



AGC MAINE

THE CONSTRUCTION ASSOCIATION

Testimony of Matthew Marks in Support of LD 367

“An Act to Authorize General Fund Bond Issues to Improve Highways, Bridges and Nonhighway Modes of Transportation”

Joint Standing Committee on Appropriations and Financial Affairs

April 27, 2023

Senator Rotundo, Representative Sachs, and distinguished members of the Joint Standing Committee Appropriations and Financial Affairs my name is Matthew Marks, I am a Principal at Cornerstone Government Affairs, and here today to speak on behalf of my client The Associated General Contractors of Maine. AGC Maine is a statewide commercial construction trade association and a Chapter of AGC America.

Spring in Maine signals that summer is around the corner, but also evidence of winter damage to our transportation infrastructure as construction cones blossom around the state on our roads and bridges. I’ve been working in various capacities with AGC Maine for fifteen years and in every legislative session we’ve been faced with a growing backlog of transportation needs and funding challenges. Hundreds of hearings, and studies including the 2020 Blue Ribbon Commission, all resulted in creative solutions by the Legislature and implementation by the Department. Many of you know the Blue-Ribbon Commission reported in finding #1 “Assuming an annual \$100 million general obligation bond package, the current unmet annual transportation funding need in Maine is approximately \$232 million.

The Department under Commissioner Van Note’s leadership has continued to leverage federal funding opportunities through grants and other programs to enhance the annual work plan. The three-year plan, 2023-2025, contains 2,599 individual work items with a total value of \$3.94 billion. The Federal Bipartisan Infrastructure Law may result in a 30% increase in the funding formula for our state but requires continued Maine legislative support of 25% of that amount in matching funds. It’s critical we continue to work to close our funding gap.

During budget hearings, you heard from the Commissioner in response to Committee questions on the impact inflation continues to have on the construction market. In Maine, we were fortunate the Department and the Governor allowed the industry to continue working during Covid and even accelerate projects making the best use of lower traffic counts to address our highway infrastructure. This decision also helped Maine’s construction industry continue our growth of skilled workers and today we are ranked 19th in the country, adding 1,600 workers since 2020, while New Hampshire ranks 29th and Massachusetts is 24th.

Shortly thereafter the industry saw the steepest spike materials and operation costs in 50 years. In 2022, the US Census Bureau reported a 17.5% year-over-year increase from 2020 to 2021. During budget hearings this year I presented the Committee with the AGC America inflation report with details on the individual product increases including diesel, steel, asphalt, and concrete. While full reports on

the cause have not been fully evaluated, many citations are clear that the global impacts of our supply chain and labor shortages across markets were primary drivers of the inflation.

TRIP, a national transportation research nonprofit released in October 2022 a report titled "Rural Connections: Examining the Safety, Connectivity, Condition and Funding Needs of America's Rural Roads & Bridges." 20% of Maine's rural road pavement was listed in poor condition and 15% of rural bridges are poor or structurally deficient. Statewide a 2021 TRIP report stated 325 bridges are listed as structurally deficient, a staggering 6th highest rate in the country. In that same report, it was estimated that the annual cost for motorists for vehicle repairs, congestion, and safety totals \$1.3 billion annually. It pains me to report these statistics, I know the Commissioner and his Department are putting the available dollars to the best use, and the members of the Legislature continue to work on permanent funding solutions, and the construction industry appreciates that continued support. A fully funded work plan allows companies to continue investing in equipment and building their skilled workforce.

I appreciate the time today to speak on behalf of this bond and am thankful for the bill's sponsor Senator Farrin and members of this Committee for their ongoing work. As the busy construction season has kicked off, we recognize first-hand the value our transportation infrastructure means to our economy and the safety of our citizens. Thank you for your time, consideration, and continued work, I am happy to answer any questions.