



New York State Association of Town Superintendents of Highways

Joint Legislative Budget Hearing

Transportation

January 26, 2021

Good morning, Senator Krueger, Assemblymember Weinstein and other members of the Legislature. I am Alex Gregor, President of the New York State Association of Town Superintendents of Highways (NYSATSH) and Highway Superintendent for the town of Southampton in Suffolk County. I truly appreciate the opportunity to discuss local infrastructure needs as it relates to Governor Cuomo's 2021-22 Executive Budget.

I want to start off by thanking those New Yorkers that were deemed essential employees, including the many thousands of men and women municipal highway workers who continue to work tirelessly throughout this pandemic to ensure other essential workers and the traveling public can get to where they need to be safely.

COVID-19 hasn't just impacted our health, it has changed where people live, how and where they travel and has severely limited the amount of funding every level of government has had available to provide critical services.

Nearly eight out of ten New Yorkers residing outside of New York City live in a town and these municipalities are responsible for maintaining nearly 60 percent of New York's roads. On behalf of our membership's 933 town Highway Superintendents I want thank you and your colleagues in the Legislature for your past support of the State's local highway and bridge systems but we must once again ask for help in alleviating some of the real concerns we have with the Governor's Executive Budget Proposal.

The Executive Budget proposes the second year of a \$11.9 billion New York State Department of Transportation Capital Program. When compared to the last two years of the previous 5-Year Transportation Capital Program it would be a \$3 billion (33%) increase. While we are pleased with the continuation of valuable programs like CHIPS, BRIDGE-NY and PAVE-NY, the budget proposal holds CHIPS funding once again flat at \$438 million. BRIDGE-NY and PAVE-NY are also proposed to have no increases. In addition, the Extreme Winter Recovery program is cut to zero. This means we are held at \$678 million this year; assuming these programs are not reduced by 20 percent as they were in the current fiscal year.

These appropriations are predicated on the State receiving an additional \$6 billion in unrestricted federal aid by August 31, 2021. It is our understanding that unless these critical federal funds arrive before the budget is adopted CHIPS, PAVE-NY and EWR (if it is reconstituted), will once again be reduced by 20 percent. New York State's weather limits the length of our highway construction season, if 20 percent of our funds are held till the end of August we will not be able to spend the money this year. Please remove the budget language giving the Budget Director the authority to withhold these funds. These are bonded dollars which cost the State less than twenty five percent of their cash value annually. A \$100 million appropriation of CHIPS funding has an annual cash cost of just \$25 million.

We need to guarantee we don't have a repeat of what happened to local infrastructure funding this year. As you know, there was a 69 day delay from when you adopted the budget until the State released each municipality's financial award letter, guaranteeing at least an 80 percent reimbursement. This action delayed millions of dollars in highway work and tens of thousands of construction workers from starting their jobs. Thousands of private sector laborers are employed every construction season in prevailing wage jobs to assist municipal forces with the reconstruction of our local highway systems. With the adopted budget's funding uncertainty and the delay, only a fraction of the laborers that would have normally been rehired were initially this year. As you know, the CHIPS, EWR and PAVE-NY programs are reimbursement programs and with all municipalities suffering financial losses due to the COVID-19 pandemic most wouldn't contract for work until they knew that the State would fully reimburse them. Going forward these programs need to be kept at their adopted budget levels providing critically needed economic stimulus to every community statewide. We must safeguard that this unnecessary funding delay and subsequent financial reductions never happen again.

We have still not received confirmation from the Administration that the \$120.6 million local highway funding that every community in the State had withheld this year will be released this quarter as outlined in the Governor's Budget Briefing Book. Dropping this reduction from 20 percent to 5 percent would mean an additional \$90 million for the State's 1,500 municipalities. The vast majority of these municipalities receive no federal highway assistance. Restoring this funding is essential.

CONCLUSION

As fellow public officials, we appreciate the financial stress COVID-19 has caused on our State and municipal budgets and more importantly our neighbors. We must work together so that all State and local critical infrastructure needs are being addressed in the upcoming 2021-22 budget.

We believe it is time to reconstitute the Dedicated Highway and Bridge Trust Fund (DHBTF). The fund presents a unique opportunity in these otherwise very challenging times. The DHBTF bonding credit has not been used since 2012. At the time, there was just under \$7 billion of outstanding debt on that credit. Today, as bonds have matured and been retired, there is less than \$1 billion of DHBTF bonds. Since it has not been issued on since 2012, we believe the DHBTF remains an untapped asset with its own available bonding credit.

Realizing both the critical role of our local highway system and the real financial constraints of the State we make the following requests:

Hold the following programs at the Executive's proposed funding levels:

- CHIPS program at \$438 million
- BRIDGE-NY at \$100 million
- PAVE-NY at \$100 million

Restore and increase funding for the Emergency Winter Recovery program at \$100 million.

Don't allow the Executive to withhold 20 percent of any of these programs this coming year and restore \$90 million of the current local highway funding \$120.6 million reduction.

We look forward to continuing to work with you to direct the necessary resources to meet our shared community's vast economic and transportation needs.

Thank you for your time and consideration.