

Introduction

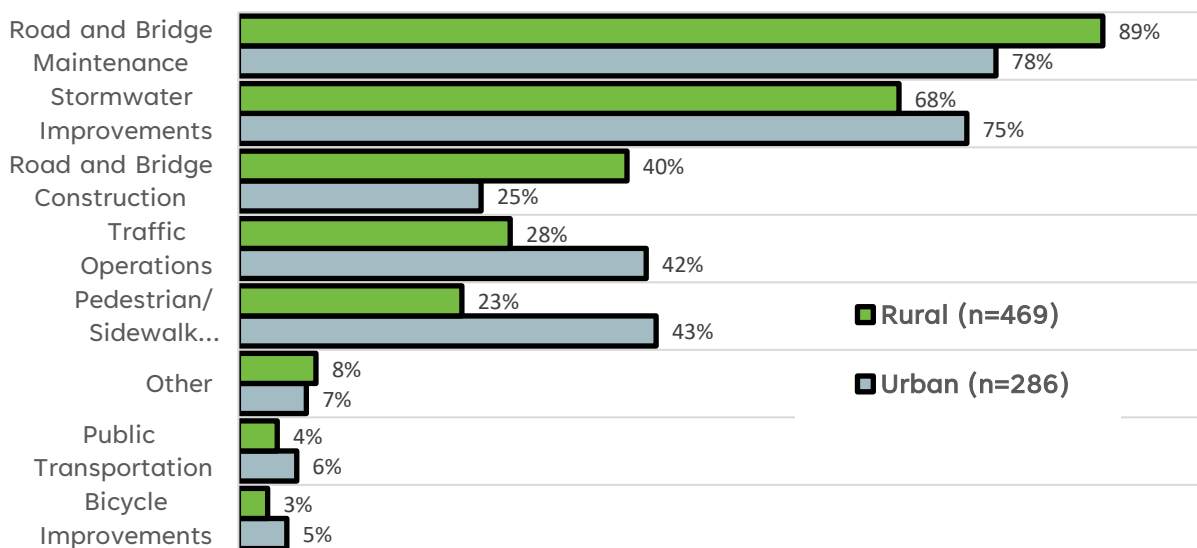
A recent survey of Pennsylvania municipalities found that rural municipalities are at a disadvantage when it comes to competing for state and federal transportation grants. Co-sponsored by the Transportation Advisory Committee and the Center for Rural Pennsylvania, the survey of 758 municipal officials found that: 1) rural municipalities are less likely to apply for transportation grants than urban municipalities, and 2) rural officials have more of a challenge in providing a local match for transportation grants than urban officials.

A majority of both rural and urban municipal officials said they need technical assistance in applying for transportation grants. The top two transportation funding needs of rural and urban municipalities are identical: road and bridge maintenance and stormwater improvement.

Transportation Funding Needs

More than 65 percent of rural and urban respondents identified the two needs, road and bridge maintenance and stormwater improvement, in their top three. Although, there was a difference for the top third need: rural officials identified road and bridge construction, while urban officials identified pedestrian/sidewalk improvements.

Figure 1: Top Three Rural and Urban Municipal Transportation Funding Needs



How Municipalities Fund Transportation Projects

Funding for municipal transportation projects can come from multiple sources. According to the survey results, both rural and urban municipalities used fewer than three funding sources for their last transportation project. Both rural and urban officials said their top two funding sources were Liquid Fuels allocation and municipal taxes and fees. Liquid Fuels are annual funding allocations

to municipalities from PennDOT based on population and miles of roads. The funds come from the state’s oil franchise tax (commonly known as the gas tax). Municipal taxes and fees include revenues and municipalities raise from local sources. Together, these two sources were used to pay for 54 percent of rural and 86 percent of urban transportation projects.

It should be noted that rural municipalities are less likely to receive competitive grant funding than urban municipalities. One of the indicators of whether a municipality received competitive grant funding is the number of full-time employees. Rural municipalities that use competitive grant funding have an average of 14.6 full-time employees, while those who do not, have an average of 3.5 full-time employees. There is a similar pattern among urban municipalities.

Figure 2: Sources of Rural and Urban Municipal Funding for Transportation Projects

	Rural (n=443)	Urban (n=275)
Liquid Fuels Allocation	96%	89%
Local Tax/Fees Revenue	56%	76%
Act 13 (Marcellus Shale Funds)	34%	7%
State Road Turnback Allocation	31%	20%
Other Federal or State Non-Transportation Funding	17%	26%
Competitive Transportation Grants	14%	28%
Other Sources	5%	5%

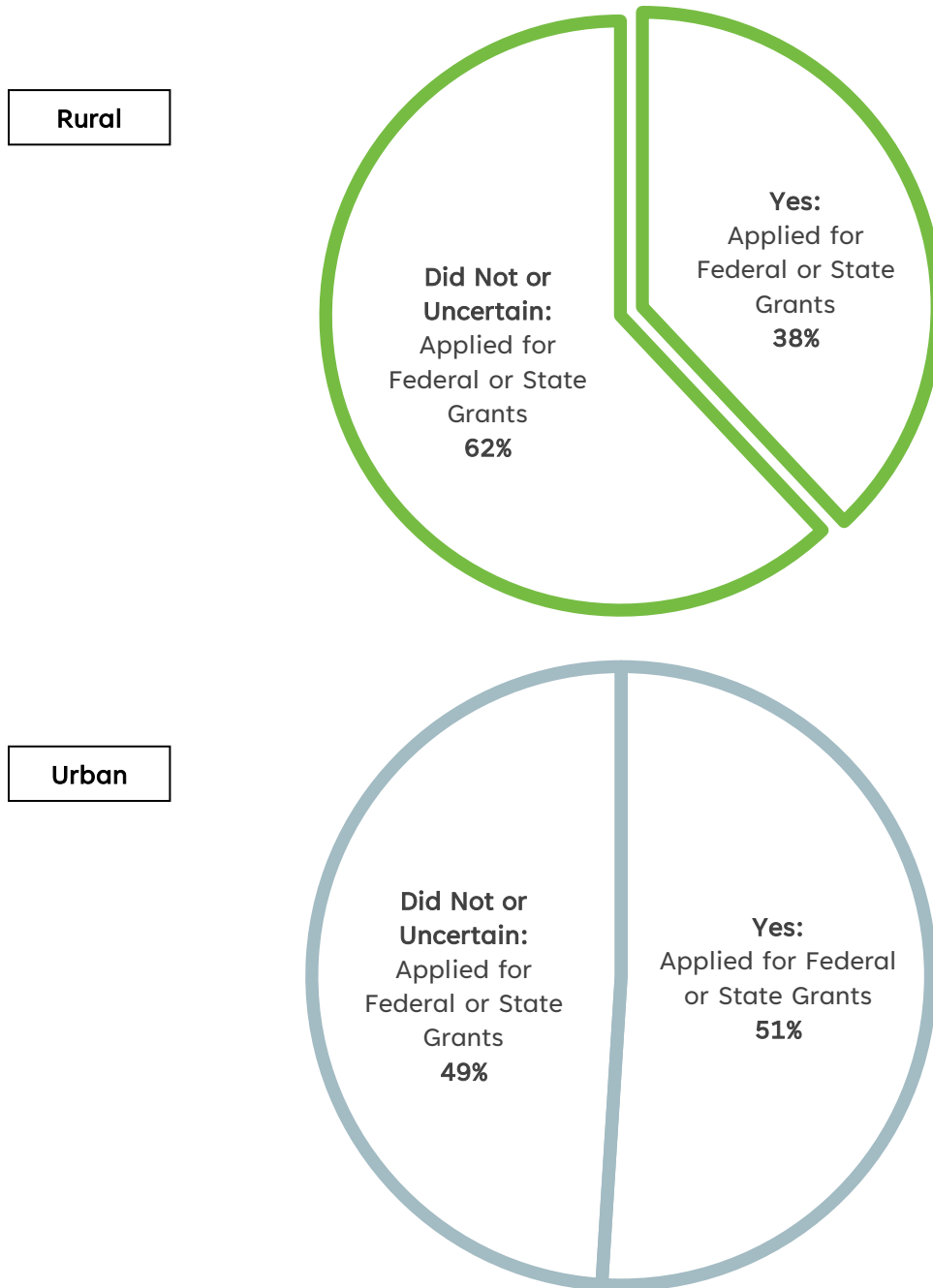
Other includes LERTA/Tax Increment Financing (TIF), Transportation Impact Fees, and County Local Use Fund (\$5 vehicle registration fee). Totals do not add up to 100 percent due to multiple data sources.

Applying for Federal or State Transportation Grants

Additionally, 38 percent of rural and 51 percent of urban respondents said their municipality had recently applied for federal or state transportation grants. Most rural respondents (62 percent) said that they did not apply or were unsure. Among urban respondents, 49 percent said that they did not apply or were unsure.

A key indicator on whether a municipality *applied* for a federal or state transportation grant was the number of full-time employees. Rural municipalities that applied for grants had an average of 8.1 full-time employees. Rural municipalities that did not apply or were unsure, had an average of 2.5 full-time employees. There was a similar pattern among urban municipalities: those who applied had an average of 29.6 full-time employees, while those who did not or were unsure had 10.8 full-time employees.

Figure 3: Rural and Urban Municipalities Who Recently Applied for Federal or State Grants



Factors Limiting or Preventing Municipalities from Applying for Federal and State Transportation Grants

According to survey results, the top two reasons that limit or prevent rural and urban municipalities from applying for federal and state transportation grants are: inability to fund the local match and limited staff capacity/expertise to complete applications.

Another factor identified by both rural and urban municipal officials was not knowing about the funding opportunities. Furthermore, 41 percent of rural officials and the same percentage of urban officials indicated that they did not know about funding opportunities.

Figure 4: Factors Limiting or Preventing Rural and Urban Municipalities from Applying for Federal and State Transportation Grants

	Rural (n=443)	Urban (n=275)
Inability to fund the local match	62%	48%
Limited staff capacity/expertise to complete applications	60%	56%
Other local priorities	43%	41%
Did not know about funding opportunity	41%	41%
Limited technical/technological capacity and/or experience to complete application	23%	15%
Timing or deadline constraints	20%	24%
Limited staff capacity/expertise to manage funding awards	17%	25%
Project too costly	12%	15%
Project was not ready	8%	20%
Other reasons	8%	12%
Do not need transportation grant funding	4%	5%
Legal barriers	2%	3%

Totals do not add up to 100 percent due to multiple responses.

Federal and State Transportation Grants Applied for Over the Past Five Years

The top two programs rural and urban municipalities applied for within the past five years were: 1) PennDOT Multimodal Transportation Fund (MTF), which provides financial assistance to municipalities and others to improve transportation assets that enhance communities, pedestrian safety, and transit revitalization, and 2) Commonwealth Financing Authority Multimodal Transportation Fund, which provides funds for municipalities and others to be used for the development, rehabilitation and enhancement of transportation assets to existing communities, streetscape, lighting, sidewalk enhancement, pedestrian safety, connectivity of transportation assets and transit-oriented development.

Both programs require a local funding match. Over 50 percent of rural municipalities and about 35 percent of urban municipalities said that they had problems providing a local match.

For the programs listed in Figure 5, rural municipalities applied for an average of 1.7 programs. Urban municipalities applied for an average of 2.4 programs.

Figure 5: Federal and State Transportation Grants Rural and Urban Municipalities Applied for in the Past Five Years

	Rural (n=166)	Urban (n=140)
PennDOT Multimodal Transportation Fund	51%	68%
Commonwealth Financing Authority (CFA) Multimodal Transportation Fund	27%	49%
Green Light Go	19%	48%
Automated Red-Light Enforcement	19%	38%
Transportation Alternatives Set-Aside Program (TASA)	8%	17%
County Local Use Fund (\$5 vehicle registration fee)	7%	7%
Discretionary (competitive) Federal Transportation Grants (e.g., ARC Local Access, Road Program, BIL/IIJA Grants)	8%	5%
Other	28%	12%

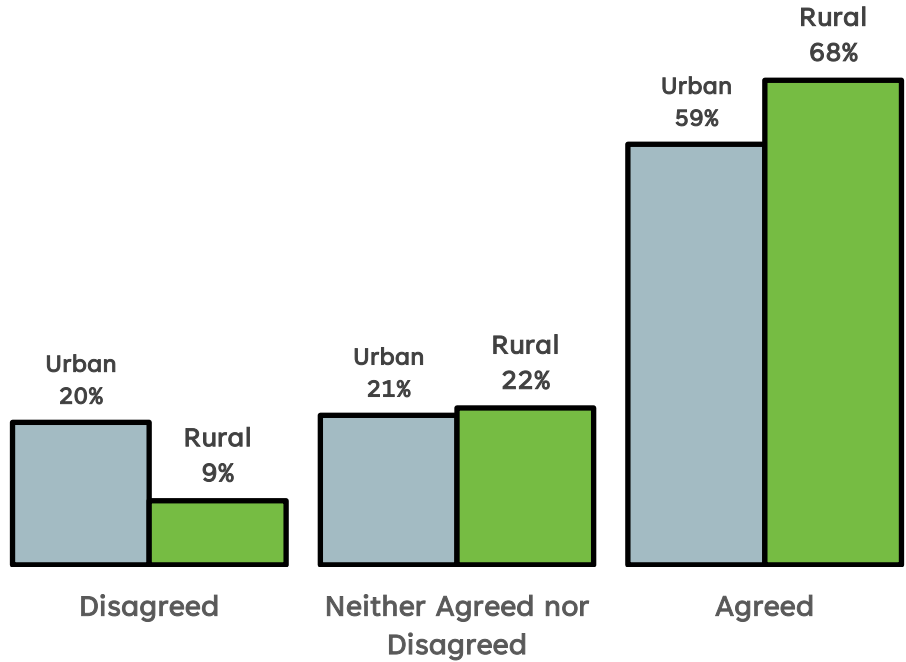
Other includes Dirt and Gravel Road Program, Community Development Block Grant Funds, Local Share Account (Gaming Funds) and other programs. Totals do not add up to 100 percent due to multiple responses.

Need for Technical Assistance and Challenges in Providing Local Match

The survey had two attitudinal questions. The first asked if the respondent’s municipality had challenges in providing local match for transportation grants. The second asked the municipalities if they needed technical assistance in applying for transportation grants. For both questions, respondents could rate their level of agreement or disagreement.

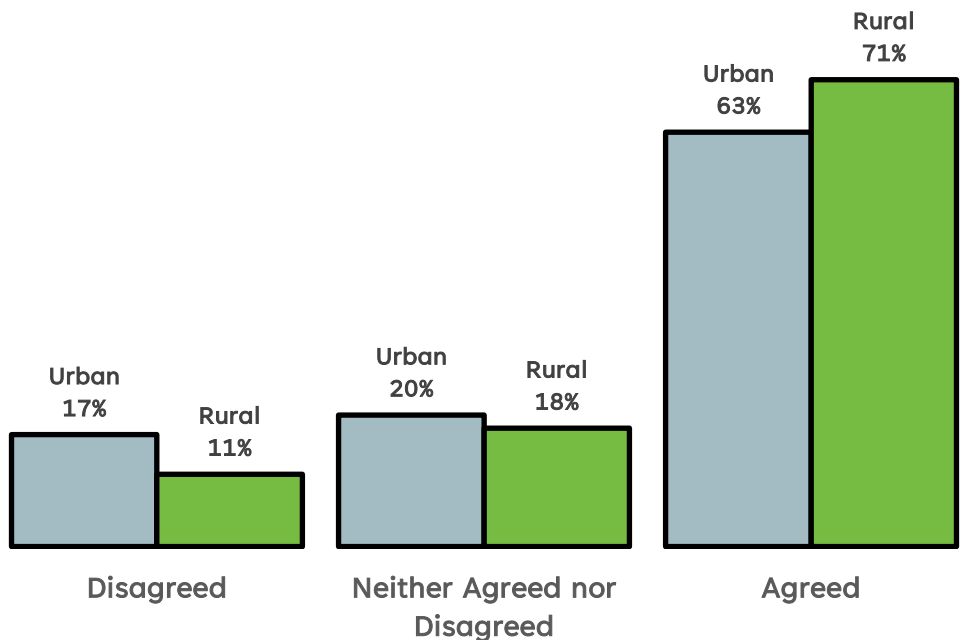
For the first question, 68 percent of rural respondents and 59 percent of urban respondents agreed or strongly agreed that providing the local match was a challenge. For the second question, 71 percent of rural and 63 percent of urban respondents agreed or strongly agreed that they needed technical assistance.

Figure 6: Rural and Urban Officials Who Agreed/Disagreed with the Statement: “My Municipality Has Challenges in Providing Local Match for Transportation Grants”



The two questions were then cross tabulated together: 59 percent of rural officials agreed or strongly agreed that they need both technical assistance and that meeting the local match was a challenge. Among urban officials: 45 percent officials agreed or strongly agreed that they need both technical assistance and that meeting the local match was a challenge.

Figure 7: Rural and Urban Officials Who Agreed/Disagreed with the Statement: “My Municipality Needs Technical Assistance in Applying for Transportation Grants”



Conclusions

Results of this survey suggest that there is a sizable number of rural and urban municipalities that have difficulty accessing federal and state transportation grants. These difficulties or challenges seem to fall into three broad categories:

- Not knowing about the grant programs.
- Difficulty filling out the grant application.
- Difficulties meeting the local financial match requirement.

One factor that was common to all municipalities with these challenges was municipal staffing. Municipalities (rural and urban) with fewer than four full-time staff had more challenges than those municipalities with more staff. Statewide, 51 percent of the state's 2,560 municipalities have fewer than 4 employees.

Hiring more municipal staff is not a financial option for most municipalities. Therefore, better methods of assisting municipalities may need to be explored.

Methods

At the request of the Pennsylvania Transportation Advisory Committee, the Center for Rural Pennsylvania conducted a joint survey with two objectives: 1) understand the ability of Pennsylvania's municipalities to apply for state and federal transportation grants, and 2) measure the ability of municipalities to meet the local funding match requirements.

The survey was electronically sent to the lead contact in 2,537 municipalities: 23 municipalities were purposely excluded from the survey. These municipalities were part of a separate study. The survey was conducted in July 2023.

In total, 758 surveys were returned, making the response rate 30 percent. The margin of error is +/- 3.1 percent. Except for Philadelphia County, responses were received from every Pennsylvania county.

The Center for Rural Pennsylvania analyzed the results from a rural/urban perspective. For this study, rural municipalities were defined as those located in a rural county. Similarly, urban municipalities are those located in an urban county. A rural county has a population density below the statewide rate of fewer than 291 persons per square mile. Urban counties have a population density at or above the statewide rate.

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