

Connecticut Considers Future Transportation Funding Options



Garrett Eucalitto

Undersecretary for Transportation Policy and Planning

Connecticut Office of Policy & Management

March 31, 2015

Introduction

Connecticut has a long and winding transportation history

- CT created the first highway department in the country 120 years ago, and has always struggled to adequately invest in infrastructure
- Following two high profile incidents in 1983, then-Governor O'Neill invested heavily in Connecticut's transportation infrastructure
- Governor Malloy has put a renewed focus on transportation and its impact on our state's economy, and since 2011 transportation capital spending has increased by 65%
- Governor Malloy recognizes we need to plan for the future, not just fix existing problems



Our Transportation Infrastructure is Large & Diverse

Highway system

- 21,500 miles of state & local roads
- 9,800 miles of state roads
- 7,400 state & local bridges
- 50 state highway maintenance garages
- 630 plow trucks
- 85 million vehicle miles traveled per day



Transit system

- 24 rail locomotives
- 448 rail coaches
- 1,100 transit buses
- 42 million bus passengers per year
- 41 million rail passengers per year

Condition of Connecticut's Infrastructure

We cannot sustain existing conditions, let alone expand

- Bridges
 - 35% of CT's bridges are structurally obsolete or structurally deficient
- Roadways
 - 41% of all state & local roads are in "poor" condition
 - Cost to drivers: an additional \$661/year in operating costs due to road conditions
- Rail
 - Four movable bridges on nation's busiest commuter rail line are over 100 years old

Special Transportation Fund



Special Transportation Fund

Consists of multiple revenue streams:

- Motor Fuels Tax (\$.25 per gallon gasoline, \$.54 per gallon diesel)
- Oil Companies tax (8.1%)
- Motor Vehicle Receipts (Drivers' licenses and registrations)
- Licenses, Permits, Fees (driver history, emissions, fines, etc.)
- Private sales of vehicles

Is used for specific purposes:

- DOT operating budget
- DMV operating budget
- Debt service
- Fringe benefits and other staff costs

Special Transportation Fund Current Program

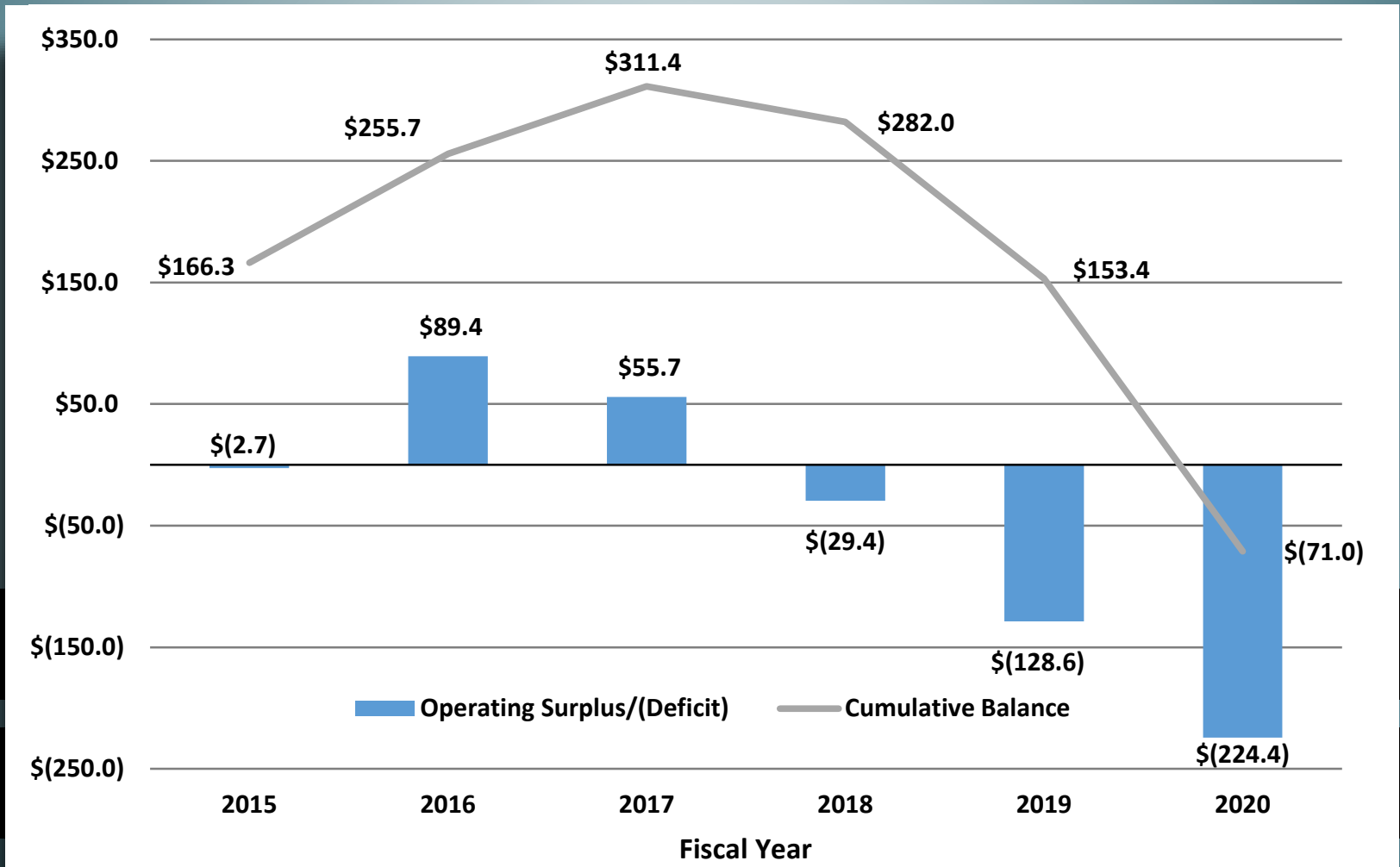
Maintaining Current Transportation Funding (in millions)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Revenues	\$1,339.1	\$1,503.6	\$1,514.4	\$1,514.8	\$1,514.8	\$1,514.9
Expenditures						
Operating	876.9	899.1	918.9	962.3	1,026.0	1,083.3
Debt Service*	464.9	495.9	536.8	578.9	614.4	653.0
Policy Changes	<u>-</u>	<u>19.2</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Total	\$1,341.8	\$1,414.2	\$1,458.7	\$1,544.2	\$1,643.4	\$1,739.3
Balance	(2.7)	89.4	55.7	(29.4)	(128.6)	(224.4)
Cumulative Balance	166.3	255.67	311.4	282.0	153.4	(71.0)

* Assumes current levels of borrowing are maintained

Special Transportation Fund Current Program

(in millions)



New Investments in Transportation

LET'S GO CT!



LET'S GO CT!

Governor's Transportation Initiative



- **30-year plan:** all critical preservation & enhancement needs
- **5-year ramp-up:** projects within the 5-year budget cycle to jump start investment
- **Cost:**
 - 30-year plan: **\$100 billion** investment
 - 5-year ramp-up: **\$10 billion**
 - 5-year baseline capital program
 - plus **\$2.8 billion** in expanded budget

LET'S GO CT!

Major Projects

- I-84 “Mixmaster” in Waterbury: \$7 billion replacement
- I-84 Viaduct in Hartford: \$5-7 billion replacement
- I-95 widening from Stamford to Bridgeport: \$4 billion (25 miles)
- I-95 widening from Old Saybrook to New London: \$1.2 billion (16 miles)





Governor's Proposal

Transportation Ramp-Up Projections

(in millions)

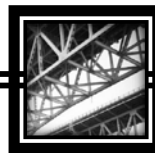
	<u>FY '15</u>	<u>FY '16</u>	<u>FY '17</u>	<u>FY '18</u>	<u>FY '19</u>	<u>FY '20</u>
Revenues						
Baseline	<u>\$ 1,339.1</u>	<u>\$ 1,503.6</u>	<u>\$ 1,514.4</u>	<u>\$ 1,514.8</u>	<u>\$ 1,514.8</u>	<u>\$ 1,514.9</u>
Total	\$ 1,339.1	\$ 1,503.6	\$ 1,514.4	\$ 1,514.8	\$ 1,514.8	\$ 1,514.9
Expenditures						
Operating	876.9	899.1	918.9	962.3	1,026.0	1,083.3
Debt Service*	464.9	502.0	563.0	640.4	719.3	802.0
Policy Changes	<u>-</u>	<u>37.1</u>	<u>22.6</u>	<u>22.9</u>	<u>23.2</u>	<u>23.5</u>
Total	\$ 1,341.8	\$ 1,438.2	\$ 1,504.5	\$ 1,625.5	\$ 1,768.5	\$ 1,908.8
Balance	(2.7)	65.4	9.9	(110.7)	(253.7)	(394.0)
Cumulative Balance	166.3	231.7	241.7	130.9	(122.8)	(516.8)

Future Options for Connecticut



Future Options for Connecticut

- No county government, no local taxing authority
- Significant state fiscal challenges
- Governor Malloy will be appointing a commission to examine funding options and make recommendations
- All options are on the table, and will be examined, including alternative financing and delivery methods
- Transportation Committee reported out legislation requiring CTDOT to prepare a tolling implementation plan



Thank you

For further information:

www.letsgoct.com

Garrett Eucalitto

**Undersecretary for Transportation Policy and Planning
Connecticut Office of Policy and Management**

garrett.eucalitto@ct.gov

