



February 6, 2023

Good afternoon, Senator Krueger, Assemblymember Weinstein and other members of the Legislature. Rebuild NY Now appreciates the opportunity to discuss the second year of the New York State Department of Transportation (NYSDOT) Five Year Capital Program as proposed in the Governor's 2023-24 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.

The New York State Highway System is a critical network of roadways owned by the State and maintained by the New York State Department of Transportation. According to the Biden Administration, in New York there are 1,702 bridges and over 7,292 miles of highway in poor condition. Since 2011, commute times have increased by 7.4% in New York, and on average, each driver pays \$625 per year in costs due to driving on roads in need of repair. New York has the 46th worst pavements of any state/territory in the nation and it has thirty percent more poor bridges than the national average.

I am here today to tell you that if the funding levels put forth in the Executive's Budget Proposal for NYSDOT's Five-Year Capital Plan are adopted as is we could very well have the worst bridge and pavement conditions in the country by the completion of the program. The Governor's Executive Budget ignores two critical issues that are literally gutting the State and local government's ability to adequately maintain their transportation infrastructure; inflation and underfunded priority/signature projects. Record high inflation rates on highway construction materials have severely increased costs and, as a result, reduced the NYSDOT's core program to its lowest real spending levels since 2015. It is crucial that an additional \$1.128 billion be added to the 2023-24 budget for state and local highway construction just to keep funding at the same level it was when the five-year program was initially adopted in 2022.

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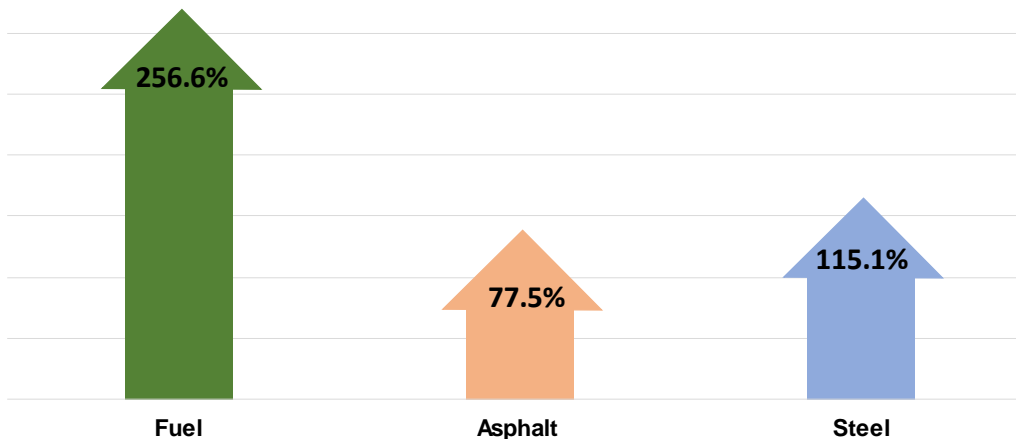
Without at least this level of funding added to the NYSDOT's core program this year, we will see significant reductions in the maintenance and reconstruction work done in every NYSDOT Region in the state.

TRANSPORTATION CAPITAL OBLIGATIONS W/ INFLATION ADJUSTMENT

NYSDOT Capital Program (in Million \$s)	SFY Enacted 2022-23	SFY Proposed 2023-24	* Inflation Reduction 2022-23	* Inflation Reduction 2023-24	Inflation Adjustment 2023-24
State/Local Construction	\$2,575	\$2,599	\$2,139.8	\$2,027.22	\$3,170.78
Signature	\$850	\$1,300	\$706.35	\$1,014	\$1,586
State/Local Construction/Signature	\$3,425	\$3,899	\$2,846.15	\$3,041.44	\$4,756.78
Engineering/Administration	\$1,039	\$1,041	-	-	-
Preventative Maintenance	\$391	\$391	-	-	-
Right of Way	\$75	\$75	-	-	-
Facilities/Equipment	\$37	\$37	-	-	-
Other Federal	\$26	\$26	-	-	-
Rail	\$90	\$90	-	-	-
Aviation	\$27	\$27	-	-	-
Non-MTA Transit	\$160	\$160	-	-	-
CHIPS/Marchiselli	\$577.8	\$577.8	\$480.15	\$450.68	\$778.8
Local PAVE-NY	\$150	\$150	\$124.65	\$117	\$150
Local POP	\$100	\$100	\$83.10	\$78	\$100
EWR	\$100	\$100	\$83.10	\$78	\$170.1
Local BRIDGE-NY	\$200	\$200	\$166.20	\$156	\$200
Local State Touring Routes Program	\$100	\$100	\$83.10	\$78	\$100
Airport Program	\$150	\$0	-	-	-
NYSDOT Plan Total	\$6,648	\$6,974	-	-	-
State/Local Construction Total	\$4,652.8	\$5,126.8	\$3,866.43	\$3,998.9	\$6,254.70

* The U.S. Bureau of Labor Statistics posts a producer price index for Inputs to highways and streets, excluding capital investment, labor and imports – the index value increased by 16.9% from 2021 to 2022. For 2023, it is projected to increase by 5.1% or 22% combined for 2022 and 2023.

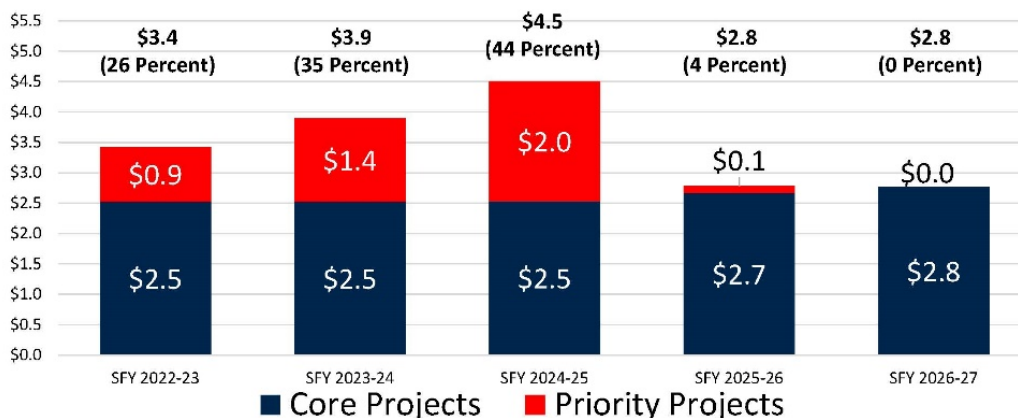
NYSDOT Price Adjustments Fuel, Asphalt & Steel July 2022 vs. July 2020



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The other significant issue not dealt with in the Executive’s proposal is the current five-year capital program provides \$4.15 billion for eight priority/signature projects around the state— projects including Buffalo’s Kensington Expressway, I81 in Syracuse, Route 17 in the lower Hudson Valley and Hunts Point in New York City. As enacted, the five-year capital program provides almost no funding for these priority/signature projects in its last two years. It is projected an additional \$1.4 - \$2.2 billion in funding will have to be added to the current program to complete these projects. Additionally, the lack of adequate funding for the priority/signature projects is forcing NYSDOT to shift funds originally intended for core projects. In 2021, New York City (Region 11) received almost half of the department’s statewide construction dollars due mainly to the significant cost of its one priority/signature project.

Highway and Bridge Program - Construction
(\$ in billions)



SFY 2022-2027 Signature/Priority Project Costs		
Project	2022-27 Program Cost	Potential Escalation
Kensington Expressway	\$1B	+ \$300M - \$500M
Scajaguada Corridor	\$75M	+ \$25M - \$100M
I81 Syracuse	\$1.1B of projected \$2.3B cost	+ \$500M - \$750M
Route 17 Orange/Sullivan Co.	\$1B	+ \$250M - \$500M
Oakdale Merge LI	\$30M	+ \$100M
Hunt Point NYC	\$550M	+ \$200M - \$400M
Livingston Ave RR Bridge Albany	\$400M	\$0
Inner Loop Rochester	\$100M	\$0
Additional Priority Project Costs	---	\$1.375B - \$2.250B

NYS DOT'S capital program will need up to an additional \$2.2 billion, a 50 percent increase, to just deliver the currently programmed priority projects.

UNFORTUNATELY IF WE LOOK TO THE THRUWAY WE KNOW THIS STORY DOESN'T END WELL

From 2013 through 2021 the New York State Thruway initiated two signature mega projects, the \$3.7 billion Governor Mario M. Cuomo Bridge and the \$550 million cashless tolling project. The Thruway didn't raise tolls and didn't receive enough additional funding to cover the two project's full cost. To pay for the projects the Authority nearly doubled its debt load from \$3.4 billion to \$6.7 billion and reduced spending on its core highway and bridge program by \$121 million annually; a 39 percent reduction.

Thruway Highway/Bridge Capital Program

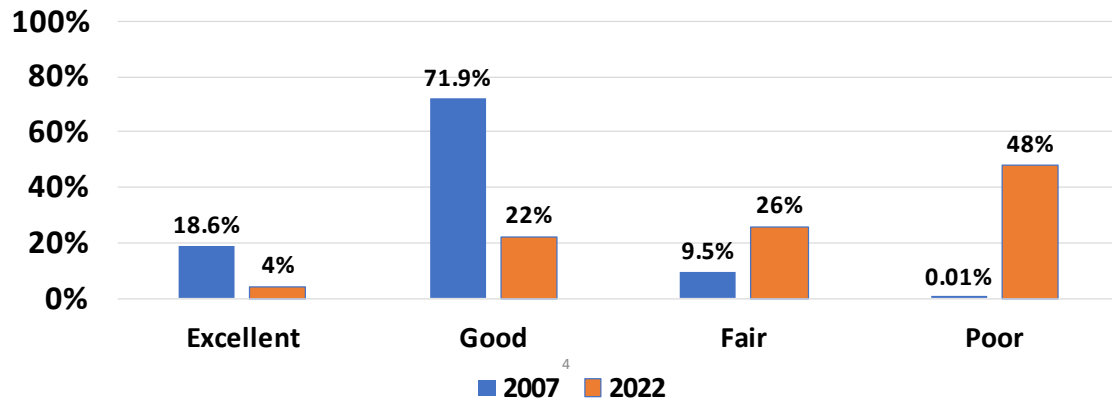
	TOTAL	AVERAGE ANNUAL
2008-2012 (5 Years)	\$1.549B	\$309.86M
2013-2021 (9 Years)	\$1.693B	\$188.24M (-39%)
2022-2023 (10 Years)	\$2,813.80B	\$281.38M

- ✓ Cashless Tolling \$552.8M
 - ✓ New Bridge \$3.72B
 - ✓ Thruway Debt
- 12/31/2012 - \$3.475B
12/21/2021 - \$6.789B

As a direct result of this funding shift from the core to mega projects highway and bridge conditions are deteriorating at record rates. The Thruway went from having over 90 percent of its roads in excellent/good condition to just 26 percent in excellent/good condition.

Thruway Authority Pavement Data 2007 vs. 2022

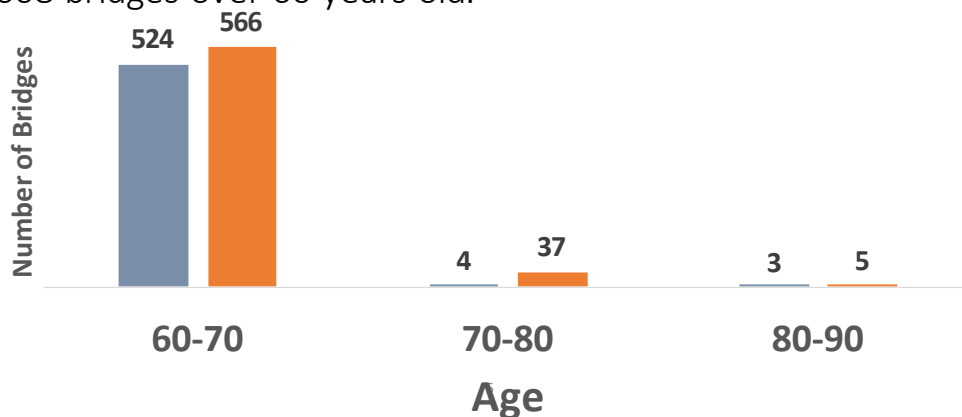
As the Thruway moves investments from bridges and pavements the core system is literally crumbling.



Most bridges are designed with a service life of 50 years. The average age of bridges in the US is 44 years. Unfortunately, the Thruway has 608 (74.4%) bridges which are over 60 years old and has had a 10 percent increase in bridges over 60 years old in just the past five years.

Thruway Bridges

Thruway Authority inspects and maintains 817 bridges. As of 2017, there were more than 531 bridges over 60 years old. In 2022, there are 608 bridges over 60 years old.



Rebuild NY Now supports the toll adjustment proposed by the Thruway. But additional toll revenue will be necessary in the future—and we also believe the Authority should be seeking to index it's tolls.

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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.

Please consider the conditions and the true needs of the state and local highway system when you determine what is an adequate level of funding in this year's budget – data matters.

- In 2016, NYS Comptroller Tom DiNapoli reported the total estimated cost to make needed repairs to all highway bridges in the State came to \$75.4 billion – in 2021, less than 4 percent of that amount was spent maintaining New York 17,462 bridges.
- In 2021, the New York State Department of Transportation estimated that it would need an additional \$6.7 billion to just bring 13 percent of the state's roads to state of good repair. From 2020 to 2021 NYSDOT increased its spending on pavements by just five percent of the recommended amount.
- In 2022, the US Government Accountability Office reported that New York ranks 46th out of 52 states/territories for percent of National Highway System (NHS) pavements in good condition; and 6th out of 52 for the percent of NHS pavements in poor conditions. The same office also reported that New York has about a third more bridges in poor condition than the national average.

As you consider the needs of the local and state road system, please apply the same data-based criteria to the Metropolitan Transportation Authority's funding request.

In 2019, you and your legislative colleagues passed legislation that amended Public Authorities Law to require the MTA to provide an annual performance metrics report that compares New York City Transit and MTA railroads' performance with other national and international peer agencies. The specific metrics that the MTA includes in its annual report are:

- Total operating cost per passenger;
- Total operating cost per car per mile;
- Maintenance cost per car per mile;
- Passenger journeys per total staff and contractor hours; and
- Staff hours lost to accidents.

The MTA last reported this critical data for 2020 and should be required to update the report before the 2023-24 budget is adopted.

Finally, the hybrid office schedule is here to stay throughout the state and significantly changing commuter patterns. These changing commuter patterns need to be considered when projecting future volumes and the needs of each transportation sector. According to the New York City Partnership's latest survey of major Manhattan office employers:

Employers project 56% will be the "new normal" average daily occupancy in Manhattan offices.

- 10% of Manhattan office workers are expected to be in the workplace five days per week
- 16% will be in four days per week
- 40% will be in three days per week
- 17% will be in two days per week
- 9% will be in one day per week
- 7% of Manhattan office workers will still be fully remote

In closing I ask you to look at the needs of the state's critical road system and provide it with the necessary level of funding to not only stop its deterioration but also to bring the system back to a state of good repair. Undoubtedly, with the funding levels proposed in the Executive's budget the system will see further declines in its conditions. 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.