



NEW YORK STATE LEGISLATURE

March 7, 2023

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 eleventh 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 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 local road, bridge, and culvert funding to remain flat for this second 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 impact of a 22% construction inflation rate. For example, New York State Department of Transportation's July 2020 to July 2022 price adjustments show significant cost increases. Fuel costs are nearly 260% higher, asphalt nearly 80% higher, and steel costs have increased by approximately 115%.

In light of these of 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. In the last five years, the state received \$8.8 billion in aid. Over the next five years, 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 second 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 holds each of these programs flat.

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 2023-24 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 and health care costs, and unfunded state mandates, among other burdens.

We may never face a better opportunity or a more effective time to increase state funding for local roads, bridges, and culverts.

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

1.) Increase the base funding level for CHIPS by \$200 million to a total of \$738 million; and

2.) Increase Extreme Winter Recovery funding by \$70 million to \$170 million.

The case is compelling for New York State to take these proposed steps to address 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 \$750,000. We are disappointed that this proposal was not included in the Executive Budget as it was last year and urge that this initiative be added in the final budget. The language to amend the Highway Law to increase the CHIPS competitively bid threshold from \$350,000 to \$750,000 is contained in A.426 (Magnarelli). 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 \$750,000, reducing costs to taxpayers.

Furthermore, as recently detailed in a new report from New York State Comptroller Thomas P. DiNapoli, we also have a historic opportunity to finally restore the Dedicated Highway and Bridge Trust Fund (DHBTF) to its originally intended purpose as a dedicated, pay-as-you-go funding source for critical transportation repairs and capital projects. We should not squander this chance to shore up the fund and return it to its original purpose of directly paying for road and bridge projects.

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;

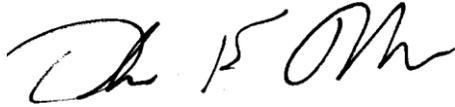
- New York State has the seventh highest percentage of poor pavement on the National Highway System in the country and sixth highest percent of deficient bridges;
- According to TRIP, a national transportation advocacy group, roads and bridges that are deficient, congested, or lack desirable safety features, cost New York motorists an additional \$28 billion annually, up to \$3,200 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 and Extreme Winter Recovery assistance, as well as maintaining BRIDGE-NY, 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 2023-24 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
Senator Minority Leader



William Barclay
Assembly Minority Leader

[See attached list of all Senate and Assembly signees]

Summary of Signatures for CHIPS/Bridge Funding (2023)

Senate:

Robert G. Ortt, Senate Minority Leader
Jacob Ashby, 43rd S.D.
George M. Borello, 1st S.D.
Patricia Canzoneri-Fitzpatrick 9th S.D.
Patrick M. Gallivan 59th S.D.
Pamela Helming 54th S.D.
Joseph A. Griffo 53rd S.D.
Andrew J. Lanza 24th S.D.
Mario R. Mattera 2nd S.D.
Jack Martins 7th S.D.
Peter Oberacker 51st S.D.
Thomas F. O'Mara 58th S.D.
Anthony H. Palumbo 1st S.D.
Dean Murray 3rd S.D.
Steven D. Rhoads 5th S.D.
Rob Rolison 39th S.D.
Daniel G. Stec 45th S.D.
James Tedisco 44th S.D.
Mark Walczyk 49th S.D.
Bill Weber 38th S.D.
Alexis Weik 8th S.D.

Assembly:

Will Barclay, Assembly Minority Leader
Joe Angelino 121st A.D.
Anil R. Beephan, Jr. 105th A.D.
Scott Bendett 107th A.D.
Kenneth D. Blankenbush 117th A.D.
Jacob R. Blumencranz 15th A.D.
Karl Brabanec 98th A.D.
Alec Brook-Krasny 46th A.D.
Eric G. Brown 20th A.D.
Keith Brown 12th A.D.
Marjorie L. Byrnes 133rd A.D.
Lester Chang 49th A.D.
Brian Curran 21st A.D.
Joseph DeStefano 3rd A.D.
David J. DiPietro 147th A.D.
Michael Durso 9th A.D.
Michael J. Fitzpatrick 8th A.D.
Edward A. Flood 4th A.D.
Christopher Friend 124th A.D.
Jeffery Gallahan 131st A.D.
Jarett Gandolfo 7th A.D.
Jodi Giglio 2nd A.D.
Joseph M. Giglio 148th A.D.
Andrew Goodell 150th A.D.
Scott A. Gray 116th A.D.
Aileen M. Gunther 100th A.D.
Stephen Hawley 139th A.D.
Joshua Jensen 134th A.D.
John Lemondes, Jr. 126th A.D.
Brian M. Maher 101st A.D.
Brian D. Manktelow 130th A.D.
David McDonough 14th A.D.
John W. McGowan 97th A.D.
John Mikulin 17th A.D.
Brian D. Miller 122nd A.D.
Angelo J. Morinello 145th A.D.
Michael J. Norris 144th A.D.
Michael Novakhov 45th A.D.
Sam T. Pirozzolo 63rd A.D.
Philip A. Palmesano 132nd A.D.
Edward Ra 19th A.D.
Michael W. Reilly, Jr. 62nd A.D.
Matthew Simpson 114th A.D.
Matthew J. Slater 94th A.D.
Douglas Smith 5th A.D.
Robert Smullen 118th A.D.
Christopher Tague 102nd A.D.
Michael Tannousis 64th A.D.
Fred W. Thiele, Jr. 1st A.D.
Mary Beth Walsh 112th A.D.