



INVEST IN NEW YORK STATE'S
INFRASTRUCTURE.

OUR FUTURE AND ECONOMY
ARE BUILT ON IT.

Good morning, Senator Krueger, Assemblymember Weinstein and other members of the Legislature. Rebuild NY Now appreciates the opportunity to discuss the New York State Department of Transportation (NYSDOT) Capital Program as proposed in the Governor's 2021-22 Executive Budget. More specifically, the capital plan's funding levels and its impact on the conditions of the state and local highway systems.

My name is Fred Hiffa, I am here today representing the Rebuild NY Now Coalition. Previously, I worked in state service for two decades, rising to the position of First Deputy Commissioner of the NYSDOT. In that and other roles at the NYSDOT, I helped develop and implement the agency's capital program. Since leaving the state I have represented transportation interests in almost every major sector of the industry.

NYSDOT Capital Program	SFY Enacted 18-19	SFY Enacted 19-20	SFY Enacted 20-21	SFY Executive Proposal 21-22
State/Local Construction	\$2,354	\$2,521	\$2,601	\$2,249
Van Wyck – Kew/Hunts Pt – Bruckner – I81	---	---	\$1,000	\$1,300
Engineering/Administration	\$778	\$582	\$994	\$890
Preventative Maintenance	\$356	\$360	\$360	\$370
Right of Way	\$45	\$67	\$60	\$60
Facilities/Equipment	\$32	\$32	\$32	\$32
Other Federal	\$25	\$25	\$25	\$25
Rail	\$72	\$72	\$72	\$72
Aviation	\$17	\$17	\$17	\$17
Non-MTA Transit	\$85	\$85	\$136	\$125
CHIPS/Marchiselli/EWR/Local PAVE NY	\$643	\$643	\$611	\$578
Airport Program	\$0	\$0	\$100	\$0
Local Bridge Program	\$100	\$100	\$100	\$100
Plan Total	\$4,507	\$4,504	\$6,108	\$5,818

The Governor's proposed Executive Budget includes the second year of what was originally a two-year capital plan for NYSDOT and local governments. It proposes a significant increase from \$9.011B for the last two years (2018-19 and 2019-20) to \$11.953B (2020-21 and 2021-22). The NYSDOT Capital Plan is projected to increase by about \$2.9B over the two years. With the

Rebuild NY Now | 10 Airline Drive, Suite 203 Albany, NY 12205 | contact@rebuildnynow.org | 518.452.1782
Connect with us: www.rebuildnynow.org | www.facebook.com/rebuildnynow | www.twitter.com/rebuildnynow

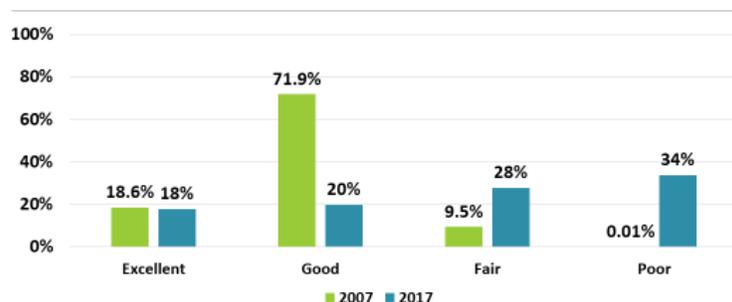
crushing financial and personal tolls of COVID-19 this is an ambitious and very welcome program. As legislators with oversight responsibilities for these huge investments in some of the public's most essential and valuable assets I implore you to take Governor Cuomo's wise advice that we've heard throughout the pandemic "follow the data."

Unfortunately, some of the key data for monitoring the state's bridge and road conditions has not been provided to you as agreed upon in the NYSDOT Capital Program's Memorandum of Understanding. The MOU called for NYSDOT to annually provide a report on the condition of the State's highway pavement by region and bridge conditions by county. The reports were to be provide by July 15th of each year but to date NYSDOT has only provide one report, back in September of 2016 which reported on 2015's conditions.

As a result it is more difficult but not impossible to understand if the projects being chosen under this proposed budget are helping to maintain and hopefully improve the conditions for users throughout the entire system.

The Thruway is a great example of how project selection can impact the conditions of the system as much as the level of investment. Over the past decade the Thruway has taken on a number of megaprojects including the Mario M. Cuomo Bridge and cashless tolling. These are certainly signature projects that have benefits but due to their significant cost and Authority's limited finances reductions occurred on capital investments over the rest of the system. As a direct result of prioritizing the megaprojects the rest of the system has seen devastating levels of deterioration.

Thruway Authority Pavement Data
2007 vs. 2017



In 2007, 9.6 % of the Thruway was rated in fair/poor condition. Just ten years later, in 2017, 62% of its pavements were rated in fair/poor condition. In miles, the fair/poor pavement percentages translate to 54.7 miles in 2007 and 353.3 miles in 2017. The agency's goal is to keep its pavements in good condition which costs from \$65,000 - \$100,000 per lane mile to maintain versus allowing them slip to fair/poor condition which costs about \$1.5M per lane mile to rebuild which is 16 times more. Bridge and Highway construction spending at the Thruway through the first nine months of this year is down 71% as compared to the same period a year ago.

Rebuild New York Now is concerned that we are seeing a similar pattern on the NYSDOT system. While overall spending on highways and bridges remains at record levels an increased share of this spending is being devoted toward signature projects rather than core pavement and bridge repair. In the Governor's proposed 2021-22 budget we project that \$1.3B will be spent on signature projects while only \$2.25B will be spent on core preservation, the lowest level in five years. Similar to the Thruway system this deferred maintenance has huge cost implications down the road. Deferring minor maintenance today means full rebuilds in the future which are 16 times the cost.

The NYSDOT's staff do an outstanding job of tracking the system's conditions and know the level of funding necessary to maintain these public assets. Regrettably, there is currently no correlation in the Executive Budget between funding levels and system needs. The NYSDOT's roads and bridges are in significantly worse condition today than they were ten years ago.

- In 2009, the NYSDOT projected it would cost \$3.7B to bring its pavements to a state of good repair. In 2017, the agency projected it would take \$5.7B. In 2009, NYSDOT rehabilitated 2,500 lane miles of road and in 2017 funding constraints limited its work to 1,815 lane miles. At this paving rate it would take the agency 21.3 years to be able to treat all its roads.
- In 2009, NYSDOT staff projected 1,200 bridges would become deficient over the next five year period. In 2017, NYSDOT projected 2,116 bridges would become deficient in the following five years, an almost 100% increase. According to a recent TRIP report, in New York State over 11M vehicles travel over poor/structurally deficient bridges every day.
- The State's local highway system, which makes up nearly 87% of the state's roads, has had a 20% cut or \$120.6M reduction in CHIPS/PAVE-NY and EWR which has been devastating. While the Governor's budget restores CHIPS/PAVE-NY and BRIDGE-NY it does not include the Emergency Winter Recovery program and leaves open the very real

possibility that these local highway programs will once again be reduced unless the federal government delivers an additional \$6B by April 1st.

Increase Highway Spending but Reduce Costs by Reconstituting the Dedicated Highway Bridge and Trust Fund

Governor Cuomo has clearly forecasted the deep long term financial challenges that the State and its localities are facing. We believe the Dedicated Highway and Bridge Trust Fund (DHBTf) presents a unique opportunity to ensure adequate State and local highway funding during these difficult times. The DHBTf bonding credit has not been used since 2012. At the time, there was just under \$7B of outstanding debt on that credit. The revenues available provided debt service coverage of 2.3X still strong coverage. Today, as bonds have matured and been retired, there is less than \$1B of DHBTf bonds and revenues covering debt service by over 18.9X. The DHBTf remains an untapped asset with its own bonding credit.

As I finish, I'd like to recognize the incredible work that has been done by the public and private sector transportation employees who have been deemed essential since the beginning of this crisis. The work and sacrifices they have made are truly inspiring. In previous years, you, as members of the State Legislature have always responded and fought to guarantee that the needs of all the State's transportation systems are being met. The Governor's Executive Budget provides an excellent foundation for NYSDOT's 2021-22 Capital Program but as we have outlined it needs some adjustments. We look forward to working with you to ensure each of our State's transportation systems are getting the funding they need. Again, on behalf of the Rebuild New York Now membership, thank you very much for addressing these important issues.