

# Maine Transportation Needs and Financing

*Presented by*

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**April 8, 2015**



*Based on policy research done for the  
MBTA **FIX IT NOW** campaign*



- **MBTA Launches 3 – 5 Year Effort in Spring 2013**
- **Research and Policy Development**
- **State and County Profiles Web Accessible**
- **Stakeholder and Public Engagement**
- **Coalition Formation**
- **Build Public Awareness and Support**
- **Advocacy for Law and Budget Changes**

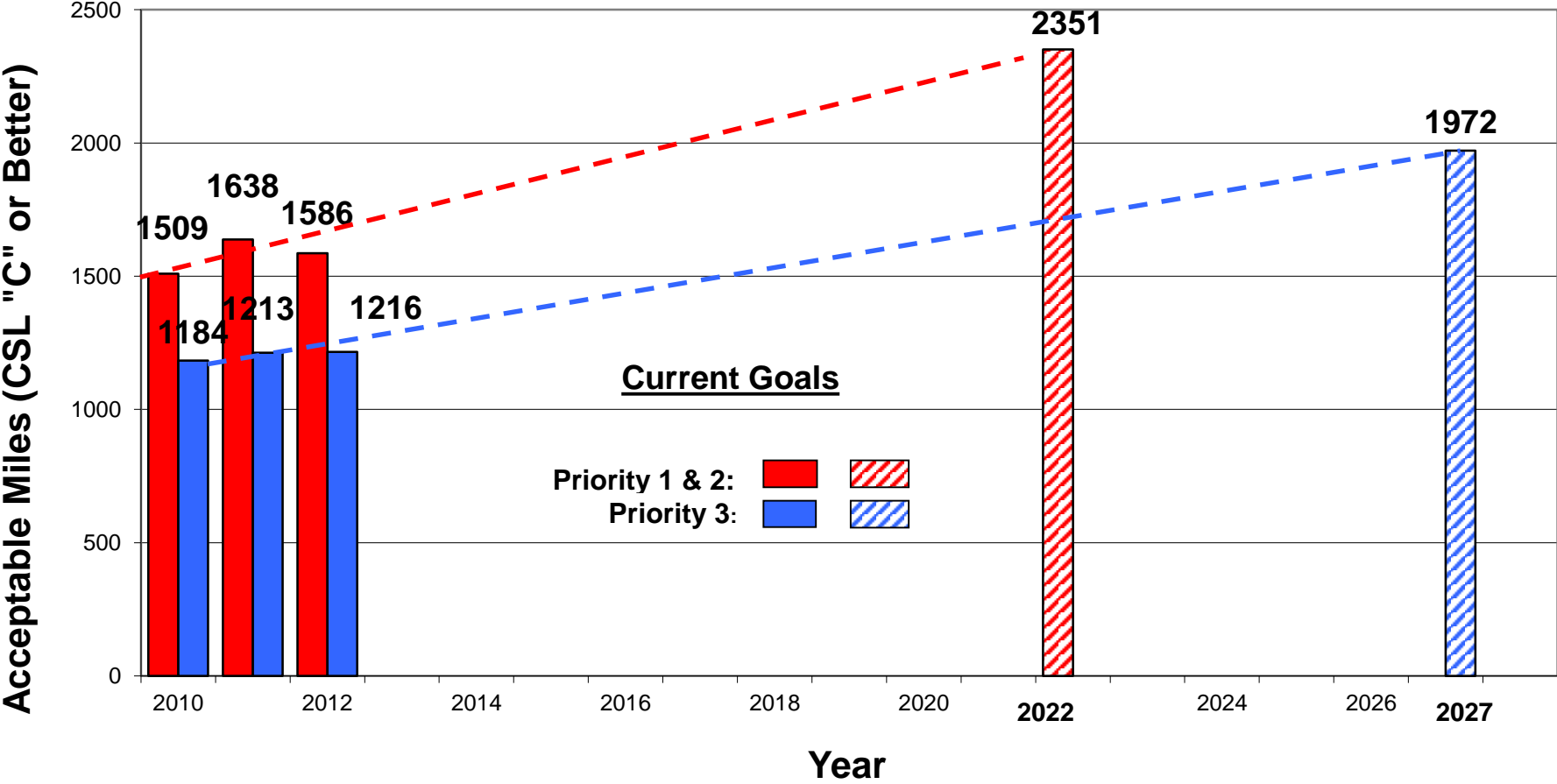
# Maine's Transportation Investment Goals

- **Focus on Priority 1, 2 & 3 roads and bridges where 70% of all travel occurs**
- **Priority 1 & 2 roads to be fair or better by 2022**
- **Priority 3 roads to be fair or better by 2027**
- **Priority 4 pavement program in place by 2017 to maintain a ride quality of fair or better**
- **Priority 5 roads maintenance paved each 7 years**
- **By 2015, set priorities and ratings for all modes**



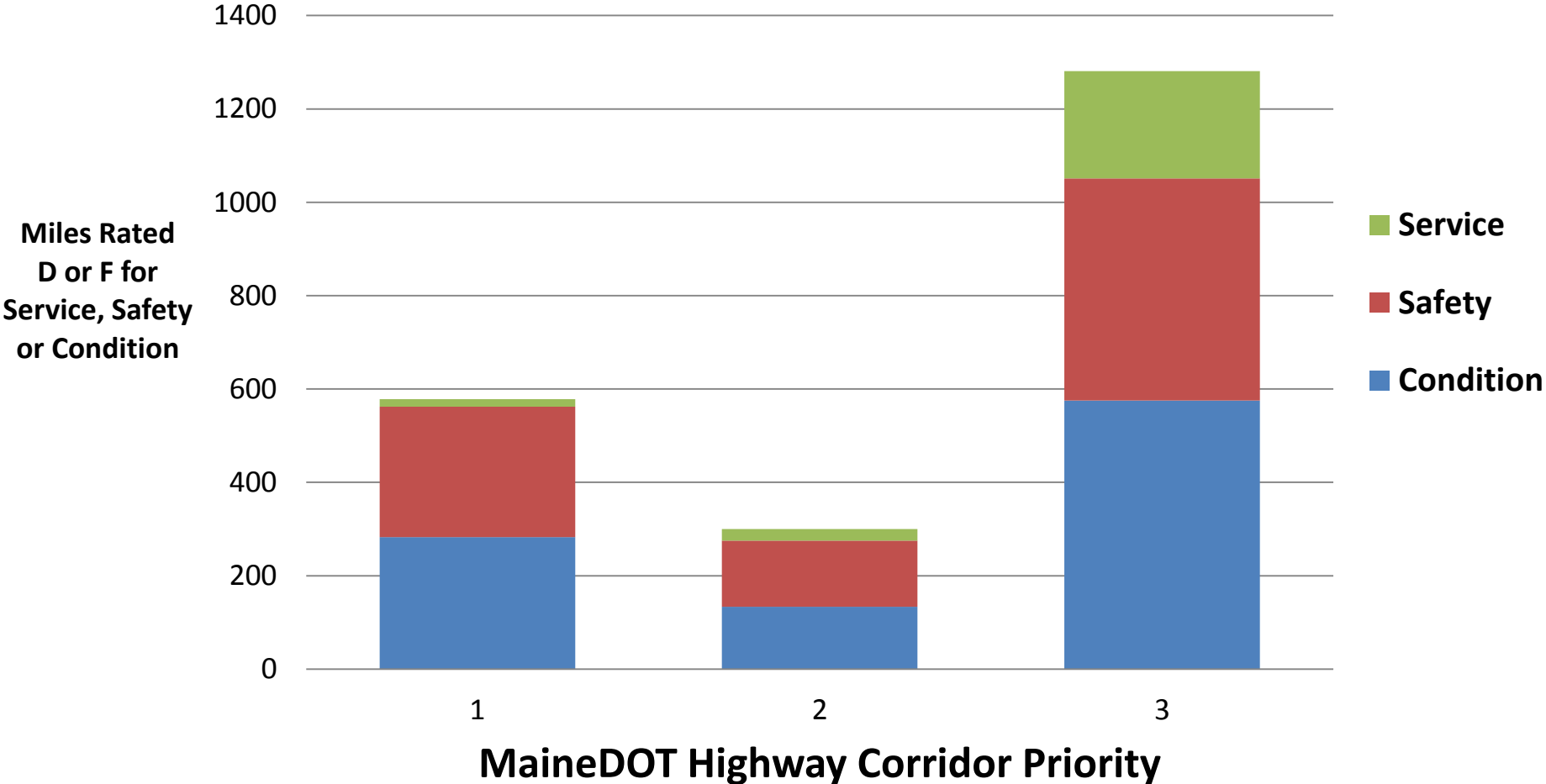
## ***Highway and Bridge Performance***

# Priority Road Performance 2010-2027



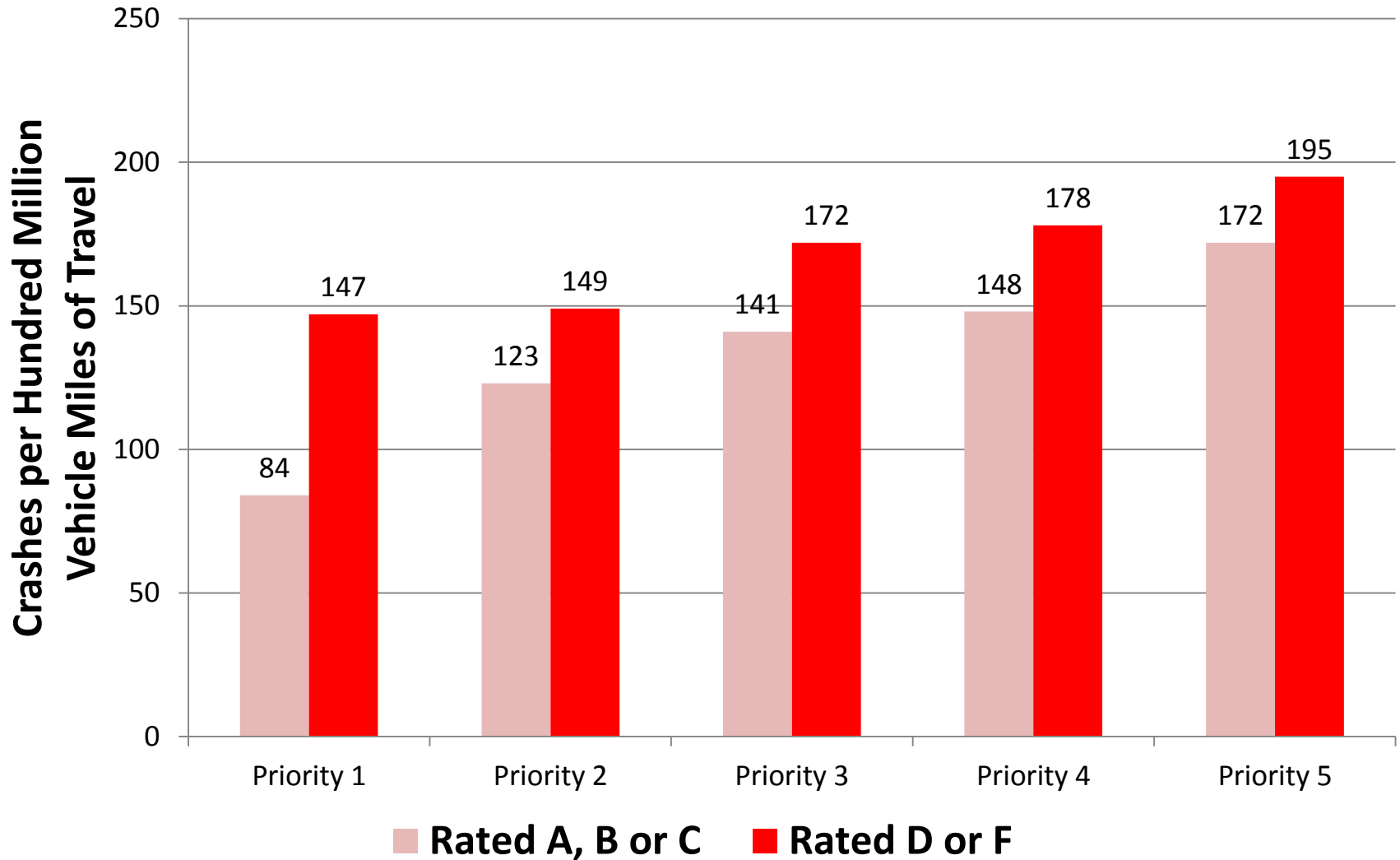
Data Source: Maine Economic Growth Council

# Incidence of Substandard Highway Corridors



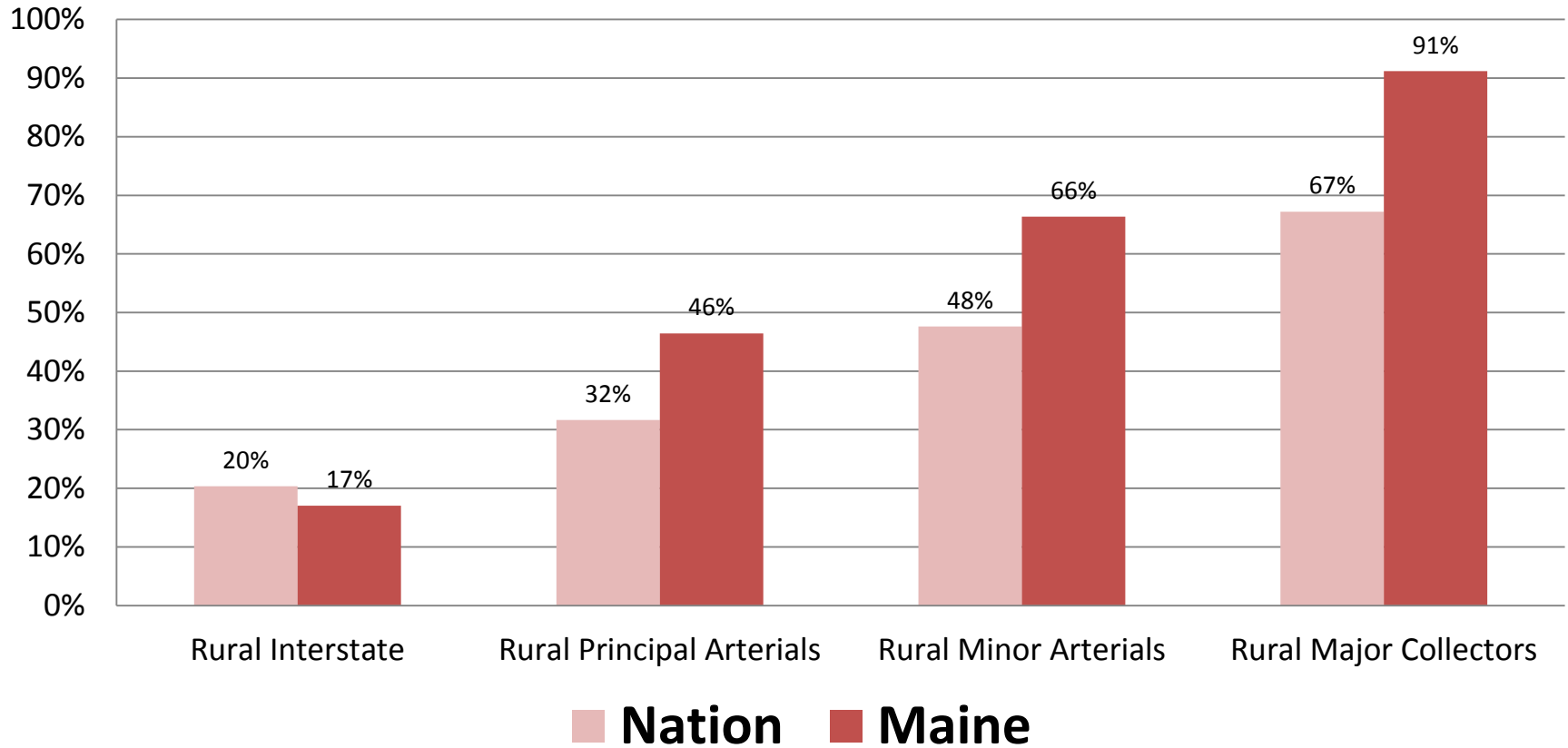
Data Source: Maine DOT

# Crash Frequency Based on Highway Condition



Source: Maine DOT 2013

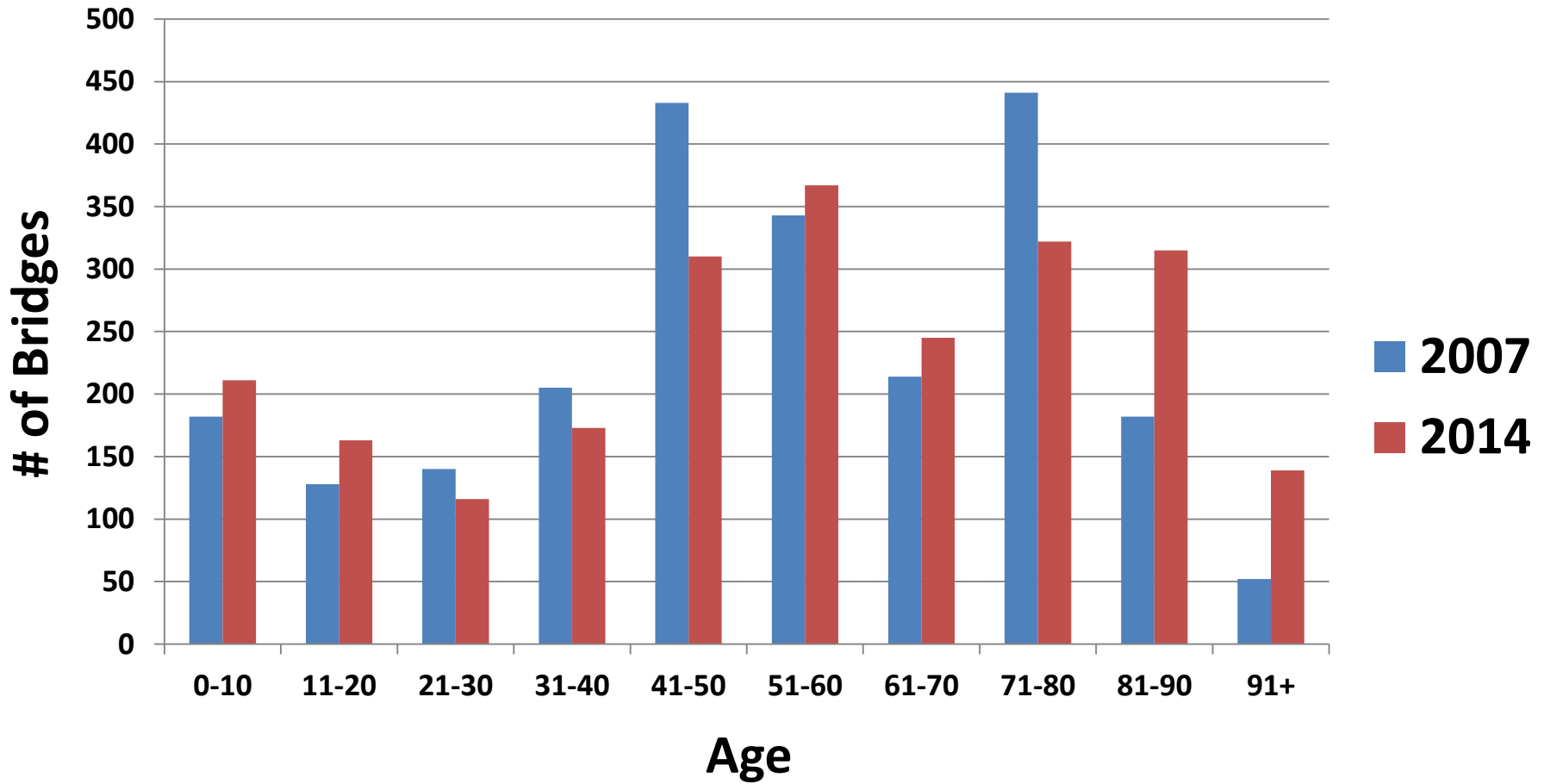
# Percent of Fair to Poor Pavement By Highway Classification



Data Source: FHWA

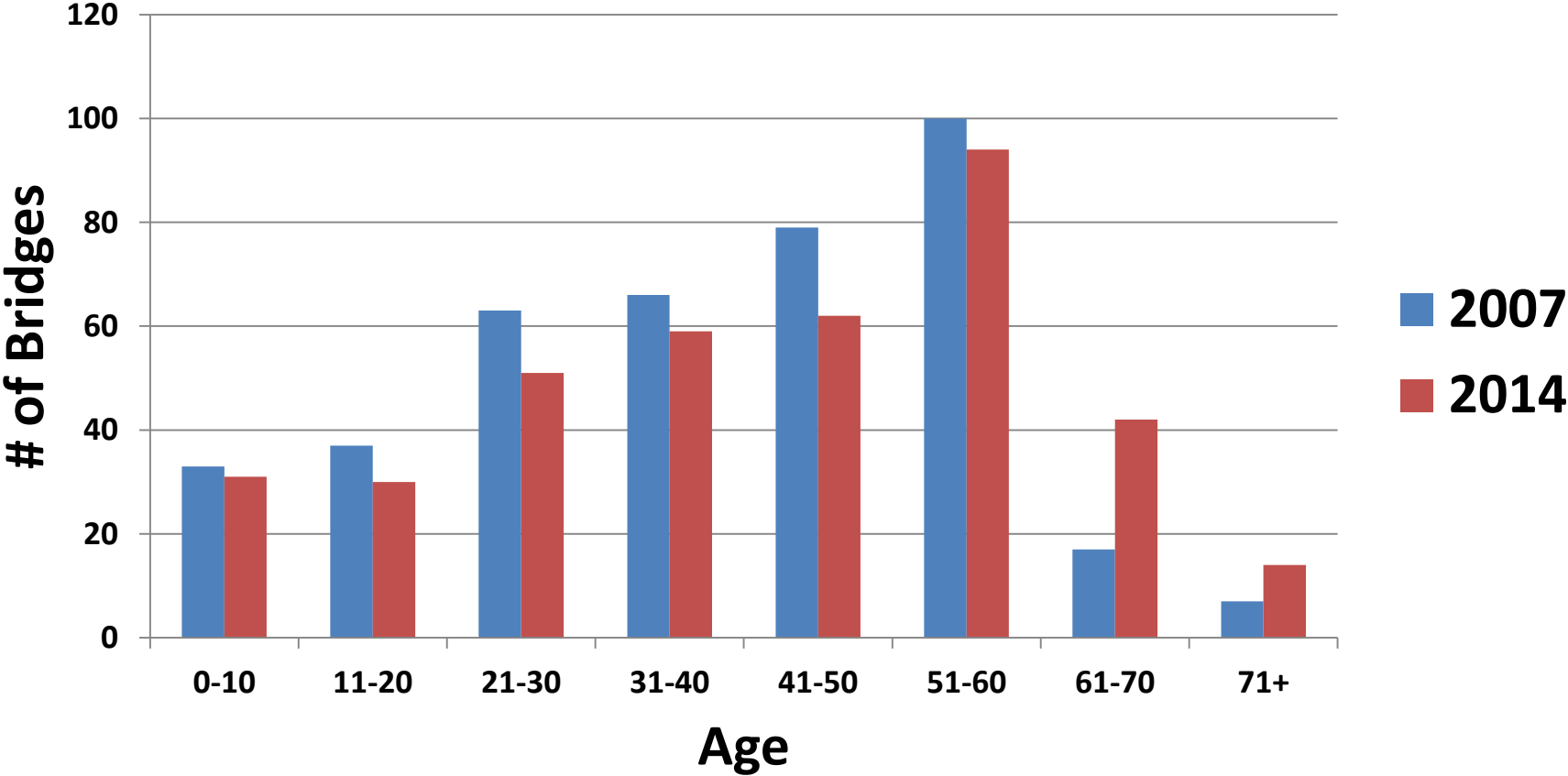


# Maine Bridge Inventory by Age



Source: Maine DOT

# Steel Bridge Culvert Inventory by Age

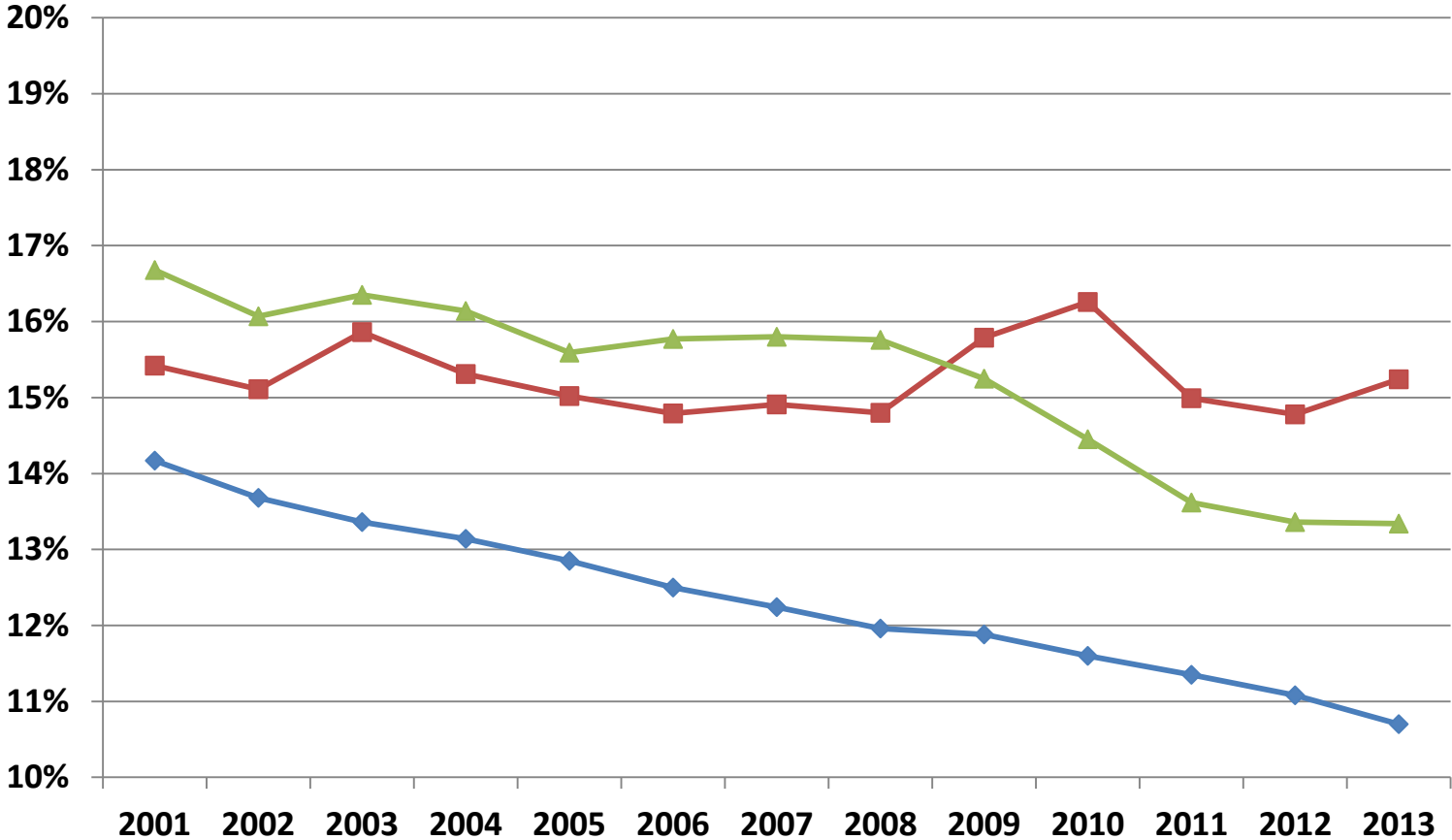


Source: Maine DOT

# Bridge Deficiencies, Maine and U.S.

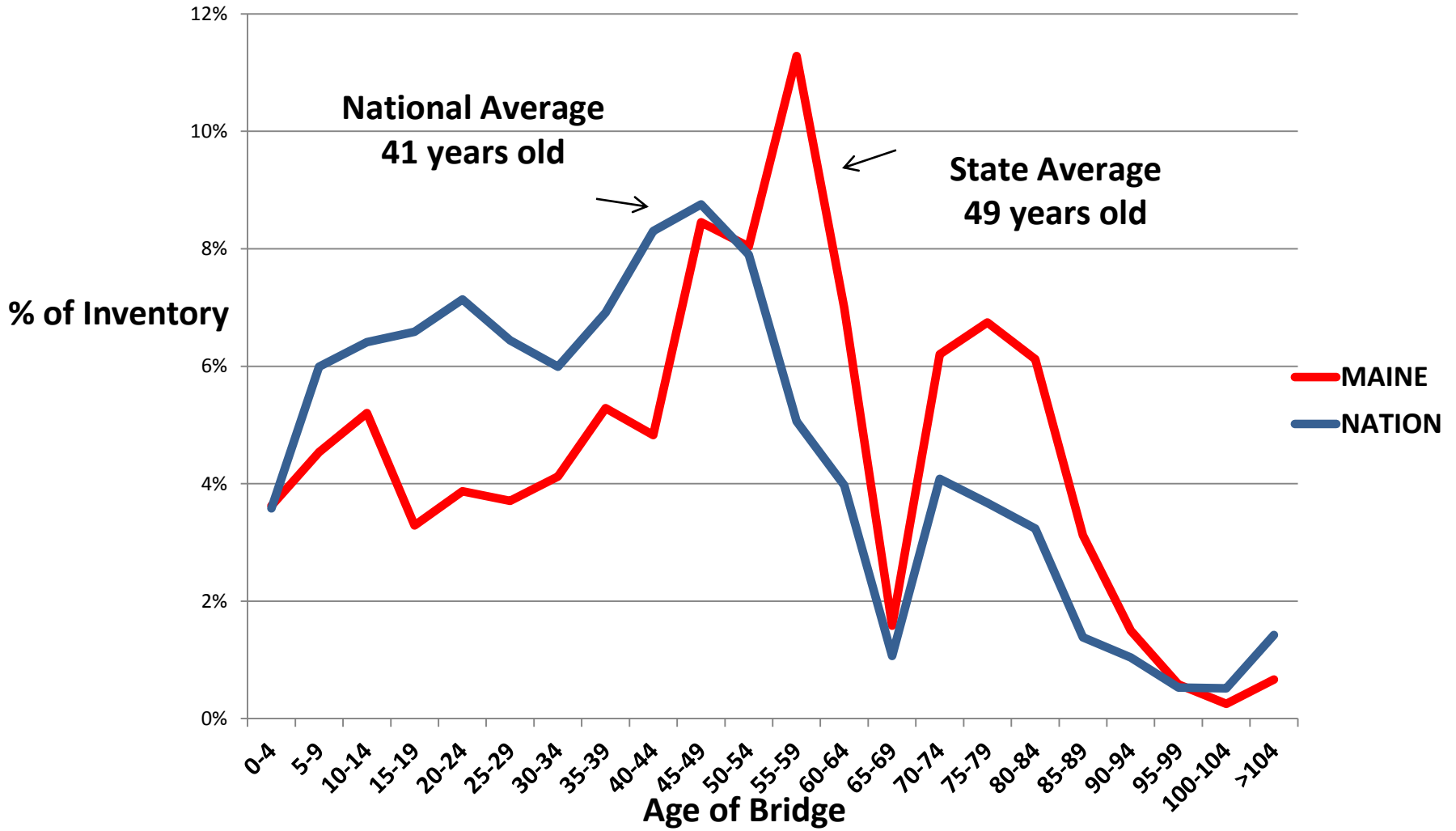
## Percentage of Structurally Deficient Bridges

◆ United States    ■ Maine    ▲ New England



Data Source: FHWA

# Bridge Inventory by Age, Maine and Nation



Data Source: FHWA

# Highway and Bridge Performance

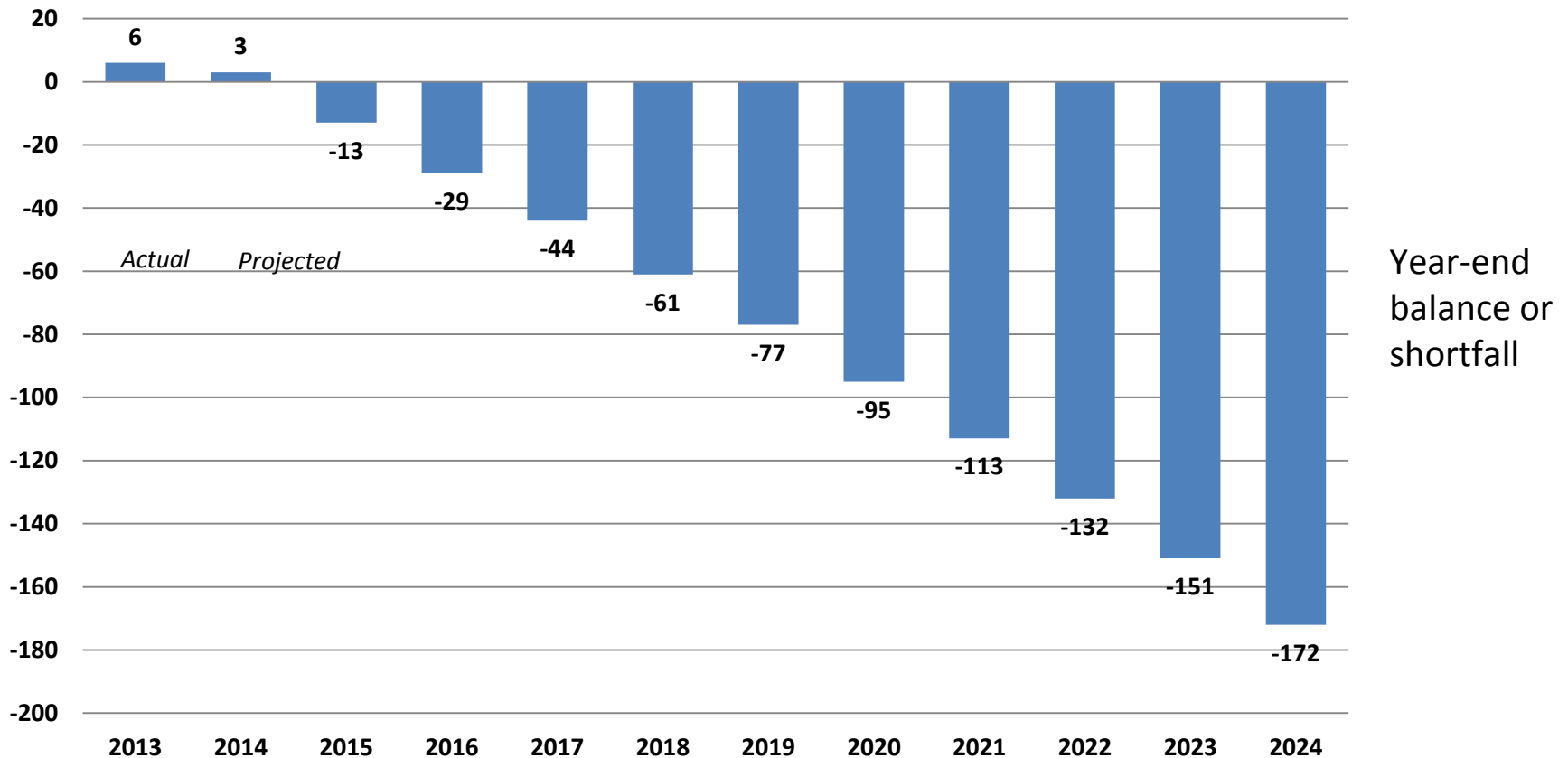
- **Priority 1 & 2 – 765 miles (30%) D or F rated**
- **Priority 3 – 756 miles (40%) D or F rated**
- **Crash rate 75% higher on Priority 1 D&F roads compared to Priority 1 A, B and C roads**
- **Off I-95, Maine pavement conditions lag U.S.**
- **15% of bridges (355) structurally deficient**
- **18% of bridges (430) functionally obsolete**
- **Average bridge 8 years older than U.S. (49 vs 41)**



***HIGHWAY AND BRIDGE FINANCE***

# Federal Highway Trust Fund Projected Shortfall

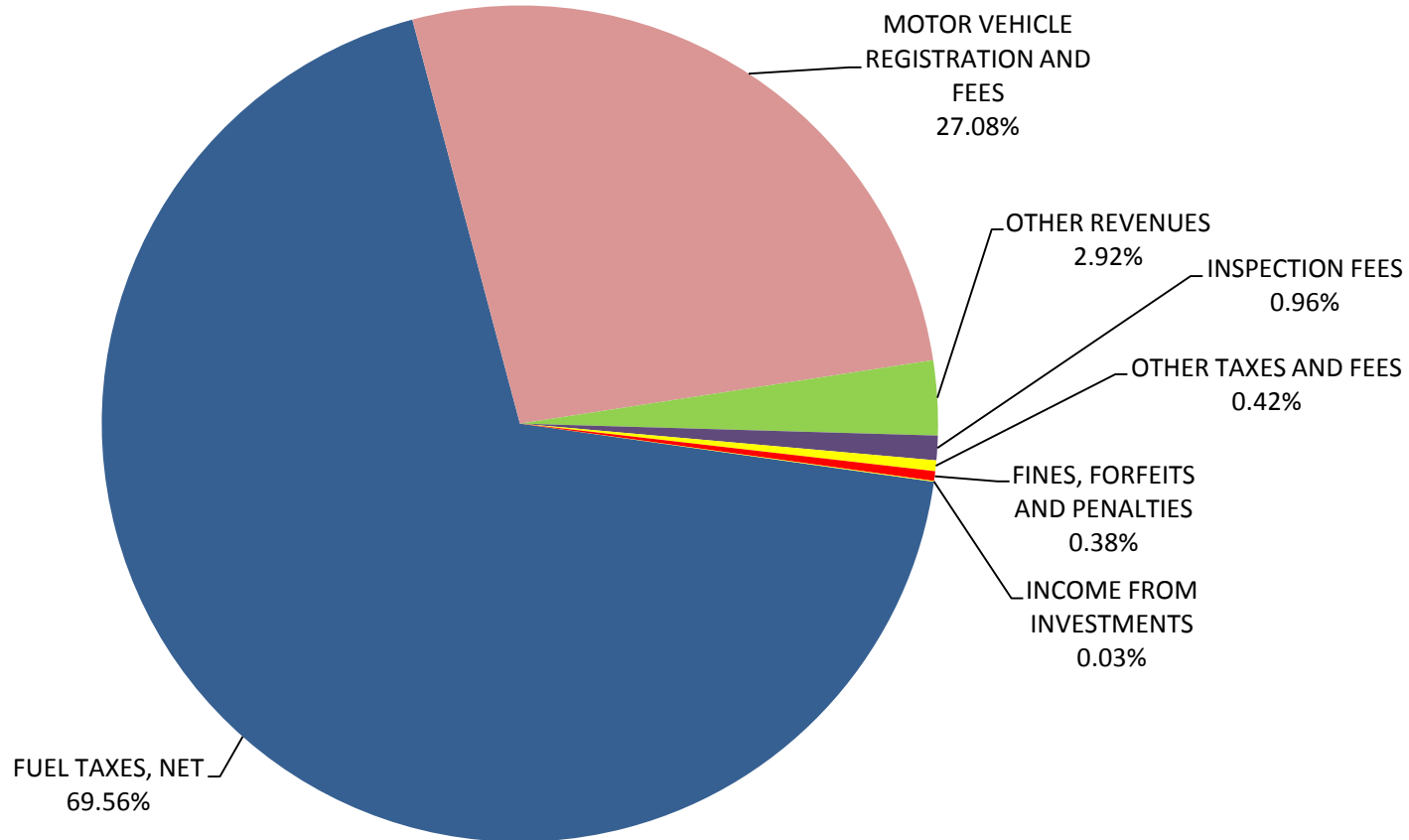
In billions,  
by fiscal



Data Source: Congressional Budget Office

# Highway Fund Revenue

## 2014-15 Biennium – \$618.8 Million

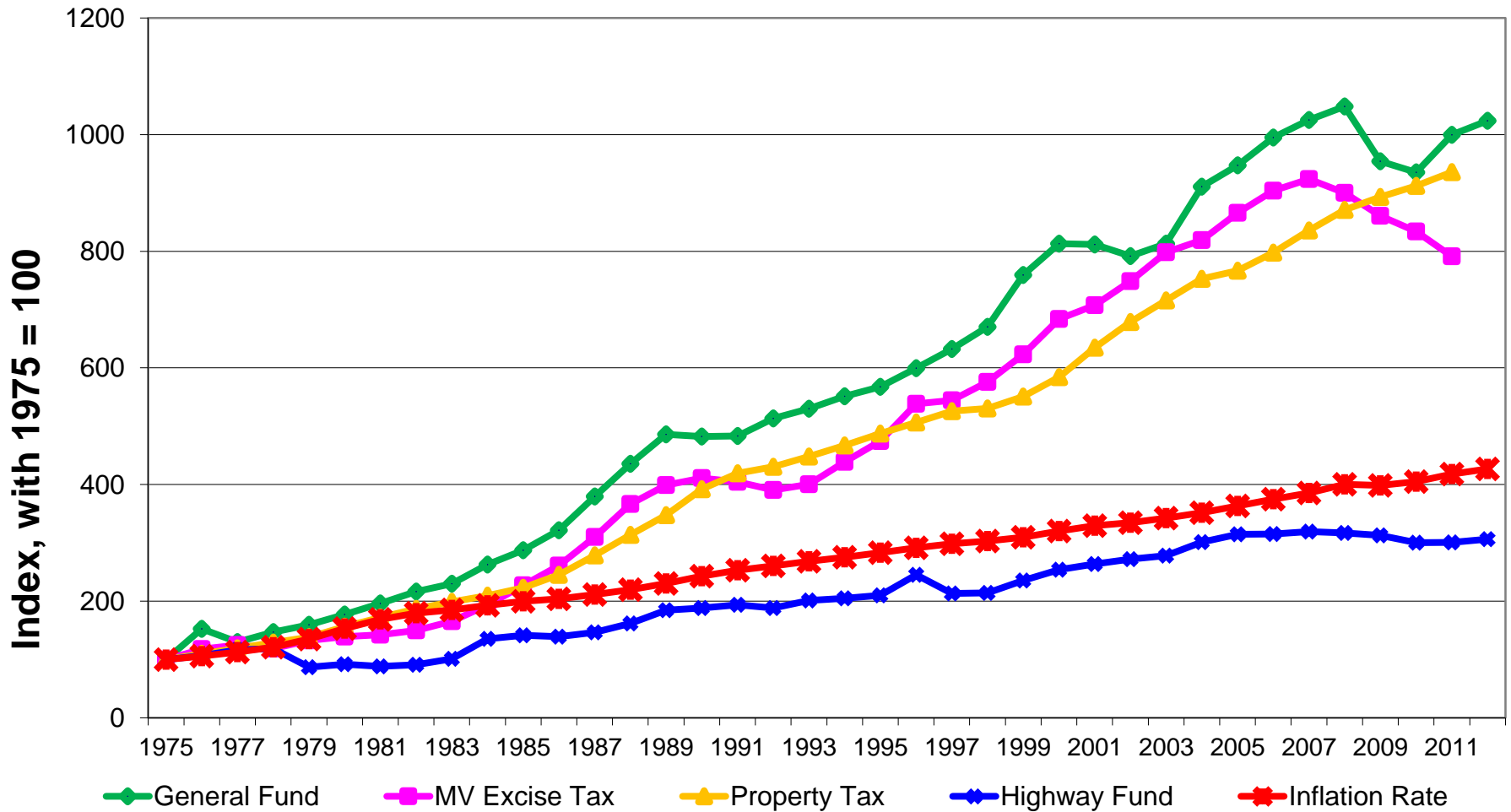


Data Source: OFPR, Maine Legislature



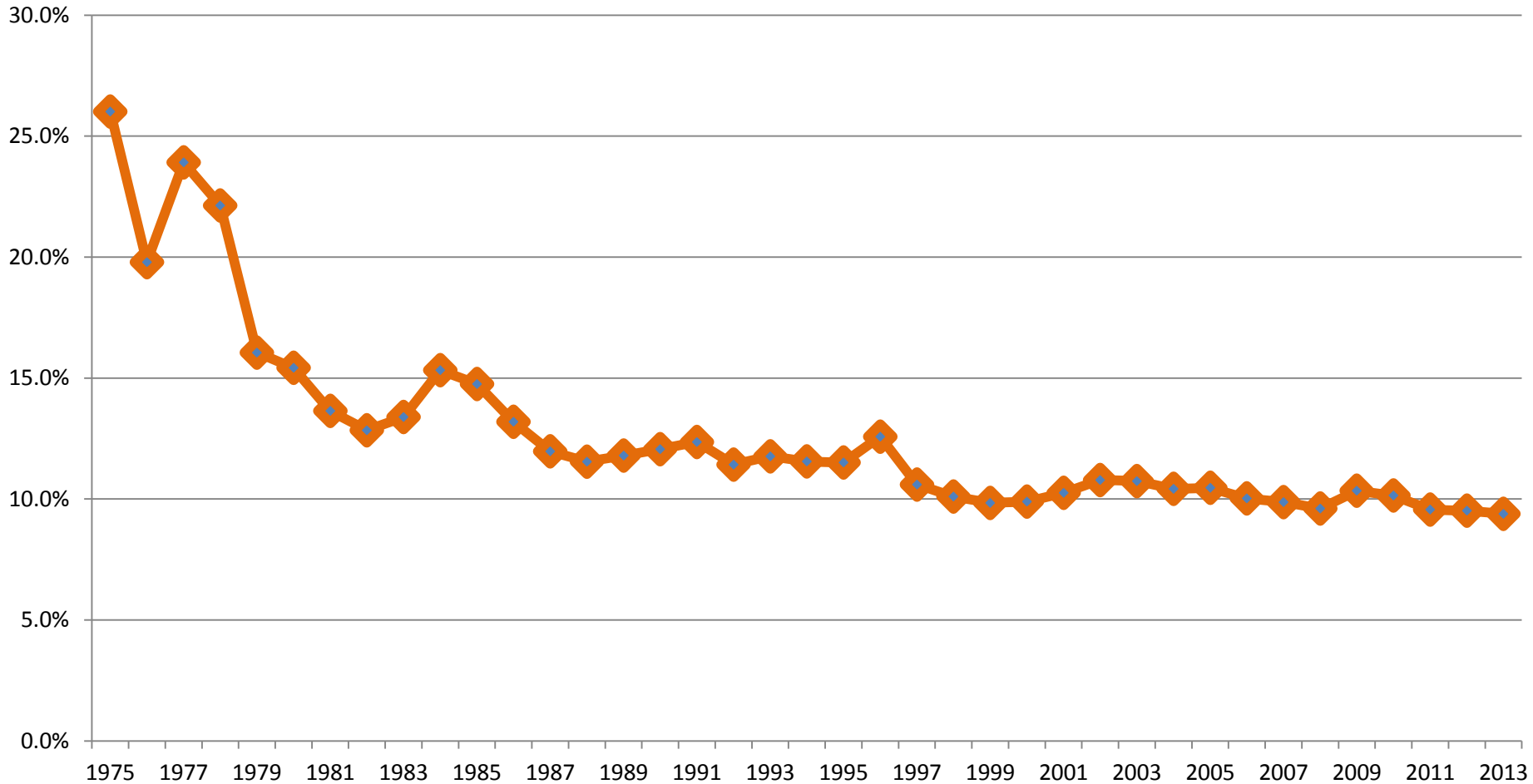
# What Ails the Highway Fund?

## No Inflation Protection – Cost \$2.5 Billion



Data Source: OFPR, Maine Legislature

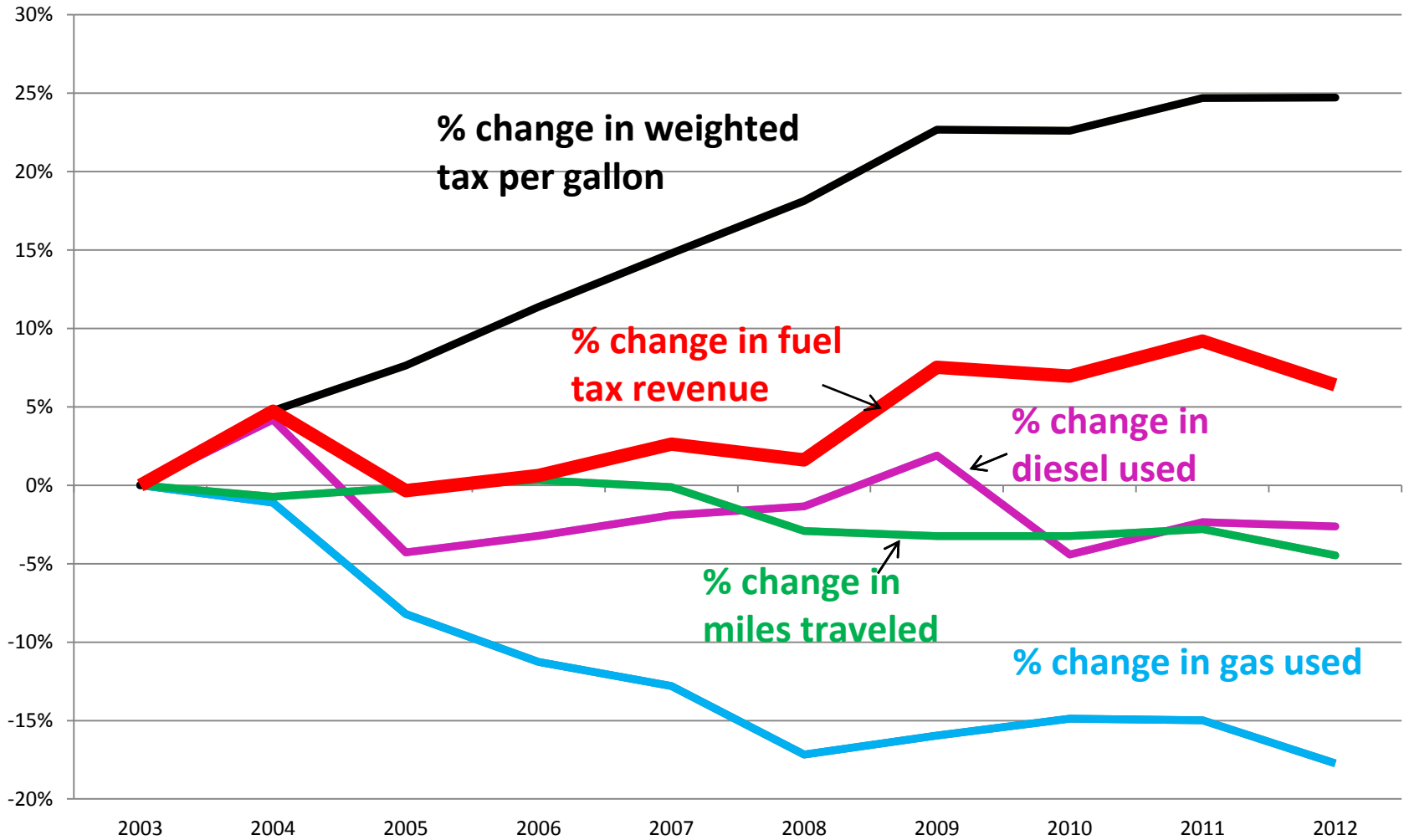
# A Declining State Commitment to Transportation



Data Source: OFPR, Maine Legislature

# Fuel Use, Travel and Fuel Tax Trends

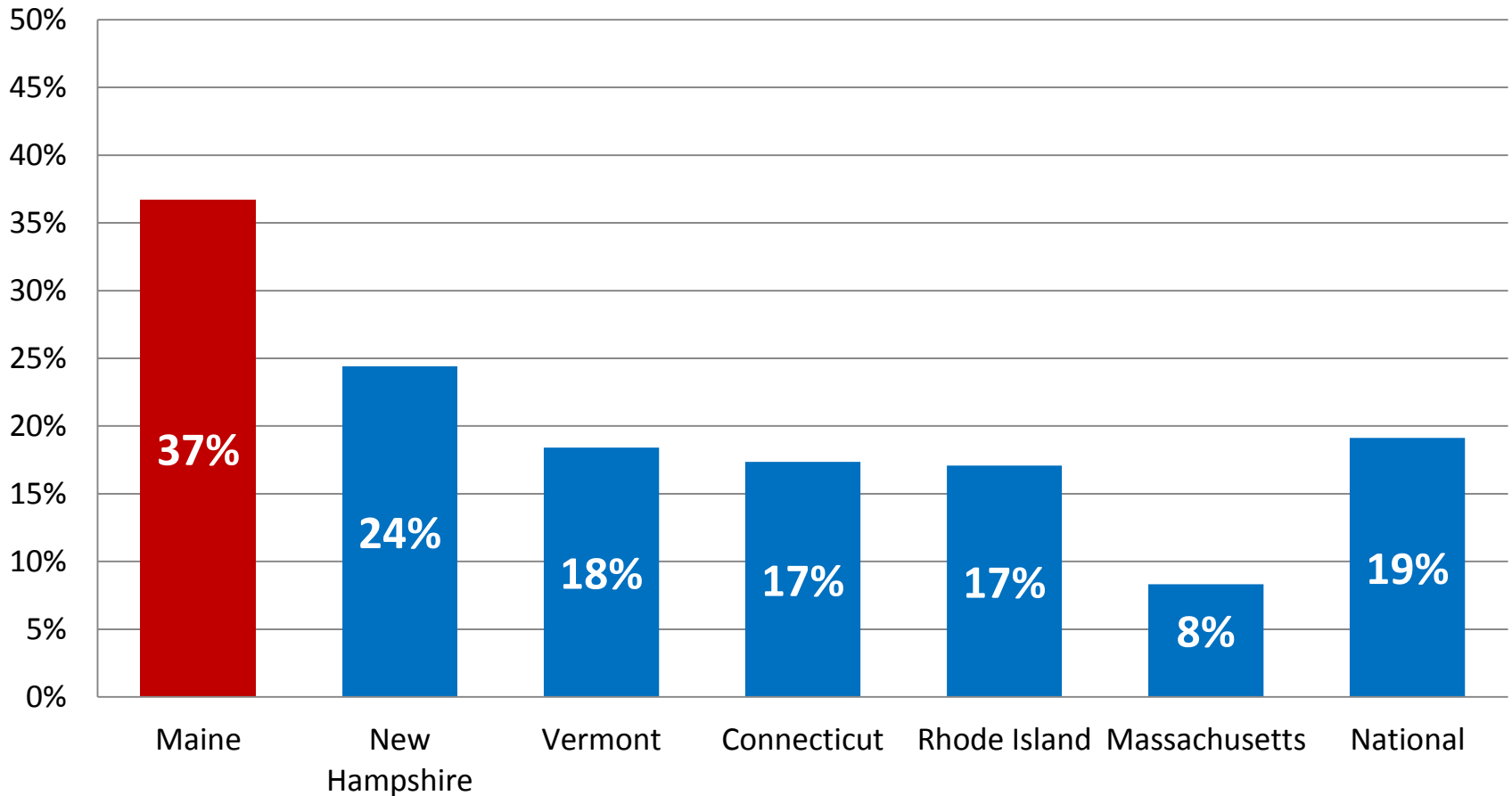
## Many Variables in Play



Data Source: OFPR, Maine Legislature and Maine Revenue Services

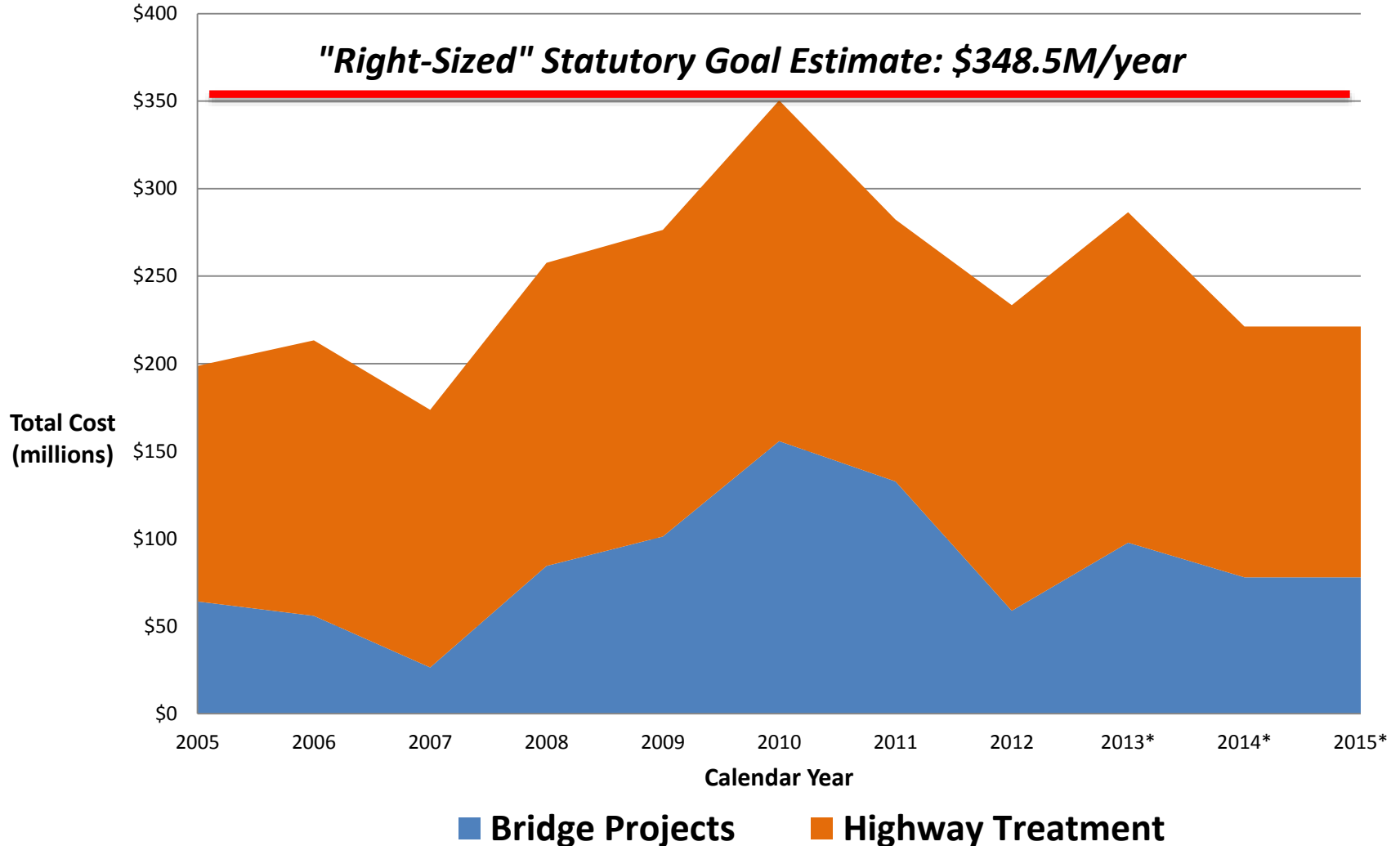
# State Share of Highway Responsibility

## A More Than Full Plate



Data Source: FHWA

# Highway and Bridge Capital Investment Trends



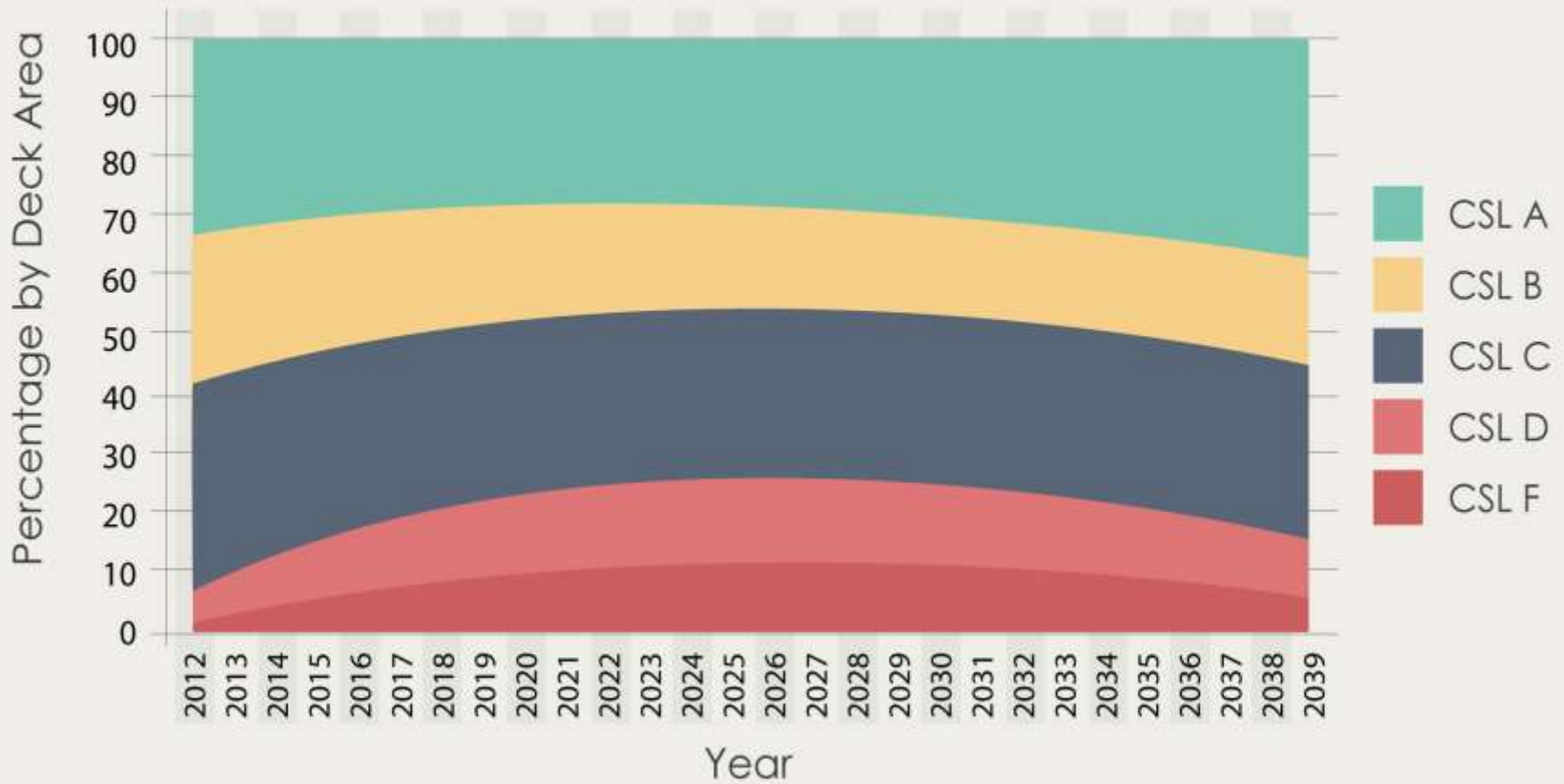
*\*Projected as of 02/06/13*

*Data Source: Maine DOT*

# Financial Demands Ahead

- **Bridge needs rising as funding declines – 50% funding shortfall**
- **Cluster of aging interstate bridges arriving**
- **Pavement preservation gap of 35%**
- **Highway reconstruction/rehabilitation miles short by up to two thirds to meet Priority 1, 2 & 3 goals on time**
- **Focus on Priority 4 & 5 roads is pavement management not rehab or reconstruction**

# Condition CSL by Year - \$140M/Yr



# More Financial Challenges

- **Federal Highway Trust Fund on life support , no motor fuel tax increase since 1993**
- **Maine's motor fuel tax indexing repealed in 2011 with no adjustment since**
- **Federal CAFÉ Standards increase mpg, cut revenue**
- **Diverging mpg ratings create user fee inequities**
- **Stagnant to declining VMT – Demographic Shifts**
- **Federal limits on tolling**
- **New Hampshire's low motor fuel tax rate**





***Highway and Bridge Finance:  
Policy Options***

# What Are Other States Doing?

- **Increasing traditional motor fuel taxes**
- **Tolling**
- **Adding tax/gallon based on wholesale prices**
- **Increasing general fund participation**
- **Studying vehicle miles traveled fees**
- **Promoting public-private partnerships**
- **Adopting motor fuel tax indexing**
- **Borrowing**
- **Adjusting registration fees**

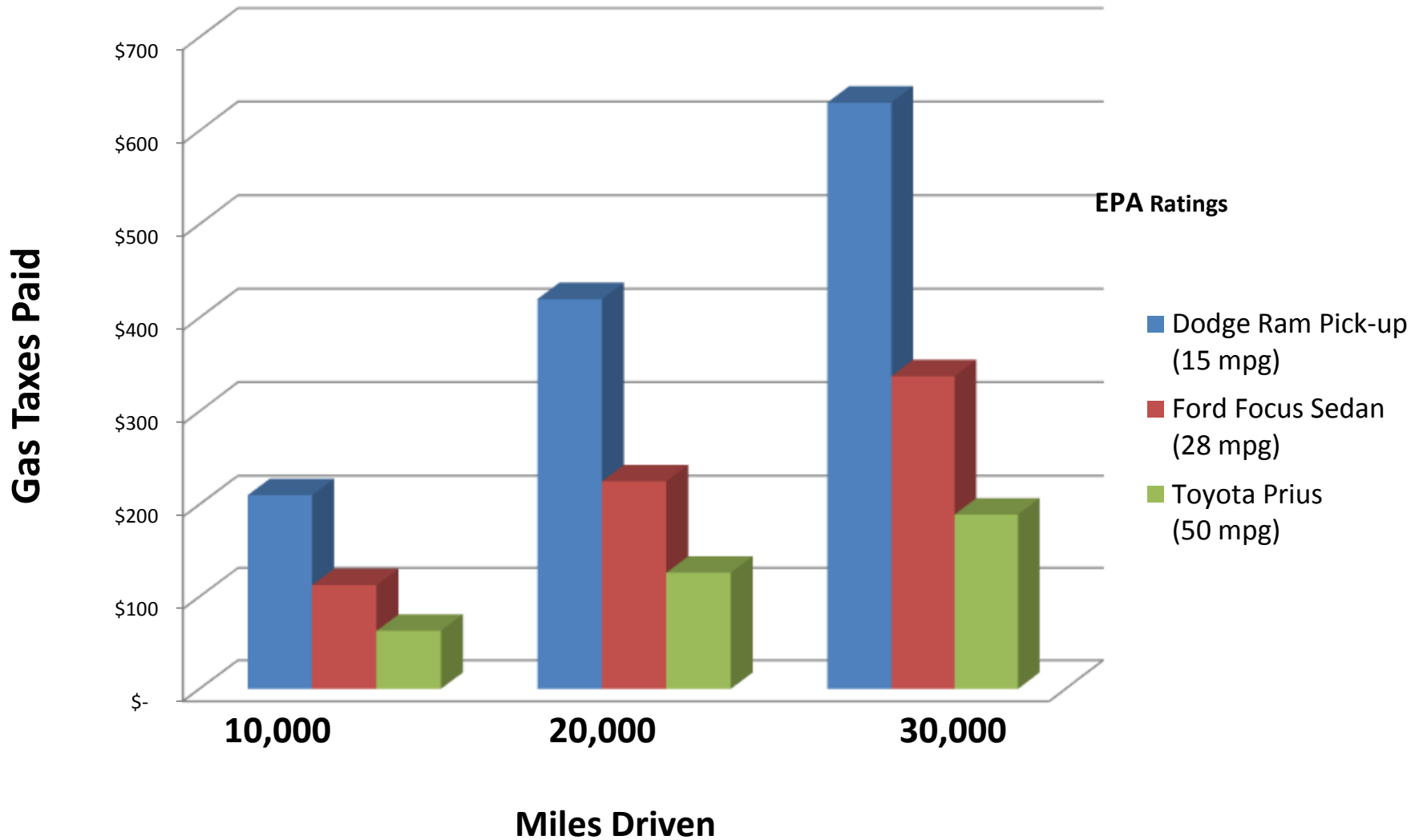
# Maine's Motor Fuel Tax Rate Ranking

## Is there Room to Raise Rates?

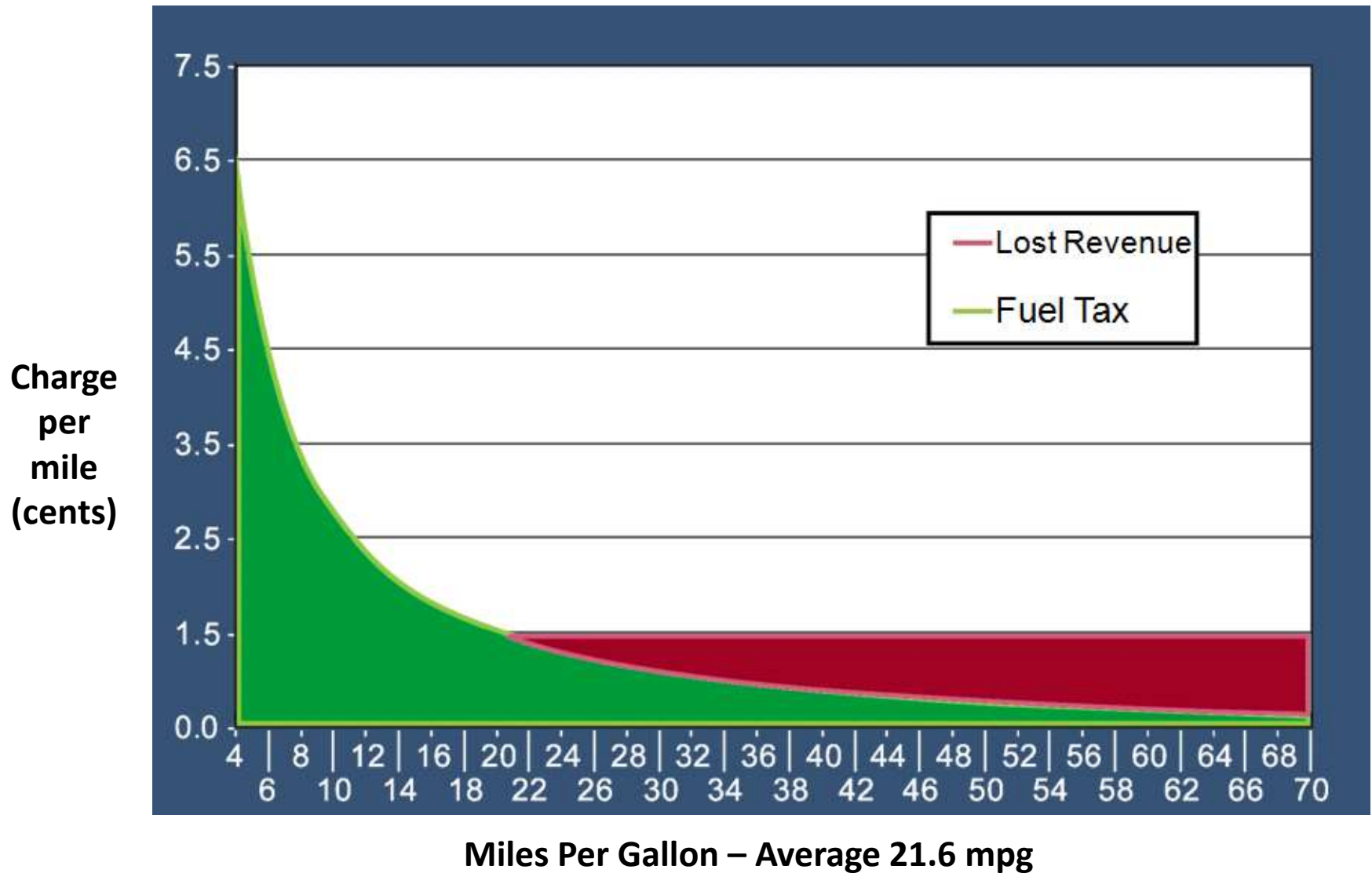
<u>Jurisdiction</u>	<u>Gas</u>	<u>Diesel</u>
Federal	\$ 0.184	\$ 0.244
Average All States	\$ 0.299	\$ 0.300
Northeast States Avg.	\$ 0.311	\$ 0.348
Mid-Atlantic States Avg.	\$ 0.367	\$ 0.440
New Brunswick *	\$ 0.515	\$ 0.814
New Hampshire	\$ 0.238	\$ 0.238
Maine	\$ 0.300	\$ 0.312

\*Excise tax only. New Brunswick also has a 13% sales tax . Canada's excise tax is another \$.38/gallon. Canada's fuel taxes generally are about a third of the sale price

# A Growing Tax Equity Issue



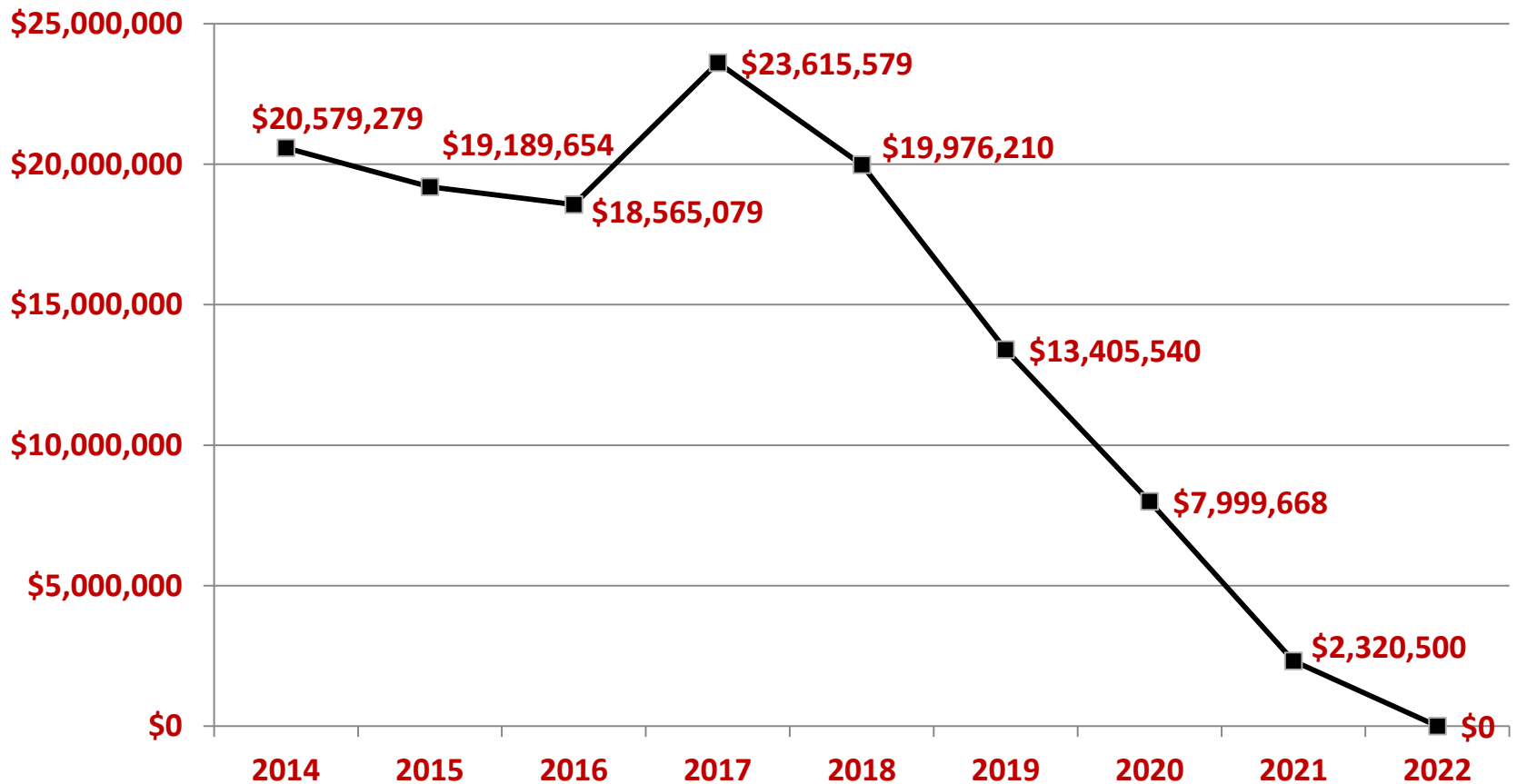
# Oregon Fuel Tax Revenue Distribution by MPG



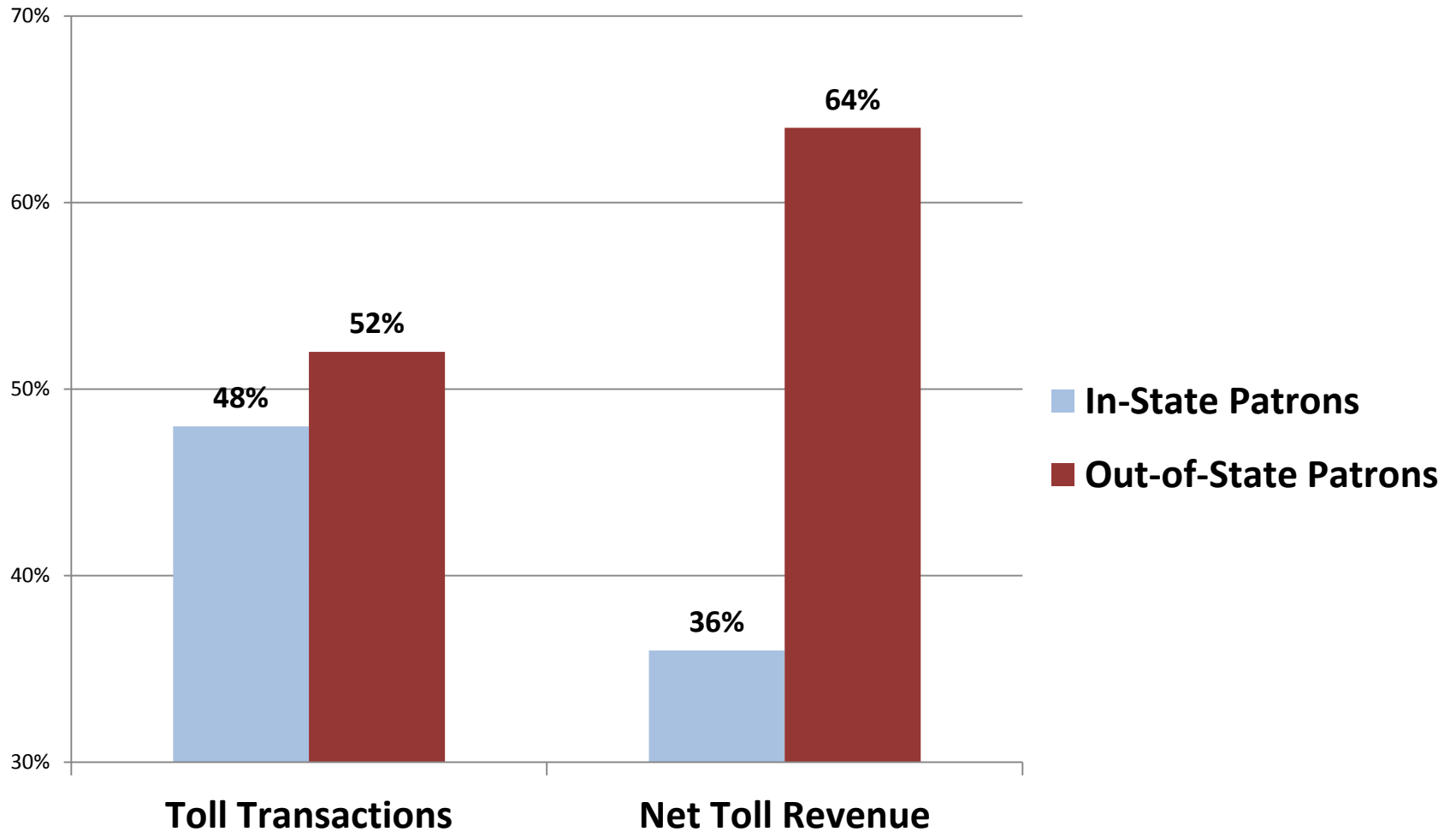
Source: Oregon Department of Transportation

# Maine's Financing Options

**Continue General Fund Transportation Bonding to Reduce Highway Fund Debt Expense**



# Maine Turnpike In-State/Out-of-State Shares



# Other Financing Options

- **Base registration fees on mpg ratings**
- **Adopt pay as you drive highway use fees**
- **Adjust gas and diesel tax rates annually to maintain constant average cost per mile**
- **Rebate to registrant portion of fuel tax based on miles driven (odometer) and vehicle mpg**



# Aspire

- **Move Maine bridges to the U.S. average for structural deficiencies**
- **Upgrade all Priority 1 & 2 roads to fair or better by 2022 and Priority 3 roads by 2027**
- **Fully fund Pavement Preservation**
- **Fix safety deficiencies on Priority 4 roads**
- **Support economic game changing projects**

**FIX**

**IT**

**NOW!**