

Joint Standing Committee on Transportation

Testimony on *LD 274: An Act Making Unified Allocations from the Highway Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026, and June 30, 2027.*

Presented by the Maine Better Transportation Association

March 11, 2025

Senator Nangle, Representative Crafts, and members of the Joint Standing Committee on Transportation, my name is Maria Fuentes. I am a resident of Hallowell, and I am speaking on behalf of the Maine Better Transportation Association in support of LD 274, the Highway Fund biennial budget. MBTA is a statewide coalition of companies, organizations, and people who plan, design, build, maintain, and use Maine's transportation infrastructure.

In the past, when we testified before this Committee, we often talked about how much further behind the Highway Fund was getting regarding the structural gap, particularly as it related to highway and bridge capital, but also in funding infrastructure needed for other modes. It was arguably getting in the way of MaineDOT being able to fulfill its mission.

In fact, less than 20 years ago, the Department had to "drop anchor" and halt the letting of capital improvement projects. Later in the year, the General Fund had to prop up the Highway Fund, perhaps for the first time (apart from General Obligation bond support). MaineDOT had run out of cash.

Since then, the Legislature has come a long way in terms of stabilizing capital funding MaineDOT. Especially in recent years, this Committee deserves tremendous credit for collaborating with other legislative committees and the Administration to secure more sustainable funding for the Highway Fund. We are so grateful for your efforts and your successes in this endeavor. Another game changer in recent years has been the federal funding being sent to states from Washington. Maine has been more successful than most states in securing grants to improve all modes of transportation, and we have been fortunate that Senator Collins, in particular, but also other members of the delegation, have made transportation such a priority.

There are ways to quantify how recent General Fund support to the Highway Fund and federal funding increases have put funding on a more sustainable level. One of those indicators was when the Maine Section of the American Society of Civil Engineers released

its 2024 Infrastructure Report Card. There were some improvements from past report cards in certain infrastructure sectors. While the bridge grade went down to D-, other areas, specifically roads, came up a notch to a C-.

We also note that MaineDOT has labored for many years to cut costs, probably more so than other agencies. The Department has worked tirelessly with this committee to look at positions they have that may not be needed and have eliminated many. The MaineDOT headcount has decreased significantly over the last two decades, and they continue to have to do “more with less.” We hope they will still have enough personnel to complete the critical work they do for all Maine citizens, businesses, and municipalities who count on a safe and efficient transportation network for their daily needs.

Specific to the Highway Fund Budget, we did want to express support for the proposal to issue TransCap revenue bonds to fund capital transportation infrastructure projects, and we understand this piece is critical to highway/bridge and multimodal capital projects. Would cash be better than a bond? Sure. But capital projects – both in highway/bridge and multimodal – by definition have a shelf life of over ten years and, in some cases, many decades, so it makes sense to use this vehicle for long-term projects.

This budget provides an increase over the last biennium to the Local Road Assistance Program, critical to every town in Maine. It retains the \$5 million increase in state support for transit, now included in the baseline budget, which can go to operating and capital needs.

Again, there have been significant initiatives over the last few years, and things have improved significantly from 20 years ago. But if we take our foot off the pedal today, we will return to where we were not so long ago. We cannot emphasize enough the need for sustainable transportation funding and for the Legislature to retain the transportation sales tax portion that is now going to transportation projects.

Again, we are grateful and so impressed that this committee successfully led the effort for such important achievements, and we are also hopeful that it will continue. Although it makes sense to rely somewhat on bonding, we know it has to be done in a responsible manner, and we also know that costs continue to go up in every sector, which makes General Fund participation even more critical.

Thank you for your time today and for all the work this committee does for everyone in the state of Maine.

