

Stacy Brenner Senator, District 30

THE MAINE SENATE 132nd Legislature

3 State House Station Augusta, Maine 04333

Testimony of Senator Stacy Brenner presenting LD 1292, "An Act To Codify The Maine Turnpike Authority's Contributions to The Highway Fund With Regard to The Sensible Transportation Policy Act"

Before the Joint Standing Committee on Transportation

April 8, 2025

Senator Nangle, Representative Crafts, and Honorable Members of the Joint Standing Committee on Transportation. My name is Stacy Brenner, I live in Scarborough, and I represent all of Gorham and most of Scarborough in the State Senate. I am here with you to introduce LD 1292, "An Act To Codify The Maine Turnpike Authority's Contributions To The Highway Fund With Regard To The Sensible Transportation Policy Act."

This is a timely bill to address multiple challenges of our state budget in a trying time. This action has precedent both in our own state and others and is prudent based on the conditions of this moment. As many of you are well aware, Maine's transportation infrastructure is facing significant funding challenges. Our roads, bridges and highways are vital to economic vitality, public safety and the everyday lives of Mainers. Our Highway Fund has been under increasing pressure as traditional funding sources like the gas tax have failed to keep pace with inflation and changing transportation trends.

LD 1292 would transfer those reserves of the Maine Turnpike Authority not needed for operations, maintenance and debt service to the state Highway Fund for allocation by the Maine DOT and this committee to the highest-priority transportation needs of the whole state. Our best estimate is that this bill, if passed, would transfer \$125 million immediately, and an additional \$80 million over the upcoming biennial budget period. Combined with what's already reserved, the total of approximately \$200 million to be contributed is about % of our projected Highway Fund deficit over the next two years.

Much of this reserve has been amassed as a down payment for the massive Gorham Connector project, as the legislature only authorized \$150 million in new debt to finance that project. But in the years since it was conceived, the price has more than doubled and the MTA has admitted it would not be self-financing, and thus would be subsidized by all users of I-95. Without legislative action, the MTA could spend these reserves on its own expansion projects—many of which are questionable in terms of necessity and return on public investment.

In recent years and for well into the future, the MTA has or will count the rebuilding of its previously removed exit to Route 112 in Saco, widening in the Portland area, as well as all the land purchases, studies, and design work for the Gorham Connector, as its contributions to the Maine DOT which satisfy the 5% statutory requirement.

After paying operating expenses, debt service and maintaining the current Turnpike, the MTA generates an operating surplus of \$40 million per year. The MTA staff recommend various projects to invest in the Turnpike to consume that surplus, which is approved by the unpaid board and this



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legislature. There is no process to determine whether the surplus of the Authority is being put to its best-possible use for the State and its transportation needs. Neither has the MTA reduced or eliminated tolls when its operating surplus is not needed to operate the existing Turnpike.

While the DOT Commissioner claims it does not have the funds to maintain the roads we already have, the MTA continues to advance plans to expand or widen its Turnpike assets without consideration for the costs those decisions incur for the rest of the state, municipalities, or toll payers. After the \$331 million Gorham Connector, the Turnpike Authority's next big-ticket expense is the widening of the Turnpike to six lanes for four additional miles, from Portland's Exit 48 to the Falmouth Spur, Exit 52. This is despite the fact that traffic is never congested on this stretch of I-95. In fact, traffic counts are 50% higher on the 4-lane stretch of the state-owned I-295 from Portland to Yarmouth.

Experts in other fields have identified the flawed analysis that results in unnecessary highway capacity expansion. A report by Transportation for America found that from 1993-2017, while American metro area populations grew by 32%, those areas expanded highway capacity by 42%, while traffic delays increased a staggering 144%. A landmark cost-benefit analysis study from 2024 found that while highway expansions that aim to reduce congestion have some benefit in increasing driver speeds on those roads, the costs of highway expansion are up to three-times higher than the benefits when considering the land value consumed by tax-exempt pavement and not available for revenue-generating homes, businesses, and other valuable uses.

As a state, we have many transportation needs and scarce revenues to pay for them. Last week, this legislature heard from the Maine Municipal Association that municipalities are spending over \$300 million *per year* to maintain local roads with little state support. For some municipalities with under 500 residents and miniscule budgets, they're spending over \$1 million per year maintaining roads.

There should be no question about the applicability of these funds to other projects, as Maine's current law <u>allows for the MTA to issue bonds to finance DOT projects</u>, and that the Authority may be maintained specifically for this purpose. Should certain bonds require retirement or reissuance in the case of the cancellation of a project, nothing in this law would prevent those actions, either. This bill does not threaten the bond rating of the MTA.

LD 1292 is a reasonable and fiscally responsible way to bridge our short-term funding gap for the state's many transportation needs, while ensuring that we do not dedicate scarce transportation dollars to unnecessary and counter-productive highway expansion projects. It recognizes the Turnpike is a key part of the state's transportation system, with both benefits and obligations to the rest of the system. Instead of using toll surpluses to expand highways that increase sprawl and drive up greenhouse gas emissions, we should invest these dollars in a stronger and more connected transportation system that benefits all Mainers.

I urge you to vote Ought to Pass on LD 1292.

Thank you and I look forward to the discussion.