

Testimony of Maria Fuentes
Maine Better Transportation Association
Joint Standing Committee on Appropriations and Joint Standing Committee on
Transportation

in Support of LD 258:

“An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2023, June 30, 2024 and June 30, 2025”

March 2, 2023

Senator Rotundo and Senator Chipman, Representative Sachs and Representative Williams, members of both the Appropriations and Financial Affairs Committee and the Transportation Committee: My name is Maria Fuentes, a resident of Hallowell, and executive director of the Maine Better Transportation Association (MBTA). MBTA is testifying today in support of LD 258, the General Fund Budget.

For many years, MaineDOT has struggled to fund its capital program, due mainly to the fact that the Highway Fund’s (HF) major source of funding – the fuel tax – has remained flat while prices in every sector have escalated. This is in stark contrast to the General Fund (GF) which has experienced considerable growth. To address this, the Governor and the Maine Legislature have continued to use General Fund monies to bolster the Highway Fund, whether in the form of GF bonds for transportation projects, transfers from the GF to the HF, or other means. MBTA is grateful that policymakers have recognized the importance of transportation investments by continually helping fund HF needs. Having the GF pay for transportation bonds began in the King Administration and has followed in every administration since. The current administration has expanded past efforts and presented budgets with even more GF support, which the Legislature has accepted. Again, MBTA is grateful for this, and we support the contributions proposed in this budget through Part RRR, and the piece of Part SSS that helps pay off the remaining principal for existing TransCap bonds.

There is great hope for increased funding for states through the federal Bipartisan Infrastructure Law (BIL). Because of Maine’s Congressional delegation, led by Senator Susan Collins who chairs an Appropriations Committee, and their partnership with MaineDOT and municipalities, our state has been staggeringly successful in securing competitive grants from the USDOT and through Congressionally Directed Spending (CDS), which we used to call earmarks. While the formula funding - or annual money the federal government provides to the states - in the federal bill didn’t increase as much as we would have liked, there is great potential in securing more grants, which require state matching dollars. We have met with MaineDOT and know they are in the tough position of having to “guesstimate” how much they are going to need in matching funds for grants that haven’t even been applied for, much less awarded. Given Maine’s historic success in securing grants, we are concerned that the state may be leaving potential federal dollars on the table by not having enough match money to draw down federal grant money.

The transportation funding challenge has been around for many years. The 129th Maine Legislature created a Blue-Ribbon Commission to study transportation funding options. They met over the course of more than a year, heard many presentations and had many discussions. At the end, they agreed that the shortfall was - at that time - \$232 million per year, but that was assuming a \$100 million bond every year. They also agreed that the shortfall should be filled with a combination of funding from the GF, along with new revenues. The budget before you includes transfers of \$200 million which is significant and is obviously real money. The Governor has showed strong leadership through her budget, and we hope that the Legislature will expand on these efforts.

Given the fact that costs have continued to increase, as they have for all goods, and that there is potential for significant grant funds, we hope the Committees will consider increasing the contribution of the General Fund, depending on what the Revenue Forecasting Commission finds in their next projection. Over many years, MaineDOT has been forced to reclassify their roads so that many miles will never get more than a light skim to prevent them from falling apart; in fact Light Capital Paving – or skinny mix – is now the core of their program. This means that safety projects such as rehabs and reconstruction have dwindled significantly in terms of the number of miles that should be completed to keep our road system at a more optimal level. Fortunately, MaineDOT ranks highly on national studies related to how DOT's are spending their money so we know they do a lot with the little they have. We believe, however, that more needs to be done.

Thank you for the opportunity to support the Budget bill and thank you each for your service to the people of the State of Maine.