

Transportation officials fear delay of state bonds jeopardizes entire highway repair program

Lawmakers have less than a month to get a \$105 million borrowing package on the November ballot or risk upending the state's highway repair program. [Click here to view online.](#)

BY [PETER MCGUIRE](#) STAFF WRITER | 8.14.2019



A Wyman and Simpson worker guides a pier into place to support the temporary bridge spanning the headwaters of Echo Lake in Mt. Vernon in June. The Richmond construction company is replacing the old bridge on Route 41 for the Maine Department of Transportation. The DOT is hoping \$105 million in bonds will get legislative backing before the end of the month so they can go on November ballots. If passed, the bonds would provide money for next year's transportation projects. *Kennebec Journal photo by Andy Molloy*

The state's top transportation official says next year's entire highway repair program is at risk if lawmakers don't return to Augusta in the next two weeks and vote to put a highway borrowing package on the November ballot.

"We normally bid out \$350 million for just our core highway and bridge program; if we don't get a bond, half of that could be gone," said Maine Transportation Commissioner Bruce Van Note in an interview Tuesday.

"This bond is mission-critical," Van Note added. "They have to do it this month or we are going to be in a world of hurt."

In June, Gov. Janet Mills proposed borrowing [\\$239 million](#) over two years for economic development, environment and transportation programs. That proposal included a \$105 million bond to fund work on highways, ports, rail and airports next year.

But lawmakers [failed to pass the bond package](#) before they adjourned in June, leaving state transportation planners and private contractors uncertain when, or if, the money will come through.

An Aug. 30 deadline to get bond language on the ballot looms and there's still no date to reconvene the Legislature. That's put transportation planners on edge as they start to prepare next year's work plan.

The transportation bond is the latest in five consecutive years of state borrowing to [shore up a chronically underfunded maintenance and repair program](#) for Maine's aging highways and bridges. The sale of state bonds is anticipated to fund 20 percent of the state's highway program next year and provide critical matches for federal funding.

"Is this really the best way to fund transportation programs?" Van Note said. "I get why people say 'why are we bonding all the time' – right now we appear to be overly reliant on it."

Mills is contemplating a special session to consider bonds near the end of August, but no firm date has been set, said spokeswoman Lindsay Crete.

"Gov. Mills is continuing to bring lawmakers together to pass a bond package that invests in our economy and addresses the most critical challenges facing our state," Crete said in an email. "Gov. Mills believes strongly in sending a bond package that tackles these challenges head on to the Maine people for consideration in November."

House Republicans support a vote on the transportation bond, but want to consider the rest of Mills' package when lawmakers reconvene in January, said House Minority Leader Kathleen Dillingham, R-Oxford, in an interview. The same conflict sank bond issues in the final hours of the legislative session. General obligation bonds need two-thirds support in both houses of the Legislature and a majority vote by state voters.

"We fully support the transportation bond, especially the piece of it specifically for the road infrastructure and bridges," Dillingham said.

Stakeholders on both side of the aisle believe lawmakers will eventually come back to settle the issue because the transportation funding question is too critical to ignore.

“We have to do something by the end of the month and I fully expect we will,” said Sen. Bill Diamond, D-Windham, Senate chairman of the Legislature’s Transportation Committee. “The crux of the matter is we need a transportation bond and both Republicans and Democrats agree to that.”

This is unfortunately a familiar situation, said Matt Marks, CEO of Associated General Contractors of Maine. The state’s reliance on annual bonding for highway funding makes it vulnerable to hiccups such as legislative delay and executive action. Bonds are also subject to voter approval, which has historically been overwhelming, but never guaranteed.

“What we put ourselves in is this ‘just in time’ thing which really doesn’t benefit the state or companies,” Marks said. “It is really just a lot of heartache all around.”

A conflict between former Gov. Paul LePage and Treasurer Terry Hayes in 2017 [held up the sale of transportation bonds](#) and the former governor [stalled on bond sales](#) again last year.

That means construction companies can’t be sure of state highway contracts, making it a gamble to line up equipment and labor. For the state, delays mean pushing bidding further into the season and into heavier competition with public and private work. That’s amid skyrocketing construction prices that forced the state to [cancel \\$59 million in highway projects](#) this year.

“We are so far behind, we are passing this stuff literally months before they have to go out to bid,” Marks said. “It is costing the state more to do it this way,” he added. “Why we decide to do this on an annual basis is beyond me.”

There is a consensus that Maine’s highway funding system needs serious reconsideration. Without bonding, the state would have an annual highway shortfall of about \$160 million. The last time the gas tax was raised – the highway fund’s primary financing method – was in 2011. Years of proposals for new funding, from fees [on electric vehicles](#), seasonal [gas taxes](#) or added fees and sales tax allotments, have gone nowhere.

A new bipartisan blue ribbon commission set up this year is expected to consider a full range of options to fund the highway program. It is supposed to submit a report and suggested legislation to the Legislature by early December.

-End of Article-

MaineDOT project update: “In consideration of the complexity of traffic management during [2B-2] construction, the decision was made to build the bridge on Rte 1A over the connector in a separate phase of the construction. This phase is set to advertise late 2019 with construction beginning in 2020. The remainder of the connector is scheduled to advertise late 2021 with construction to begin in 2022.” This \$11.9 million project was “scratched” in May as one of the eleven projects that the DOT was unable to fund; that bridge is the first phase of an overhyped, controversial and extremely expensive \$79.25 million project that many of us vehemently do not want and do not support; a project that does not satisfy original, established purpose and needs!!

“The Maine Department of Transportation has come to rely on about \$100 million in bonds each year to cover the cost of road and bridge maintenance and repairs.

Although borrowed money should generally not be used for repair projects that may not last as long as the interest payments, this remains a vital source of funding for MDOT.” BDN Editorial 6.22.2019

“Is this really the best way to fund transportation programs?” Van Note said. “I get why people say ‘why are we bonding all the time’ – right now we appear to be overly reliant on it.” DOT Commissioner 8.14.2019

The loss of this year’s transportation bond would finally force our legislators to face the real issue of future transportation funding to satisfy Maine’s unmet transportation needs. Bonding is not the answer — Mr. Van Note knows it — fix the roads and bridges we have now before building any new ones that we will not be able to maintain...