

# PRIORITIZE PROGRESS



## A LONG-TERM TRANSPORTATION INFRASTRUCTURE INVESTMENT PLAN

SUMMER 2018



# GOALS

- 1) Connecticut needs to improve transportation infrastructure to make our state more competitive, create more opportunities for economic growth and improve quality of life.**
- 2) Connecticut needs to commit to infrastructure improvements and create construction jobs that are not fleeting, but that are predictable, consistent and sustainable.**

# **CT HAS FAILED TO ACHIEVE THESE GOALS**

**The governor and Democrat lawmakers who controlled the legislature have a long history of raiding or diverting funds away from transportation needs, resulting in unreliable and deficient transportation funding.**

**Democrats enacted a \$100 billion transportation plan with absolutely no way to fund it.**

**In addition, Transportation dollars are used to fund more than just infrastructure projects. They also get used for DMV, labor costs, fringe benefits and other administrative expenses. Therefore, when these expenses increase, that leaves less for infrastructure.**

# WHEN AND HOW STF FUNDS WERE WITHHELD OR SWEPT

In FY 2011, **\$18.4 million** in scheduled General Fund Revenue Sharing funding for the STF was diverted before it entered the fund.

In FY 2012, **\$44.5 million** in scheduled General Fund Revenue Sharing funding for the STF was diverted before it entered the fund.

In FY 2013, **\$77.5 million** in scheduled General Fund Revenue Sharing funding for the STF was diverted before it entered the fund.

In FY 2014, all **\$172.8 million** in scheduled General Fund Revenue Sharing funding for the STF was diverted before it entered the fund. In addition a direct sweep of the STF's cumulative balance occurred, sweeping **\$76.5 million** from the STF (done through sec. 102 of Public Act 13-184).

In FY 2015, all **\$172.8 million** in scheduled General Fund Revenue Sharing funding for the STF was diverted before it entered the fund.

In FY 2016, **\$37.5 million** in scheduled sales tax revenue funding for the STF was diverted before it entered the fund.

In FY 2017, **\$50 million** in scheduled sales tax revenue funding for the STF was diverted before it entered the fund.

# WHAT WOULD A TOLLS “SOLUTION” LOOK LIKE?

All the studies released thus far have shown tolls would only work if they were installed broadly everywhere and close together (such as 5 miles apart). The state would also potentially need to charge drivers significantly more than other states.

- According to the commissioner, **“We would be the only state in the nation that tolled that much.”**
- Rough estimates from a DOT study show toll rates at 10 cents to 20 cents per mile (in order to break even or make a profit). This exceeds rates in other states by anywhere between 2 to 4 times the highest rate in the country. (Example, Massachusetts charges approximately 4 cents for mile).

**Best case scenario:** DOT has said they could implement tolls at 3.5 cents per mile (but still has not provided back up data to support this number). If that were the case, those who pay the most would be those with large fleets, job creators and those that transport goods. This would result in higher costs for construction and interstate commerce. It could push job creators out and would result in increased costs on consumers. There’s no evidence that such a plan would even work.

# WHAT COULD GO WRONG WITH TOLLS?

Even if the transportation lock box is approved by voters, money can still be diverted for other needs.

- Similar to what was previously done, money could be diverted before it enters the state's transportation fund.
- More state expenses could be moved under the umbrella of "transportation" and deplete the funding (such transportation costs from other agencies, etc.)

Only some of the tolls revenue would go toward infrastructure improvements. Some would go to administrative costs, maintenance of the gantries, labor costs, agency costs, etc. Some could also be swiped to use in other parts of the budget.

Questions also remain about the burden of tolls on taxpayers and how that will impact our economy.

Essentially, tolls are an easy and lazy way to promise a solution to the state's transportation issues without looking at the realities we face.

# **ANOTHER SOLUTION...**

**If we want a dedicated stream of funding that is truly limited to infrastructure improvements, the only way to do that is through bonding within the state's new bonding cap, which is the current way the state funds transportation projects.**

**The most prudent way to boost this funding is to better manage how we utilize our current bonding under the state bonding cap so we can prioritize investments for transportation.**

# **PRIORITIZE PROGRESS**

To meet these goals and provide a stable investment in transportation projects over the long term, Republicans have developed *Prioritize Progress*.

This is a transportation funding plan that works with current state resources to provide over \$70 billion for transportation infrastructure projects over the next 30 years.

It relies on NO tolls and NO taxes increase.

It guarantees a steady, predictable flow of money for transportation infrastructure.



# **PRIORITIZE PROGRESS**

## **How it works:**

- 1) Fully implemented, it operates within CT's new bond cap, borrowing no more than allowed under the cap.**
- 2) It protects bonding for core needs such as school construction and clean water, at the same time it reduces bonding for excessive wants that are not priorities over transportation.**
- 3) Instead of using additional bonding for pet projects and political handouts, this plan requires that all bonding above and beyond the state's basic investment needs must go toward transportation infrastructure projects.**

# **PRIORITIZE PROGRESS IS ALREADY WORKING**

**A portion of Prioritize Progress was included in this year's bipartisan budget passed in 2018 and implemented for the next two years.**

**As a direct result of Prioritize Progress being included in the budget, CT will have \$100 million more annually in each of the next two years for transportation infrastructure projects. *(Had it been fully implemented this year, it would have been hundreds of millions more.)***

**This brings state spending on transportation up to \$1 billion annually, more than the state has ever invested in transportation before.**

# **ROLLING OUT PRIORITIZE PROGRESS OVER THE LONG TERM**

The bipartisan budget provides only a taste of what Prioritize Progress can do in the short term.

If we fully implemented Prioritize Progress as it was designed to be a long term solution, we would boost annual state spending on transportation projects by **HUNDREDS OF MILLIONS OF DOLLARS.**

For example, projections show Prioritize Progress could invest:

**\$705 million MORE** in transportation in 2020 for a total of **\$2.1 billion**,  
**\$622 million MORE** in transportation in 2021 for a total of **\$2.1 billion &**  
**\$825 million MORE** in transportation in 2022 for a total of **\$2.3 billion.**

Paired with current investments in transportation and projected federal funding, this totals almost **\$71 billion over 30 years.**

# **PRIORITIZE PROGRESS ACHIEVES OUR GOALS**

**This plan provides more than enough funding to fund all the unfunded projects DOT had identified prior to the governor releasing his unfunded \$100 billion plan that contains unnecessary projects.**

**This provides stable, dedicated funding to be used directly for transportation infrastructure projects which allows future infrastructure planning without the fear of losing funding in a fluctuating economy.**

**This works within current state resources, preserving bonding for needs, eliminating bonding for wants, and making transportation a top priority when it comes to Connecticut's bonding investments.**