



NEW YORK STATE LEGISLATURE

February 14, 2024

Hon. Kathy Hochul
Executive Chamber
State Capitol, Second Floor
Albany, NY 12224

Hon. Marie Therese Dominguez
NYS Department of Transportation
50 Wolf Road
Albany, NY 12232

Hon. Andrea Stewart-Cousins
Temporary President and Majority Leader
Room 907 LOB
Albany, NY 12247

Hon. Carl E. Heastie
Speaker of the Assembly
Room 932 LOB
Albany, NY 12248

Hon. Robert G. Ort
Senate Minority Conf. Leader
Room 315 Capitol
Albany, NY 12247

Hon. William A. Barclay
Assembly Minority Conf. Leader
Room 933 LOB
Albany, NY 12248

Hon. Timothy M. Kennedy
Chair
Senate Transportation Committee
Room 708 LOB
Albany, NY 12247

Hon. William B. Magnarelli
Chair
Assembly Transportation Committee
Room 830 LOB
Albany, NY 12248

Dear Governor Hochul and Legislative Leaders:

For the twelfth consecutive session, on behalf of local transportation leaders, municipalities, and taxpayers from throughout our respective legislative districts and across New York State, we welcome this opportunity to address the need for greater state investment in local roads, bridges, and culverts.

We continue to believe that New York State's **investment in local transportation infrastructure** must be a foundation of the nation's most aggressive infrastructure program in order for this program to achieve its envisioned generational goals. Unfortunately, the Executive Budget proposes a \$100 million cut to local road, bridge, and culvert funding for the third year of the five-year, Department of Transportation (DOT) Capital Plan.

First and foremost, in our view, the Governor's proposal fails to recognize or understand the significant impact inflation is having on local highway departments. Nationally, according to the FHWA Highway Construction Cost Index, highway construction costs over the past 2.5 years have increased by 58.6 percent. In light of these unprecedented costs increases alone, the Governor's proposal is unacceptable. It simply will not get the job done.

The \$1.2-trillion "Infrastructure Investment and Jobs Act" (IIJA) increases federal highway aid to New York by 52 percent and we are scheduled to receive \$13.4 billion, a \$4.6-billion increase. Unfortunately, the vast majority of local roads, which as you know constitute 87% of the statewide road system, are ineligible to receive these funds.

It is important to be clear at the outset that equitability, fairness, and parity remain essential when funding our state's infrastructure. We recognize the importance of funding for the MTA Capital Plan as a critical infrastructure investment that is necessary to meet the transportation needs of residents, commuters, and visitors for our downstate region.

We also recognize that funding for the DOT Capital Plan is an equally necessary and critical investment for all the residents, motorists, and taxpayers of the State of New York. The Executive Budget proposal continues the third year of the 5-year, \$32.8-billion DOT Capital Plan.

We are one state, with challenging infrastructure needs statewide, and therefore we believe it is critically important that the capital needs of the MTA and the DOT each receive the level of funding necessary to keep both systems in a state of good repair.

While the proposed Executive Budget calls for the continuation of valuable programs that we support, such as the Consolidated Local Street and Highway Improvement Program (CHIPS), Extreme Winter Recovery (EWR), PAVE-NY, State Touring Routes Program (STR) and Pave our Potholes (POP), the proposal reduces CHIPS by \$60 million and STR by \$40 million.

Altogether, as currently proposed, this means that \$1.2 billion per year will be distributed to all localities throughout the state, including New York City, to address the needs of their local transportation systems.

Therefore, we once again stress that New York State's direct investment in local roads and bridges through CHIPS remains fundamental. It deserves priority consideration in the final allocation of state infrastructure investment in the budget for the 2024--25 fiscal year.

CHIPS is the key difference for local communities, economies, governments, motorists, and taxpayers throughout the Empire State, including New York City and surrounding metro areas, and we cannot ignore this fact, especially this year.

It is warranted. Local governments, for the foreseeable future, will continue to struggle to address budgetary demands in the face of the state-imposed property tax cap, rising pension,

health care and highway construction costs, and unfunded state mandates, among other burdens.

Therefore, we put forth the following two requests **to add to the Executive Budget proposal:**

1.) Restore the \$60 million cut to CHIPS base aid to a total of \$598.1 million; and

2.) Increase the base funding level for CHIPS by \$200 million to a total of \$798.1 million.

The case is compelling for New York State to take these proposed steps to address the undeniable local transportation infrastructure shortcomings. We believe it is the right thing to do.

Additionally, we strongly support increasing the CHIPS bidding threshold from \$350,000 to \$1,000,000 or eliminating the threshold all together. We are disappointed that a proposal to modify the threshold was not included in the Executive Budget as it had been in some previous years and urge that this initiative be added in the final budget. Increasing the CHIPS bidding threshold will give municipalities more flexibility to pursue the most cost-effective option to bid out or perform in-house projects less than \$1,000,000, reducing costs to taxpayers.

A stronger state-local partnership is the only solution to meeting the critical investment level needed to maintain and improve local roads, bridges, and culverts. Keep in mind that:

- Local governments are responsible for maintaining nearly 87 percent of the roads in New York State and one-half of the state's 18,000 bridges;
- Drivers on local roads contribute nearly half of the gas taxes collected in New York State;
- Estimates by the State Comptroller, state Department of Transportation (DOT), and other independent studies have shown a large number of local road mileage deteriorating and many local bridges rated structurally deficient or functionally obsolete;
- Reason's 27th Annual Highway Report ranks New York State's highway system at 49th in the nation;
- According to TRIP, a national transportation advocacy group, roads and bridges that are deficient, congested, or lack desirable safety features, cost New York motorists an additional \$36.7 billion annually, up to \$3,697 per driver in some areas, due to higher vehicle operating costs, traffic accidents, and congestion-related delays;

- If the overriding goal is this state's economic competitiveness, it cannot be overlooked that businesses locate in towns, villages, and cities and, therefore, it is imperative to ensure that local roads and bridges are maintained to spur economic development and job creation, while helping to control property taxes for individuals and businesses;
- Additionally, every \$1 invested in the CHIPS program can save from \$6-\$14 in long-term rehabilitation costs. This state assistance benefits the middle class struggling with high local property taxes;
- Each \$150 million increase in funding for local roads, bridges, and culverts results in up to 4,200 highway construction-related jobs;
- The State Comptroller has estimated there will be \$89 billion in unmet local infrastructure needs over the next two decades. In an October 2017 report, the comptroller estimated that bridges owned by local governments require an estimated \$27.4 billion in repairs; and
- According to a recently updated analysis by the New York State Association of Town Superintendents of Highways, the local highway system outside NYC faces an annual funding gap of over \$2.0 billion.

An increase in the CHIPS base level by \$200 million, as well as maintaining BRIDGE-NY, EWR, PAVE-NY, STR and POP allocations will significantly strengthen the foundation we have built over the last several state budgets and further solidify our fundamental belief that "Local Roads are Essential!"

Through the renewed, vigorous, long-term state investment we have outlined, we will finally move toward the safe and reliable local infrastructure we envision, an infrastructure that will serve as the catalyst for future community and economic development, job creation, and overall public and motorist safety.

Once again, thank you for your leadership and thoughtful consideration. We look forward to working with you to achieve these critical goals and take advantage of this once-in-a-generation opportunity to make the 2024-25 New York State budget truly transformative for our local roads, bridges, and culverts.

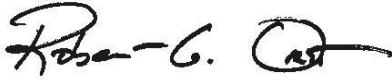
Sincerely,



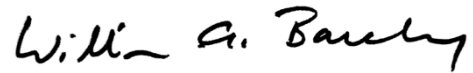
Thomas F. O'Mara
Senate District 58



Philip A. Palmesano
132nd Assembly District



Robert G. Ort
Senate Minority Leader



William Barclay
Assembly Minority Leader



Peter Oberacker
Senate District 51



Jacob Ashby
Senate District 43



George M. Borrello
Senate District 57



Patricia Canzoneri-Fitzpatrick
Senate District 9



Patrick M. Gallivan
Senate District 59



Pamela Helming
Senate District 54



Joseph A. Griffo
Senate District 53



Andrew J. Lanza
Senate District 24



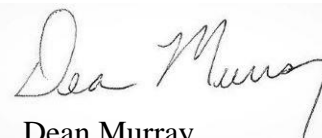
Mario R. Mattera
Senate District 2



Jack Martins
Senate District 7



Anthony H. Palumbo
Senate District 1



Dean Murray
Senate District 3



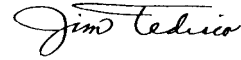
Steven D. Rhoads
Senate District 5



Rob Rolison
Senate District 39



Daniel G. Stec
Senate District 45



James Tedisco
Senate District 44



Bill Weber
Senate District 38



Alexis Weik
Senate District 3



Joseph Angelino
121st Assembly District



Anil R. Beephan, Jr.
105th Assembly District



Scott Bendett
107th Assembly District



Kenneth D. Blankenbush
117th Assembly District



Jacob R. Blumencranz
15th Assembly District



Karl Brabenec
98th Assembly District



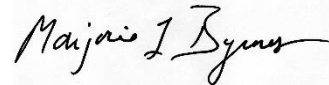
Alec Brook-Krasny
46th Assembly District



Eric G. Brown
20th Assembly District



Keith P. Brown
12th Assembly District



Marjorie L. Byrnes
133rd Assembly District



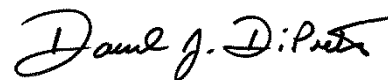
Lester Chang
49th Assembly District



Brian Curran
21st Assembly District



Joseph P. DeStefano
3rd Assembly District



David J. DiPietro
147th Assembly District



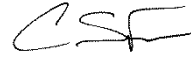
Michael A. Durso
9th Assembly District



Michael J. Fitzpatrick
8th Assembly District



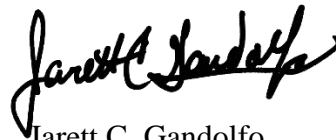
Edward A. Flood
4th Assembly District



Christopher S. Friend
124th Assembly District



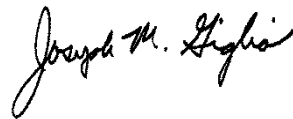
Jeffery L. Gallahan
131st Assembly District



Jarett C. Gandolfo
7th Assembly District



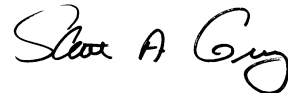
Jodi A. Giglio
2nd Assembly District



Joseph M. Giglio
148th Assembly District



Andrew Goodell
150th Assembly District



Scott A. Gray
116th Assembly District



Steve M. Hawley
139th Assembly District



Joshua T. Jensen
134th Assembly District



John Lemondes Jr.
126th Assembly District



Brian M. Maher
101st Assembly District



Brian D. Manktelow
130th Assembly District



David G. McDonough
14th Assembly District



John W. McGowan
97th Assembly District



John Mikulin
17th Assembly District



Brian D. Miller
122nd Assembly District



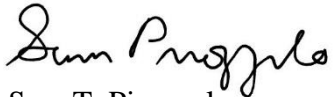
Angelo J. Morinello
145th Assembly District



Michael J. Norris
144th Assembly District



Michael Novakhov
45th Assembly District



Sam T. Pirozzolo
63rd Assembly District



Edward P. Ra
19th Assembly District



Michael W. Reilly, Jr.
62nd Assembly District



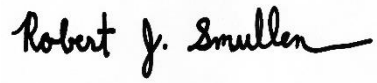
Matthew J. Simpson
114th Assembly District



Matthew J. Slater
94th Assembly District



Douglas M. Smith
5th Assembly District



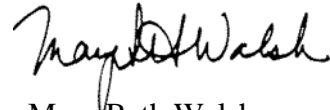
Robert J. Smullen
118th Assembly District



Christopher Tague
102nd Assembly District



Michael Tannousis
64th Assembly District



Mary Beth Walsh
112th Assembly District