



State of Connecticut

SENATOR LEONARD A. FASANO

SENATE REPUBLICAN PRESIDENT PRO TEMPORE

34TH DISTRICT

LEGISLATIVE OFFICE BUILDING
300 CAPITOL AVENUE, SUITE 3400
HARTFORD, CONNECTICUT 06106-1591
www.SenatorFasano.com

HARTFORD: (860) 240-8800
TOLL FREE: (800) 842-1421
FAX: (860) 240-8306
Len.Fasano@cga.ct.gov

Testimony

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Transportation Committee

Senate Republican President Pro Tempore Len Fasano

Senator Boucher, Senator Leone, Representative Guerrero, Representative Carney and members of the Transportation Committee, thank you for the opportunity to submit testimony regarding multiple legislative proposals before your committee today regarding tolls (S.B. No. 560, S.B. No. 751, H.B. No. 5458, H.B. No. 6045, H.B. No. 6058) and protecting the state's Special Transportation Fund (S.J. No. 5, H.J. No. 7, S.J. No. 8, S.J. No. 30, H.J. No. 38, H.J. No. 40, H.J. No. 41, H.J. No. 52, H.J. No. 55).

Transportation Funding:

We can all agree that Connecticut's transportation needs have been overlooked and underfunded for far too long. We cannot continue on this path if we hope to bring transportation up to the standards needed to support our current population and open our state to future growth. While there is a desire among some lawmakers to implement tolls to boost transportation spending, I want to encourage the committee to consider all proposals and alternative ideas to create reliable funding for transportation – including the Republicans' "Prioritize Progress" proposal.

As you know, the Republican proposal would make a clear and defined commitment to transportation projects by reserving a set amount of General Obligation Bonds to be used solely for transportation priorities. By first implementing a hard bond cap, we would reduce the amount of bonding that occurs in our state annually, while also maintaining necessary bonding levels for specified fundamental state programming, such as education needs and low income housing among others. The proposal would also leave \$100 million in bonds for the governor to use at his or her discretion. Finally, all remaining bonding potential under the defined hard cap would be dedicated to transportation. This initiative would provide additional funding beyond the "normal" DOT capital program of approximately \$600 million annually that will continue to be financed with Special Tax Obligation Bonds. Estimates show that this would result in at least \$1 billion for transportation needs annually over the next 30 years. All of this would be done without the need for tax increases or tolls.

Our proposal also recommends the reestablishment of the Transportation Strategy Board (TSB) to work alongside CTDOT to assess proposed projects and identify community needs, thereby ensuring that all current funding is used in a manner that is best for all Connecticut residents.

Maintaining STO bond authorizations, which have averaged \$600 million annually, along with the newly proposed General Obligation Bond commitment, would result in a 10 year transportation fund total of approximately \$11.9 billion and a 30 year total of \$39.6 billion in state funds. If the maximum federal funding of 80 percent is received for these initiatives, the state could garner additional funding as shown in the below table. At most, federal funding could increase funding to approximately \$21.5 billion over the next 10 years and \$71.3 billion over the next 30 years.

These proposed changes will provide a reliable revenue stream that Connecticut can count on year after year for important transportation projects. We recommend first addressing immediate safety needs and deteriorating infrastructure, but we stress that this plan relies upon the expertise of CTDOT and a Transportation Strategy Board to prioritize initiatives appropriately and plan for future transportation needs. By securing a predictable and sustainable funding source and empowering transportation experts to plan for the future, we can create a safe, reliable and multi-modal transportation network - including roads, bridges, rail, bus, and port improvements. This plan secures current funds, reprioritizes spending, and gives experts the tools and resources they need to institute a broad range of transportation projects and improvements – all without increasing taxes or implementing tolls.

The complete proposal offered last year is attached for your review.

Protecting the Special Transportation Fund

I also want to reaffirm Senate Republicans' support for a constitutional amendment to protect transportation funding. For years, Republicans have spoken out against raiding and diverting funds from the state's Special Transportation Fund. In January 2015, Republicans raised the idea of creating a lockbox through a constitutional amendment. Since then the concept has clearly taken off, garnering the support of the governor and Democrat lawmakers. I hope that this year the state can move forward with a lockbox that is strong and enforceable to truly protect transportation funding for future generations.

When it comes to crafting a constitutional amendment, the devil is in the details. Senate Republicans supported the lockbox proposal that came before our chamber in December 2015, although we expressed concerns that the language could be tightened further. Even as this lockbox was approved, Democrats also passed a budget that diverted funding from the Special Transportation Fund – moving around the very same money that lockbox sought to protect. Therefore, any lockbox amendment that we move forward must be airtight. We cannot have any wiggle room that would allow lawmakers to divert funding that is meant for transportation.

If a constitutional amendment is unclear, we are bound to see problems down the road. For example, the state spending cap constitutional amendment received overwhelming voter support in 1992. However, because final actions were never taken to implement the cap in full, we essentially have a toothless cap that cannot be enforced. We've seen this cap circumvented for years. While the public thought our state was protected from overspending, the truth of the matter is we were not and are not protected. Let's not repeat the same violation of the public's trust with the transportation lockbox.

A lockbox also should never be used as a means to raise taxes or implement tolls, if those new streams of revenue are not protected by the lockbox language. Therefore, we need a lockbox that protects current and future funds intended to be used for transportation needs.

The lockbox that Republicans envision supporting is one that includes the following elements:

- Unmistakable protection requiring that all sources of revenue currently credited or deposited into the Special Transportation Fund - such as the motor vehicle fuels tax, motor carrier road tax, and title, license, permit and other fees - continue to be directed to the STF while the legislature be prohibited from intercepting that revenue and utilizing it for any other purpose.
- A clear requirement that any future source of revenue credited or deposited to the STF, such as tolls if they should be approved by the legislature, continue to be directed to the STF while the legislature be prohibited from intercepting that revenue and utilizing it for any other purpose.
- Security for all sources of revenue that are now or in the future credited or deposited into the STF to prevent such revenue from being intercepted or used for any other purpose.
- The ability to eliminate revenue flowing to the STF if it is no longer needed, thereby providing tax relief. While the legislature should be able to reduce or eliminate sources of revenue should we be able to catch up on our transportation needs, we should *not* be able to use that revenue stream, which had been credited to the STF, for other general fund purposes. Either the funds must go to transportation needs or go back to the taxpayers.
- A provision that allows the amendment to be effective and enforceable in a court of law against the legislature upon approval by the voters. Unlike the constitutional spending cap provision, we should not require legislative action in order for the lockbox to become effective.

Protecting funding for core services that keep our roads and bridges safe must be part of a long-term plan for change across our state. If we are to make definitive promises to the public, we must ensure that these promises are true and absolute.

Len Fasano
Senate Republican President Pro Tempore