Introduction

This 2026 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 2026, 2027, and 2028. It contains 2,798 work items with a total value of $4.5 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.[1]

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 has taken major strides to address pressing issues for transportation in the past year including ongoing efforts to address Maine's bridge conditions, an extensive evaluation of rutting that is occurring on the interstate system and multiple safety initiatives that have significantly changed the way MaineDOT programs work, develops projects, sets speed limits and evaluates safety data for all users.

2025 was MaineDOT's first full year, and first Work Plan, that saw implementation of crucial updates to the Department's Complete Streets Policy and speed limit setting processes. These important functions of MaineDOT are now implemented through a context-based decision-making framework guided by the Department's Roadway Context Classification System. This is a mapped system of classifying roadway segments based on the nearby built environment and how those roads are used by the public, which is mapped across the entire public road network in Maine. Transportation Engineers and Planners use these five context areas (Rural, Rural Town, Village, Suburban, and Urban) when planning future MaineDOT infrastructure projects to better

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[1] 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.

align project design elements with the surrounding context of the community, in addition to direct engagement with municipal and regional officials. Visit the link below for more information about MaineDOT's Safety Approach, Complete Streets Policy and Context Mapping. https://www.maine.gov/dot/programs-services/safety-and-mobility.

MaineDOT understands that vehicle speed is a primary contributing factor contributing to crash outcomes on our roads. Over the last three years MaineDOT has been focusing on how vehicle speed management interventions can help the State achieve its transportation safety goals. In addition to the Department's speed limit setting process, and complete streets policy, MaineDOT has provided for increased use of traffic calming elements in project design and also for use of temporary materials to pilot traffic calming projects with our municipal partners. All of these roadway safety efforts are a critical part of how MaineDOT pursues its mission.

MaineDOT is also adjusting its planning efforts to anticipate and address changes in Maine; socially, culturally and economically. Issues like shifts in economic drivers, climate change, age demographics as well as workforce and housing shortages are all factors in MaineDOT's planning and ultimate programming for the future. MaineDOT takes the approach of working directly with communities and business leaders to develop their vision that addresses some or all these factors. We provide funding, technical guidance and connections with other professionals during the development of the vision.

Although most of our funding base is directed toward operating and maintaining our vast network of assets, funding projects resulting from these collaborative planning efforts is a priority. For these "transformative projects" we most often target special federal funding from Congressionally Directed Spending, and grants from various federal agencies including Federal Highway Administration, Federal Transit Administration, Federal Rail Administration, Federal Aviation Administration, and the Maritime Administration. Although this planning is ongoing the timing of special federal funding often relies on current and ever shifting Federal priorities. We do have several special state partnership programs to address discrete issues and promote reasoned growth.

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 timely information about the scope and timing of work and projects. Projecting funding levels is also necessary for seamless and efficient development of projects and for the contracting community to anticipate the appropriate level of resources. 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 Work Plan before work is fully executed.

This version of the Work Plan is being developed in a time of significant uncertainty. Congress is debating the long-term direction of federal transportation programs through deliberation over a 5-year reauthorization bill. This uncertainty directly following the longest federal government shutdown in history experienced in the fall of 2025. This major component of funding within the Work Plan is even more difficult than normal to predict both in amount and timing of availability and federal eligibility based on evolving federal priorities.

With that understanding, the estimated total sources of funds that support this three-year Work Plan are depicted in the Figure 2 pie chart.[2] As you can see, total resources over the three years are estimated at about \$4.5 billion, or an average of about \$1.5 billion per year.[3]

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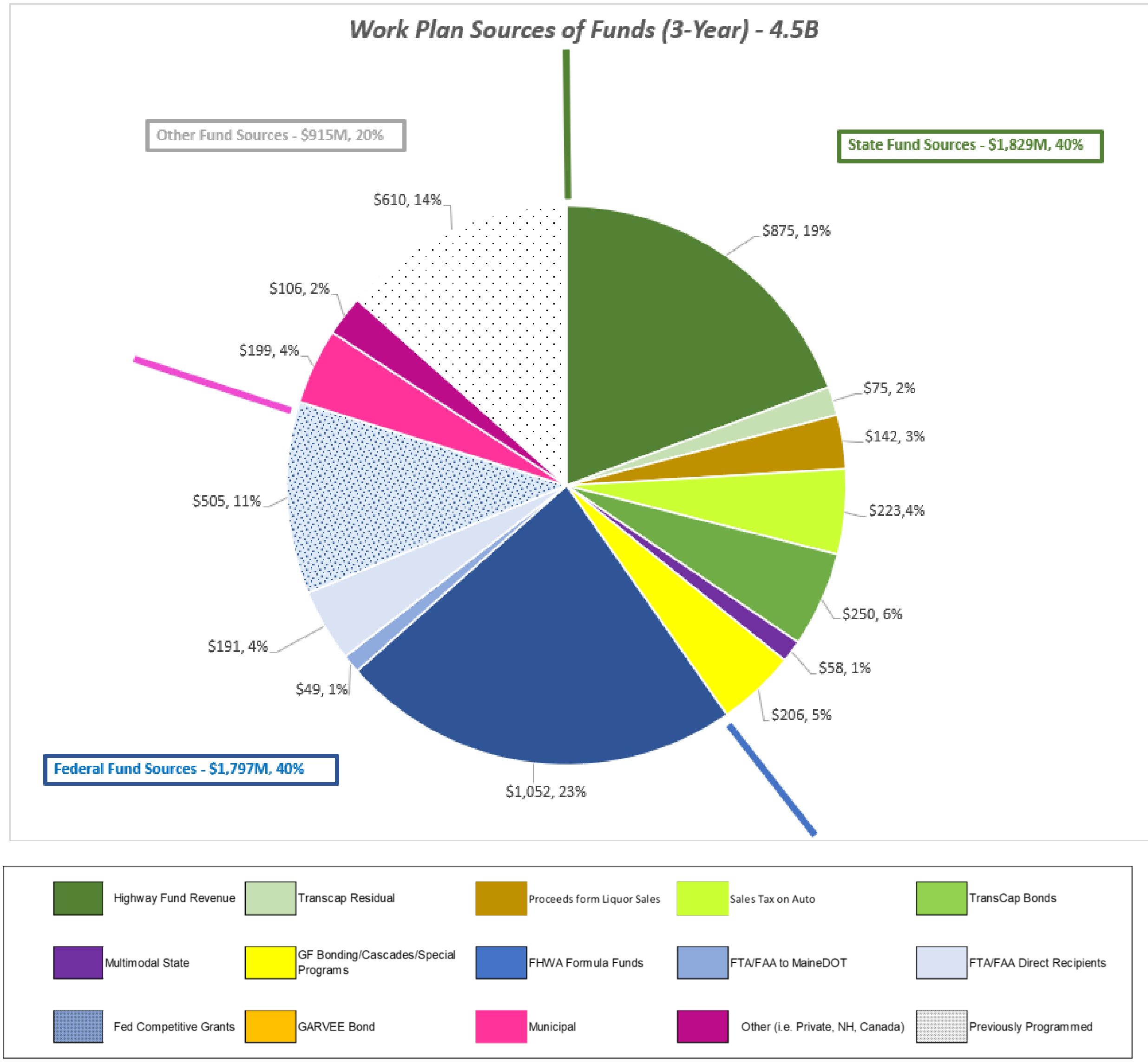
[2] The Figure 2 pie chart cannot be precisely the same as state budgeting information for several major reasons. The first and most obvious reason is timing. MaineDOT Work Plans cover *three calendar years*, because calendar years are most helpful for construction season planning, while the Maine state budget covers *two state fiscal years* (July 1st to June 30th). *Federal fiscal years* are also different (October 1st through September 30th) 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.

[3] 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 80 percent are evenly split from state sources and 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 $1.798 billion over the three years of this Work Plan. State funding represents approximately 40 percent of total Work Plan funding.

a. <u>Fuel Taxes and Vehicle Fees</u>. Depicted as the first green wedge in Figure 2, this state source of funding represents long-standing traditional Highway Fund revenues – primarily motor fuel taxes and vehicle registration fees. A portion of vehicle fees previously directed to the

TransCap Bond program now is part of the Highway Fund Revenues. The amounts available to MaineDOT for three years from these sources are estimated at $875 million or 19 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 snow fighting.

b. <u>TransCap Residual.</u> Shown as the second light green wedge in Figure 2 TransCap Residual is a portion of dedicated fuel tax and a portion of the automotive sales and use tax revenue deposited to the Maine Municipal Bond Bank that provides the required coverage for the TransCap Bonds being issued in January of 2026. The issuance requires two times the revenue required for principal and interest payments be reserved however, the unused portion is available for eligible expenditures. This residual can be used for transportation infrastructure improvements in all modes with some limitations related to the allocation of the revenue sources to uses within the TransCap Bond program.

c. <u>Proceeds from Liquor Sales</u>. Shown as the brown wedge, proceeds from liquor sales are highway fund revenue used to support multiple agencies – principally MaineDOT, the Maine Department of the Secretary of State, and the Maine Department of Public Safety.

   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; not for MaineDOT's transportation capital needs

d. <u>Automotive Sales and Use Tax Revenue</u>. In June 2023, the 131st 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.

   As set forth in subsection (e) 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 issued in January of 2026. Diversifying bond revenue streams beyond constitutionally protected fuel taxes and vehicle fees will allow these bond proceeds to be used for all capital projects. Subject to allocation within the TransCap Bond program and the limitations on the use of the revenue sources used to cover debt service – including highway and bridge and multimodal projects.

In the FY26-FY27 biennium, MaineDOT estimates the amount of auto-related sales tax available for allocation to MaineDOT will be about $74 million per year for a total of $223 million. This represents about four percent of total Work Plan funding and is depicted as the lime green wedge of Figure 2.

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. 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 was 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 six percent of Work Plan funding. This represents the one-time solution for this biennium for the perennial capital funding shortfall at MaineDOT. MaineDOT is currently in process of the bond sale which is anticipated to be completed this winter in time for the upcoming construction season.

e. State Multimodal Funds. 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 in addition to the Highway Fund support discussed in section a. This funding comes from a variety of sources, including revenues from car rental taxes, aviation fuel taxes, 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 $58 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 $206 million, or five percent of the total of Work Plan funding. This funding is made up of several different components:

General Fund Bonding/Transfers: This Work Plan has a state funding need of approximately $160M in capital funding in 2028. As discussed earlier in this document, assumptions need to be made to construct a viable Work Plan for the Department. This version of the work plan assumes $130M in additional General Fund support through yet to be identified transfers/bonds. This conservative number is much less than the overall need. This conservative approach allows projects to progress through development for 2028 while the funding picture becomes clearer.

General Fund Cascades: At the end of state fiscal year 2025, 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, $34.8 million was transferred to MaineDOT, a much larger amount than previously anticipated. As indicated above, because of recent General Fund transfers 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 FY2027 and 2028.

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 $31 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 $1.797 billion, which represents about 40 percent of the total value of Work Plan items. This includes $1.606 billion to be received by MaineDOT and $191 million to be received directly by other transportation partners, including airports and transit agencies.

The current federal surface transportation authorization expires September 30, 2026. The authorization generally lasts for five years and gives local transportation officials a longer-term horizon that allows some level of planning of projects. Annual appropriations set the final dollar amounts available to states and other recipients, but the authorization bill provides the policy and general framework of future funding. Congress is currently drafting authorization language in each of the chamber's committee of jurisdiction. There is a large sense of uncertainty with the legislation being passed on time in the shadow of mid-term elections and consistent budget battles in Washington. MaineDOT has taken a conservative approach and is projecting flat core federal funding and is not projecting additional special federal funding outside of what has already been awarded to date.

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 $1.052 billion and is shown as the solid, darker blue wedge in Figure 2. This funding represents about 23 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 $49 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 $191 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 broader sphere of transportation investment 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 IIJA/BIL. Special competitive U.S. DOT discretionary grant programs and Congressionally Directed Spending (CDS) are estimated at $505 million and are shown as the polka-dotted blue wedge in Figure 3. Federal competitive funding represents about 11 percent of the total value of Work Plan items. This amount consists of awarded grants and CDS projects to be delivered over the next three years.

   Scheduled for delivery in calendar year 2026 is nearly $281M in projects containing competitive funding including:

   - Sanford Downtown Reconstruction - $32M
   - Frenchville Route 1 Reconstruction - $41M
   - I-395 Bridge Improvements - $79M
   - Biddeford Elm Street Improvements - $13M
   - International Marine Terminal Improvements - $18M
   - Route 27 Rehabilitation - $12M
   - Portland East Deering Area - $7M

   The continuation of the levels of competitive funding under IIJA/BIL is uncertain as Reauthorization is considered in congress, however the political winds appear to be shifting to more traditional formula funding.

3. Other Funding Sources

a. Municipal Matching Funds. This Work Plan is also based upon the anticipated receipt of about $199 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 various partnership initiatives such as the 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 $106 million over the three-year period of this plan and is shown as the maroon wedge in Figure 2. This funding represents about two percent of the total Work Plan funding.

   Included within this funding is the 5% of annual operating revenues for the Maine Turnpike Authority (MTA) as denoted in 23 MRS §1961(7). This totals approximately $9.5M/year. Many of the projects are listed in this work plan and are denoted in the project description, while others are more administrative in nature including payments over term of previous MTA contributions to critical projects. In total MTA contributions in this work plan total nearly $14.1M with $6M listed in actual projects. There are many other projects in the work plan that are in development meeting the criteria laid out in the statute and are currently being considered.

c. Previously Programmed Funds. As noted above, unlike most state 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 14 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 projected 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 (Family of 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.

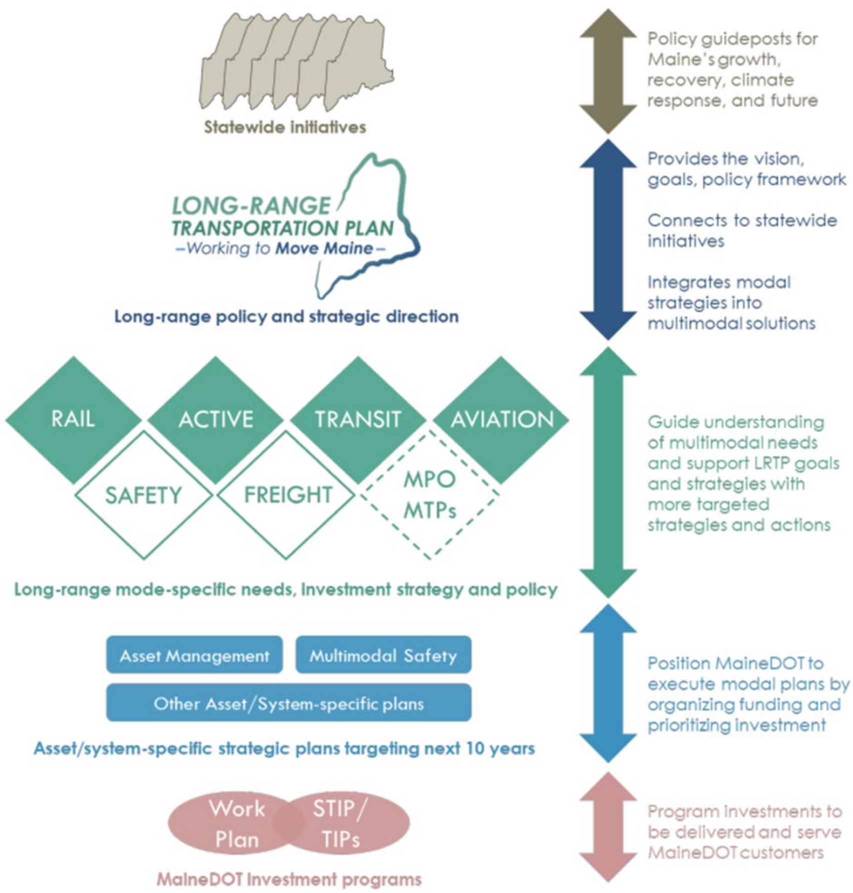
As part of that 2023 effort, after several months of public and stakeholder outreach and plan development, MaineDOT published Working to Move Maine: MaineDOT's Long- Range Transportation Plan (LRTP). The LRTP conveys MaineDOT's vision for a multimodal transportation system that not only provides for 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 3 below shows specifically how MaineDOT's Family of Plans, Asset Management, and the Work Plan work together within the performance-based planning of MaineDOT.

Figure 3



b. <u>State of the Transportation System</u>

MaineDOT annually develops asset management evaluations and resource allocation decisions through the early stages of work plan development. This effort outlines the condition of transportation assets, performance of those assets, and the resulting allocation of resources to specific areas for project programming. 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 evaluation 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. It should be noted that this level of funding applied over time will degrade the system and require higher levels of funding in the future to recover.

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.

Evaluating the need of each asset class at these three levels and comparing it to the projected resources available. This methodology 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's newest partnership initiative: the Active Transportation Partnership Initiative (ATPI) enters its second year. 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, asset management 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 three levels of funding requirements for individual resource allocation groups by mode, 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 resource allocation 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, averaged over the three years, as possible while balancing eligibility restrictions, risk, and project deliverability. In most cases the funding levels fell below Pragmatic Levels.

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.

iii. 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.

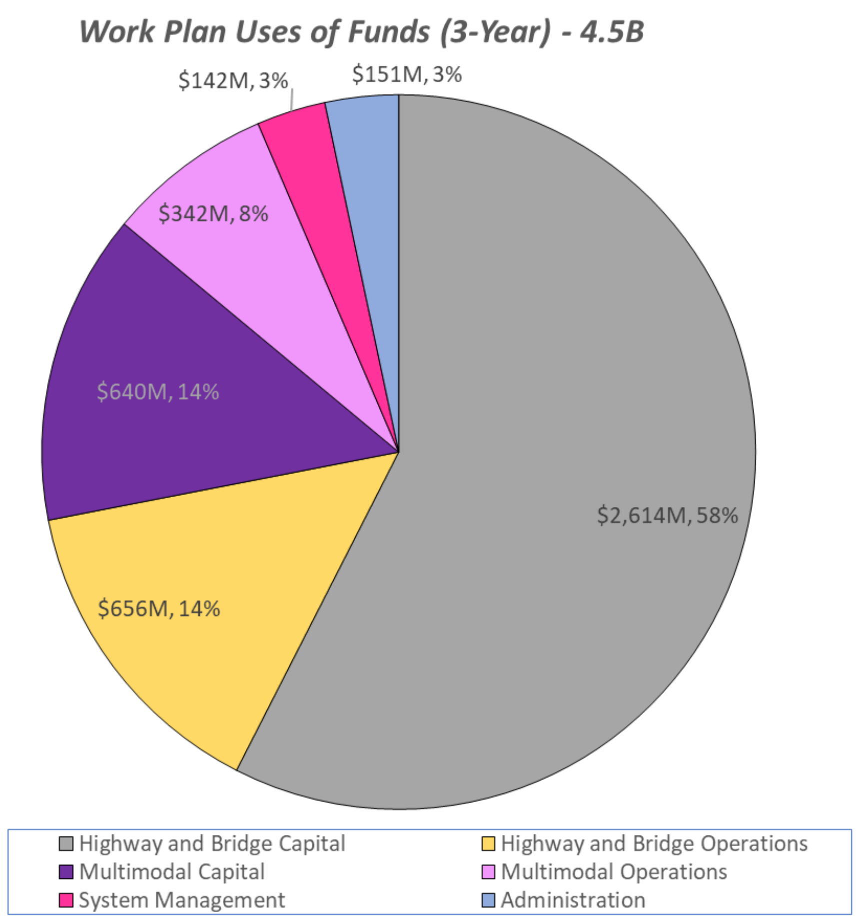
MaineDOT's Results and Information Office (RIO), with ongoing guidance from senior management, coordinates the work of the asset committees, receives input from the Bureau of Planning's public outreach efforts, and assembles a Work Plan. This is a detailed, arduous task that is ongoing in earnest for 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 4, 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 4



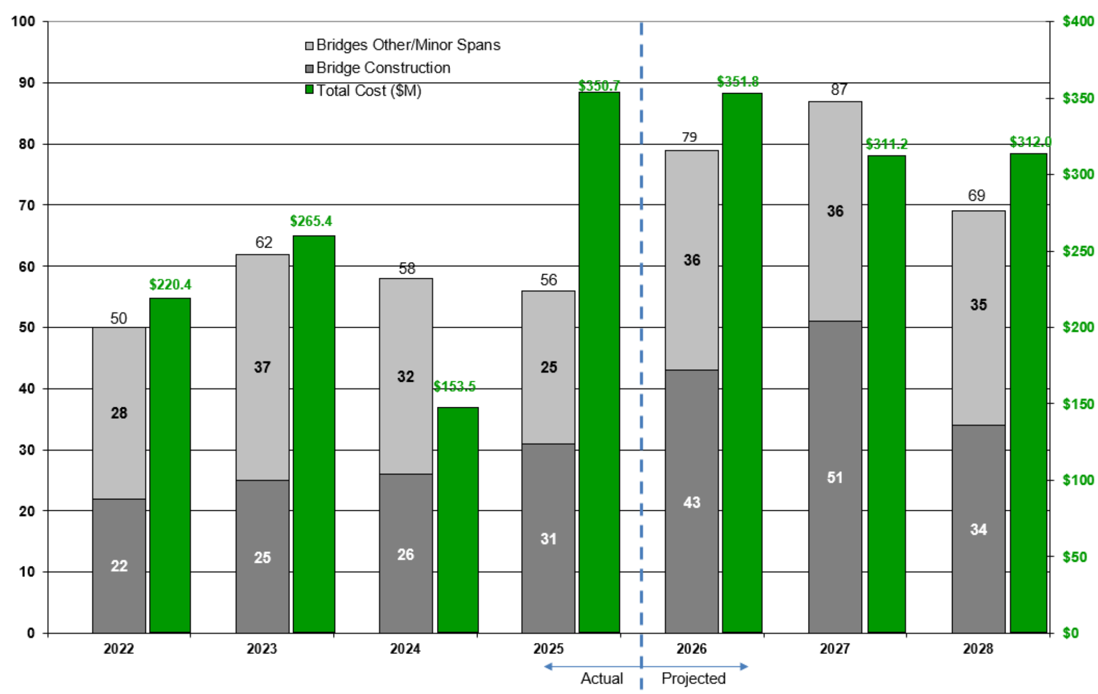
Like all rural states, our highway and bridge system is the backbone of Maine's transportation system. Accordingly, this Work Plan invests more than $3.25 billion dollars in the highway and bridge system – including capital, maintenance, and operations – constituting about 72 percent of this Work Plan.

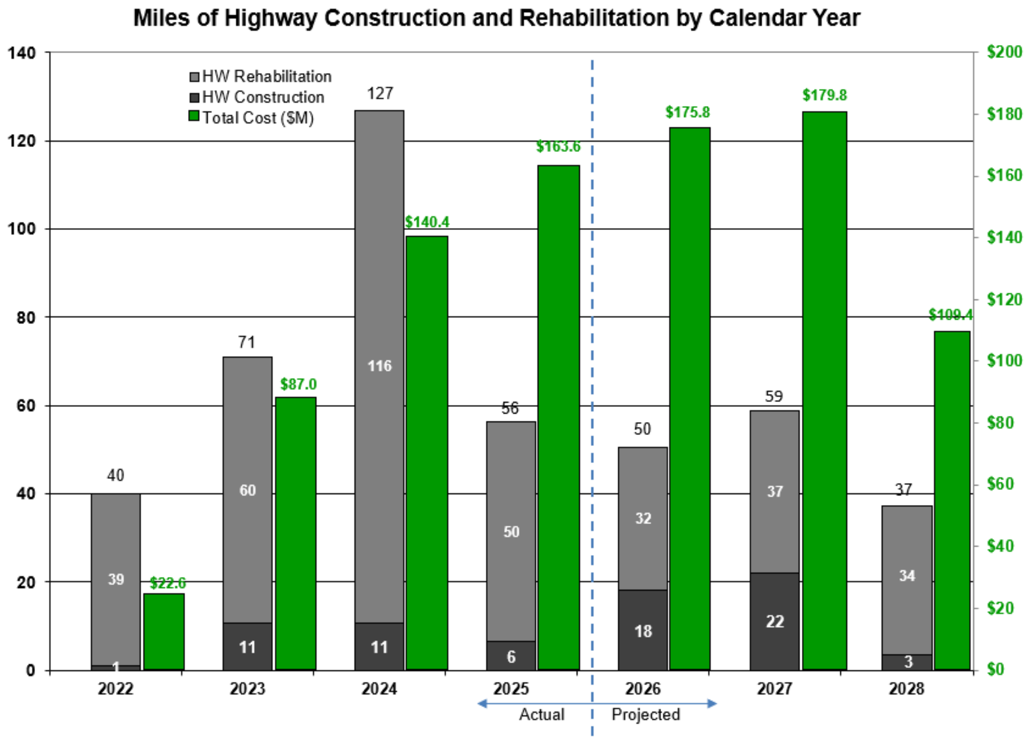
a. <u>Highway and Bridge Capital Work</u>. This Work Plan includes $2.4 billion for highway and bridge capital-related work over the three-year period. These investments include safety and spot improvements, bridge replacements and rehabilitation, highway reconstruction and rehabilitation, pavement preservation projects, and light capital paving. Additionally, there are several improvements focused on adaptation to climate change and village improvements mobility improvements. The majority of these, non-asset management, projects are supported by special state or federal funding. This three-year Work Plan includes:

- 235 bridge construction and 121 bridge engineering projects (valued at $975 million).
- 147 miles of highway construction and rehabilitation (valued at $465 million).
- 1,030 miles of preservation paving (valued at $558 million).
- 227 highway safety and spot improvements (valued at $213 million).
- 2,100 miles of light capital paving (valued at $120 million).

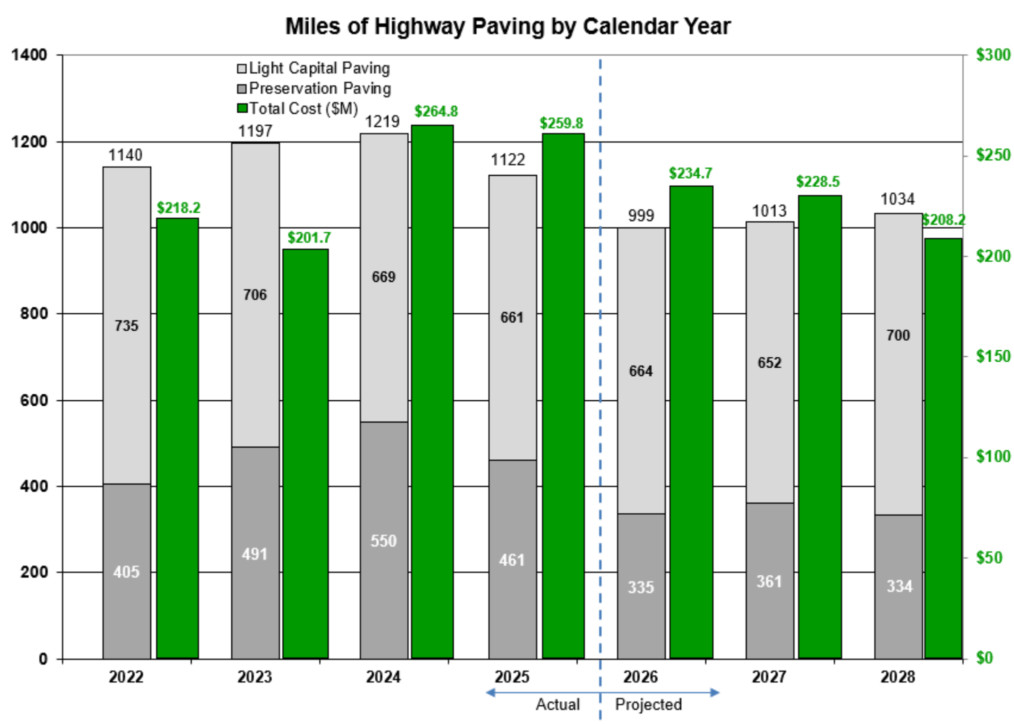
The production bar charts below (known as "widget charts" within MaineDOT) depict the total number and cost of most highway and bridge capital projects funded for construction in Work Plans over time, including the costs of construction, engineering, and property acquisition. As you can see, this 2026 Work Plan is continuing the *making smart and steady investment in highway and bridge infrastructure.*

Bridge Projects by Calendar Year





Miles of Highway Construction and Rehabilitation by Calendar Year
HW Rehabilitation
HW Construction
Total Cost ($M)
140
120
100
80
60
40
20
0
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$0
40
39
1
$22.6
71
60
11
$87.0
127
116
11
$140.4
56
50
6
$163.6
50
32
18
$175.8
59
37
22
$179.8
37
34
3
$109.4
2022
2023
2024
2025
2026
2027
2028
Actual
Projected



Miles of Highway Paving by Calendar Year
Light Capital Paving
Preservation Paving
Total Cost ($M)
1400
1200
1000
800
600
400
200
0
$300
$250
$200
$150
$100
$50
$0
1140
735
405
$218.2
1197
706
491
$201.7
1219
669
550
$264.8
1122
661
461
$259.8
999
664
335
$234.7
1013
652
361
$228.5
1034
700
334
$208.2
2022
2023
2024
2025
2026
2027
2028
Actual
Projected

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 CY2026, 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 $656 million in this Work Plan, while three-year annual averages for major maintenance and operations work include:

- $53.7 million in winter maintenance.
- $28.5 million in drainage maintenance.
- $20.0 million in custodial maintenance.
- $14.5 million in bridge and other infrastructure inspections.
- $12.1 million in surface and base maintenance.
- $12.2 million in bridge and structural maintenance.
- $7.6 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 4, the total value of multimodal capital work in this Work Plan is $640 million, representing 14 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 4, the total value of multimodal operational funding in this Work Plan is $342 million, comprising about seven percent of the total three-year Work Plan.

When capital and operational work are combined, this Work Plan includes over $982 million dollars in investment in multimodal systems, representing about 22 percent of this Work Plan.

e. Active Transportation. MaineDOT continues to implement Active Transportation (AT) capital investments in this Work Plan, with a total of $93 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 has created 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 $177 million for aviation. Funding includes $175M for capital that prioritizes pavement condition and snow removal equipment. An additional $2M is programmed for operational expenses.

g. Transit. This Work Plan provides $292 million in transit investments across the state, including $106 million in capital projects and $186 million to support transit operations.

Transit capital investments are aimed at improving fleet reliability and expanding access. This Work Plan includes $30M to update capital equipment in the Bar Harbor/Trenton area.

The Work Plan also includes $24M in State subsidy for Transit operations and capital.

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 $144 million in support of this ferry service, including nearly $86 million in capital projects and $58 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 Islesboro to accommodate the larger, hybrid ferry.
- $39M to replace the Margaret Chase Smith ferry.
- $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 $9 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.

This Work Plan also provides nearly $91 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 $70 million for capital freight rail projects across the state. Projects include:

- $13 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.

k. Ports and Marine. This Work Plan provides $74 million for capital projects to support the development of Maine's ports and marine infrastructure. Highlights of this capital work include:

- $46M to build a breakwater in Lubec to provide a safe working environment for commercial fishing operations.
- $13M in Small Harbor Improvement Plan (SHIP) projects.
- $3M in a Boating Infrastructure Grant (BIG) from the U.S. Fish and Wildlife Service to expand transit marina docking at the Long Wharf in Portland.

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 with available resources. This work includes asset management, planning, environmental work, compliance, and safety efforts. The value of such work in this Work Plan totals $142 million, or three 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 $151 million, representing 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 – $41.8 million largely showing in the highway and bridge capital category but also with small amounts in the ports and marine category.

Working Waterfronts – $17.1 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 – $9.5 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 toughest part of constructing any Work Plan. As discussed previously projections are especially challenging right now given the lack of a federal appropriations bill which resulted in the longest federal government shutdown to date. Additionally, there is no authorization for surface transportation funding beyond federal fiscal year 2026. Additionally, there is a persistent state capital structural gap in beginning in 2028 and thereafter. This work plan was built with the best information available at the time and remains conservative in projections of future funding and its makeup.

This work plan reduces overall funding, generally due to decreased opportunities in federal discretionary funding. In most resource allocation groups, we have dipped below the "Pragmatic" funding level. With a new federal authorization and a temporary or permanent solution for the State capital structural gap. MaineDOT hopes there can be a return to pragmatic levels of funding that allows smart and steady improvement. Ideally that will come in the form of expanded formula funds.

To counter the uncertainty in future funding, MaineDOT has built into project selections a large number of preliminary engineering only projects. This maintains flexibility to deliver on schedule if overall resources exceed expectations, while at the same time limiting the commitment to deliver a project in the work plan timeframe. This positions the Department with flexibility to adjust when the financial landscape becomes clearer.

Despite the funding uncertainty at both the federal and state levels, it is rational to assume that the current base levels of funding are maintained and the more competitive or discretionary sources are reduced. While somewhat more conservative than past projections, MaineDOT feels this is the prudent course of action for programming future work given the current circumstances.