

February 28, 2018

Governor Dannel P. Malloy
State Capitol
210 Capitol Avenue
Hartford, CT 06106

Senator Martin Looney, President Pro Tempore
Legislative Office Building, Room 3300
Hartford, CT 06106-1591

Representative Joe Aresimowicz Speaker of the House
Legislative Office Building, Room 4105
Hartford, CT 06106-1591

Subject: Special Transportation Fund for Fiscal Year 2019

Dear Governor Malloy, Senate President Looney and Speaker Aresimowicz:

During December 2017 CRCOG was made aware in detail of funding problems with the Special Transportation Fund (STF fund). Subsequent efforts to balance the STF have led to proposed transit fare increases, transportation project freezes, and suspension of the LOTCIP program. In response to a briefing by CT DOT Commissioner Redeker, the CRCOG Transportation Committee and the CRCOG Policy Board have had multiple discussions of the current transportation funding situation.

CRCOG believes that the funding challenges have three time horizons: immediate needs for Fiscal Year 2019; medium term needs in the next five years as the general term for bonding for transportation projects peak; and longer term needs in the 10-15 year range when the gas tax revenue is expected to shrink at an increasing rate and other replacement revenues will need to be found.

CRCOG strongly urges the Administration and General Assembly to find a solution to the STF funding challenges for Fiscal Year 2019 before adjournment in May 2018. We recognize that medium and longer term funding issues may not be addressed during this short legislative session.

Our best estimate of the revenues needed for Fiscal Year 2019 would be in the 50 to 60 million dollar range. The longer terms revenue challenges over the next 5 years we understand would be in the neighborhood of \$300 million to sustain the \$900 million to 1 billion transportation program.

For this legislative session, we believe that the goal should be to develop sufficient revenue to meet these key objectives:

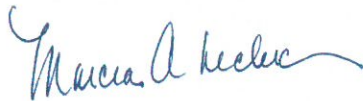
- Maintain current transportation operations,
- Maintain current transit service levels,
- Carry out the planned capital program for Fiscal Year 2019,
- Sustain the LOTCIP with uninterrupted funding for municipalities in our regions, and;
- Restore a second payment on Town Aid Road funding.

If the estimated required amount of \$60 million is correct, relatively minor revenue adjustments would meet this goal. CRCOG supports the following menu of revenue choices – which is far greater than the amount needed for Fiscal Year 2019. Given the relatively small amount required for Fiscal Year 2019, the revenue changes could be relatively modest in the current budget year. Supported options include:

- Advancing the new car sales tax transfer to the general fund (this alone could meet the targeted amount),
- Gas tax increase, and;
- Road tolling.

Transportation investment in good repair and new capacity is critical for the economic growth of our region and the state and we urge prompt action to address the STF shortfall as soon as possible.

Sincerely,



Marcia Leclerc, Chair
Capitol Region Council of Governments

CC:

Senator Carlo Leone, Transportation Co-Chair
Senator Toni Boucher, Transportation Co-Chair
Representative Antonio Guerrero, Transportation Co-Chair