

Budget Update JFC

11-13

June 10, 2011

Joint Finance Completes Work on Budget

The Joint Finance Committee (JFC) concluded its work on the state's biennial budget in the wee hours of the morning of Saturday, June 4th. Speculation remains whether the Republicans will wait for a ruling from the Supreme Court on the collective bargaining issue or whether they will move forward and place the language in the budget bill. The outcome of that decision will impact the timing of when the two houses ultimately vote on final passage.

There were various transportation items that the JFC modified from the Governor's original proposal. The following are some of the highlights:

- Deleted the governor's proposal to dedicate a percentage of sales tax revenue from the sale of motor vehicles and motor vehicle parts to the transportation fund. Instead, required a transfer of 0.25% of total general fund taxes from the general fund to the transportation fund. Specified that the amount transferred each fiscal year could not be less than \$35.1 million.
- Increased State Highway Maintenance funding by \$30 million (\$15 million annually).
- Moved the funding source for mass transit assistance back to the transportation fund.
- Transferred \$10 million annually from the state highway rehabilitation fund to the discretionary components of the local road improvement program – \$5 million for towns and \$5 million for counties.
- Increased funding for county general transportation aids by \$10 million. Restoring the governor's proposed cut.
- Reduced the governor's proposed \$39 million cut to municipal general transportation aids by \$13 million.
- Increased funding for paratransit aid by \$2.5 million annually.
- Eliminated Regional Transit Authorities.
- Reduced requested bonding authority for the Freight Rail Preservation Program from \$60 million to \$30 million.
- Reduced bonding authority for the Harbor Assistance program by \$2 million.
- Added language regarding bidding requirements for public works projects. The language stipulates what projects counties are eligible to perform when state and federal dollars are involved.
- Created a Transportation Finance and Policy Study Commission.

The Legislative Fiscal Bureau is scheduled to release its full summary of the JFC's actions sometime next week.

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