

Senate of Pennsylvania



August 15, 2025

Mr. Scott Sauer, General Manager
Southeastern Pennsylvania Transportation Authority
1234 Market Street,
Philadelphia, PA 19107

Dear Mr. Sauer:

The Senate passed an amended version of HB 257 (Neilson) to support a two-year, statewide solution for mass transit without dismantling General Fund programs and imposing new taxes on our constituents. This legislation would grant SEPTA approximately \$168 million in operating assistance in 2025-26 – the same amount as the governor's proposal – to avert your looming "death spiral" deadline.

We have seen your comments in the press alluding to more clarification needed on the Senate-passed plan. We understand you had questions regarding the legislation's additional authorization for operating program under 74 Pa.C.S. § 1506 (f), assuming these provisions were directing SEPTA to cut transit capital projects for your operating expenses. **This is not true.** As described to you and your staff that night, these provisions translate into investing \$162 million in 2025-26 and \$257 million in 2026-27 towards operating programs from underutilized taxpayer money in the Public Transportation Trust Fund (PTTF). While we collectively had conversations that night before, during, and after the vote, we wanted to continue our efforts to solve this critical issue.

The PTTF has a fund balance of \$2,421,822,448, which is public information on the State Treasurer's website. According to documents provided to Senate Republicans from the Shapiro Administration, there's only \$1.3 billion of planned spending over the next five years for transit capital expenditures. **There is nothing in H.B. 257 that diverts or repurposes the \$1.3 billion for planned, committed transit capital projects and the fund is expected to receive over \$2.5 billion in new revenue over the next 5 years.**

Page 2

August 15, 2025


Mr. Scott Sauer, General Manager

Southeastern Pennsylvania Transportation Authority

HB 257 transfers \$324 million in 2025-26 and \$514 million in 2026-27 from unencumbered surplus funds. Directing a portion of the surplus funds (\$1.1 billion) is an immediate solution to fund mass transit now. The Commonwealth's investment in SEPTA's operating and capital programs is significant, which is why we advocated to stabilize SEPTA – not cut it. The projected PTTF balance after funding all the capital projects and the HB 257 transfer at the end of 2029 will be almost \$2.9 billion.

We hope this clarification can ease your concerns and helps move this proposal in the right direction. We know that SEPTA is critical for our districts, Southeastern Pennsylvania, and the Commonwealth. As you know, we have worked in good faith to recognize the outstanding challenges SEPTA faces while our Commonwealth faces similar financial challenges.


Sincerely,



Senator Frank Farry
District 6



Senator Tracy Pennycuik
District 24



Senator Joe Picozzi
District 5