

Highway Simplification Study Update

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On Tuesday, November 9th the Highway Simplification Study's Policy Working Group (PWG) held its last scheduled meeting. After convening monthly over the last year, the 15-member PWG finalized its key recommendations for simplifying municipal and state maintenance, capital improvement and funding responsibilities over Maine's roadway system.

The information provided in this update is not an official study work product. MaineDOT officials are currently drafting the official final report, which must be submitted to the Legislature no later than January 15, 2011.

Instead, this update is MMA staff's attempt to provide background information regarding the progress of the study, so that municipal officials will have the factual information necessary to determine impacts, pose questions and share comments and concerns with the newly elected members of the 125th Maine Legislature.

Municipal officials are highly encouraged to seek out other sources of information, including contacting the participants of the study group and exploring the information found on the Department of Transportation's website (<http://www.maine.gov/mdot/hss/index.htm>).

MMA thanks all of the municipal, state, regional and private industry volunteers that have participated at the working group, subcommittee and sounding board levels. We appreciate your efforts to work collaboratively to find ways to "achieve operational efficiencies and improved customer services", while being mindful of the fiscal and operational impacts on municipalities and the state.

If you have any questions about the materials presented in this report, please feel free to contact MMA's Kate Dufour at 1-800-452-8786 or kdufour@memun.org.

Highway Simplification Study Authorization. The Highway Simplification Study was commissioned by the Legislature as part of its FY 2010-2011 biennial Highway Fund budget. As enacted, the study directs the Maine Department of Transportation (MaineDOT) to examine the current road classification system to determine if the division of maintenance and repair responsibilities over state and local roads needs to be “simplified” in order to improve customer service and maximize investment decisions. See *Appendix A* for the authorizing legislation.

Highway Simplification Study Players. In order to assist the Department in its challenge to simplify the road classification system, several different working groups, subgroups and subcommittees were created.

Policy Working Group. The 15-member Policy Working Group (PWG) was represented by eight municipal officials appointed by MMA’s Executive Committee and seven municipal, state and private industry officials appointed by MaineDOT. The PWG was ultimately responsible for crafting and submitting to the Legislature a plan for simplifying the state’s road classification and maintenance responsibilities systems. See *Appendix B* for the PWG membership list.

Sounding Board. The 100+ member Sounding Board (SB) was responsible for providing feedback, information, suggestions and ideas to the PWG. The SB was represented by municipal officials, members of the Legislature’s Transportation Committee and others who had expressed an interest in this study. Interested parties became members of the Sounding Board simply by attending SB meetings.

Standards and Cost Subcommittee. This Subcommittee was appointed by the PWG and charged with several tasks, the most notable being the development of the standards to be used to ensure that minor collector roads are improved to a 10-year life expectancy. See *Appendix C* for the Standards and Cost Subcommittee membership list and its specific responsibilities.

Urban Issues Subcommittee. This Subcommittee was also appointed by the PWG to accomplish several tasks. The Subcommittee created a development-based compact program to replace the existing population-based urban compact program. It also conducted a municipal winter and summer road maintenance cost survey. The result of the cost survey has been instrumental in analyzing the fiscal impacts of the PWG’s proposals. See *Appendix D* for the Urban Issues Subcommittee membership list and its specific responsibilities.

PWG-Level Subgroups. The PWG also appointed two subgroups to make recommendations for resolving specific problems or hurdles identified by the PWG. The *Fiscal Analysis Subgroup* was formed to explore and make municipal funding recommendations to the PWG. The *Municipal Road Cost Subgroup* was formed to verify and validate the municipal winter and summer cost data that was provided by the Urban Issues Subcommittee. See *Appendix E* for the *Fiscal Analysis* and *Municipal Road Cost Subgroups* membership lists.

Highway Simplification Proposal. The process for simplifying Maine’s road classification system involves some level of complexity. In order to move forward with a proposal that seeks to split year-round maintenance and capital improvement responsibilities over the collector road system between the municipalities and state, several changes need to be implemented. Incorporated into

the simplification study is a proposal to amend the existing population-based urban compact program. The inclusion of this proposal in the PWG's recommendations has added another layer to the study.

In a nutshell, three significant policy changes have been developed by the Policy Working Group: 1) collector road "fix and swap" proposal; 2) "compact community" program proposal; and 3) the funding package necessary to finance both the "fix and swap" and "compact community" proposals.

"Fix & Swap" – Impacts on Non-compact Areas. As indicated above, the Simplification Study is seeking to make changes to both the rural (i.e., non-compact) and urban (i.e., compact) elements of the existing road maintenance and funding laws. Both under existing statutes and the PWG's proposed changes, some communities have areas that are designated as compact (i.e., currently referred to as urban or winter compact areas) and other areas designated as non-compact (i.e., currently referred to as rural). Under the existing statutes, 51 communities have both compact and non-compact areas, 442 communities have only non-compact areas, and 5 municipalities have boundaries that fall wholly within the compact area. Efforts to amend the program led to the generation of two alternatives, both of which are described on page 6.

It is important to make the "compact" vs. "non-compact" distinction because funding levels and road maintenance responsibilities change depending on the classification of the road and whether that road is within or outside of the compact area. For the purposes of simplicity, the roads addressed by the "fix and swap" proposal refer only to the minor and major collector roads, or segments thereof, that run through the non-compact areas of the municipalities.

"Fix and Swap" Proposal Basics. As proposed by the PWG, the "fix and swap" proposal would split year-round maintenance responsibilities over the collector road system between the state and municipalities. The state would take over winter and summer maintenance responsibilities over the non-compact major collector road system and the municipalities would take over year-round maintenance responsibilities over the entire minor collector road system (see Figure 1).

The most significant area of disagreement among the members of the PWG is with respect to how to treat future minor collector road capital improvements. As originally crafted by the PWG, municipalities would be financially responsible for all future capital improvements.

In response to the comments received at an October 7th Sounding Board meeting and an October 13th Legislative Policy Committee meeting, the municipal officials on the PWG advanced and continue to work on alternative minor collector capital investment plans. One of the alternatives being promoted by the municipal members of the PWG is a shared state/municipal responsibility (33% - 50% state) over future capital improvements. Another alternative being advanced would hold municipalities accountable for funding future minor collector road capital improvements. However, in addition to the \$36.4 million in local road assistance, the state would be required to set aside 10% of its share of Highway Fund revenues for a Minor Collector Improvement Program (MCIP). Under MCIP, municipalities would compete for state funding for future minor collector road improvement projects.

Statewide Impact in Miles. According to MaineDOT, 4,700 lane miles (i.e., 2,350 centerline miles) are classified as minor collectors and 3,000 lane miles (i.e., 1,500 centerline miles) are classified

as non-compact major collectors¹. As proposed, in exchange for shifting winter maintenance responsibilities to the state for 3,000 lane miles of major collector roads, municipalities would take on the summer maintenance for over 4,700 lane miles of minor collector roads¹.

**Figure 1 - State & Local Responsibilities over Collector Road System
Current vs. Proposed “Fix & Swap”**

	Non-compact Minor Collector Roads			Non-compact Major Collector Roads		
	Winter	Summer	Capital	Winter	Summer	Capital
Current Responsibilities	Local	State	State	Local	State	State
Proposed Responsibilities	Local	Local	Local or State or Both ²	State	State	State

Statewide Impact in Dollars. In order to accurately determine the fiscal impacts associated with the change in maintenance and capital improvement responsibilities, the Urban Issues Subcommittee gathered state and municipal winter and summer cost data. According to the results of a February 2010 municipal roads cost survey³, municipalities on average annually spend \$3,450 per lane mile to maintain roads in the winter and \$3,440 per lane mile to maintain roads in the summer. The survey also showed that on average municipalities invest \$37,000 per lane mile for capital improvements to local roads.

Based on the expenditure data above, it would appear that municipalities statewide would save \$10.4 million per year in winter maintenance cost on major collector roads, while incurring \$16.2 million per year in summer maintenance responsibilities over the minor collector road system (see *Figure 2*), or a net increase of \$5.8 million in annual municipal expenditures.

“Fix” Element of Proposal. Prior to implementing the shift in major and minor collector road maintenance responsibilities, the state would be financially responsible for improving all minor collector roads to a useful life of at least 10-years. To ensure the 10-year standard, the Standards and Cost Subcommittee developed a model improvement standard that would be used by the Department when negotiating with the community over the level improvements necessary to achieve the 10-year standard.

¹ Throughout this document, the number of road miles will be reported on a “lane mile” basis. A lane mile is a mile for each lane of a road. A typical rural Maine road has two lane miles for a centerline mile. For example, if a community becomes responsible for the year-round maintenance of 20 lane miles of minor collector road, that community will be maintaining an additional 10 miles of road.

² As described on page 3, there is disagreement among the members of the PWG regarding which entity, state or local, should be responsible for funding future minor collector road improvement costs.

³ The statewide winter and summer municipal costs are based on the average weighted cost data provided by the 114 municipalities that participated in the survey. In response to concerns that the municipal costs were improperly reported, a verification study of the February survey process was conducted in June 2010. The results of the June study yielded results nearly identical to the initial survey.

Based on the standards developed, it is estimated that the average cost to bring a rural minor collector road to the 10-year standard is \$65,000 per lane mile, thereby requiring a state-level investment of \$305 million to repair the entire minor collector road system. As designed by the PWG, the state would be prohibited from swapping maintenance responsibilities with the municipalities until all minor collector roads in that community were brought up to the 10-year standard. The model standard developed by the Subcommittee is attached as *Appendix F*. The PWG also adopted an amended 10-year standard for minor collector roads in compact areas. Under the “compact standard” it is estimated that per lane mile cost for improving minor collector roads would range from \$100,000 to \$490,000.

**Figure 2 - Estimated Statewide Municipal Fiscal Impact
Current vs. Proposed “Fix & Swap”**

	Municipal Expenditures Current			Municipal Expenditures Proposed		
	Winter	Summer	Total	Winter	Summer	Total
Major Collector Roads	\$10.4 M	\$0	\$10.4 M	\$0	\$0	\$0
Minor Collector Roads	\$16.2 M	\$0	\$16.2 M	\$16.2 M	\$16.2 M	\$32.4 M
Total Minor & Collector	\$26.6 M	\$0	\$26.6 M	\$16.2 M	\$16.2 M	\$32.4 M

Review Board Process. Although the process is designed to be a collaborative effort between the municipality and the state, it is anticipated that from time-to-time, differences of opinion over the level of work needed to achieve the 10-year standard may arise. As a result, the PWG’s proposal includes the establishment of a Review Board process for addressing those differences of opinion.

As proposed, there would be a three-step dispute resolution process. First, all disputes would be addressed at the local level between the designated municipal representative (public works director, road commissioner, town manager, selectman, etc.) and MaineDOT’s transportation operations manager. If the dispute cannot be resolved locally, the designated municipal official and MaineDOT’s region superintendent would try to resolve the conflict. If the dispute cannot be resolved at that level, then the Review Board would step in to resolve the conflict. The Review Board would consist of five members, two MaineDOT representatives and one alternate appointed by the Maine Department of Transportation, two municipal representatives and one alternate appointed by the Maine Municipal Association and one “neutral party” mutually appointed by the state and municipal representatives of the Review Board.

Disparate Impacts. Although the statewide (non-capital) swap of maintenance responsibilities over the collector road system would increase municipal costs by \$6 million, depending on the community’s road mix, the impacts of the “fix and swap” proposal vary. Generally, communities that have more major collector road miles than minor collector roads will experience savings, while communities that have more minor collector road miles than major will experience increases in local level funding and maintenance responsibilities. As a result, every effort was made to account for these

disparate town-by-town impacts in the funding formulas developed to replace the existing URIP formulas. The funding proposed is outlined in detail below.

Impacts on Compact Areas. As indicated above, the PWG’s Highway Simplification plan will include a proposal to amend the current urban compact program. Under the existing urban compact program, municipalities with populations in excess of 7,499 are responsible for providing winter and non-capital summer maintenance to the segments of state aid roads (i.e., minor and major collector roads) and state roads (i.e., arterial roads) that run through the community’s compact or developed area. A community’s compact area is currently defined as the area where there are structures located less than 200 feet apart for a distance of a ¼ mile. 43 communities are classified as urban compact under the existing definition.⁴

Redefined Compact Areas – 2 Approaches. As originally proposed by the PWG, compact communities would be defined as communities at any population level that have a sustained development density for a cumulative total of 2.5 miles or more on arterial and major collector roads. According to the Department, a total of 75 communities meet this density-based definition.

In response to the feedback received by municipal officials attending the October Sounding Board meeting, MaineDOT proposed further amending the PWG’s proposal by allowing municipalities that meet the development density standard but have populations under 4,000 to opt out of the program. Under the amended proposal, 63 communities would be required to participate in the compact program.

One of the municipal representatives on the PWG advocated for the implementation of a two-tiered compact program. Tier 1 communities would include the 43 current compact communities. The compact area would be defined as the areas in the community with 2.5+ miles of densely developed state roads. These communities would continue to provide the services currently required and be provided reimbursement at a rate of \$4,000 per lane mile.

Participation in the Tier 2 program would be voluntary and open to all other municipalities with defined compact areas. These communities would have limited responsibilities on state roads in the compact area. Maintenance responsibilities would include: winter snow and ice control; sweeping; pothole repair; traffic signage (excluding maintenance of traffic signals); ditching; driveway culvert, minor span and catch basin cleaning and repair; guardrail repair; erosion control and vegetation management; hazardous tree pruning or removal; and sidewalk maintenance. Municipalities opting into the Tier 2 program would be reimbursed at a rate of \$3,000 per lane mile for arterials and major collector roads in the defined compact area.

Efforts are underway to draft a proposal that addresses all of the PWG members’ concerns. It is hoped that a unanimously supported recommendation will be drafted in time for inclusion in the Department’s final report. If not, it is expected that the final report will include a discussion of both approaches.

Petition to Opt-Out of Compact Program. Furthermore, the PWG’s proposed compact program includes a provision enabling municipalities to petition the Commissioner of MaineDOT to opt-out of the compact community program. The petitioning community would have to illustrate that maintaining

⁴ In addition to the existing 43 urban compact communities, there are also 13 “winter compact” communities. These communities are responsible for providing winter maintenance on the state and state aid roads in the compact areas of the community.

major collector and arterial roads in the identified compact area would run contrary to the Highway Simplification Study’s goals of maximizing operational efficiencies and customer service. The municipality would have authority to grieve the decision of the Commissioner with an Appeals Board. A description of the Appeals Board in found on page 9.

Changes in State Aid for the Non-compact & Compact Elements. As would be expected, enhanced responsibilities yield enhanced reimbursements for the services provided to the state. As currently proposed by the PWG, a road’s classification (i.e., local, minor collector or state major/arterial road miles in the compact area, etc.) determines the level of state aid. As shown in *Figure 3*, reimbursement rates range from \$300 per lane mile for local seasonal roads to \$4,000 for mandated maintenance activities on major and arterial roads in the compact area. Based on the best information available, MMA staff has estimated the proposed reimbursement rates would increase existing URIP payments from \$22.8 million (FY 2010) to \$36.4 million. Please note that the figures provided include reimbursement under the originally proposed 75 community compact program.

**Figure 3
Local Road Assistance Reimbursement Levels
Proposed “Fix & Swap”**

	Reimbursement Rate Per Lane Mile
Local Roads – Seasonal	\$300
Local Roads – Year-round	\$600
Minor Collector I – Base Rate	\$1,200
Minor Collector II – Stipend	\$2,240
Compact Area Major Collector and Arterials	\$4,000

Enhanced Minor Collector Road Funding. As you will see, there are two different reimbursement rates for minor collector roads. At a minimum, municipalities will receive \$1,200 per lane mile for minor collector roads.

Additional state aid would be provided to communities with disproportionate shares of minor collector roads. Eligibility for the enhanced reimbursement is determined by subtracting from the number of minor collector lane miles the number of major collector lane miles. The difference, if positive, is the number of lane miles that qualify for the additional \$2,240 per lane mile reimbursement. A community with more major collector than minor collector lane miles is not eligible for the enhanced \$2,240 per lane mile funding.

For example, if Town A has 10 major collector lane miles and 15 minor collector lane miles, the community would receive \$29,200 for minor collector roads. Under this proposal, the community would be reimbursed at the \$1,200 rate for all 15 minor collector roads (\$18,000) and an additional

\$2,240 for 5 minor collector roads (15 minor collector road lane miles less 10 major collector road miles, yielding \$11,200).

The amount of the enhanced minor collector road funding is based on the results of the municipal road cost survey showing that municipalities spend an average of \$3,440 per lane mile to maintain roads in the summer. This enhanced reimbursement rate attempts to target additional funding to municipalities that are disproportionately burdened with minor collector road miles and the shifts in maintenance and future capital improvement responsibilities that will follow.

Repeal Limits on Use of State Aid. Generally, under the existing local road assistance program (URIP), municipalities must use the state aid for capital improvements only⁵. Although municipalities are mandated by law to plow state aid minor and major collector roads, communities are currently prohibited from using the state aid to maintain equipment, purchase sand and salt or to pay the employees providing this service on state aid roads. However, under the “fix and swap” proposal those limits would be repealed and municipalities would be authorized to use state aid for any transportation-related purpose, including snowplowing, equipment purchases, capital investments, etc.

Town-by-Town Data. Attached as *Appendix G*, is a town-by-town “fix and swap” proposal fiscal impact spreadsheet that has been prepared by MMA. The data found in that spreadsheet take into account all of the changes proposed both within and outside of the compact area. Not only does the spreadsheet show increases, if any, in each municipality’s state aid, it also illustrates the savings associated with shifting winter maintenance responsibilities on the major collector roads. What the spreadsheet does not show is the benefit to the municipality associated with the state’s investment in the minor collector road system, nor does it show the future cost to the municipality for potential ongoing minor collector road capital improvements.

Notes to Data - Important. Municipal officials are urged to carefully review the “notes to data” section found in *Appendix G* before delving into the spreadsheet. In order to truly determine the impacts to the community, municipal officials should weigh the benefit of the increase in local road assistance funding against summer maintenance and potential capital improvement funding responsibilities on the minor collector road system. Included in that analysis should be the major collector road winter maintenance cost savings. It is the municipal officials that deal with these roads every day who have the history, experience and information necessary to determine whether a state aid increase of \$80,000 per year (for example) offsets the year-round cost of maintaining an additional 25 lane miles (i.e., 12.5 centerline miles) of minor collector roads.

Local Control. Another “benefit” of the program to take into consideration is the value associated with obtaining local control over the minor collector road system. Granted, however, the local control benefit is in the “eye of the beholder” and the impact will vary from community-to-community. In some communities, local control would help to ensure that these roads received regular repair and attention, which due to state-level funding shortfalls has been lacking under the state’s stewardship. In other cases where municipalities are concerned with the state’s alleged practice of “over engineering” roads, local-level decision makers would be able to maintain the minor collector road system at a more community-appropriate level. That being said, if the state is financially responsible

⁵ Urban compact communities may use state aid for non-capital expenses, as the urban compact program mandates communities to provide services on state collector and arterial roads within compact areas. This state-level road maintenance mandate is not currently levied against rural communities.

for future minor collector road improvements, municipal control over year-round maintenance standards could be limited.

Hold Harmless Provision Repeal. Not only did the PWG focus its attention on developing proposals that maximize operational efficiencies and improved customer service, the members also developed an equity standard. Under the equity standard, it was agreed that, to the extent practical, all of the policies and practices proposed by the PWG would apply to all communities regardless of demographics or geography.

With that equity principle in mind, the PWG has recommended a phase-out of the existing local road assistance funding hold harmless provision⁶. Under the proposal still being refined by the PWG, in the first year of implementation, the “hold harmless” provision would be intact. In year 2, the hold harmless would be reduced by 25% and further reduced by 25% each year thereafter until the fifth year, when it will be fully phased-out. Although the impacted communities will see a reduction in state aid, these communities will nonetheless receive the same per lane mile reimbursement rates (i.e., \$600/lane mile for local roads, etc.) as every other Maine community.

Appeals Committee. A 5-member Appeals Committee would be created to enable municipalities to grieve state-level road functional classifications and compact border designation decisions. Membership on the Committee would include representation from the Federal Highway Administration, Maine Department of Transportation, Maine Municipal Association, Attorney General’s Office and the Maine Chapter of the American Society of Civil Engineers.

Limits on Existing Reclassification Practices. MaineDOT staff would be directed to finalize, as best as possible, a detailed list of the road reclassifications currently being explored and implement a four year moratorium on the expansion of the reclassification list, unless the reclassification is mutually agreed to by both the municipality and MaineDOT.

Clarification of Motor Vehicle Excise Tax Law. With the stipulation that this recommendation only be enacted as part of a comprehensive Highway Simplification Study, municipalities would be required to use motor vehicle excise tax revenue for transportation-related purposes only (i.e., maintenance or capital costs of highways, minor spans, transit support, traffic enforcement, etc.).

Sources of Revenue. Of significant importance to the success of this initiative is the creation of a mechanism generating the revenues necessary to not only fund promised improvements to the minor collector road system and increased road assistance funding, but to also fund expansions to the state’s winter maintenance operations program for major collector roads (outside of the compact areas). It is also expected that some financial effort will need to be made to maintain minor collector roads while the community waits in line for its 10-year fix.

It is estimated that the two municipal pieces alone, repairing one-twelfth of the minor collector road system each year and increasing local road assistance payments will cost the state an additional \$38 million annually. According to MaineDOT, one penny in fuel taxes raises approximately \$7 million.

⁶ When in 1999, the then flat-funded Local Road Assistance Program (LRAP) was converted into Urban/Rural Initiative Program (URIP), municipalities were guaranteed to receive state aid equal to the amount of aid received in 1999. As a result of that provision and the most recent decreases in funds available for URIP, which is tied directly to MaineDOT’s share highway improvement funding, the number of communities held harmless has increased.

To put that into a “fix and swap” related context, a 2-cent fuel tax increase is needed at a minimum to fund the increases in state aid to municipalities.

Rather than providing the Legislature with a single proposal for funding the PWG’s entire package of recommendations, it is expected that a menu of funding options will be presented as part of the final report. This menu will include choices among both dedicated (i.e., increases fuel tax rates, registration fees, bonds, etc.) and non-dedicated (i.e., percentage of sales tax on automobile parts, etc.) funding options.

The funding element of the PWG’s report will also include a recommendation to replace the existing local road assistance funding process, which requires that 9.6% of MaineDOT’s highway program budget be distributed to municipalities. As proposed, the funding process would require the Legislature to generate the state aid necessary to meet the per lane mile reimbursement rates (i.e., \$600/lane mile for year-round local roads, \$4,000/lane mile for arterial roads in compact areas, etc.) incorporated in the PWG’s recommendations.

Implementation Timetable. Taking into consideration the magnitude of the proposed changes, the “fix and swap” proposal is on a multi-year implementation schedule. Before year-round maintenance responsibility over the minor collector road system can be shifted to the municipalities (and, in turn the winter maintenance responsibility over the major collector road system to the state), the Maine Legislature will need to enact the legislation and appropriate the funds necessary to improve the minor collector road system.

It is expected that at a minimum it will take the state 12 years to fund improvements to the entire minor collector road system. For some communities, shifts in minor collector road responsibilities are as far as 12-years down the road. Other communities, depending on when and if the law is enacted and funding becomes available, may see shifts in responsibility sooner.

That being said, much education and outreach work is left to be done, and if this proposal is to have any chance at success, its implementation cannot be rushed.

Furthermore, ongoing assessment of the work of the PWG will be necessary. The PWG recommended that a group of municipal, state and industry representatives be convened at least once every four years to ensure that among other issues, state aid reimbursements rates are sufficient, minor collector roads continue to receive some level of maintenance while waiting for “fix and swap” implementation, and that the state has the resources necessary to meet its new major collector road winter maintenance responsibilities, etc.

Summary. The PWG’s “fix and swap” proposal seeks to accomplish the following:

Split Year-round Collector Road Maintenance Responsibility. Year-round maintenance responsibilities over the entire collector road system (major and minor) would be split between the state and municipalities. The state would take over winter and summer maintenance responsibilities over the non-compact major collector road system and the municipalities would take over year-round maintenance responsibilities over the entire minor collector road system. For a visual impact of this recommendation, please see the map produced by MaineDOT and provided in Appendix H.

Improve Minor Collector Road System to a 10-Year Standard. Prior to swapping major and minor collector road maintenance responsibilities, the state would be financially responsible for improving all minor collector roads to a useful life of at least 10-years. Using a standard adopted by the PWG, the state would work with municipalities to determine the scope of work necessary to ensure that no minor collector road brought up to the standard would need additional capital investments for a 10-year period.

Create a Review Board Process. A three-step resolution process would be available to address minor collector 10-year standard improvement disputes. The Review Board would consist of five members, two MaineDOT representatives and one alternate appointed by the Maine Department of Transportation, two municipal representatives and one alternate appointed by the Maine Municipal Association and one “neutral party” mutually appointed by the state and municipal representatives on the Review Board.

Amend Formulas and Increase State Aid to Municipalities. A road’s classification (i.e., local, minor collector or state major collector, etc.) would determine the level of state aid. Recommended reimbursement rates range from \$300 per lane mile for seasonal local roads to \$4,000 for major and arterial roads in compact areas. Based on the best information available, it is estimated that proposed changes to local road assistance funding could increase from \$22.7 million to \$36.4 million, a \$14 million statewide increase.

Funding Future Minor Collector Road Capital Costs. The most significant area of disagreement among the members of the PWG is with respect to how to treat future minor collector road capital improvements. As originally crafted by the PWG, municipalities would be financially responsible for all future capital improvements. One of the alternatives being promoted by the municipal members of the PWG is a shared state/municipal responsibility (33% - 50% state) over future capital improvements. Another alternative advanced would hold municipalities accountable for funding future minor collector road capital improvements. However, in addition to the \$36.4 million in local road assistance, the state would be required to set aside 10% of its share of Highway Fund revenues for a Minor Collector Improvement Program (MCIP). Under MCIP, municipalities would compete for state funding for future minor collector road improvement projects.

Restructured Compact Program. The PWG’s proposal includes a plan to restructure existing urban compact program. However, at the time this update was being drafted, there were two proposals being considered by the PWG.

As originally proposed by the PWG, compact communities would be defined as communities at any population level that have a sustained development density for a cumulative total of 2.5 miles or more on arterial and major collector roads. Municipalities meeting the development density standard but have populations under 4,000 would be allowed to opt out of the program. Under the amended proposal, 63 communities would be required to participate in the compact program.

One of the municipal representatives on the PWG advocated for the implementation of a two-tiered compact program. Tier 1 communities would include the existing 43 compact communities. The compact area would be defined as the areas in the community with 2.5+ miles of densely developed state roads. These communities would continue to provide the services currently required and be provided reimbursement at a rate of \$4,000 per lane mile. Participation in the Tier 2 program would be voluntary and open to all other municipalities with defined compact areas. These communities would have limited

responsibilities on state roads in the compact area. Municipalities opting into the Tier 2 program would be reimbursed at a rate of \$3,000 per lane mile for arterials and major collector roads in the defined compact area.

Repeal Limits on Use of State Aid. Generally, under the existing local road assistance program (URIP), municipalities must use the state aid for capital improvements only. However, those limits would be repealed and municipalities would be authorized to use state aid for any transportation-related purpose, including snowplowing, equipment purchases, capital investments, etc.

Repeal of URIP Hold Harmless Provision. Under existing law, municipalities are guaranteed to receive local road assistance funding that is no less than the amount of aid received in 1999. Although the impacted communities would see a reduction in state aid, those communities would nonetheless receive the same per lane mile reimbursement rates (i.e., \$600/lane mile for local roads, etc.) as every other Maine community.

Create an Appeals Committee. A 5-member Appeals Committee would be created to enable municipalities to grieve state-level road functional classifications and compact border designation decisions. Membership on the Committee would include representation from the Federal Highway Administration, Maine Department of Transportation, Maine Municipal Association, Attorney General's Office and the Maine Chapter of the American Society of Civil Engineers.

Limit Existing Reclassification Practices. MaineDOT staff would be directed to finalize, as best as possible, a detailed list of the road reclassifications currently being explored and implement a four year moratorium on the expansion of the reclassification list, unless the reclassification is mutually agreed to by both the municipality and MaineDOT.

Clarify Motor Vehicle Excise Tax Law. With the stipulation that this recommendation only be enacted as part of a comprehensive Highway Simplification Study, municipalities would be required to use motor vehicle excise tax revenue for transportation-related purposes only (i.e., maintenance or capital costs of highways, minor spans, transit support, traffic enforcement, etc.).

More Information. For more information on the study, please see the Department of Transportation's website. A link to the state's data is provided on MMA's website at www.memun.org. Also, please feel free to contact MMA's Kate Dufour at 1-800-452-8786 or kdufour@memun.org with your questions and comments.

Study Authorization

P.L. 2009, Chapter 413 (LD 333) - Highway Fund Budget for FY10-FY11 - PART T

Sec. T-1. Highway system classification simplification study. The Department of Transportation, referred to in this section as "the department," working in cooperation with representatives of the Maine Municipal Association, the Maine Chapter of the American Public Works Association, the Maine Better Transportation Association, the Associated General Contractors of Maine and the American Council of Engineering Companies of Maine shall study the current systems for classification of public highways and related responsibilities to determine whether they can or should be simplified in ways that improve customer service, improve investment decisions, apply standards appropriate to the road, leverage the ability to deliver improvements at a lower cost and generally result in the most overall benefit to the most travelers for each dollar spent.

In conducting the study the department shall analyze the following issues:

1. Whether the State and federal highway classification systems can and should be reduced to one, or otherwise simplified;
2. Whether the State should transition over time to a system as used in other states in which the State would have full year-round responsibilities, including capital responsibilities and winter and summer maintenance of certain highways and minor spans, and local governments would have full year-round responsibilities, including capital responsibilities and winter and summer maintenance of other highways and related minor spans;
3. Whether urban and rural classification systems and related responsibilities can or should be simplified to ensure that sections of highway with similar urban development patterns are treated equally with respect to capital and maintenance responsibilities. This analysis may include whether to create 2 systems of urban classification with a common definition that reflects both federal criteria and sustained density of development, regardless of population or town boundaries;
4. The design and construction standards and processes that should apply to each road classification;
5. An assessment of transition impacts, including the cost and time required to bring highways to a consistent and appropriate standard prior to the shift to full year-round responsibilities, operational estimates for both the department and local government including equipment needs and the potential assignment of existing snow removal contracts;
6. Other fiscal matters including possible adjustments to the Urban-Rural Initiative Program or other revenue sharing opportunities, possible adjustments to the Rural Road Initiative, innovative financing tools for local governments such as expanded use of the TransCap Trust Fund at the Maine Municipal Bond Bank or the state infrastructure bank and incentives for coordinated corridor based highway improvements involving multiple municipalities and other possible regionalization incentives;
7. Whether route numbering or signs, or both, should be revised so as to improve customer service;
8. Related administrative matters, including a fair and open mechanism to request, change and appeal decisions to reclassify highways; and
9. Related issues.

Sec. T-2. Report. The Department of Transportation shall report the results of the study under section 1 to the Joint Standing Committee on Transportation by January 15, 2010¹. The Joint Standing Committee on Transportation is authorized to submit legislation during the Second Regular Session of the 124th Legislature.

¹The report back deadline has been extended by twelve months to January 15, 2011.

Policy Working Group Membership List

Name	Organization	Title	Appointing Entity
Elwood Beal	Town of Lisbon	Public Works Director	MMA
Michelle Beal	City of Ellsworth	Manager/Road Commissioner	MMA
Bob Belz	City of Auburn	Public Works Director	MMA
David Bernhard	MaineDOT	Maintenance & Ops Director	MDOT
David Cole	Town of Gorham	Manager	MDOT
Clint Deschene, PWG Co-Chair	Town of Hermon	Manager/Road Commissioner	MMA
Greg Dore	Town of Skowhegan	Road Commissioner	MDOT
Richard Freehey (resigned 4/6/10)	Town of Brooklin	Selectman	MMA
James Hanley	Pikes Industries, Inc	Government Affairs Manager	MDOT
Gerry James (appointed 3/26/10)	City of Presque Isle	Public Works Director	MDOT
John Johnson	Town of Jay	Public Works Director	MMA
Rob Kenerson	BACTS	Director	MDOT
Galen Larrabee	Town of Knox	Selectman	MMA
Ryan Pelletier (resigned 2/26/10)	Town of St. Agatha	Manager	MDOT
Glen Ridley (appointed 4/8/10)	Town of Litchfield	Road Commissioner	MMA
John Sylvester	Town of Alfred	Selectman	MMA
Bruce Van Note, PWG Co-chair	MaineDOT	Deputy Commissioner	MDOT

Standards and Cost Subcommittee Membership List & Charter

The Subcommittee includes the following persons:

David Bernhardt, MaineDOT, Co-chair	Dale Mitchell, HNTB
Richard Crawford, MaineDOT	Roger Raymond, Bucksport
Greg Dore, Skowhegan, MBTA	Tony Smith, Mount Desert, Co-chair
Rhonda Fletcher, MaineDOT	Erik Street, Yarmouth
Jim Hanley, Pike Industries, MBTA, ACG	Bob Wastson, MaineDOT
Denny Keschl, Belgrade	Galen Larrabee, Knox

There are design and construction standards/specifications that are used by MaineDOT and Municipalities that are specific to State Aid Collectors or Town-ways when reconstructing, rehabbing, preserving, or maintaining a section of highway. The costs associated to these standards vary by how rigid or flexible they are or what is acceptable at the time by decision makers. The task of this Subcommittee will be to:

1. Look at the different standards/specifications that are in place today by both municipalities and MaineDOT.
2. By looking at the commonalities and differences find out if municipalities deliver certain services more cost effectively, and if so, why? What levels of service are needed / expected / provided.
3. What are the costs associated with delivery to these standards? Example: What does it cost municipalities to provide winter maintenance to a state aid collector (per mile)? What are the analogous costs for MaineDOT to provide winter maintenance to a state highway collector? What is the range of costs and why?
4. What design and construction standards could / should be considered to bring down summer maintenance and capital costs?
5. What standards and processes are driven by federal law? Which ones cannot be changed?
6. Which standards can / should change based upon the classification of the road?
7. Who should be in control of setting such standards? Who should have the related responsibility? What safeguards are needed, if any? (Example: Professional Engineer seal on design?).
8. If the responsibility (and related funding) for a road is to change (policy question for the PWG), what standards of improvement should apply before such a change. What are the range of options and related average costs per mile?
9. What other issues related to standards and costs should the PWG consider?

This subcommittee will make reports to the PWG at each of their meetings. Any findings and recommendations will be approved by the PWG before they are published.

Accepted by unanimous vote of the Policy Working Group on 12/11/09.

Urban Issues Subcommittee Membership List & Charter

The Urban Issues Subcommittee group includes the following persons:

Michelle Beal, Ellsworth	John Duncan, PACTS, Co-chair
Greg Blackwell, Rockland	Rob Kenerson, BACTS
Mike Bobinsky, Portland	John Melrose, Maine Tomorrow
Jerry Dostie, Augusta	Mike Roy, Waterville
Dale Doughty, MaineDOT, Co-chair	Chip Swan, Hampden

There are several separate and distinct definitions of boundaries that are applicable to urban areas: federal urbanized areas; state urban compacts; federal Metropolitan Planning Organization areas; AND state winter compacts.

A given municipality may have two or more different urban boundaries or a municipality may qualify as “urban” under one set of criteria but not the other. Associated responsibilities for highway capital and maintenance are frequently unclear and confusing. The Urban Subgroup will:

1. Identify conflicts between the various urban classifications including the potential for confusion regarding maintenance and capital responsibilities and potential for roads to fall through the maintenance and capital cracks.
2. Evaluate the initial purpose of each classification and assess whether the criteria will support their respective purpose.
3. Make recommendations to the PWG regarding simplified criteria, grouping the urban classifications into as few boundaries as possible. These recommendations would need to comply with federal law. State law changes could be recommended.
4. Evaluate the way in which maintenance and capital improvements are funded within urban areas. Begin this evaluation with the recent study completed by Maine Tomorrow on the behalf of Maine’s four MPOs.
5. Investigate revenue sharing strategies and possible financing tools to assist urban areas finance much needed capital projects.
6. What other urban issues should the PWG consider?

This subcommittee will make reports to the PWG at each of their meetings. Any findings and recommendations will be approved by the PWG before they are published.

Accepted by unanimous vote of the Policy Working Group on 12/11/09.

Fiscal Analysis and Municipal Road Cost Data Subgroups Membership Lists

Fiscal Analysis Subgroup

- ✓ Michelle Beal, Ellsworth
- ✓ David Cole, Gorham
- ✓ Clint Deschene, Hermon
- ✓ Glen Ridley, Litchfield
- ✓ John Sylvester, Alfred
- ✓ Bruce Van Note, MaineDOT

Municipal Road Cost Data Subgroup

- ✓ Gerry James, Presque Isle
- ✓ John Johnson, Jay
- ✓ Glen Ridley, Litchfield
- ✓ Tony Smith, Mount Desert

Rural Minor Collector Improvement Standards

The intent of these standards is to bring the minor collector road up to a 10-year expected life. It is expected that in 10 years some type of light capital paving would be needed with the custodial maintenance required on an ongoing basis.

Development Process:

The Maine Department of Transportation in collaboration with the municipality will evaluate the roadway through field reviews looking at the pavement condition, required upgrades to guardrail as well as other safety devices, and needed replacement of drainage structures. Anything that was determined to have at least a 10 year life would remain. The following factors should be evaluated, unless otherwise noted, when scoping the work.

1. Pavement Condition

Typical minor collectors throughout the state are \pm 22 feet in paved width. The standard calls for placing 1,200 tons of asphalt mix per mile, and achieving a cross slope between 2 and 8 %. To achieve the cross slope additional shim from the quarter point out might be necessary using asphalt mix or a rap material.

2. Geometrics

a. *Horizontal Alignment*

The intent of this standard would be to stay on existing alignment. Additional signage, (chevrons, curve signs), might be necessary depending on the degree of curve.

b. *Vertical Alignment and sight distance*

If the stopping sight distance for a crest vertical curve does not meet existing design criteria and is a documented high crash location, the design should evaluate the practicality of flattening the crest vertical curve.

3. Cross Section Elements

a. *Roadside Clear Zone*

Clearing of roadside hazards such as boulders and trees should be done if the existing right of way allows and there can be some consistency developed through the corridor for the traveling public.

b. *Ledge*

The intent is not to remove ledge unless it is a documented high crash location and can be done at a reasonable cost through mechanical means and within the existing right of way.

c. *Guardrail*

Existing W beam rail should remain in place if it has a 10 year remaining service life. New guardrail should be placed in areas where there is existing cable or an inslope of 2:1 or steeper and is a documented high crash location.

d. *Utilities*

The intent is to leave aerial utilities in place.

e. *Signage/Striping*

All signage that does not meet the latest reflectivity requirements or the MUTCD should be replaced. Striping will be provided according to the MaineDOT Policy which resides with M&O Traffic Operations.

f. *Traffic Hardware*

Flashing beacons and lighting should be looked at on a case by case basis.

g. *Right of Way*

The intent is to stay within the existing right of way. Drainage easements or work permits should be obtained when necessary.

h. *Sidewalks*

The intent is not to reconstruct, rehabilitate, or construct sidewalks.

i. Intersections

The intent would be to modify intersections if a documented high crash location is identified. Opportunities to implement low cost modifications, such as special signage, clearing of vegetation, or the removal of obstructions will be explored.

j. Shoulder type

The intent is to maintain the existing shoulder type (i.e. gravel or paved).

k. Continuity

The continuity of travelway and shoulder widths within a corridor should be taken into consideration when looking at improvements to a specific section of roadway. This includes the possibility of reducing or increasing width on an abutting section of roadway in the future.

4. Drainage

a. Culverts

Culverts up to 60 inches that during the field review are considered to have less than a 10 year service life remaining, should be replaced in kind. A culvert that has a history of flooding will be reviewed for up sizing.

b. Ditching

Ditches shall be cleaned of winter sand and debris. Construction of any new ditch needed because of drainage issues should be designed to stay within the existing right of way.

c. Closed Systems

Closed drainage systems should be cleaned out, and repaired to a 10 year or greater remaining service life.

5. Major Structures

- a. Minor spans (i.e. structures between 10 and 20 feet in length) and struts (i.e. structures between 5 and 10 feet) on minor collector roads will be improved to a 10-year remaining service life.

High Crash Location is defined as: If the Critical Rate Factor (C.R.F.) is > 1.00 , it can be a potential High Crash Location (providing the location has eight (8) or more crashes in a three-year study period). $C.R.F. = \text{Actual Crash Rate} / \text{Critical Crash Rate}$.

Notes to Data - “Fix and Swap” Proposal Fiscal Impacts

Please take a few minutes to review the “notes to data”. If you have any questions, please feel free to contact Kate Dufour at kdufour@memun.org or 1-800-452-8786.

- Column A** Local Seasonal – number of local seasonal lane miles.
- Column B** Local Year-Round – number of year-round lane miles.
- Column C** Minor Collector – number of minor collector lane miles.
- Column D** Major Collector – number of major collector lane miles.
- Column E** Compact Area – number of lane miles in the compact area, if any.
- Column F** Local Seasonal \$300 – lane mile state aid rate for local seasonal roads.
- Column G** Local Year-Round \$600 – lane mile state aid rate for local year-round roads.
- Column H** Minor Collector I \$1,200 – lane mile state aid rate for minor collector roads.
- Column I** Minor Collector II \$2,240 – additional state aid for communities with disproportionate shares of minor collector roads. Eligibility for enhanced reimbursement is determined by subtracting from the number of minor collector lane miles the number of major collector lane miles. The difference, if positive, is multiplied by the \$2,240 state aid rate.
- Column J** Compact Area \$4,000 – lane mile state aid rate for compact area maintenance responsibilities, if any.
- Column K** Proposed Total – proposed state aid funding under the “fix and swap” proposal. Sum of Columns F to J.
- Column L** Current FY 10 URIP – amount of local road assistance funding (URIP) to be distributed in FY 2010.
- Column M** Change Proposed vs. Current – increase or decrease in state aid under the “fix and swap” proposed. Please note, that any decrease is the direct result of eliminating the existing hold harmless provision of the URIP funding model.
- Column N** Major Collector Savings – savings to the municipality for shifting major collector road winter maintenance responsibility to the state. Based on the results of the Municipal Road Costs survey, the calculation assumes that municipalities currently spend an average of \$3,450/ lane mile to maintain major collector roads in the winter.