

MINUTES

MEETING OF SPECIAL COMMITTEE: JOINT FISCAL COMMITTEE AND CHAIRS, HOUSE AND SENATE TRANSPORTATION COMMITTEES

May 21, 2008

Senator Bartlett, Joint Fiscal Committee chair, called the meeting to order at 12:30 p.m. in Room 10, State House.

Also present were:

Joint Fiscal Committee members:

Senators Cummings, Sears and Snelling
Representatives Bostic, Heath, Obuchowski, Smith and Westman (also
Chair of House Transportation Committee

Senator Mazza, Senate Transportation Committee chair

Other attendees included Joint Fiscal Office and Legislative Council staff and the Agency of Transportation Secretary Neale Lunderville and other staff from that agency.

TRANSPORTATION PROJECTS - REVIEW AND APPROVAL OF CONTINGENT BONDING PROJECTS AND RESERVE SPENDING LIST:

1. The special committee convened for the purpose of considering the Agency of Transportation's (1) proposed list of projects to be funded in fiscal year 2009 with \$10,000,000 to be financed by bonding, contingent on approval of the bonding by the Capital Debt Affordability Advisory Committee (CDAAC) later this year; and (2) a reserve list of projects and programs which could be delayed until fiscal year 2010 should the CDAAC recommend less than the \$10,000,000.

Authorization for the contingent bonding was set forth in Sec. 27(d) of S.365 (capital construction and state bonding) passed by the 2008 General Assembly, which included the requirement that the Transportation Agency present the two project lists to this special committee prior to June 30. The additional spending is subject to Section 42 of Act 164 (FY 2009 state transportation budget), which included three constraints on use of the \$10,000,000:

- (1) the first \$135,869 shall be allocated to advance town bridge federal earmark projects;
- (2) the second \$200,000 shall be allocated to advance other town highway bridge projects; and

(3) the third \$800,000 shall be allocated to advance paving or highway projects as determined by the agency.

Transportation Secretary Neale Lunderville presented in one spreadsheet the lists of proposed projects to be funded with bond proceeds and those projects which would be delayed should the CDAAC fail to approve the full \$10,000,000. *(That document is on file in the Joint Fiscal Office.)* Mr. Lunderville said the State Treasurer believes it is highly unlikely that the CDAAC will not agree to issuance of the bonds. The Secretary then proceeded to review each item on the spreadsheet.

Mr. Lunderville's presentation was interspersed with questions and discussion, some of which focused on the condition of bridges and plans for repairs or replacements. The Chair initiated the dialogue on bridges, with the observation that the Bridge Street bridge in Morrisville does not appear on the projects list despite the ongoing, significant concerns at the local level over the condition of the current span. In response to her concern over the safety of that bridge, the Secretary avowed that the agency does not allow unsafe bridges to remain open, that it takes bridge safety very seriously. He assured her that the agency understands what a vital link that bridge is in the community and will continue to talk with her and the community to make sure it is a priority.

Representative Smith echoed Secretary Lunderville's hope that it will prove unnecessary for the agency to undertake the actions that constituted the reserve list that would have to be postponed should the \$10,000,000 in contingent bonding not be approved. He also pointed out that included in that list are over \$5,200,000 of unidentified "additional project delays and other budget adjustments" which could be affected by another downgrade in the official revenue estimate for the Transportation Fund.

Representative Westman moved that the special committee approve the list of proposed paving, town bridge, and bridge maintenance projects to be funded with the proceeds of the \$10,000,000 contingent bond issuance and the reserve list of adjustments to be implemented should the CDAAC not approve the issuance of general obligation bonds for transportation in that amount. Representative Obuchowski seconded the motion, which was adopted.

STATE POSITIONS REDUCTION:

2. The Chair reminded the members of serious legislative concerns during the 2008 session over the impact on services of the Administration's plans to make significant reductions in the number of state employees. She reported on her and Representative Heath's efforts since adjournment to look into the effects of the reduction, In her opinion, some of the first 150 position eliminations have had a very detrimental effect on providing essential services, despite the Administration's expressed commitment that the actions will not have a negative impact on services, and she described some of these in general terms.

She advised that she has asked the Joint Fiscal Office to monitor the reductions. If these downsizing actions continue, as is expected with an upcoming round of 90 more reductions, she believed that eliminating entire programs may be required and that the public should have the opportunity to provide input.

The meeting was adjourned at 1:20 p.m.

Respectfully submitted:

Virginia F. Catone
Joint Fiscal Office