

CT Transportation Finance Panel

June 23, 2015

New Haven, Connecticut

Lyle Wray, Capitol Region Council of Governments

The Capitol Region Council of Governments is made up of 38 towns and 1 million residents around Hartford and serves as the MPO for entire area starting July 1 this year.

We very much appreciate the efforts and the success of CTfastrak and the coming Hartford Rail Service from Springfield to New Haven and New York City.

We signed on to the transit group letter sent to you by Karen Burnaska.

We would like to focus on the following question and hope that you would as well:

What part should regional and local referenda for additional transportation resources play in the overall transportation finance picture?

Around the country many states have a mechanism for regional and local referenda to vote on resources, often part of a percent of sales taxes, for a package of transportation.

Nationally 60-70% of regional and local referenda for transportation projects have been passing in recent years.

At local and regional levels, it is easier for residents to see the benefits of a package of transit, complete streets, and road improvements and to support them.

Typically there is a lock box for the proceeds, a detailed plan for expenditures and a sunset of the tax that requires a new referendum.

Such referenda are a very good opportunity to share a vision for the overall system and for broad scale public involvement.

In Connecticut we have frequent referenda for budgets for towns and schools but have not had the practice of local option sales or other taxes for transportation projects.

Some of the options for funding include: local and regional matching for transit, complete streets and road projects. Beyond basic rail and rapid transit stations, such efforts might pay for more complete build out of stations and bicycle and pedestrian connections and amenities.

We ask that you consider what role that this mechanism might play in the state going into the future.

What part should regional and local referenda for additional transportation resources play in the overall transportation finance picture?



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Governor Malloy's Transportation Finance Panel

Public Hearing

June 23, 2015

CCIA Supports Protecting Funding

The Connecticut Construction Industries Association's membership includes many building contractors, heavy civil contractors, environmental contractors, utility contractors, transportation contractors, quarry operators, asphalt producers, ready mixed concrete producers, and equipment dealers that rely on public sector contracting as their core business. CCIA members and other participants in the construction process rely on long-term programmatic certainty to bring their businesses to scale and maximize performance.

In order to ensure durable financing and funding solutions that both stabilize and increase Connecticut's transportation programs now and for the long term, the industry strongly urges this panel to recommend measures that protect funding streams.

The primary way to achieve this is under an interim statutory measure and permanent constitutional amendment creating a legal lock box to protect transportation funds that are derived from all revenue sources. The lock box should not only protect all revenue, but also prohibit adding non-transportation expenses into the transportation funding pool.

Even today, as a significant legislative proposal that will dedicate a portion of the state sales tax revenue to transportation investments is under consideration, there are indications that future budgetary deficits, other expenses, and simple neglect are threatening those funds.

Effective funding protections will not only provide certainty for the construction industry. More importantly, those protections will ensure that Connecticut moves toward a multi-modal transportation infrastructure system that not only keeps pace with today's demands, but will allow for healthy expansion in the future.

Financing for an effective long-range transportation program is only as successful as the protections guarding the funds needed to pay for it.

For questions and further information, please contact Don Shubert at 860-529-6855 or dshubert@ctconstruction.org.



**Transportation Finance Panel
Public Hearing Testimony
June 23, 2015**

Chairman Staples and members of the Transportation Finance Panel:

My name is David Glidden and I am the Executive Director of CSEA SEIU Local 2001. CSEA represents over 25,000 active and retired public and private sector union members; including the transportation professionals in the Connecticut Department of Transportation.

On behalf of our members, I offer the following testimony:

For many years, CSEA's members have been vocal about the need to focus on our state's transportation infrastructure. They are excited by the possibilities of moving forward on a bold and comprehensive plan that will finally address the need to build and maintain a world class transportation system. And, as front line workers in the Department of Transportation, CSEA's members offer unique insight into how to execute this transportation vision in a way that delivers for the residents of the state.

As members of the Transportation Finance Panel, you will, no doubt, consider a range of funding options. Today, I would like to speak with you about how we can ensure that transportation dollars are spent effectively and efficiently. In addition to dedicated funding sources, such as tolls or the .5% of sales tax revenue which will be set aside for transportation needs, it is important for this panel to look at significant financing that is already available.

Late last year, the Connecticut DOT conducted a series of cost-effectiveness evaluations for small, medium, and large design, claims analysis, and inspection jobs. These cost-effectiveness evaluations were conducted to compare the cost of performing the work of the Department through the use of consultants vs. in-house staff. All of the cost-effectiveness evaluations clearly showed that it is far less expensive to use in-house staff than it is to hire outside consultants.

The State of Connecticut would have saved between \$160,013,735.00 and \$180,429,030.34 in Fiscal Years 2013 and 2014 had it performed construction inspection and engineering services with state employees in lieu of outside consultants. The data from the cost-effectiveness evaluations showed savings of 46% to 52% for construction inspection had in-house personnel performed the work. Similarly, three cost-effectiveness evaluations showed savings of 59% to 63% had in-house personnel done the design work.

In addition to the very real savings generated by reducing the state's reliance on outside consultants, savings which should be used to finance this transportation plan, it is important to look at the operating costs that come with any major component of transportation infrastructure. Transportation engineers have calculated that the damage caused by a single tractor-trailer to our roads and bridges is equivalent to that of approximately two thousand passenger vehicles. Let me repeat that: the damage caused by a single tractor-trailer to our roads and bridges is equivalent to that of approximately two thousand passenger vehicles. With that in mind, it is important to recognize the need to monitor closely commercial traffic. Connecticut has in place six fixed weigh stations on highways throughout the state and additional portable scales which can be used at more than 30 locations to check that commercial vehicles are adhering to roadway weight limits. There are two programs that check vehicles for compliance, one run by the State Police and the other by our DMV through its Commercial Vehicle Safety Division. Fines issued by these two programs go into the Special Transportation Fund. A 2006 OLR report on these weigh stations stated that potential fines appear to exceed \$4 million annually, though the actual amounts collected are much less. There appears to be a number of reasons for this, though one likely culprit is that the inspection facilities are operating below the required minimum levels due to personnel availability. Additional staff trained to run these weigh stations would help the state bring in additional revenue by fully utilizing our existing weigh stations, which are largely sitting idle.

A lot of the coverage of this panel in the press has focused on whether or not you will recommend bringing tolls back to Connecticut or raising the gas tax. While those matters are worth talking about, I hope my testimony today broadens the scope of the discussion around how to pay for this much needed transportation plan.

Thank you for listening to my testimony. I would be more than happy to answer questions you might have.

David Glidden
Executive Director, CSEA SEIU Local 2001



CONNECTICUT AFL-CIO

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Testimony of the Connecticut AFL-CIO before the Transportation Finance Panel

June 23rd, 2015

Chairman Staples and members of the Transportation Finance Panel,

I am Lori Pelletier and I serve as the Executive Secretary-Treasurer of the Connecticut AFL-CIO.

This testimony regarding funding and financing solutions for Governor Malloy's long-term transportation vision is on behalf of the 900 affiliated local unions who represent 200,000 working men and women from every city and town in our great state.

We are pleased, as adopted in the recent state budget, measures protecting the solvency of the Special Transportation fund are enacted in order to address Connecticut dire infrastructure needs. Maintenance budget reductions coupled with the end of most infrastructure design life and "bandaging" existing infrastructure can only delay the inevitable replacement of Connecticut's infrastructure. We shouldn't be filling budget holes with dollars designated to fill holes in our roadways when we do that it is a lose-lose situation.

We all agree the time is now to invest in infrastructure improvements leaving only the question, how to pay for these initiatives. Throughout Connecticut, voters overwhelmingly approve infrastructure bonding at the municipal level when the question is on the ballot. Simply stated, the majority of the population not only wants these improvements they are willing to pay for them, and they understand this needs to be done over time, much like their mortgage.

When President Eisenhower made the interstate highway system his top priority and in June of 1956 the Federal-Aid Highway Act passed authorizing a highway system to span the nation the federal government committed to paying 90% of the cost of construction. The funds needed to pay for this initiative came from increased fuel tax and went into a non-divertible Highway Trust Fund.

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States relies heavily on the federal government for transportation. How to fund infrastructure is a subject of bitter debate and there is no agreement how to fund these projects. Money for the highway trust fund, financed largely by gasoline tax, will run out shortly and the impacts will be felt in the future by even further project delays. Fuel taxation has not been increased since 1993 and has not kept up with the rate of costs to offset cost the needs for infrastructure improvements. Unfortunately in Washington DC today even something as historically bi-partisan as transportation spending has been, the Highway Trust Fund may run out of money by years end.

This committee can do the following to provide the funding needed for this ambitious and necessary transportation plan:

- 1. FUND AND GROW THE HIGHWAY PROGRAM** – The reauthorization of the highway bill, which is currently set to expire July 31, 2015, will be the single largest job creating bill for the construction industry that the Congress will consider. Traditionally, a strong and stable user fee based system has provided the foundation of funding for the program.

However, with increased fuel efficiency in vehicles, the user fee has not provided enough revenue for the Highway Trust Fund to meet our nation’s infrastructure demands. There is broad agreement across the political spectrum that Congress needs to pass a strong, robust, multi-year highway bill reauthorization.

- 2. PROTECT LABOR STANDARDS IN INNOVATIVE FINANCING STRUCTURES** – With declining revenues in the Highway Trust Fund, innovative project financing mechanisms will be looked to in order to supplement the trust fund balance. Whatever financing mechanisms are instituted, whether it is expanded public-private partnerships (P3s), infrastructure banks or infrastructure financing authorities, we must fight to ensure that hard fought labor standards, such as Davis-Bacon, are included in these mechanisms.

The interstate highway system was in part created for national defense and now Connecticut is defending itself against global competitiveness. The Governor’s vision is said by some to be too bold and some claim it to be too costly. Without investing in our infrastructure we will yet again be asking ourselves not what the cost is but what price will we pay for not doing anything.

We thank the Transportation Finance Panel for holding this public hearing.

Respectfully Submitted,

Lori Pelletier - Executive Secretary Treasurer, Connecticut AFL-CIO

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Paul Wallace

PRESIDENT EMERITUS

John W. Olsen

June 23, 2015

Dear Chairman Staples and Members of the Governor's Transportation Finance Panel:

Thank you for the opportunity to present our ideas and comments at today's public hearing on funding options to meet Connecticut's transportation needs.

On April 16, 2015, we sent you a letter (attached) with our suggestions. In it we highlighted the importance of the following:

- Providing short- and long-term funding options;
- Defining funding mechanisms for both capital projects and operating expenses; and
- Viewing all levels of funding -- federal, state, regional and local -- and also the role of user fees

Today, we as a group would like to emphasize the need to develop criteria that can be used in evaluating various funding options. We ask that you consider the following general principles:

- Long-term funding viability;
- Funding security;
- Clearly defined project benefits;
- Consideration of revenues from federal, state, sub-state regional and local levels;
- Diversity of revenue sources; and
- Ease of collection.

We firmly believe that maintaining and improving Connecticut's transportation systems are critical to Connecticut's economy and environment as well as to providing residents with the transportation options they need. Planning, prioritization, and funding are all needed for success. We hope to provide you with additional information as you continue your review.

Thank you for your consideration of our suggestions.

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Transit for CT, Karen Burnaska, 203-261-9243, karenb01@earthlink.net

Tri-State Transportation Campaign, Joe Cutrufo, 860-796-6988, jcutrufo@tstc.org



**Testimony of Joseph Cutrufo, Tri-State Transportation Campaign
Connecticut Transportation Finance Panel Hearing
June 23, 2015**

Tri-State Transportation Campaign, a non-profit organization working toward a more balanced, transit-friendly and equitable transportation system in New York, New Jersey and Connecticut, urges the Transportation Finance Panel to consider highway tolls among the many long-term funding solutions for the governor's long-term transportation vision.

Highway tolls – if implemented strategically – can do more than simply raise revenue. They can also help to alleviate traffic congestion in the state's busiest corridors. According to the Texas Transportation Institute, congestion costs drivers in the Hartford, New Haven and Bridgeport-Stamford metro areas roughly 48 million hours in delays and \$971 million in lost time and wasted fuel each year.

Congestion tolls versus border tolls

Much of the discourse surrounding tolls has been focused on placing tolls at the state's borders. These border tolls place an undue burden on communities located at the state's edges, and they also fail to mitigate congestion in the places that need congestion mitigation the most.

Instead, tolls should be located where alternatives to driving are available, such as Interstate 84 in Metro Hartford and Interstate 95 in Southwest Connecticut. Charging drivers to use these corridors is a more equitable solution than charging drivers who travel where there is no public transit, such as Interstate 395 at the border between rural Thompson, Connecticut and Webster, Massachusetts.

Tolling technology

Tolling technology has come a long way since the last toll booth was removed from the state in the 1980s. Today's modern open-road, all-electronic systems collect tolls using overhead gantries fitted with transponder and camera technology – not with old-fashioned toll booths. This type of infrastructure exists on the New York State Thruway, the Garden State Parkway, and on Interstate 93 in New Hampshire. With open-road, all-electronic tolling, nobody has to slow down, so there is no impact on traffic flow.

We would also encourage the panel to consider variable-rate tolling. This type of system manages demand for road capacity by charging higher tolls during peak hours (and lower tolls during off-peak hours).

Public support for tolls

Some State elected officials have said there is little appetite for tolls in Connecticut. These statements do not match up with polling data. A Quinnipiac poll conducted in March of 2015 shows that 58 percent of Connecticut Republicans and 62 percent of Democrats support tolls as long as the revenue raised goes toward transportation purposes. These numbers underscore the importance passing a transportation "lockbox" measure, something the General Assembly is expected to take up during the special session this summer.