



**Testimony of
Bruce A. Van Note, Commissioner
Maine Department of Transportation**

In Support of LD 1002

“An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, Highway Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021”

**to the
Joint Standing Committee on Transportation**

March 26, 2019

[The following excerpts were taken from Mr. Van Note’s testimony that can be viewed here:](#)

Bonding. Although outside the traditional state budget process, bonding is a critical piece of MaineDOT funding. As can be seen in the Sources of Funds pie chart above, bonding represents fully 20% of MaineDOT funding, and is the linchpin of our capital program. Without it, dramatic cuts to MaineDOT programs would be necessary.

As one can see, General Obligation (G.O.) bonding serviced by the General Fund - shown as the yellow wedge above- is again assumed at \$100M per year, or \$200M for the biennium. Further, this budget authorizes a new \$75M GARVEE bond – shown as the orange wedge above. A GARVEE bond is a revenue bond repaid with future federal funds. As it is not a state debt, it does not require voter approval. The proposed GARVEE bond in this budget is \$25M higher than other recent biennial budgets (which authorized \$50M GARVEE bonds). This increased one-time level will be used to partially fund larger projects with a useful life of at least 15 years to free up state cash to provide the state match for a discretionary federal INFRA grant we were awarded for the I-395/Route 9 connector project.

This level of bonding has worked well for transportation in recent years as interest rates have remained low and other funding options have been elusive. However, if interest rates increase, or if policymakers see the need to invest in other capital areas, there is a substantial policy question regarding the sustainability of this bond funding component.



Maine’s \$25 million matching funds, for the I-395/Route 9 Connector’s INFRA grant, will come from a puffed-up GARVEE Bond that is paid for from FUTURE federal funds, which seems to be nothing more than a slight of hand; match the feds with federal funds which apparently do not exist today even though the INFRA grant does!?. If moving non-existent money is really that easy, seems they could just as easy move those funds to other unmet transportation needs.

4. Unmet Capital Funding Needs

After prioritization, goal setting, and defining acceptable customer service and treatment levels, MaineDOT has a duty as the professional stewards of our transportation system to quantify and communicate the scope of our funding challenge. The following charts do so at a summary level.

Highway & Bridge Capital Needs vs Anticipated Funding (millions of \$)				
Work Group	Annual Basic Need	Anticipated Annual Funding *	Annual \$ Shortfall	% Shortfall
Bridge Projects	\$160	\$120	-\$40	-25%
Pavement Preservation	\$97	\$95	-\$2	-2%
Light Capital Paving	\$27	\$25	-\$2	-7%
Highway Safety Program	\$21	\$17	-\$4	-19%
Large Culverts (5'-10')	\$12	\$8	-\$4	-34%
Regional Spot Improvements (RAMP)	\$8	\$4	-\$4	-51%
Traffic/Mobility/Capacity/ITS Improvements	\$33	\$13	-\$20	-61%
Highway Reconstruction/Rehab	\$91	\$63	-\$28	-31%
Partnership Programs	\$10	\$6	-\$4	-41%
Totals	\$459	\$351	-\$108	-23%

* Note Anticipated Funding includes assumptions for Less Predictable Funding:

- \$80M GF G.O. Bonding for Highways and Bridges
- \$25M in Federal Discretionary Grants (TIGER, BUILD, INFRA)
- \$10M in Federal August Redistribution
- \$3M in Highway Fund Year-End Receipts

Maine's Roads and bridges statistics per May 2019 TRIP Report:

Maine's bridges: 14% Poor/Structurally Deficient

55% Fair

31% good

Ranked #7 (worst) nationwide

\$40 million shortfall in budget per year in bridge program

Maine's roads: 22% Poor

21% Mediocre

15% Fair

43% good

Ranked #9 (worst) nationwide

• \$108 million shortfall per year in Highway and Bridge Program

<i>Multimodal Capital Needs vs Anticipated Funding (millions of \$)</i>		
Multimodal	Annual Need	Comments
Transit Buses	\$6	Bus Replacement, Current Backlog - \$6M
Rail Lines - Bridges	\$19	Active State Owned Lines (10 Yr)
Rail Lines - Other	\$5	IRAP & Crossings Included
Ports & Harbors	\$7	Includes BIG & SHIP
Ferry Capital	\$7	Ferry Boat Replacement Plan (5-10 Yr)
Aviation	\$32	Aviation Program need analysis not available
Total Need	\$75	
Annual Multimodal Anticipated Funding	\$56	Includes FAA \$30M, GF G.O. Bond \$20M, Multimodal State Capital \$2.1, FTA \$3.6M, Ferry Boat Program \$0.5M
Annual Shortfall	-\$19	

As can be seen above, even after extensive prioritization, we have a substantial unmet capital funding need. Other legitimate policy goals - like reducing our reliance on bonding – would make the situation even more challenging.

Mr. Van Note avowed: “As can be seen above, even after extensive prioritization, we have a substantial unmet capital funding need.”

\$19 million shortfall/per year in Multimodal needs + \$108 million shortfall/per year in Highway and Bridge program = a shortfall/per year of \$127 million!!

Well, Mr. Van Note, if there is indeed such an unmet need in the state of Maine, why are you so determined on spending \$79.25 million of our state’s limited transportation funds on such a controversial project as the I-395/Route 9 connector, that many do not want and did not even satisfy the project’s purpose and needs a decade ago in April 2009? Every November, the DOT cries “the sky is falling” to get the electorate to approve another transportation bond; seems hard to cry that you have no money to fix our deficient roads and bridges when you are all too ready to build new ones. Not one dollar should be expended on any new project until our roads and bridges are brought up to an acceptable condition. We should not be proud, and in fact should be embarrassed by our #6 worst bridges and #9 worst roads nationwide standings; we’re better than that...