



2023 TALKING POINTS

GOVERNOR’S PROPOSED 2023-24 BUDGET

Governor Kathy Hochul’s Executive Budget proposal continues the second year of the \$32.8B five-year investment plan for the New York State Department of Transportation (NYSDOT) and the local road system. Record high inflation rates on highway construction materials have severely increased costs and, as a result, local governments are seeing almost a 25% reduction in real dollars from local highway maintenance programs. It is critical that an additional \$270M be added to the 2023-24 budget for local highway programs like CHIPS and EWR just to keep funding at the same level it was when the five-year program was initially adopted in 2022.

TRANSPORTATION CAPITAL OBLIGATIONS W/ INFLATION ADJUSTMENT

NYSDOT Local 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 Funding Request
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	\$83.1	\$78	\$100
EWR	\$100	\$100	\$83.1	\$78	\$170.1
Local BRIDGE-NY	\$200	\$200	\$166.2	\$156	\$200
Local State Touring Routes	\$100	\$100	\$83.1	\$78	\$100
Total	\$1,227.8	\$1,227.8	\$1,020.3	\$957.68	\$1,497.9 (+\$270M)

* 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. <https://www.bls.gov/ppi/>

NYSCHSA & NYSAOTSOH 2023-24 BUDGET REQUESTS:

- ✓ Support increasing the CHIPS program by \$200 million to \$738.1 million annually.
- ✓ Support increasing the Extreme Winter Recovery funding by \$70 million to \$170 million annually.
- ✓ Support maintaining the Marchiselli program at \$39.7 million annually.
- ✓ Support maintaining the local BRIDGE-NY program at \$200 million annually.
- ✓ Support maintaining the local PAVE-NY program at \$150 million annually.
- ✓ Support maintaining the State Touring Route program at \$100 million annually.
- ✓ Support maintaining the POP program at \$100 million annually and allow the four sub project types (microsurfacing, paver placed surface treatment, single course surface treatment and

double course surface treatments) which were removed as eligible on January 1, 2023 to continue to be efficiently utilized as pavement preservation methods.

NYS INFRASTRUCTURE IS LOCAL INFRASTRUCTURE/ \$2B MORE FUNDING IS NEEDED ANNUALLY

Local roads and bridges account for eighty-seven percent (87%) of NYS roads, and more than half of its bridges.

Thirty-four percent (34%) of local bridges are deficient and forty eight percent (48%) of road pavements are rated fair or poor. Drivers on local roads contribute nearly half of the gas taxes collected in this state.

According to a study conducted for the NYS Association of Town Superintendents of Highways, in 2023 an additional \$2.074billion in annual spending is needed to address local system pavement and bridge conditions, excluding of New York City.

Many of the proposed initiatives included in the Climate Action Council Final Scoping Plan will impact local governments and will require significant changes to our highway garages, our equipment and vehicles and even the materials we buy to maintain our critical infrastructure systems. These mandates will require significant additional financial investments well beyond what our traditional needs have been. And they will vary significantly depending on where municipalities are located.

As smart growth principles continue to be expanded and all modes of transportation are considered in projects there will be significant additional funding needs.

NEARLY 90 PERCENT OF LOCAL ROADS ARE NOT ELIGIBLE FOR NEW FEDERAL INFRASTRUCTURE MONEY

Thanks to the Federal Infrastructure and Jobs Act, New York State will receive an additional \$4.6 billion from 2022-2027. Unfortunately, the vast majority of local roads -- 87% -- aren't eligible to receive these funds. At a time of declining local pavement conditions and increased federal aid, the state should be more supportive of our local transportation system which is so critical to the recovery of our economy.

CHIPS UNDERFUNDED IN THE EXECUTIVE BUDGET

Every highway department relies heavily on this flexible funding source which distributes vital and reoccurring state funding through a formula to every local government in the state. We request that CHIPS base levels be increased by \$200 million to \$779 million annually to meet the well-documented needs of the local transportation system.

JOBS, ECONOMIC IMPACTS OF INCREASES IN LOCAL TRANSPORTATION FUNDING

CHIPS, PAVE-NY, POP and EWR funding is distributed to every municipality; and BRIDGE-NY project awards are distributed equitably throughout the state.

Each \$150 million increase in funding for local roads, bridges and culverts results in up to 4,200 highway construction-related jobs.

Efficient transportation systems provide economic and social benefits that result in better accessibility to markets, additional employment and increases in private sector investments.

EXTREME WINTER RECOVERY

The winter season is extraordinarily challenging for local highway departments in terms of high wind events and the amount of freeze/thaw cycles.

Overtime hours for snow/debris removal and the resulting labor costs strains operating budgets and, due to extreme events, equipment breakdowns and malfunctions are more frequent and road salt prices continue to escalate. We request that EWR base levels be increased by \$70 million to \$170 million.

Local highway departments plow not only the huge local road system, but also over a quarter of the NYSDOT's roads.

The freezing and thawing conditions lead to severe damage from flooding and will certainly create more potholes in roads that will need to be repaired in the spring.

PAVE-NY

PAVE-NY funds much needed road paving-related projects for local governments by formula. The inability to stabilize pavement conditions in our state is a huge concern for the future viability of the economy. Funding shortages mean many local governments' preventive pavement preservation strategies—to apply well-timed and targeted maintenance treatments—fall short of what is necessary to avoid more costly major rehabilitation or reconstruction down the road. PAVE-NY must continue to be fully funded annually.

BRIDGE-NY

BRIDGE-NY is a signature program to direct federal and state funding to local bridge and culvert projects throughout the state. In all three rounds of BRIDGE-NY, the number and value of project applications far exceeded funding available for each region of the state. In 2021, only about 1 in 5 bridge applications received funding and about 1 in 8 culvert projects got an award. The chart below clearly indicates this gap between needs and availability of BRIDGE-NY funding. Round IV's applications were due in January – and we expect to see a similar gap in funding. Periodic review and modifications to the program's administration help to improve its efficiency and regional balance. As a result of this periodic review process, NYSDOT is implementing the BRIDGE-NY Program through the existing capital program planning process instead of the statewide solicitation used in recent years. The intent is to provide greater local input on project scoring and selection.

Year	Amount \$ Available	Applications	Funded
2016	\$200M (\$20M dedicated to culverts)	Round I: 229 bridges, 366 culverts	93 bridges, 39 culverts
2018	\$262M (\$50M dedicated to culverts)	Round II: 259 bridges, 514 culverts	86 bridges, 79 culverts
2021	\$216M (\$50M dedicated to culverts)	Round III: 240 bridges, 421 culverts	52 bridges, 57 culverts

NYSCHSA & NYSAOTSOH SUPPORT

Increase to the CHIPS Bidding Threshold

We support the addition to the Budget of language in A.426 (Magnarelli) to amend the Highway Law to increase the Consolidated Highway Improvement Program (CHIPS) competitively bid threshold from \$350,000 to \$750,000. 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.

TED Article VII - Part H Transportation Worker Assault Prevention

We support the proposal that would make attacks causing physical injury against traffic checkers, motor vehicle license examiners, motor vehicle representatives, highway workers, motor carrier investigators, and motor vehicle inspectors, constitute assault in the second degree.