



AGC MAINE

THE CONSTRUCTION ASSOCIATION

Testimony of Kelly Flagg in Support of LD 1548

RESOLUTION, Proposing an Amendment to the Constitution of Maine Regarding the Use and Oversight of Transportation-related Revenues

May 1, 2025

Senator Nangle, Representative Crafts, and distinguished members of the Joint Standing Committee on Transportation, I am Kelly Flagg, Executive Director of the Associated General Contractors of Maine (AGC Maine).

AGC Maine was incorporated in Maine in 1951, and since that time has worked to educate and advocate investment in our infrastructure. Across the country, discussions with my colleagues continue on the best pathway for funding transportation infrastructure. That has varied from fuel taxes, registration fees, vehicle miles travel, and tolls. In Maine, we spent years waiting until the very last minute to determine if a transportation bond would make the ballot. As some of you know, that included a late session decision on July 4th, 2017 and even a session where the legislature returned in September following a press conference by entities dependent on a solution.

Maine struggled has always struggled with infrastructure investment and that shifted when the Blue-Ribbon Commission was formed. The 2019 resolve that created the bipartisan commission resulted in a 2020 report where they unanimously agreed that the estimated total annual transportation shortfall is \$232 million. That pronouncement became the benchmark for solving the revenue shortfall.

The impact of how we used to do business compared to how our state now handles transportation funding is important. Each time a late session a contentious decision on bonds to patch the hole in funding occurred, it had consequences. During one session delays in potential funding pushed back training and additional hiring for paving, project delays were contemplated, and project announcements became compressed reducing the competitive environment. That cascade impacted decision-making on equipment purchases, staffing, and investments. Everyone learned that a consistent and well-known investment benefited the entire community.

During the recession in 2009 and the subsequent debates on state budgets we watched as important firms across the state decided to leave the construction industry. Some sold, others merged and many simply closed their doors. That has had a lasting impact on the ability for competitive bids, especially in rural areas of the state. We've long advocated that the ability to attract, educate and prepare new skilled workers is a careful balance between potential work and solid programs to recruit and train. There is no question that losing nearly 10,000 skilled workers during the toughest times had an enormous impact statewide.

That's why the decision to secure the automobile-related sales and use tax revenue created a monumental affirmative decision by the 131st Legislature and members of this Committee. It allows long-term planning by agencies, engineering services and construction.

The big picture is that each year we defer repairs or improvements that expense, which typically grows in cost, is passed along to the next generation to pay. Maine is fortunate to have MaineDOT's leadership at the helm of our infrastructure planning. We know citizens want our roads, bike paths, and bridges to be

accessible, safe and reliable. Passing this bill will allow Maine residents to have their voice heard on the importance of the infrastructure that is vital to our economy and our future.

I want to thank the Committee for listening to and considering our comments and AGC Maine urges you to send this question to Maine voters. I am happy to answer any questions.