

Maine Dept. of Transportation faces funding shortfall

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By Christopher Cousins, Times Record Bureau

AUGUSTA — Lagging revenue in the Highway Fund will force an immediate \$9.7 million reduction to Department of Transportation projects this year, but a much larger problem looms in the form of a \$500 million funding downturn.

That sum is in addition to the more than \$800 million structural gap the Legislature will have to fill for programs dependent on the general fund.

The Maine Department of Transportation receives about 70 percent of its money from federal sources, including 40 percent from what's known as the highway fund. Poor performance in that fund, in addition to widespread cost increases, could set back capital projects for years, though there is hope that a federal economic stimulus package targeting infrastructure will help ease the problem.

The Department of Transportation's budget for fiscal year 2009, which ends June 30, is approximately \$680 million. The \$500 million shortfall in the highway fund is for the next two years, beginning July 1. A few other departments also receive minor support from the fund, though the DOT consumes 78 percent of it, according to Karen Doyle, finance director for the department.

Doyle said the cuts in the current budget were anticipated last July, when the department planned a 10-percent decrease in project spending. Mark Latti, a spokesman for the DOT, said about 85 miles worth of road projects were delayed in August after the cost of asphalt had more than doubled in the previous eight months.

The price of asphalt has begun to drop again, but Latti said that doesn't mean the situation will help projects planned for next year.

"The price always rises come the summer months," he said. "We're basically planning that it won't reach the high level it did last fall."

Asked how the larger funding problem will affect DOT operations, Doyle said those details will be included in Gov. John Baldacci's budget proposal, which Baldacci has said will be unveiled Jan. 9.

Doyle said there is hope for more federal cash, especially if Congress enacts an economic stimulus package in 2009 as is being discussed in Washington.

The MDOT has already submitted a wish list of projects it deems worthy of funding under the stimulus bill. Those projects include \$115 million on interstates, \$66 million in highway reconstructions, \$25 million in non-interstate paving, \$22 million in bridge work, \$24 million in mass transit projects, \$35 million for 33 aviation projects, \$35 million for a passenger rail project, \$1 million for bicycle and pedestrian projects in Gardiner and Old Orchard Beach; and \$2 million to protect a watershed from storm water.

Beyond a stimulus bill, Congress needs to stabilize funding for transportation in the long-term as people drive less and use less gasoline.

"We are hopeful," said Latti. "This is something Congress is very aware of."