

# Introduction

This 2025 Edition of the Maine Department of Transportation’s (MaineDOT) Work Plan sets forth all work planned by MaineDOT and its transportation partners for calendar years 2025, 2026, and 2027. It contains 2,716 work items with a total value of \$4.8 billion, consisting primarily of work delivered by or coordinated through MaineDOT. It also includes funds to be expended by transportation partners that receive federal funds directly, including airports and transit agencies, and local and private matching funds not included in the state budget. Published early in each calendar year, MaineDOT’s Work Plan includes all capital projects and programs, maintenance and operations activities, planning initiatives, and administrative functions for three calendar years.<sup>1</sup>

Transportation will always be a big job in Maine. Our state is almost the size of all five other New England states combined, yet our small population (approximately 1.41 million people) is about the same as that of New Hampshire, making us the least densely populated state east of the Mississippi River. Maine’s natural features and weather – while varied and beautiful – present additional challenges from an infrastructure perspective. To connect us all, Maine has an extensive, statewide, multimodal transportation system. That system includes 8,800 miles of state highways, 2,800 bridges and minor spans, six commercial airports, more than 1,300 miles of active railroad, 15 bus transit providers, passenger rail service, a state ferry service, three major seaports, and miles of active transportation corridors. Simply put, Maine has more transportation infrastructure per capita than most other states do.

MaineDOT relies on strong asset management principles to manage the existing transportation system. In 2024, MaineDOT documented this process in the first annual publication of the State of the Transportation System Report (STS). The STS evaluates asset condition, reports on performance measures, projects available resources, and identifies priority areas for investment. Within the STS, three possible funding levels have been described: MacGyver Mode is the lowest level of funding that requires managing the decline of the system, Pragmatic Progress is the mid-tier funding level that maintains conditions and allows for responsible improvements in some areas, and Aspirational is the highest level of funding that allows for measured investments but at a much faster rate. MaineDOT is projecting resources approaching the Pragmatic Progress level in most investment areas and is directing new investments to areas with current poor performance and those that are currently funded below their Pragmatic Progress levels.

The dollar value of this Work Plan – which has increased substantially in recent years – needs some context regarding inflation. The National Highway Construction Cost Index (NHCCI) is

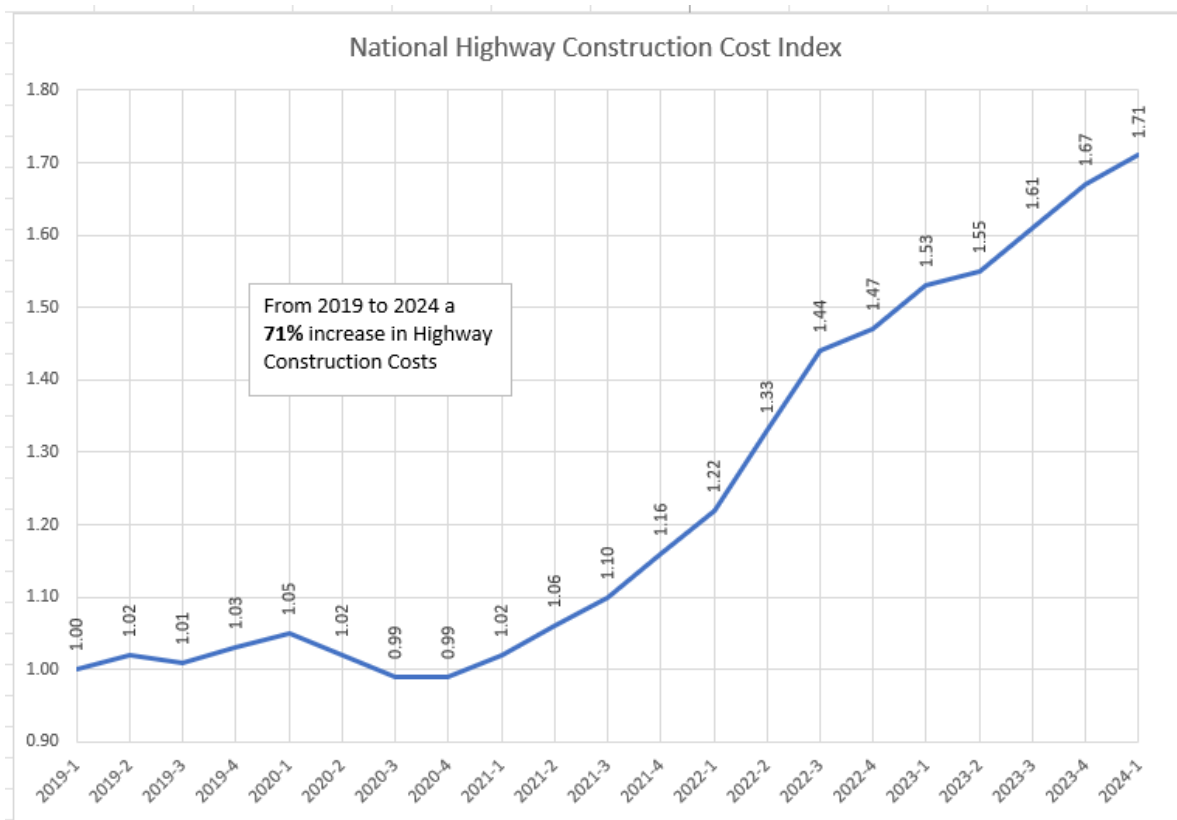
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<sup>1</sup> MaineDOT’s Work Plan is different from its Construction Advertisement Schedule, which is a subset of the Work Plan and is published early each January. The Construction Advertisement Schedule contains only capital projects that are advertised for construction bids from private contractors for the first calendar year of the Work Plan. The Work Plan includes all work activities – capital, operational, and administrative – over three calendar years.

an index of construction costs in highway construction similar to the Consumer Price Index that tracks everyday inflation. The NHCCI is calculated and published by the Federal Highway Administration on a quarterly basis.

The graphic below, indexed to the first quarter of 2019, shows that the cost of highway-related construction has increased more than 70 percent nationally in the last five years. Interestingly, while at the national level the entire growth by this index has been in the last three years, in Maine, the significant increases begin in calendar year 2019. In sum, the additional revenue to the Highway Fund and added opportunities in federal discretionary grants have led to the 2025 version of the MaineDOT Work Plan being the largest ever from a dollar perspective, but the reality is that due to extreme inflationary pressures, those dollars will not buy what they used to.

Figure 1



MaineDOT’s 2019-2021 Work Plan had an overall value of \$2.4 billion as compared to this current \$4.8 billion Work Plan. While the nominal face value of this Work Plan is double that of the 2019 Work Plan, the inflation-adjusted increase is less than 20 percent higher. The good news is even with extreme inflation, which has averaged slightly more than 23 percent per year for each of the last three years nationally, increases in funding have kept pace and allowed for pragmatic progress in areas of need.

This progress is only possible with stable and adequate funding levels. As funding is often at the center of policy discussions regarding transportation, this introduction describes sources of funds, uses of funds, and ongoing funding challenges.

## **A. Sources of Funds**

Any Work Plan requires that future funding levels be estimated using reasonable assumptions. MaineDOT makes these assumptions with humility and respect. Decisions regarding funding are made by policymakers, not by MaineDOT.

Although uncomfortable, making reasonable assumptions is necessary. Everyone – policymakers, government officials at all levels, contractors, consultants, and citizens – expects information about the scope and timing of work and projects. To meet these expectations, we assemble and publish Work Plans that extend beyond a single budget cycle. Formulating three-year plans requires that we estimate what policymakers will do in the future, which is inherently difficult. Accordingly, MaineDOT understands that funding policy decisions may require major adjustments to this and future Work Plans.

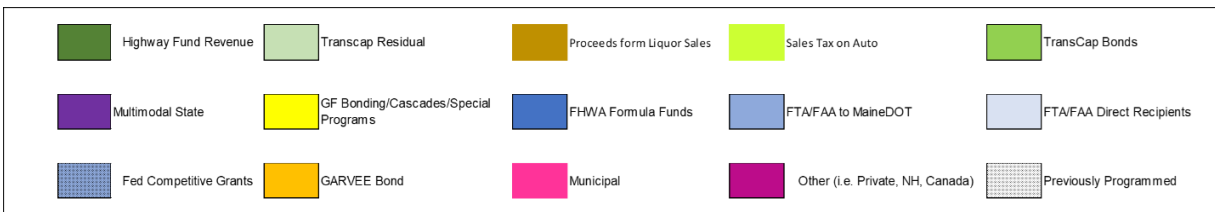
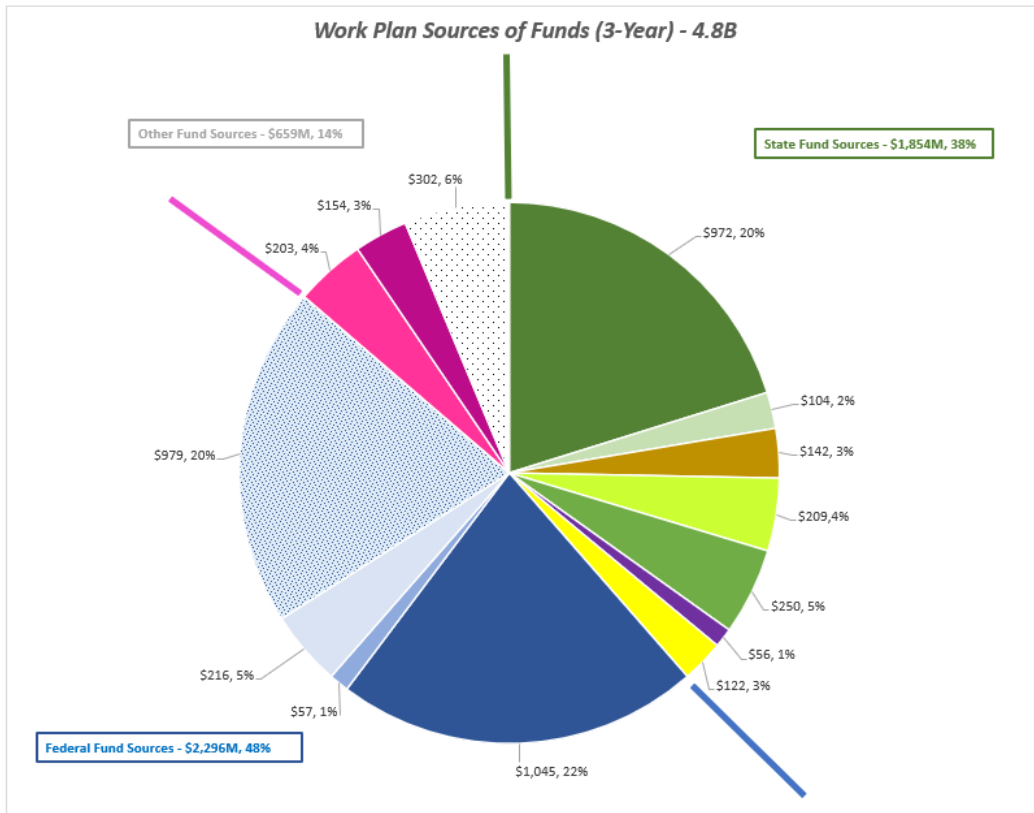
With that understanding, the estimated total sources of funds that support this three-year Work Plan are depicted in the Figure 2 pie chart.<sup>2</sup> As you can see, total resources over the three years are estimated at about \$4.8 billion, or an average of about \$1.6 billion per year.<sup>3</sup>

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<sup>2</sup> The Figure 2 pie chart cannot be precisely the same as state budgeting information for several major reasons. The first and most obvious reason is timing. MaineDOT Work Plans cover *three calendar years*, because calendar years are most helpful for construction season planning, while the Maine state budget covers *two state fiscal years* (July 1<sup>st</sup> to June 30<sup>th</sup>). *Federal fiscal years* are also different (October 1<sup>st</sup> through September 30<sup>th</sup>) and include variable schedules depending on federal budget bill status, continuing resolutions, etc. Second, because capital-related work is the bulk of what MaineDOT does, Work Plan resources necessarily include capital (also known as Part 2) resources, which are not part of baseline budgets under state budgeting practice. Third, to avoid confusion on project level values that span budget cycles, Work Plan sources include the total value of projects and activities, even if some amounts have already been expended (e.g., design and permitting costs). Fourth, Work Plan funding also includes sources that are not part of the state budget, principally Federal Transit Administration and Federal Aviation Administration funds received directly by agencies other than MaineDOT and capital funds carried forward from previous years.

<sup>3</sup> The Figure 2 pie chart includes all operational and capital funding based upon information available in the fall of 2024, before the ratification of collective bargaining labor agreements and the December 2024 revenue forecast.

Figure 2



At a high level, total sources of funding can be broken down as follows: about 38 percent are from state sources; more than 48 percent are from federal sources; and the remainder are from municipal, private, and other sources. Each wedge of the pie chart in Figure 2 is described below.

### 1. State Fund Sources

As shown in Figure 2, total state sources of funding of all types are estimated at \$1.854 billion over the three years of this Work Plan. State funding represents approximately 38 percent of total Work Plan funding.

- a. Fuel Taxes and Vehicle Fees. Depicted as the first two green wedges in Figure 2, this state source of funding represents long-standing traditional Highway Fund (HF) revenues – primarily motor fuel taxes and vehicle registration fees. The amounts available to MaineDOT for three years from these sources are estimated at \$1.076 billion or 22 percent of the total Work Plan funding.

These traditional HF revenues are a foundational funding source of MaineDOT Work Plans. As required by Article IX, Section 19 of the Maine Constitution, they must be used for specified highway- and bridge-related activities. These revenues are more flexible than federal or bond funds and support almost all our maintenance, operations, systems management, and administrative activities, including critical operations like snowfighting.

- b. Proceeds from Liquor Sales. Maine’s Highway Fund budgets have long had a small portion of proceeds from liquor sales, between \$2 million and \$3 million per year going directly to support capital needs. In the previous budget cycle that amount was increased to \$53 million per year and supported multiple agencies – principally MaineDOT, the Maine Department of the Secretary of State, and the Maine Department of Public Safety – addressing baseline (Part 1) shortfalls in the Highway Fund budget.

MaineDOT estimates that the amount available to MaineDOT for this Work Plan will be \$142 million over three years or about three percent of the total sources of Work Plan funding, which is depicted as the brown wedge of Figure 2. All proceeds from liquor sales, in addition to traditional HF revenues, will be used to fund the baseline budgets of HF agencies. No amount is available for MaineDOT’s capital lines.

- c. Automotive Sales and Use Tax Revenue. In June 2023, the 131<sup>st</sup> Legislature unanimously supported, and the Governor approved, statutory language directing 40 percent of sales tax collected at automotive dealers and sales and use tax collected by the Bureau of Motor Vehicles be transferred to the Highway Fund on a perennial basis.

In the FY26-FY27 biennium, MaineDOT estimates the amount of auto-related sales tax available for allocation to MaineDOT will be about \$70 million per year for a total of \$209 million. This represents about four percent of total Work Plan funding and is depicted as the lime green wedge of Figure 2.

As set forth in subsection (a) below, \$25 million of the auto-related sales tax earmarked for the HF will be transferred annually to the TransCap Trust Fund at the Maine Municipal Bond Bank to support a one-time, \$250 million TransCap revenue bond to be included in the pending biennial HF budget. Diversifying bond revenue streams beyond constitutionally protected fuel taxes and vehicle fees will allow these bond proceeds to be used for all capital projects – including highway and bridge and multimodal projects.

Continuing operational cost increases will quickly erode the capital impact of this funding in future budgets. It is estimated that all the auto-related sales tax revenue transferred to the HF will be used for operational baseline budgets – and not for MaineDOT capital lines – within a five-year time frame.

- d. TransCap Revenue Bonding. The TransCap Trust Fund and revenue bonding mechanism was created at the Maine Municipal Bond Bank in 2008 pursuant to 30-A MRS §6006-G to provide for the issuance of revenue bonds to be used for capital transportation purposes. A \$250-million TransCap revenue bond will be included in the FY26-FY27 HF budget. This one-time infusion of bond proceeds is shown as the medium green wedge on the Figure 2 pie chart and represents about five percent of Work Plan funding. This represents the one-time solution for this biennium for the perennial capital funding shortfall at MaineDOT. It is anticipated that this shortfall will grow in future biennia as operational costs of HF agencies rise.

A \$200-million TransCap revenue bond was authorized in the FY24-FY25 HF budget but was never issued due to one-time cash infusions including year-end balance transfers and a one-time general fund infusion of \$75 million from the “cascade” mechanism at the end of state fiscal year 2024. That allows this bond authority to be carried forward to the FY26-FY27 biennium. Further, the bond can be increased to a one-time issuance of \$250 million and used for all transportation infrastructure purposes by increasing and diversifying the revenue streams supporting the debt service transferred to the TransCap Trust Fund. The new revenue streams transferred to the TransCap Trust Fund will total \$50 million per year and be made up of 50 percent motor fuel tax and 50 percent auto-related sales tax. The portion of motor vehicle fees that had gone to the TransCap Trust Fund will go back to the HF for allocation.

- e. State Multimodal Funds. In addition to a direct HF allocation for multimodal transportation, state transit, active transportation, ports, passenger rail, aviation, and other non-highway projects are supported through the multimodal special revenue accounts in MaineDOT’s Highway Fund Budget. This funding comes from a variety of sources, including revenues from car rental taxes, aviation fuel taxes, island ferry service subsidies, rail taxes, rail leases, and Penobscot Narrows Observatory fees. Shown as the purple wedge in Figure 2, these state multimodal special revenue funds total about \$56 million over the three-year period of this Work Plan and represent about one percent of the total Work Plan funding.
- f. General Fund Bonding/Cascades/Transfers and Special Programs. This Work Plan includes General Fund support (indicated by the bright yellow wedge in Figure 2) estimated at \$122 million, or three percent of the total of Work Plan funding. This funding is made up of several different components:

General Fund Cascades: At the end of state fiscal year 2024, general fund revenues exceeded projections leading to a significant unallocated balance. In accordance with

statute, a portion of this goes to MaineDOT for capital needs. Accordingly, \$75 million was transferred to the Highway Fund, a much larger amount than previously anticipated. As indicated above, because of this General Fund transfer and additional unallocated revenue in the Highway Fund, MaineDOT was able to delay the issuance of the TransCap revenue bonding. In addition, this Work Plan assumes a \$5-million cascade in each of FY2025 and FY2026.

Special Programs: These funds are one-time funding initiatives that have been made available to MaineDOT to deliver infrastructure improvements for Maine outside of traditional transportation infrastructure. Past programs have included adaptation and resiliency, working waterfronts, municipal culverts, and port design at Sears Island. These funds have historically been made available from non-HF sources. The yellow GF wedge also includes \$37 million in special program funding.

## 2. Federal Fund Sources

Federal funding of all types, shown in various shades of blue in Figure 2, is estimated to be \$2.296 billion, which represents about 48 percent of the total value of Work Plan items. This includes \$2.08 billion to be received by MaineDOT and \$216 million to be received directly by other transportation partners, including airports and transit agencies.

The second Trump Administration has differing priorities, and federal funding programs and processes are currently being reassessed. This assessment will include identifying existing programs and projects that do not support the new administration's priorities. Programs that have been specifically identified for potential changes include those labeled as part of the "Green New Deal" and those that were included in the Bipartisan Infrastructure Law or the Inflation Reduction Act. It is too early to tell what the total impact of the changing priorities and subsequent assessment of programs and projects will mean to Maine. MaineDOT's *preliminary* assessment identified \$180 million in federal funding, mostly represented in this Work Plan, that is at a high likelihood to be affected. Additionally, up to three times that amount could be affected if the most aggressive actions are taken. MaineDOT will take steps to limit the financial risk to this and future Work Plans while continuing forward until future action clears up this currently murky federal funding situation.

Federal funds in this Work Plan consist of several types, including core formula programs from the Federal Highway Administration, federal multimodal funds received by MaineDOT, federal multimodal funds received by other transportation partners, and federal competitive grant funding. Each of these federal funding types generally includes extensive rules, restrictions, and guidance that designate and limit how the funding can be used. Specific types of federal funds are described below.

- a. Federal Highway Administration (FHWA) Formula Funds. Funding for core federal highway programs from FHWA in this Work Plan, sometimes known as "formula funds," is estimated at \$1.045 billion and is shown as the solid, darker blue wedge in Figure 2. This

funding represents about 22 percent of the total Work Plan funding. These formula funds typically require a state or local match of at least 20 percent of the total cost of projects.

- b. Federal Multimodal Funds Received by MaineDOT. In addition to highway-related programs, MaineDOT receives about \$57 million of formula funding for non-highway modes over the three-year Work Plan period from the Federal Transit Administration (FTA), Federal Railroad Administration (FRA), Federal Motor Carrier Safety Administration, and U.S. Fish and Wildlife Service. Those modes include transit, rail, marine, and other programs that are administered by MaineDOT. This is shown as the solid, medium blue wedge in Figure 2 and represents about one percent of the total Work Plan funding.
- c. Federal Multimodal Funds Received by Transportation Partners. Some of our transportation partners – largely airports and transit agencies – receive direct funding from the FAA and FTA outside the state budget process. These amounts total about \$216 million over the three-year period of this Work Plan and are shown as the light blue wedge in Figure 2. These amounts are listed in the Work Plan to illustrate the bigger picture and because MaineDOT often provides match for these funds. Other federally mandated plans require the disclosure of these funds to provide a more comprehensive overview of our statewide transportation system investment.
- d. Federal Competitive Funding. This portion of federal funding has represented a game-changer for transportation funding in Maine following the passage of the federal BIL. Special competitive U.S. DOT discretionary grant programs and Congressionally Directed Spending (CDS) are estimated at \$979 million and are shown as the polka-dotted blue wedge in Figure 2. Federal competitive funding represents about 20 percent of the total value of Work Plan items. This amount consists of awarded grants as well as awarded and anticipated CDS projects over the next three years.

Discretionary federal funding is a critical component of federal funding for MaineDOT. In 2024, MaineDOT received more than \$300 million in awards of grant funding and more than \$121 million in CDS appropriations. This funding has a broad statewide impact, as shown on the map below.



### **3. Other Funding Sources**

- a. Municipal Matching Funds. This Work Plan is also based upon the anticipated receipt of about \$203 million from municipalities. Shown as the pink wedge in Figure 2, this represents about four percent of the total value of Work Plan items. This funding is largely derived through agreements with municipalities, reflecting the local benefit of projects and activities in the Work Plan, and includes local funding for transit operations, local bicycle and pedestrian projects, airports, and MaineDOT's popular Municipal Partnership Initiative (MPI). The MPI program is a voluntary, low-process program in which municipalities take the lead on projects and MaineDOT acts more like a funder and partner, providing high-level engineering guidance.
- b. Private and Other Funding Sources. Less common, but important, funding from various sources, including private sources (often railroads) and governmental agencies other than municipalities, totals \$154 million over the three-year period of this plan and is shown as the maroon wedge in Figure 2. This funding represents about three percent of the total Work Plan funding. This category also includes funding from private sources pledged pursuant to MaineDOT's Business Partnership Initiative (BPI). In a typical BPI project, the state contribution is capped at \$1 million, with the state share being one third of the total project cost. The remaining cost (two thirds) is typically split between a private business entity and a municipality.
- c. Previously Programmed Funds. As noted above, unlike most agencies, the focus of MaineDOT is capital in nature, which means relatively large amounts of funding routinely follow projects from previous Work Plans. These funds represent amounts carried forward that were previously programmed for projects and activities in multiple areas listed in the plan and include federal transit and aviation funding, state multimodal funding, bonding, and capital highway and bridge funding. Shown as the white hatched area in Figure 2, this represents six percent of the total Work Plan funding. Much of this funding is tied to federal projects that are often more significant and for which development times are longer. Previously programmed funds are comprised by more than two thirds of federal funding, about one quarter of state funding, and the remainder in local and private matching funds.

## **B. Uses of Funds**

Although identifying funding often dominates policy discussions, it is the uses of these funds and the benefits to Maine people that are more important. This section sets forth how these funds are used.

### **1. Underlying Principles and Approach**

MaineDOT responsibly uses the funds entrusted to it through long-term strategic planning, detailed asset condition assessments summarized in an annual State of the Transportation System

Report, community outreach, and a resulting resource allocation process that brings together all these factors as well as funding availability and eligibility.

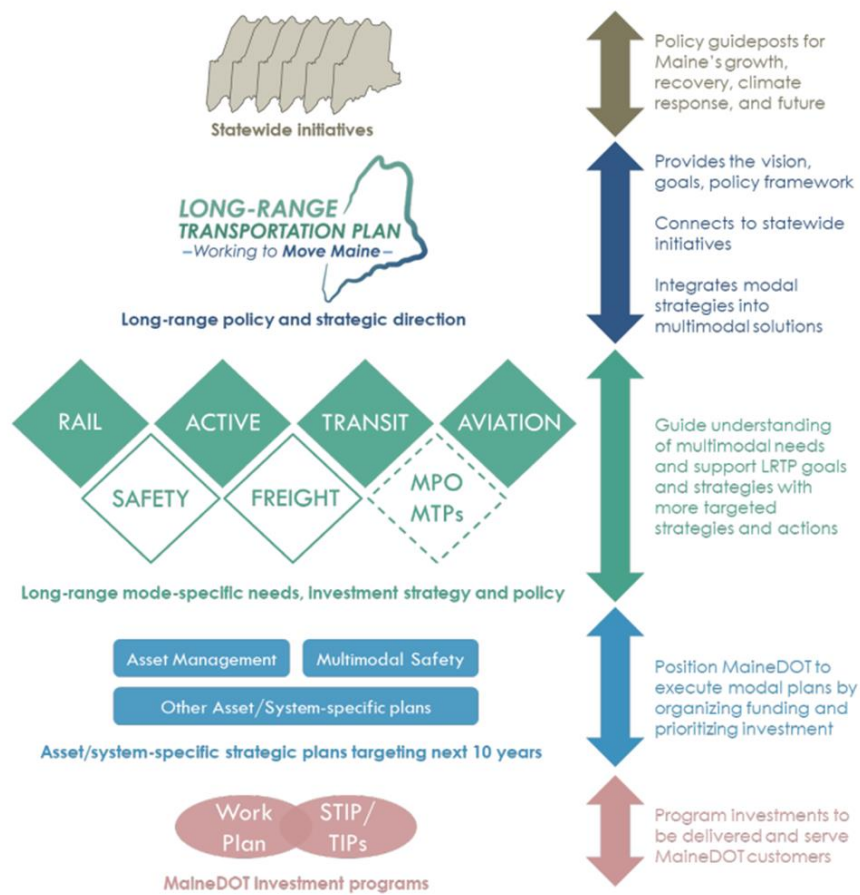
a. Long Range, Modal, and Other Strategic Plans. MaineDOT updates its long-range, modal, and various other strategic plans on a periodic basis. Due to delays caused by the pandemic and other factors, MaineDOT had the opportunity to update several of these plans at the same time starting a few years ago. This allowed these plans to be synergized to a new level. The result was an award-winning Family of Plans published in 2023.

As part of that 2023 effort, after several months of public and stakeholder outreach and plan development, MaineDOT published Working to Move Maine: MaineDOT’s Long-Range Transportation Plan (LRTP). The LRTP conveys MaineDOT’s vision for a multimodal transportation system that not only provides for safe and efficient travel throughout the state but also supports a high quality of life and economic opportunity in all of Maine’s villages and communities. The LRTP serves as the overarching plan tying together MaineDOT’s larger Family of Plans, which includes modal plans for active transportation, aviation, transit and rail. MaineDOT’s Long-Range Plan set guiding principles for the remaining plans and MaineDOT’s future decisions:

1. *Be responsible stewards by making reasoned, long-term decisions.*
  - **Serve as responsible stewards of funds entrusted to MaineDOT** by seeking effective solutions to demonstrated transportation needs.
  - **Make reasoned, fact-based decisions**, including those relating to system and asset management; resource allocation; and the selection, scoping, and development of projects.
  - **Consider long-term benefits and cost of transportation investment**, including the need for ongoing funding for operations and maintenance.
2. *Meet customers where they are.*
  - **Commit to pursuing equitable solutions** that best address the diverse needs of all users of Maine’s transportation system.
3. *Improve continuously and embrace the future.*
  - **Be open to new ideas, best practices, and technologies** that will result in continuous and sustainable improvement.
  - **Anticipate and meet future transportation needs** – including the transition to cleaner transportation – through thoughtful study and pragmatic implementation, including pilots when feasible.

The diagram shown as Figure 4 below shows specifically how MaineDOT’s Family of Plans, STS Report, and the Work Plan work together within the performance-based planning of MaineDOT.

Figure 4



- b. State of the Transportation System Report. As noted earlier, in 2024, MaineDOT developed more formal documentation of the asset management evaluations and resource allocation decisions through the publication of the first annual State of the Transportation System (STS) Report. The STS Report outlines the condition of transportation assets, performance of those assets, and the resulting allocation of resources to specific areas for project programming. The State of the Transportation System Report will be published in the fall of each calendar year as a precursor to the Work Plan finalization. The evaluation of asset condition and performance allows MaineDOT and its transportation partners to highlight the priorities for investment in the upcoming Work Plan.

A key feature of the STS Report is to identify funding levels in three broad categories for all asset classes: MacGyver Mode, Pragmatic Progress, and Aspirational.

**MacGyver Mode** (managing the slow decline) – This is a level of investment to operate and maintain the system in an acceptable way that will not – over a short period of time – create a significant future capital investment deficit. Performance levels are likely to decline on all asset priority levels over the longer term. Basic levels of investment

include matching available federal formula funds and limited special federal funding that directly supports existing infrastructure condition and performance.

**Pragmatic Progress** (steady progress in targeted areas). This is a level of investment that supports responsible investments based on asset management strategies and key performance measures. Performance measures in all modes should be maintained or improved with reasoned levels of investment. This level supports strategic investments in villages, targeted multimodal improvements, highway improvement programs, and bridge investments for a sustainable transportation system, and limited capacity expansion. Pragmatic Progress levels of investment include basic levels (above) plus special federal funding that directly supports quality of life and economic opportunity initiatives in addition to attaining infrastructure condition and performance in line with MaineDOT’s mission.

**Aspirational** (accelerated improvement with a “full needs” funding). This is a level of investment that addresses all identified needs and raises performance levels. Aspirational levels of investment will result in conditions improving to meet or exceed State of Good Repair levels. Aspirational levels of investment include maximizing all special federal funding opportunities available to MaineDOT and partners. Substantial capacity expansion is possible under this funding level. This is not an unlimited funding level but a level that is supported through quantifiable calculations with associated expected performance improvement.

The State of the Transportation System Report evaluates the need of each asset class at these three levels, evaluates the projected resources available, and attempts to allocate resources to the areas of greatest need while balancing programming levels for all modes at or near one of the three investment levels that has been chosen to match most closely with projected resources. In the end, the majority of investments made to the transportation system are used to manage the existing system based on proven asset management principles across all modes.

- c. Community Outreach and Initiatives. MaineDOT and its partners at other state agencies, tribes, counties, metropolitan and regional planning organizations, municipalities, and other stakeholder groups work together to identify and address transportation needs across Maine. As each community is unique, sometimes these needs fall outside the usual asset management process. In these cases, MaineDOT has a set of community-based initiatives that help communities not only improve safety and mobility for all road users – including pedestrians, bicyclists, drivers, and others – but also strengthens Maine’s iconic village centers and downtowns. By supporting human-scale infrastructure and placemaking efforts in the hearts of our communities, these initiatives help to make sure that you *can* get there from here and that *there* is a place that you want to be.

MaineDOT currently has four community-based initiatives: the Village Partnership

Initiative (VPI), the Planning Partnership Initiative (PPI), the Municipal Partnership Initiative (MPI), and the Business Partnership Initiative (BPI). With the publication of this Work Plan, MaineDOT establishes a new partnership initiative: the Active Transportation Partnership Initiative (ATPI). This new initiative is designed to give communities a program to access funding to enhance infrastructure and safety for vulnerable road users.

While each community-based initiative serves a unique purpose, these programs are all designed to identify specific transportation system improvements that can help communities better realize their own visions and priorities. In particular, the VPI – launched in 2022 – helps interested communities reinvest in traditional village centers and downtowns in ways that balance the use and safety of all users and support local economic revitalization. The PPI is often used to help fund feasibility studies that also support village-scale projects. Together, these efforts support the vision laid out in MaineDOT’s Long-Range Transportation Plan, especially the goal of supporting “a vibrant and world-class quality of life” by investing in transportation initiatives that support economic opportunity for Maine people, communities, and businesses.

- d. Resulting Resource Allocation Process. MaineDOT – within the context of the Family of Plans vision, guiding principles, strategies, State of the Transportation System Report findings and recommendations, and extensive community and stakeholder outreach outlined above – uses the Work Plan process to allocate resources to programs and work activities that are consistent with plans, comply with state and federal regulations, lead to a State of Good Repair, and have an emphasis on returning the greatest transportation benefit reflected in measurable outcomes.
  - i. Funding Eligibility. Restrictions on the use of federal and state funding largely determine the funding available for each expenditure category in the Work Plan. For example, a specific amount is allocated by FHWA for the National Highway Performance Program and another amount for the Congestion Mitigation and Air Quality Program. Aviation funding provided by the FAA must be used for aviation. Funding provided by the FTA must be used for transit. There is limited flexibility in the use of different funding sources across programs, and these limitations largely determine how much funding there is for certain modes and for certain uses within modes.
  - ii. State of the Transportation System Funding Levels. As discussed above, the State of the Transportation System Report identifies funding requirements for individual resource allocation groups by mode for each of the three funding levels. MaineDOT projects funding levels as outlined in the sources section of this document, evaluates system performance and asset conditions, factors in the community and stakeholder input, and decides on resource allocations for each of the modal allocation groups. The

process of finalizing the STS Report takes the projected resources and turns them into investments within modal allocation areas based on need and funding.

In this Work Plan, MaineDOT strived to move individual allocation groups as close to the Pragmatic Progress funding levels as possible while balancing eligibility restrictions, risk, and project deliverability.

Due to the large system and limited resources, MaineDOT's basic resource allocation strategy is to fund transportation system needs as follows:

1. Operation of the multimodal transportation system.
2. Maintenance of the existing transportation infrastructure.
3. Preservation of the existing transportation infrastructure.
4. Pragmatic improvements to existing transportation infrastructure.
5. Any expansion of the system or services provided.

Areas of focus taken from the STS Report which require additional investment include:

- Bridges, Minor Spans and Large Culverts – Recent asset condition assessments confirm a troubling trend of an increasing percentage of poor structures in Maine. In the case of bridges, Maine trails has a higher percentage of poor ratings than both other New England states and the nation as a whole.
- Interstate Rutting – Maine's interstate system is in very good condition except for premature rutting. MaineDOT's engineers have kicked off an extensive study to determine the causes of rutting on the interstate system.
- Rural Transit Vehicles – Maine's rural transit vehicle fleet is old. When viewed as a whole, the rural transit fleet stands at 116 percent of its projected useful life.

Investment levels reflect consideration of these higher priority focus areas.

- e. Committee Structure for Basic Asset Management. For assets that MaineDOT controls, like the state highway and bridge system, prioritization and selection of projects for the Work Plan are driven by MaineDOT staff committees: the Highway Committee, the Bridge Committee, the Multimodal Committee, the Safety and Mobility Committee, and the Management Team of the Bureau of Maintenance and Operations (M&O). These committees are comprised of staff from relevant disciplines and specializations. They include engineers and technicians with hundreds of years of cumulative experience.

These committees work throughout the year in conjunction with the Bureau of Planning to identify project candidates and prioritize them for potential inclusion in the Work Plan. Selection methodologies for these committees vary according to asset type and transportation mode, but the underlying asset management principles – managing the overall transportation system; using current, reliable data and rational scoring systems; and building in flexibility for unanticipated needs and developments – are common

across all areas. In the fall of each calendar year, the committees review the last two years of the current Work Plan and make any needed adjustments in cost, schedule, and project scope. Once those adjustments are made, new projects are typically added for the third year of the Work Plan. Committees make allocations to individual resource allocation groups and turn those into specific projects with discrete scopes and budgets.

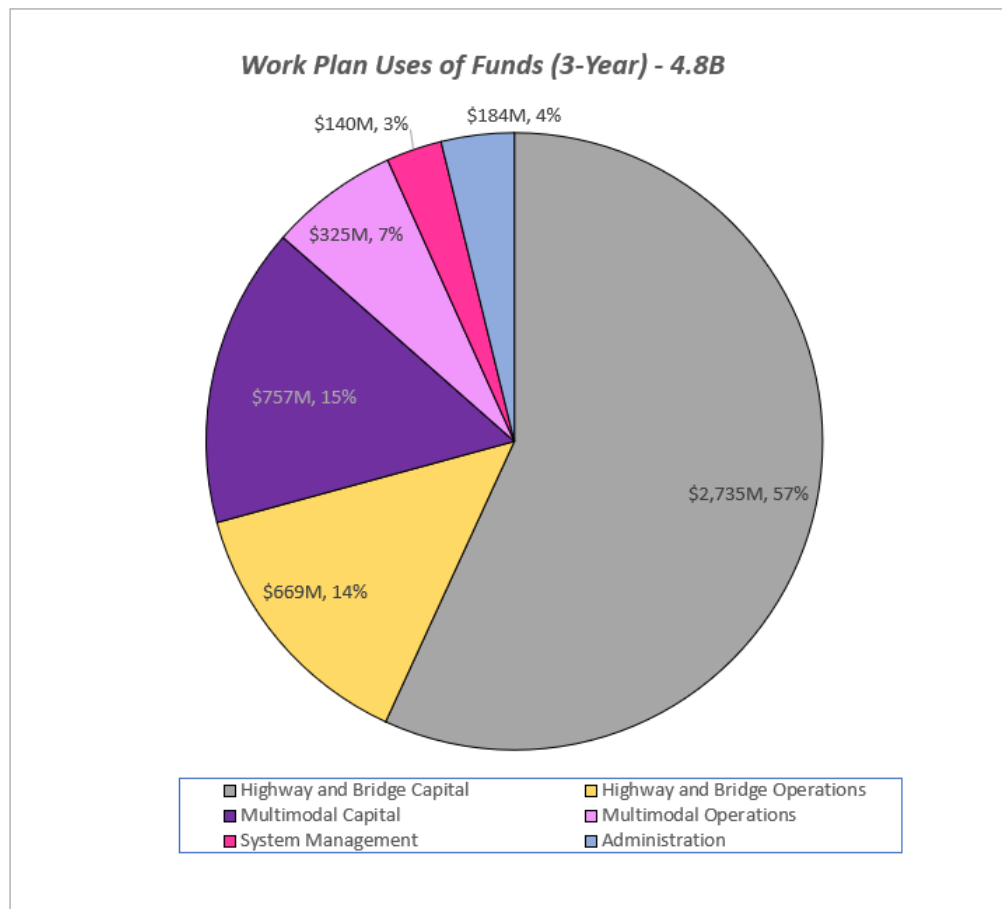
MaineDOT's Results and Information Office (RIO), with ongoing guidance from senior management, coordinates the work of the asset committees, receives input from the Bureau of Planning's public outreach efforts, and assembles a Work Plan. This is a detailed, arduous task that is ongoing in earnest for the better part of seven months at the end of each calendar year.

## **2. Breakdown of Uses of Funds**

The approach, principles, planning, and processes described above culminate in the listing and description of individual projects and work activities in the Work Plan. Individual projects can be found online by searching by municipality or by work type.

As shown in Figure 5, the Uses of Funds pie chart, activities in this Work Plan can be broken down into six high-level categories: Highway and Bridge Capital Work, Highway and Bridge Operations, Multimodal Capital Work, Multimodal Operations, System Management, and Administration. Each of these categories is described below.

Figure 5

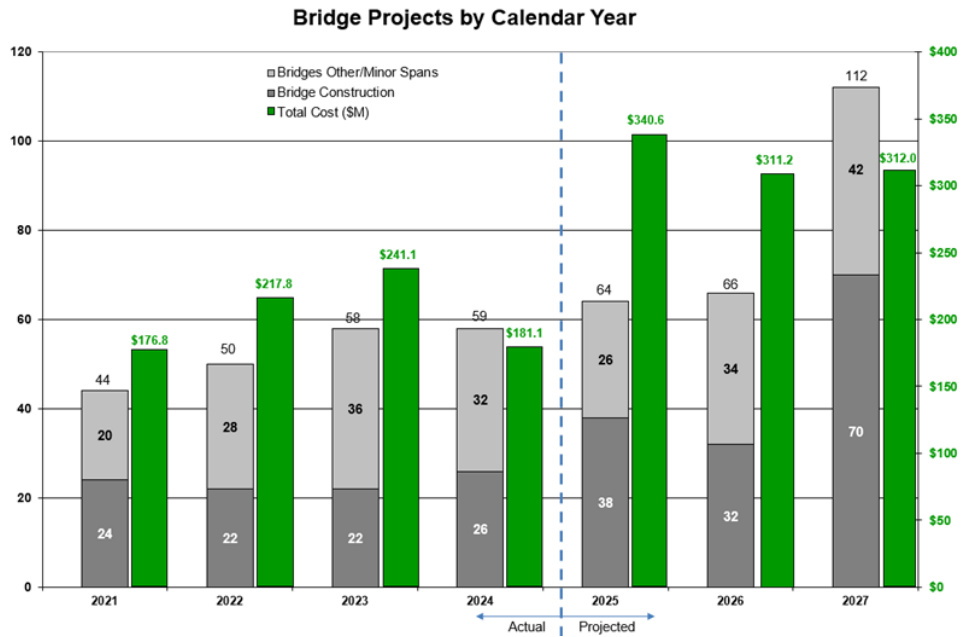


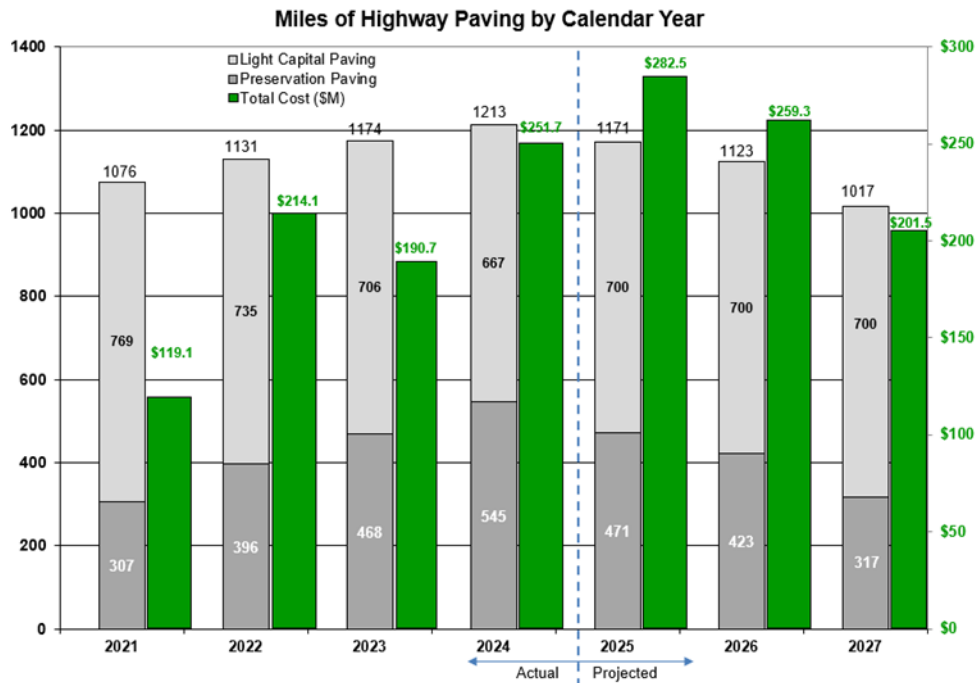
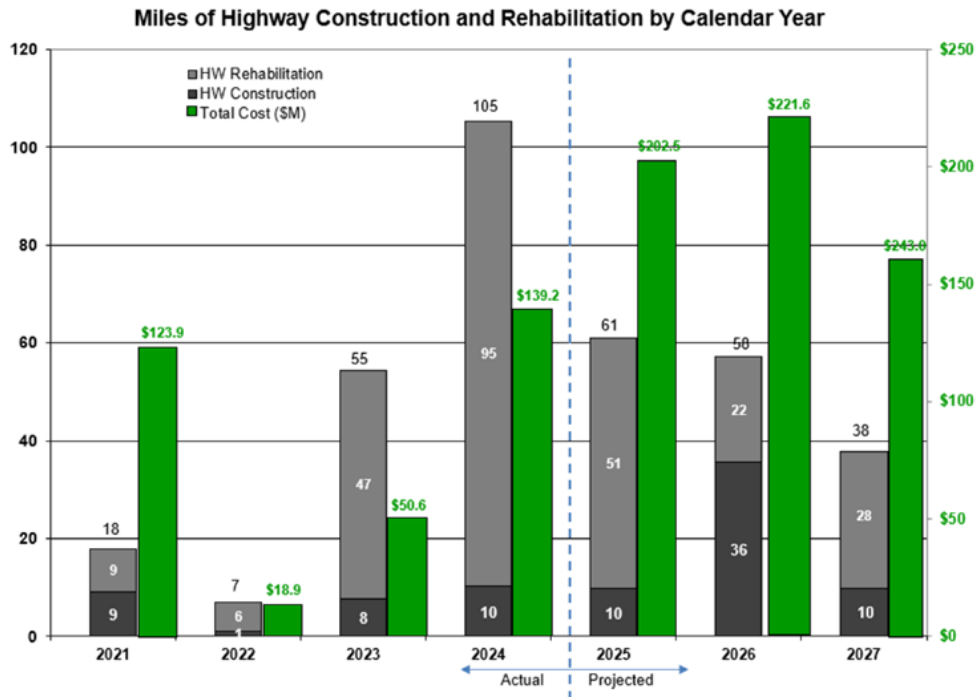
Like all rural states, our highway and bridge system is the backbone of Maine’s transportation system. Accordingly, this Work Plan invests more than \$3.4 billion dollars in the highway and bridge system – including capital, maintenance, and operations – constituting about 72 percent of this Work Plan.

a. **Highway and Bridge Capital Work.** This Work Plan includes \$2.735 billion for highway and bridge capital-related work over the three-year period. These investments include safety and spot improvements, bridge replacements and rehabilitation, highway reconstruction and rehabilitation, pavement preservation projects, and light capital paving. Additionally, there are several improvements focused on adaptation to climate change and mobility improvements. This three-year Work Plan includes:

- 242 bridge construction and 95 bridge engineering projects (valued at \$998 million).
- 157 miles of highway construction and rehabilitation (valued at \$667 million).
- 1,210 miles of preservation paving (valued at \$632 million).
- 255 highway safety and spot improvements (valued at \$216 million).
- 2,100 miles of light capital paving (valued at \$120 million).

The production bar charts below (known as “widget charts” within MaineDOT) depict the total number and cost of most highway and bridge capital projects funded for construction in Work Plans over time, including the costs of construction, engineering, and property acquisition. As you can see, this 2025 Work Plan is continuing the pivot from *making do* to *making smart and steady progress*.





b. Highway and Bridge Operations. The maintenance and operation of Maine’s extensive highway and bridge system accounts for a large portion of MaineDOT’s overall work activities. This work is essential to the movement of people and goods and to the health of the Maine economy. It is also an essential and cost-effective means of protecting the state

highway and bridge system. From year to year, and within CY2025, actual expenditures for this work will depend on the constantly changing condition of the transportation system and, importantly, on weather. For those reasons, overall expenditures for routine maintenance and operation of the highway and bridge system are shown in the Work Plan as approximate, annual budget figures. Highway and bridge maintenance and operations work accounts for \$669 million in this Work Plan, while three-year annual averages for major maintenance and operations work include:

- \$51 million in winter maintenance.
- \$28.6 million in drainage maintenance.
- \$19.1 million in custodial maintenance.
- \$14.8 million in bridge and other infrastructure inspections.
- \$12 million in surface and base maintenance.
- \$12.2 million in bridge and structural maintenance.
- \$7 million in operational and safety maintenance.

- c. Multimodal Capital Work. This Work Plan includes substantial capital investments in modes of transportation other than the privately owned automobile, including active transportation (walking, bicycling, etc.), aviation, transit, the state ferry service, passenger rail, freight rail, and ports and marine. Overall, as depicted as the purple wedge in Figure 5, the total value of multimodal capital work in this Work Plan is \$757 million, representing 15 percent of the total three-year Work Plan.
- d. Multimodal Operations. This Work Plan also includes significant funding from federal and state sources to operate and maintain multimodal transportation, including substantial funding for passenger rail, the state ferry service, and transit operations. Overall, as depicted as the pink wedge in Figure 5, the total value of multimodal operational funding in this Work Plan is \$325 million, comprising about seven percent of the total three-year Work Plan.

When capital and operational work are combined, this Work Plan includes nearly \$1.1 billion dollars in investment in multimodal systems, representing about 22 percent of this Work Plan.

- e. Active Transportation. MaineDOT continues to implement the Active Transportation (AT) capital investments in this Work Plan, with a total of \$95 million for stand-alone AT projects. This work does not include the tens of millions of dollars of AT investments that are routinely funded as part of highway, bridge, or other capital projects.

MaineDOT's AT activities also support local and regional efforts to improve the walkability, bikeability, livability, and social vibrance of communities. MaineDOT is creating a new community partnership initiative, the Active Transportation Partnership Initiative, which dedicates \$1 million in state funds per year to be matched with local funds. Support is provided through educational programming, on-site technical assistance, and grant funding to

design and construct active transportation infrastructure improvements.

- f. Aviation. Aviation is an integral part of a multimodal transportation system. This Work Plan provides \$170 million for aviation, including \$164 million in capital projects and \$6 million for operations at two state-owned airports.

Capital work is programmed in accordance with the State Aviation System Plan – Phase 1 and includes:

- \$20 million for facility rehabilitation and construction.
  - \$7.8 million for runway/apron/taxiway rehabilitation/reconstruction/maintenance.
  - \$3.3 million for upgraded airfield lighting, obstruction clearing, and snow removal equipment.
  - \$3.0 million for five automated weather observing systems.
- g. Transit. This Work Plan provides \$289 million in transit investments across the state, including \$130 million in capital projects and \$159 million to support transit operations.

Transit capital investments are aimed at improving fleet reliability and expanding access. In support of the Maine State Transit Plan’s strategy to *Improve transit customer facilities statewide*, MaineDOT is also investing \$9.8 million in the Bangor Community Connector to rehabilitate its bus storage facility. This project, awarded a discretionary grant, will improve safety, State of Good Repair, and help achieve the city's climate goals for the future installation of electric vehicle charging equipment.

For many years, the state subsidy for transit operations statewide was stuck at an insufficient \$1.3 million. As a result of the last biennial budget, the state subsidy increased substantially – by \$2 million – in 2024 and to \$5 million in 2025, 2026, and 2027.

- h. Maine State Ferry Service. From mainland terminals in Rockland, Lincolnville, and Bass Harbor, the Maine State Ferry Service (MSFS) serves six islands in Penobscot and Blue Hill Bays: Vinalhaven, North Haven, Matinicus, Islesboro, Swans Island, and Frenchboro. These islands have approximately 2,800 year-round residents, yet the summer populations are much larger due to seasonal residents and visitors. The ferry is an economic and social lifeline for these communities.

This Work Plan provides \$105 million in support of this ferry service, including nearly \$50 million in capital projects and \$55 million for ongoing operations.

Ferry service capital work includes replacing aging vessels, made possible by federal funding in the BIL, and landside capital improvements. This work includes:

- \$33 million for the design and construction of landside improvements at Lincolnville and Isleboro to accommodate the larger, hybrid ferry.
- \$3.2 million for electrical upgrades on the Swan’s Island and Bass Harbor transfer bridges.
- \$1.8 million for parking lot and sidewalk improvements on Vinalhaven.
- \$1 million to paint the Peaks Island transfer bridge.

As noted above, this Work Plan includes three years of the cost of ongoing operations of the MSFS. Farebox prices are adjusted periodically to cover half of the operating costs, while the other half, or about \$8.5 million per year, is an ongoing state subsidy, largely from the Highway Fund.

- i. Passenger Rail. The Northern New England Passenger Rail Authority (NNEPRA) manages the Amtrak Downeaster passenger rail service, which runs five trains per day from Brunswick to Boston. The Maine State Rail Plan outlines both short- and long-term strategies specific to passenger rail in Maine, including the improvement of transit, bicycle, and pedestrian connections to the Downeaster rail service, operated by NNEPRA. Other capital improvements being planned include a new passenger rail station in Portland, and a new platform in West Falmouth. This Work Plan contains \$7 million to be used toward these and other long-term capital initiatives. Further, in December 2023, NNEPRA was awarded a \$27-million federal grant for track-related improvements to reduce the need for infrastructure-based slow orders from Brunswick to the Massachusetts state line. These capital improvements will enhance safety and maintain a State of Good Repair along this section that will result in fewer delays and greater reliability for Downeaster passengers and freight service.

This Work Plan also provides \$94 million in federal, state, and farebox resources to support operations of existing Downeaster service over three years.

- j. Freight Rail. This three-year Work Plan provides \$181 million for capital freight rail projects across the state. Projects include:
  - \$66.6 million to improve the Brownville-to-Millinocket and Brownville-to-Vanceboro rail line made possible by a federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant.
  - \$42.4 million to improve the Gray-to-Waterville CSX line, made possible by a federal CRISI grant.

- \$17 million for the on-going Industrial Rail Access Program (IRAP) program – a 50/50 state/private program that fulfills “last mile” rail needs. The IRAP will support heavy rail cars and double-stack clearances.
- \$4 million to rehabilitate the rail bridge over the New Meadows River in West Bath.

k. Ports and Marine. This Work Plan provides \$88 million for capital projects to support the development of Maine’s ports and marine infrastructure. Highlights of this capital work include:

- \$17.8 million from a federal Port Infrastructure Development Program (PDIP) grant for a reefer rack at the International Marine Terminal (IMT) in Portland. The reefer rack is a companion project to the cold storage facility and will more-than-double the current refrigerated storage capacity. This will expand the IMT’s ability to handle refrigerated container cargo in support of Maine’s agriculture, marine, and manufacturing industries.
- \$12.3 million in Small Harbor Improvement Plan (SHIP) projects.
- \$7.8 million in Boating Infrastructure Grants (BIG) from the U.S. Fish and Wildlife Service.

In addition to the highway and bridge and multimodal uses of funds set forth above, there are two additional small but important parts of MaineDOT’s work.

- Systems Management Work. System management is necessary to coordinate asset management of the entire transportation network. Although most discussions about transportation usually involve individual projects, to be effective and efficient, you need to step back and look at the entire system as a whole – i.e., see the forest for the trees. System management work includes continuously monitoring the performance and condition of transportation assets and assuring that the projects and scopes selected achieve the most customer value. System management also involves ensuring that we are meeting customer expectations and system needs while meeting compliance requirements and doing so within available resources. This work includes asset management, planning, environmental work, compliance, and safety efforts. The value of such work in this Work Plan totals \$184 million, or four percent of the total Work Plan.
- Administration. Administration includes executive functions, finance and administration, human resources, most non-crew training, legal, information technology, federal compliance activities, and other traditional administrative activities needed to support any large and complex organization. The value of such work in this Work Plan totals \$140 million, representing less than three percent of the total value of the Work Plan.

Annually recurring work items for MaineDOT work units that perform system management and administration appear as three annual listings. These and other activities are provided in the Statewide Operations tab.

Embedded within these two sections and worthy of special note is the amount of work presented in this Work Plan from special programs. These are programs aimed at delivering civil works that are sometimes outside the scope of traditional transportation infrastructure but for which MaineDOT could use its procurement, design, and or project development skills to deliver for local communities or related infrastructure. Three specific special programs are included in the uses:

Infrastructure Adaptation – \$44.7 million largely showing in the highway and bridge capital category but also with small amounts in the ports and marine category.

Working Waterfronts – \$30.8 million for recovery from storms of late 2023 and early 2024 along Maine’s working waterfronts. Many of the awards from this program are shown in the ports and marine capital category.

Municipal Large Culverts – \$6.6 million for replacement of significant structures on local roads through a competitive grant program showing in the highway and bridge capital category.

### **C. Future Funding Outlook**

As outlined above, predicting future funding is the most humbling and challenging part of constructing any Work Plan. Long-term projections are especially challenging right now given the new federal administration, the need for a federal transportation future reauthorization next year, and a more challenging state budget environment. Accordingly, major adjustments to this and future Work Plans may be needed to reflect whatever funding policy decisions are made.

MaineDOT hopes and expects that the current pragmatic level of funding that allows smart and steady improvement will continue. Although improvising with what we have will always be part of MaineDOT’s skill set, no one wants to go back relying on “MacGyver mode” exclusively. The travelers of Maine deserve better. This middle-ground, pragmatic level of investment supports responsible investments based on asset management strategies and key performance measures. It also allows some highway improvement programs and larger bridge investment, strategic investments in villages, targeted multimodal improvements, and admittedly only limited capacity expansion.

We know smart and steady progress provided by the pragmatic funding level is not enough for some customers. Some are looking for faster levels of system improvement with more new capacity and amenities of all modes. As transportation professionals, we wish we could do more, but given competing capital priorities, funding a full needs transportation budget must be considered aspirational.

Despite the funding uncertainty at both the federal and state levels, it is rational to assume that the Goldilocks nature of the current pragmatic funding level will mean it prevails. “MacGyver mode” is just too low – too reactive, too unreliable, and eventually too unsafe. Aspirational funding for more capacity improvements is too high – unaffordable given competing funding needs and potentially undeliverable at a reasonable cost given workforce challenges. The current pragmatic progress funding level is the reasoned middle ground. It reflects recent bipartisan agreements and delivers the enhanced safety, economic prosperity, and quality of life benefits that better transportation provides in a measured, sustainable, and cost-effective way.