to a 20% increase in the budgets of transit agencies. Every one of Pennsylvania's 67 counties benefits from increased transit funding and, while these systems continue to assist residents in every corner of the state, they all are experiencing increased need.

Transit systems are not immune from the rising costs of maintenance, which is almost completely prohibitive to new growth. Recent reports have estimated that the cost to extend a transit system by just one mile can range from \$11 million for a bus-rapid transit system to an overwhelming \$1 billion for a subway system. These costs provide significant challenges to systems that attempt to reach new growth or underserved areas.

Road and bridge systems face similar challenges. Not only are Pennsylvania's roads and bridges overwhelmed by the need for replacement and repair, but rising inflation has forced PennDOT and municipalities to prioritize only the most pressing needs. In Harrisburg, the Interstate 83 South bridge, which is already subject to weight restrictions, has an estimated price tag of more than \$1 billion for replacement. Thankfully, PennDOT was able to secure a competitive IJA grant from the Federal Highway Administration (FHWA) in the amount of \$500 million to help make this project a reality. Were it not for this grant, many other critical projects across the Commonwealth would have been delayed to ensure that 125,000 vehicles can cross this critical corridor safely every day.

A recent study by PennDOT's Engineering District 9-0, which spans from Huntingdon County to Somerset County, highlights the immense effect of inflation on transportation funding. The estimated annual funding allotment for District 9-0 in 2025 is roughly \$98.5 million, a figure that includes bridge repairs and replacement, highway repair and, and ongoing maintenance. Due to inflation, it would now take roughly \$111 million to deliver the projects originally envisioned for this allotment. This \$12.5 million cost increase represents a loss of 13% in spending power and will result in fewer vital projects being completed in District 9-0.

A recent funding proposal that has the support of ACEC/PA, the Keystone Transportation Funding Coalition, and PennDOT, known as the Bridge Infrastructure Safety and Economic Trust (BISECT) proposal, would cap the sales tax transfer to the general fund on sales of vehicles and allow for the collection of any revenues collected above that cap to go toward bond payments. Those bonds would be used exclusively by PennDOT to focus on improvements to rural roads and bridges, providing a vital companion funding source to the Governor's proposed transit investment. With an anticipated annual revenue of \$60 million, this program would allow PennDOT to secure bonded funding to realize roughly \$1 billion annually in transportation improvements.

ACEC/PA supports both the Governor's transit funding proposal and BISECT. Creative solutions will be required to ensure we can continue to make critical investments in transit and our road and bridge network. Our member firms can attest that these investments are valuable and necessary.

You have already worked hard to ensure that the Commonwealth is in a secure financial position for the near future, and now is the time to do the same for our infrastructure network. Nearly 13 million people depend on a reliable transportation network every day – whether it be by bus, or train, or truck, or plane. On behalf of ACEC/PA, I would urge you to consider making these investments while we are in a position to do so as a Commonwealth. With that, I thank you for your time and would be happy to answer any questions you may have.