

Testimony in Support of LD 367, An Act to Authorize General Fund Bond Issues to Improve Highways, Bridges and Nonhighway Modes of Transportation”

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James Myall, Economic Policy Analyst

Dear Senator Rotundo, Representative Sachs, and Members of the Joint Standing Committee on Appropriations and Financial Affairs. I am writing on behalf of the Maine Center for Economic Policy to testify in support of LD 367, “An Act to Authorize General Fund Bond Issues to Improve Highways, Bridges and Nonhighway Modes of Transportation.” Even with recent increases in interest rates, bonding remains the best way to pay for investments in our state’s transportation network – investments that are important for our continued economic growth.

MECEP’s support for LD 367 is rooted in the belief that spending on highways and other transportation infrastructure represents an investment in our future prosperity, and therefore it is appropriate to pay for this spending over time. Bonding for these expenses allows us to pave roads and build bridges today, while asking tomorrow’s road users to pay for the repairs from which they are benefitting. And because spending on highways and other infrastructure supports economic growth, the state is effectively repaying the expense with the tax revenue generated by that growth.

Currently, the Governor’s proposed biennial budget includes transferring \$200 million of general fund revenues to the highway fund.¹ MECEP believes this is a poor use of those funds. Issuing a bond for that spending would allow the \$100 million to be allocated to the ongoing needs of Maine people, of which there are many – housing, health care, and childcare, to name a few.

Maine voters have consistently recognized the appropriateness of bonding for transportation expenses by approving such issues at the ballot almost every time they are presented. We believe they will do so again, if given the opportunity this year.

Thank you for the opportunity to offer testimony. If you have any questions I’m available at jmyall@mecep.org

Notes

¹ See Part RRR. <https://www.maine.gov/budget/sites/maine.gov.budget/files/inline-files/Final%20GF%20Language%202024-2025%20Biennial%201-11-23%20v2.pdf>

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