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POLITICS

Republicans fault Mills plan for lack of Maine transportation funding

A group of Republican lawmakers said they will present a plan next week to funnel as much as \$200 million a year from the state's general fund to the Department of Transportation for highway and bridge construction and repair.

BY **SCOTT THISTLE** STAFF WRITER | 2.06.2020

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AUGUSTA — Republican lawmakers criticized Gov. Janet Mills on Thursday for not dedicating more funding to transportation in her supplemental budget proposal.

They said they will announce their own transportation funding plan next week, including a proposal to channel as much as \$200 million a year from the state's general fund budget toward state highway and bridge construction and repair.

A big chunk of the funding under the Republican plan would be the redirection of about \$160 million a year in sales taxes collected on new and used vehicle sales. The money now goes to the state's general fund but would be allocated specifically to the state's highway fund.

The \$126.7 million supplemental budget proposal unveiled by Mills, a Democrat, channels \$10 million to the Maine Department of Transportation's highway fund. She noted that the cost of getting the state's roads back in good shape is closer to \$300 million a year.

Her budget proposal, which depends largely on surplus tax revenue, also recommends borrowing \$100 million for transportation with a bond issue

that would need two-thirds support of the Legislature and statewide voter approval. That would add to the state's overall debt.

"I was very disappointed when I saw the supplemental budget, out of \$126 million — only \$10 million for roads?" Sen. Brad Farrin, R-Norridgewock, said. Farrin said that figure came from the Mills' administration less than a year after DOT officials expressed concern that road repair and construction projects that were already planned were costing far more than anticipated.

Farrin is a member of a special bipartisan <u>Blue Ribbon Commission</u> to Study and Recommend Funding Solutions for the State's Transportation System that was created last summer. He said the commission has considered all funding options, including an increase to the state's 30-cents-per-gallon gas tax. That ideas has been anathema to conservative lawmakers in his own caucus and to some Democrats as well.

Lawmakers also expressed concern that Mills made her proposal on highway funding before the commission had offered its final recommendations.

Farrin said he believes solving the problem of underfunded roads requires using more surplus revenue, a gas tax and directing more general fund money to DOT. "Kind of three legs of the stool," he said. "And the governor, in my opinion, has pulled out one of the legs of that stool."

Others on the commission, including Sen. Bill Diamond, D-Windham, said they understand the frustration of their colleagues, but they also note that Mills is the first governor in recent history to propose using any general fund money at all for highway construction. Diamond said he believed lawmakers would have the opportunity to possibly increase the \$10 million offered by Mills in her supplemental budget, calling the governor's proposal an "opening bid of sorts."

Maine's \$675 million annual highway budget is roughly \$232 million lower than it should be to meet the backlog of maintenance, repair and replacement projects, according to MDOT. That shortfall has persisted over

time, despite a recent practice of <u>offsetting it with a yearly \$100 million</u> <u>bond package</u>.

Assistant Senate Minority Leader Jeff Timberlake, R-Turner, said he believes the state has the revenue needed to fix and maintain its roads without going deeper into debt. Timberlake, a member of the Legislature's budget-writing Appropriations and Financial Affairs Committee, said the state already spends between \$50 and \$54 million a year on debt service for bonding bills previously approved by voters.

"If we take and restructure the budget, and take the sales tax from automobiles, we could basically stop the borrowing that we are doing for the roads every year," Timberlake said. "It's time we get our house in order and we cut back on the borrowing."

Lindsay Crete, the press secretary for Mills, said Thursday the governor had made clear her commitment to finding a viable funding solution for roads and bridges, including accepting the idea that some general fund revenues should be directed towards that effort.

Crete also noted former Republican Gov. Paul LePage, and a Legislature controlled by Republicans in 2011, voted to decouple the state's gas tax from the consumer price index. Analysts have estimated that shift costs the state's highway fund as much as \$5 million a year, or about \$40 million since it took effect in 2012.

"The Governor is serious about fixing the roads, and, as she said in her State of the State, partisan posturing won't get it done," Crete said in an email message to the Press Herald Thursday. "If Republicans want a sustainable funding solution, then they should stop holding press conferences and do the hard work of negotiating with their Democratic counterparts on the Blue Ribbon Commission. She looks forward to hearing their recommendations."