

OFFICE OF FISCAL ANALYSIS

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sSB-904

AN ACT CONCERNING THE RECOMMENDATIONS OF THE OFFICE OF THE STATE TRAFFIC ADMINISTRATION AND THE DEPARTMENT OF TRANSPORTATION, THE DISSOLUTION OF THE NORWALK TRANSIT DISTRICT AND ROUTE SHIELD PAVEMENT MARKINGS.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 24 \$ | FY 25 \$ |
|------------------------------|-----------------|--------------|-----------|
| Department of Transportation | TF - Cost | 1.55 million | 3 million |
| Treasurer, Debt Serv. | GF&TF - Savings | Potential | Potential |

Note: GF&TF=General Fund & Transportation Fund

Municipal Impact:

| Municipalities | Effect | FY 24 \$ | FY 25 \$ |
|---------------------------|-----------------------|-----------|--------------|
| Norwalk; Westport; Wilton | Savings | 620,000 | 1.28 million |
| Various Municipalities | Revenue Loss/ Gain | Potential | Potential |
| Various Municipalities | Cost | Potential | Potential |

Explanation

Section 1 could result in a decreased or slower use of previously-authorized bond funds for various bond-funded competitive grants programs administered by DOT or OPM. Future debt service costs may be incurred later or to a lesser extent under the section to the degree that it causes authorized bond funds to not be expended or to be expended more slowly than they otherwise would have been.

To the extent municipalities are ineligible for transportation-related competitive grants because of the provisions of the bill, the ineligible municipalities would potentially receive less revenue from the state

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than they otherwise would. If competitive awards are shifted from ineligible municipalities to eligible municipalities, the eligible municipalities would potentially receive more revenue from the state than they otherwise would.

There may also be a potential cost to municipalities to remedy a violation of the Office of the State Traffic Administration orders or regulations.

Section 6 requires the University of Connecticut's Connecticut Training and Technical Assistance Center to conduct mandatory training for traffic authorities. The center currently provides such training to municipalities at a cost of \$100 per participant and this section results in a cost for traffic authorities to the extent that they are not currently participating in this program.

Sections 8 and 9 add requirements for DOT regarding the Connecticut Public Transportation Council (currently the Connecticut Commuter Rail Council). Specifically, these sections require DOT to maintain records of requests received by the council, provide monthly on-time performance and ridership reports, and make quarterly presentations at council meetings. This is not expected to result in additional costs to DOT because the department already tracks the relevant data and regularly attends and presents at current Connecticut Commuter Rail Council meetings.

Section 14 dissolves the Norwalk Transit District (NTD) on January 1, 2024, and transfers all NTD funds, property, debt, and obligations to DOT, and requires DOT to continue to provide comparable transit services. Under current agreements, NTD is more than 90% subsidized by DOT, with the remaining subsidy primarily coming from local contributions. In FY 22, these contributions totaled \$945,493 and included \$629,414 from Norwalk, \$308,952 from Westport, and \$7,127 from Wilton. This section is expected to result in a savings to those municipalities and a cost to DOT of a greater amount.

Under current projections, the municipal contributions to NTD are

anticipated to be \$1.24 million in FY 24 and \$1.28 million in FY 25, resulting in municipal savings under the bill of \$620,000 in FY 24 (half-year savings) and \$1.28 million in FY 25. The cost to DOT is anticipated to be \$1.35 million in FY 24 (half-year costs) and \$2.8 million in FY 25. These amounts assume DOT provides the former local contributions and incurs additional costs associated with managing the services. These additional costs reflect conforming the services provided by NTD to DOT's existing state-owned services (i.e., CTtransit) which include, for example, higher driver wages and contractual management services over operations, as DOT does not have existing expertise in this area. Funding for capital projects is not expected to change as NTD's capital program is currently funded with a mix of federal and state dollars.

Section 15 requires DOT to paint and maintain "route shield pavement markers" at the intersections of I-91/I-95 in New Haven and I-91/I-84 in Hartford. The cost for installing a single route shield is estimated at \$10,000, inclusive of the materials, equipment, and labor associated with installation and related lane closures. These markings are expected to need replacement every two years. While the full cost of this section is unknown pending a determination by DOT on the number of locations (lanes) where route shields would be required, it is expected to be less than \$200,000 annually. This assumes that DOT phases installation of route shield markings over a two-year period and these markings are replaced on a two-year cycle.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of route shield markings installed and replaced, and the terms of any bonds issued.