

Portland Press Herald

Maine scales back highway work – but not its price tag

MDOT's three-year construction plan costs \$2.6 billion, but accomplishes less than in past cycles. The top transportation official says 'the reliability of the system will suffer.'

BY [PETER MCGUIRE](#) STAFF WRITER | 1.14.2020 | [CLICK HERE TO VIEW ONLINE.](#)



Trucks travel north over the Interstate 295 overpass in Yarmouth Tuesday. The state's three-year highway construction plan costs \$2.6 billion, but includes fewer projects than in previous years. *Derek Davis/Staff Photographer*

Maine's newest multiyear highway construction plan turns a common maxim on its head – the state now plans to do less with more.

At \$2.6 billion, the budget for three-year Department of Transportation work plan is 13 percent higher than three years ago – thanks to new federal grants – but will accomplish less.

Officials say a chronic budget shortfall and [high construction prices](#) forced the department to reduce the number of expensive bridge projects planned for the coming three years and substitute durable restoration with short-term repairs on hundreds of miles of state roads. Last year, the department cut tens of millions of dollars in projects from its 2019 plan for roadway and bridge work as it struggled with bids from private contractors that came in far higher than expected.

The new plan largely consists of spreading what used to be two years' worth of capital projects over three years, Transportation Commissioner Bruce Van Note wrote in the plan introduction.

"The reality is we are now competently managing a slow decline of our transportation system until bipartisan funding solutions materialize," Van Note said at an Augusta news conference Tuesday. "The system will not fail immediately, and we will do our best to avoid any serious impacts, but holding actions only work for a short time, and **the reliability of the system will suffer.**"

The proposed work plan runs through 2022 and includes nearly 150 bridge projects and more than 170 miles of highway construction and rehabilitation. But the department also has increased the miles slated for light capital paving, also called "skinny mix," a thin layer of pavement to temporarily hold together broken roads.

Thin paving is planned for about 1,800 miles of state roads by 2022 – one-fifth of Maine's state highways – at a cost of \$76 million, but maintaining that production could be at risk without additional highway funding, the department said in its plan.

Some heavily traveled, top-priority roads aren't scheduled for even light paving. Instead, the department intends 170 highway safety and spot improvements – temporary patches – costing \$122 million.

"We're trying to keep good roads good and isolate the bad ones," said Andy Bickmore, director of the transportation department's results and information office.

Maine plans to reduce bridge work over the next three years, but 148 planned projects still will cost \$545 million, one-fifth of the entire spending proposal.

Those projects include an \$84.6 million replacement of the International Bridge in Madawaska, and replacements of highway bridges in Portland, Yarmouth and Falmouth.

Competitive federal grants partially pay for some of the bridges. Although that gives the state additional funding for expensive projects, it also means Maine has to match spending and follow grant rules, which means less flexibility in an already tight budget, Bickmore said.

National construction costs last year [hit the highest point](#) since the Great Recession, pushing the state's highway budget to the breaking point. The department canceled [more than \\$59 million](#) worth of road and bridge projects because construction bids were higher than – in some cases double – state estimates.

In Maine, a persistent labor shortage has caused construction prices to increase dramatically. About 80 percent of the members in the Associated General Contractors of Maine are hiring right now, said Matt Marks, the trade group's CEO.

"I think maybe we are at a new plateau; I don't see that changing," he said.

Competing work from the private sector and the Maine Turnpike Authority further constrains the state's small construction workforce, Marks said. Southern Maine is in the midst of a building boom, and multiyear projects already are underway to [widen Interstate 95](#) around Portland and build a [new tollbooth in York](#).

Transportation officials updated their cost estimates to avoid having to cut planned projects again this year, and they plan to work with contractors to reduce the asking price of bids. That may mean soliciting bids further in advance of projects and relaxing requirements, such as night work, that limit traffic disruption but increase costs.

Those changes are welcome, said Paul Koziell, President of CPM Constructors in Freeport, but the core of the problem is that Maine has, for years, underfunded its transportation infrastructure.

The state has a \$232 million annual shortfall between available funding and needed work, according to the department. That gap takes into account [borrowing \\$100 million annually](#) to cope with the issue.

Almost one-third of the highway budget is paid for by the state's highway fund, mostly through its 30 cents-per-gallon state gas tax. Federal highway aid accounts for one-quarter of spending, and borrowing through general obligation bonds makes up another 12 percent. Competitive grants and other sources make up the rest.

Maine politicians have debated new highway revenue sources for years without reaching a solution, a situation that shows they do not have the "political courage" to meet the challenge, Koziell said.

"There is plenty of energy to talk about this problem, but not enough energy to solve it," he said.

A blue ribbon commission on transportation funding established by lawmakers last year issued [a final report in December](#), but asked for an extension through the spring to come up with a bipartisan compromise for new highway funding.

In its findings, the commission said the state should try to fill at least \$160 million of the funding gap, and if it did, reduce its reliance on bonding.

Democrats on the commission have suggested new revenue sources including a gas tax increase, new fees and allocating revenue from the sale of automobile parts and accessories. Commission Republicans [oppose a gas tax increase](#) unless the state significantly curbs its use of annual borrowing.

Van Note, the transportation commissioner, said he is optimistic that bipartisan progress will be made on highway funding, despite the scale of the challenge.

"I'm absolutely convinced we need structural, transformative change" in how Maine funds its highways, he said. "This is a common network that needs common-sense solutions we can all agree on."