



New York State County Highway Superintendents Association
New York State Association of Town Superintendents of Highways

**Joint Legislative 2024-2025 Budget Hearing – Transportation
January 24, 2024**

Good afternoon, Senator Krueger, Assemblymember Weinstein and other members New York State Legislature. I am Greg Hallberg, President of the New York State Association of Town Superintendents of Highways (NYSAOTSOH) and Highway Superintendent for the Town of Ellery, Chautauqua County. With me representing the New York State County Highway Superintendents Association (NYSCHSA) is their President, Jeffrey Smith, Highway Director for Tompkins County. As always, we appreciate the annual opportunity to discuss the Executive Budget proposal and report to you on the conditions and needs of the New York's local transportation system.

We would like to begin by thanking you and your colleagues for your steadfast support of local roads, bridges and culverts. As you know, our collective membership and union workforce is responsible for ensuring the safe operation of 87 percent of the state's public roads, half of its bridges and plowing not only our huge system but over a quarter of the New York State Department of Transportation (NYSDOT) roads. This massive local system is owned by 1,600 local governments and consists of over 97,000 centerline miles of roadways and 8,600 highway bridges. Every time there is a weather event, major snow accumulation, freezing temperatures or severe flooding -- the hardworking people on our local crews ensure New York's drivers get to and from work, homes, schools, hospitals and other destinations safely.

Governor Kathy Hochul's Executive Budget proposal continues the third year of the \$32.8B five-year investment plan for the New York State Department of Transportation (NYSDOT) and the local road system. Record high inflation rates for highway construction materials have severely increased costs and, as a result, local governments are seeing a significant reduction in the real dollar value of local highway maintenance programs. Unfortunately, the Governor's Executive Budget recommends cutting CHIPS aid, the life blood of local highway departments, by \$60 million and State Touring Route aid by \$40 million - \$100 million less in local road funding as compared to last year. In addition to this \$100 million hit to these two programs, the other local programs remain flat. It is critical that last year's funding levels be restored and an additional \$150 million be added to the 2024-25 budget for local highway programs like CHIPS and Extreme Winter Recovery (EWR). This will allow us to recoup some of the real funding value lost to inflation since the five-year program was initially adopted in 2022.

NYSDOT Local Transportation Funding (in Million \$s)	SFY Enacted 2023-24	SFY Proposed 2024-25	SFY Requested 2024-25
CHIPS	\$598.1	\$538.1	\$698.1 (+\$160)
Marchiselli	\$39.7	\$39.7	\$39.7
Local PAVE-NY	\$150	\$150	\$150
Local Pave our Potholes	\$100	\$100	\$100
Extreme Winter Recovery	\$100	\$100	\$190 (+\$90)
Local BRIDGE-NY	\$200	\$200	\$200
Local State Touring Routes	\$140	\$100	\$100
Total	\$1,327.8	\$1,227.8	\$1,477.8 (+\$250)

LOCAL SYSTEMS' NEEDS ARE GREAT

According to a report issued by New York State Comptroller Thomas DiNapoli titled *Locally Owned Roads By the Numbers*, local governments, excluding New York City, spent \$2 billion on road maintenance and improvement in the 2020 fiscal year. The report highlighted a 2013 study of local highway and bridge needs published by our Association, based in part on a 2007 "Transportation Needs Assessment" by NYSDOT which found that municipalities would need about \$32 billion over 15 years to restore locally owned roads through repaving and improvements. The report estimated that there was a spending gap of \$1.3 billion a year for locally owned roads and bridges. In 2023, we updated that need to \$2.074 billion a year, as a result of unprecedented inflation of construction materials costs.

Many of the proposed initiatives included in the Climate Action Council Final Scoping Plan which will be moving forward over the next several years will impact local governments and require significant changes to our highway garages, our equipment and vehicles and even the materials we buy to maintain our critical infrastructure systems. These mandates will require planning and significant additional financial investments well beyond what our traditional needs have been. And they will vary depending on where in the state municipalities are located.

Nearly 90% of Local Roads are Not Eligible for New Federal Infrastructure Money

Thanks to the Federal Infrastructure and Jobs Act, New York State will receive an additional \$4.6 billion from 2022-2027. Unfortunately, the vast majority of local roads are not eligible to receive these funds. At a time of declining local pavement conditions and increased federal aid, the state should be committing more resources to our local transportation system which is critical to the continued recovery of our state's economy.

BRIDGE-NY

BRIDGE-NY is a signature program to direct federal and state funding to local bridge and culvert projects throughout the state. In all four rounds of BRIDGE-NY thus far, the number and value of project applications far exceeded the funding available for each region of the state. In 2022, only a little more than half the bridge applications received funding and less than one-third of culvert applications secured an award. The chart below clearly indicates this gap between needs and availability of BRIDGE-NY funding. Periodic review and modifications to the program's administration help improve its efficiency and regional balance. As a result of this process, NYSDOT is implementing the BRIDGE-NY Program

through the existing capital program planning process instead of the statewide solicitation used in recent years. We think this approach provides greater local input on project scoring and selection.

Year	Amount \$ Available	Applications	Funded
2016	\$200M (\$20M dedicated to culverts)	Round I: 229 bridges, 366 culverts	93 bridges, 39 culverts
2018	\$262M (\$50M dedicated to culverts)	Round II: 259 bridges, 514 culverts	86 bridges, 79 culverts
2021	\$216M (\$50M dedicated to culverts)	Round III: 240 bridges, 421 culverts	52 bridges, 57 culverts
2022	\$516M (\$124M dedicated to culverts)	Round IV: 213 bridges, 328 culverts	115 bridges, 101 culverts

Submissions for Round V of BRIDGE-NY are due this month. Round V currently has \$483M available, \$357M for bridges and \$126M culverts.

WHAT IS NEEDED NOW

In previous years, the Legislature has responded to the dire conditions of the state’s transportation systems and augmented CHIPS and other local transportation funding. But more is required to reverse the deteriorating conditions of our local transportation systems and make significant progress in its rehabilitation. Funding shortages mean many local governments’ preventive pavement preservation strategies—to apply well-timed and targeted maintenance treatments—fall short of what is necessary to avoid more costly major rehabilitation or reconstruction down the road.

Based on the conditions we discussed above and rising costs we make the following requests:

- ✓ Support increasing CHIPS by \$160 million to \$698 million annually.
- ✓ Support increasing Extreme Winter Recovery funding by \$90 million to \$190 million annually.
- ✓ Support maintaining the Marchiselli program at \$39.7 million annually.
- ✓ Support maintaining the local BRIDGE-NY program at \$200 million annually.
- ✓ Support maintaining the local PAVE-NY program at \$150 million annually.
- ✓ Support maintaining the State Touring Route funding program at \$100 million annually.
- ✓ Support maintaining the POP program at \$100 million annually.

CHIPS Bidding Threshold Increase

We support adding to the Budget language to amend the Highway Law to increase the CHIPS competitive bid threshold from \$350,000 to \$1,000,000. Increasing the CHIPS bidding threshold, or eliminating the threshold altogether, will give municipalities more flexibility to pursue the most cost-effective option on behalf of taxpayers – bid projects or perform them in-house – while still being eligible for state reimbursement, regardless of project size.

CONCLUSION

As public officials ourselves, we understand the difficulty in trying to meet all of our constituent’s needs with limited resources. We must work together so that all state and local critical infrastructure needs are addressed. Our economy, workers and the traveling public are depending on us.

Thank you for your time and consideration, and we are available to answer any questions you may have.