Bill No.: SB-1121
Title: AN ACT CONCERNING PRIORITIZE PROGRESS.
Vote Date: 5/1/2019
Vote Action: Joint Favorable
PH Date: 4/26/2019
File No.: 

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:
Finance, Revenue, and Bonding Committee

REASONS FOR BILL:
This bill requires the State Bond Commission to authorize general obligation bonds for transportation projects. The bill also establishes the 13-member Transportation Strategy and Advisory Board, within the Office of Policy and Management (OPM) for administrative purposes only, consisting of (1) eight appointed members (seven legislative and one gubernatorial) and (2) five ex-officio members (the Department of Transportation (DOT) commissioner, OPM secretary, treasurer, and executive directors of the Connecticut Port Authority and Connecticut Airport Authority). Under the bill, the board is charged with developing, to the bill’s specifications, (1) a fiscal report on the Special Transportation Fund’s health, which it must submit annually to the Transportation and Finance, Revenue and Bonding committees and (2) a transportation strategy, which it must submit to the legislature every four years. Lastly, the bill requires DOT to annually submit, starting by October 1, 2020, a priority project report that identifies the 20 transportation projects that are a priority for the department and provides other information related to the status and budgets of transportation projects.

RESPONSE FROM ADMINISTRATION/AGENCY:

Shawn Wooden, State Treasurer The treasurer offers three major concerns with the proposal, despite considering the efforts of the bill as “laudable”. First, he states that authorizing this amount of debt, especially over 30 years, is an unprecedented measure, and that it is unlikely to work in line with Governor Lamont’s proposed “debt diet.” Second, issuing bonds in this magnitude could result in crowding out of other projects that rely on GO bonding such as school maintenance, economic development, clean water grants, and municipal aid. Third, Wooden states that this could hurt the State’s credit in terms of GO bonds, stating, “this approach is likely to increase the cost of borrowing for taxpayers.” Lastly, Treasurer Wooden acknowledges that for 35 years the state has bonded transportation through the
Special Transportation Fund using STO bonding, and it has been highly effective. The testimony states that this proposal moves away from that system and imposes the costs on all taxpayers rather than those who use them.

**Melissa McCaw, Secretary, Office of Policy Management** wrote testimony in opposition to the bill, stating concerns with the abilities to really prioritize transportation goals as it means many projects will be overlooked in turn, including construction bonds for schools. McCaw states that in the first ten years the debt service cost would be over $600 million, and OPM estimates that through 30 years it will be nearly $24 billion, and she says this is “unattainable.” Furthermore, the testimony states worries about crowding-out other GO fund projects. The secretary also included a list of ongoing School Construction Projects By School District with her testimony- Attachment

**Kevin A. Dillon, Executive Director, CT Airport Authority** testified in support of Section 1-3 of the bill, and considers the advisory board that will be established as a strong step in terms of “multi-modal coordination”. This came after Dillon was the co-chair for Governor Lamont and Lt. Governor Bysiewicz’s Transportation Policy committee. Dillon states that we shall not operate in a vacuum and that the direction for the future is important and must be weighed by the value to the consumers/citizens. The Transportation Strategy and Advisory Board is something the Transportation Policy Committee recommended, and is something Dillon strongly supports. The CAA stated no position on Sections 4 and 5 of the bill.

**Representative Themis Klarides, 114th District, House Minority Leader** supports the bill stating that it’s best attribute is that no tolls are required, and states that the crux of Prioritize Progress is to “keep essential General Obligation bonding in place, and replace non-essential General Obligation bonding with transportation infrastructure bonding.” Additionally, the testimony states that the bill would consolidate a plan of transportation bonding and add it to the annual STO bonding. Representative Klarides also refers to the fact that the plan will target the most necessary projects with focused funding. Lastly, the testimony expresses the impact Prioritize Progress would have immediately as opposed to accumulated tolls revenue.

**Senator Leonard Fasano, 34th District, Senate Minority Leader** testified in support of the bill as he predicts that it offers a steady and reliable cash flow for transportation and allows projects to begin immediately without implementation of new taxes. Furthermore, his testimony states that a fraction of this plan has already been implemented in the budget from last year, but in order to reap the benefits or prioritizing transportation needs, the plan must be entirely implemented. Senator Fasano details two main points of the bill to highlight his support. First, prioritizing General Obligation bonds, this is revolved around allocating funding under the bond cap to the most needed projects for the next 30 years. Second is the reestablishment of the Transportation Strategy Board. Additionally, Senator Fasano supplied an Attachment to outline many findings and projections of the plan.

**Joe Sculley, President, Motor Transport Association of Connecticut** testified in support of the bill stating that the plan can get the state the much needed transportation funds immediately, and is an expansion on the way that these projects have been funded for decades. Sculley claims that debt service is not the problem and not what is causing the STF’s pending deficit. In closing, the testimony states that the problems are caused by
tremendously increased spending on public transit subsidies [and] spending on pension/fringe benefit funding.

Scott Shepard, Policy Director, Yankee Institute for Public Policy wrote testimony laying out concerns of the prospects of tolling. Shepard states that tolls would operate as a tax instead of a user fee, and a regressive tax in that, as it would be paid by all the subsidized travel for the wealthiest people. Shepard also points to the program that “permits the US DOT to authorize tolls for the primary purpose of abating congestion.” The testimony suggests the feat of tolling all day on uncongested roads, or roads congested for a rush-hour period only is implausible. The studies that generated the numbers in the toll proposal are called into question because they were generated in a study by a pro-toll group. This proposal is admirable insofar as it recognizes and acts in good faith and a true dedication to road and transportation safety and efficiency in this state requires further steps, including a true embrace of public-private partnerships – as many as the state needs, not an artificially constricted number – that can do the necessary work cost-effectively.

Thomas Santa, CEO, Santa Energy Corporation testified in support of the proposal, stating that the current state of traffic and transit roads cost his corporation hundreds of thousands of dollars, costs that they are forced to recoup by charging higher energy and service costs to customers.

Gregg Pompei wrote an in-depth testimony regarding opposition to tolling and support of SB 1121. Pompei writes that there are issues in tolling such as people vehemently avoiding tolls, rental car charges, malfunctions of gantries, and heavy traffic. Furthermore, Pompei states that tolls create a dilemma of choice between efficiency of time and efficiency in money.

The following people expressed similar support for SB 1121 instead of tolling. Their testimony notes that tolls are a regressive tax that will limit transportation opportunities for lower income and middle class residents and those with physical limitations. This additional tax/cost of driving will limit the ability of these people to work and live in CT. They point out that Prioritize Progress works within the state bonding cap and sets aside money for transportation improvements. This proposal also provides ample funding for core state initiatives and grant programs.

Linda Alexander
Frank Anderson
Susan Arcano
Ed Ardito
Craig Barletta
Fred Behringer
David Bohn, President/CEO, Preferred Utilities Manufacturing Corporation
Bonnie Bosse
Thomas Buzzi
Lorie C.
Adam Cohan
Gregory G. & Sylvia R. Davis
Edward S. De Cortin
Robert A. DiNapoli
Donna Dubanoski
Steven Dubanoski  
Paul Edwards  
Debbie Marnel Esposito  
Jen Ezzell  
Kathryn Farnsworth  
Melanie Finn-Scofield  
Martha Franklin  
Diana Fryer  
Christine Gallagher  
Wendy Gauthier  
Baptiste Giuliani-Zgombick  
Marsha Griffin  
John Guisti, Jr.  
Hilary Gunn  
Brenda Hamilton  
Angela Hammond  
Greg Hanner  
Frederick Hart, Jr.  
William Hemenway  
Lenore Hongo  
Cathy Hopperstad  
Robert Horn  
Martin Jenkins  
Sandra Kamens  
Barbara Kiehnle  
Donna Kohanowski  
Ed Lane  
Joan Liska  
Deborah Luther  
Anne Manusky, First VP, CTRA  
Ralph Mastromonaco  
Joe Mastronunzio, President, Brom Builders  
Christopher Minio  
Gina Nero  
Mark Nuzzolo  
Henry Orphys, Greenwich Representative Town Meeting  
Joanne Ouellette  
Rev. Rick Perry, Pastor, Haven of Hope  
Cathy Politi  
Charles Reese  
Bill Ross  
Roseann Scala  
Thomas and Lucille Scelfo  
Deborah Schultz  
Kenneth Schultz  
Gabrielle Sellari  
Scott Stickles  
James Stolfi  
Lisa Belardinelli Taylor
NATURE AND SOURCES OF OPPOSITION:

Michael Passero, Mayor, City of New London testified in opposition to the proposal and specifically Section 5 of the bill, calling it a revenue stream for infrastructure needs that is unsustainable. Mayor Passero mentions the scheduled construction of the Gold Star Bridge in 2020, which is estimated at a cost of $290 million under the Prioritize Progress plan would crowd out other much needed projects. He feels that this proposal is a short-term fix to a long-term problem and our state cannot afford to push the costs of our state’s necessary infrastructure on to future generations.

Jim Lohr, Deputy Director, NE Carpenters Labor-Management Program cites in testimony the poor state of roads in Connecticut, stating that the Federal Highway Administration ranked 57% of CT roads as “unacceptable”, which ranks 2nd highest in the nation. Furthermore, Lohr states that last November, over 80% of CT voters voted in favor of the Transportation Lock-box Constitutional Amendment. Other concerns expressed revolve around the bonds themselves under the Prioritize Progress Plan. First, is that the authorizations for these bonds are never fully guaranteed. Second is that there are more advisory steps and oversights around what projects are considered priority, and can slow down the actual process of doing the work.

Connecticut Construction Industries Association, Inc. writes in opposition to the bill, due to issues such as potential delays, conflicts with federal requirements, and undependable funding. CCIA cites Sections 1, 2, 3, and 4, stating that the layers of oversight, planning and reviews may slow development of projects, while also potentially complicating alignment with Federal requirements which could further slow progress and put funding at risk.

Kevin Berrill wrote testimony against the bill, stating that while tolls aren’t exactly pleasing, they will save citizens money down the line. Berrill cites the Connecticut Society of Civil Engineers and the American Society of Civil Engineers in saying that 8% of bridges in our state are “structurally deficient”, with 59% of the bridges being “beyond their design life.” Furthermore, the testimony states that tolling provides the necessary revenues without levying payments plus interest on the shoulders of the people as it does with ‘Prioritize Progress’.

Deborah Brody wrote that one obvious solution to fixing neglected roads could be revenues from increasing taxes on the state’s richest 1% of people. Brody also suggests that the state revamp the tax brackets to capture the people whose income is above the current top bracket of $500,000/$1,000,000. Using those two methods and tolls should generate the revenue necessary for transportation projects, according to her testimony.
Keith Brothers, Business Manager and Secretary/Treasurer, CT Laborers’ District Council wrote testimony on behalf of the organization in opposition to the bill. While recognizing the aspects of the bill that can be efficient and effective, they state that the “the additional layer of state bureaucracy…would hamper the timely and effective assignments of those funds to the projects”, and states that while the mechanism of bonding can be effective quickly, the real approach should be tolling.

The following people expressed similar opposition to SB 1121 in favor of tolling. These testifiers similarly worried that SB 1121 will simply send the State deeper into debt- our children and grandchildren will be paying interest on the bonds for decades. Higher income taxes will, no doubt, be the result of CT’s overuse of its credit card. According to the below people the way to address this issue is through fair and sensible tolls. Unlike the Prioritize Progress bonding plan, which burdens CT taxpayers with 100% of the costs, it is estimated that 40% of toll revenue will come from out of state cars and trucks and is thus fairer for the citizens of CT.

JoAnne Bauer, Ph.D.
Gail Berritt
Robert Blank
Linda Chaffin-Fuchs
Cathy Curley
Leanne Harpin
Harold Jordan
Jackie Kaiko
Adelheid Koepfer
Eva Lee
Angela Liptack
Janet Luongo
Bonita Messman
Loretta Paulson
Merla Porter
Beverly Propen
Ross Tartell

Reported by: Logan Cotter Date: 05/09/2019