



NEW YORK CONSTRUCTION MATERIALS ASSOCIATION

11 Century Hill Drive
Latham, NY 12110-2151
Phone: 518.783.0909
WWW.NYMaterials.com

**WRITTEN TESTIMONY SUBMITTED TO THE JOINT LEGISLATIVE FISCAL COMMITTEES
PERTAINING TO THE EXECUTIVE BUDGET PROPOSAL FOR TRANSPORTATION
RONALD L. EPSTEIN, PRESIDENT AND CEO
NEW YORK CONSTRUCTION MATERIALS ASSOCIATION
FEBRUARY 6, 2023**

Chairs Krueger, Weinstein, Kennedy, Magnarelli and distinguished members of the Legislature, on behalf of the New York Construction Materials Association, thank you for this opportunity to provide this statement on the State Fiscal Year (SFY) 2023-24 Executive Budget proposal for the Department of Transportation.

On February 1, 2023, Governor Hochul released her Executive Budget proposal which detailed strategic initiatives to make New York safer, more affordable, and more livable. The New York Construction Materials Association commends the Governor for honoring the second year of the five-year capital plan for programs and projects administered by the Department of Transportation (DOT). Adoption of the five-year capital plan last year, the first such plan in more than a decade, was an important and significant first step in ensuring that our State and local roads and bridges are safe, that and our communities are more resilient to extreme weather events and livable, and that cost incurred to system users are reduced by mitigating the need for detours and roadway related vehicle repairs. Unfortunately, the engineering estimates used to develop the project costs for the multi-year capital plan could never have contemplated the historic inflationary pressures that have impacted construction material prices and labor wages. In SFY 2022-23 alone, construction bid prices received by DOT exceeded engineering estimates by nearly 20 percent.

While the DOT capital plan, adopted with your strong support, represented the single largest five-year investment in New York's transportation infrastructure, the plan commitments only provided the resources necessary to slow the rate of decline of the State's aging roads and bridges. As reported to the Legislature by DOT, New York's roads and bridges continue to rank among the worst in the nation. New York State has more than 1,600 bridges (9.2 percent) that are rated by the Federal Highway Administration as being in poor condition, more than 30 percent higher than the national average. In terms of pavements, according to the Department's data, roads in the Long Island, the Mid-Hudson and Western New York regions are in their worst conditions in decades. In fact, in all three regions the percentage of fair and poor pavements have increased by more than 40 percent over the past five years.

While this is due in part to the age of the State's roads and bridges, the northeast freeze-thaw weather cycles, and higher than design utilization, there was also a conscious decision by those who preceded this current Administration to divest from investing in core transportation infrastructure to support

'signature' projects. While the need for both maintaining existing and the construction of new infrastructure is critical to sustaining jobs and increasing economic activity, the plan, because of those prior commitments, is significantly imbalanced.

Funding for the maintenance and repair of core infrastructure, which averages approximately \$2.6 billion annually over the five-year plan, has essentially remained flat over the past decade. Given the inflationary impacts over that period, real spending on roads and bridges has significantly declined. In the Executive Budget proposal, driven by prior commitments, spending for core infrastructure only increases by 2.2 percent whereas spending for 'signature' projects increase by 44.2 percent. Without the identification of additional resources to support existing roads and bridges, the State will be forced to delay or defer project commitments in every region of the State. As such, NYMaterials urges the Legislature to add no less than \$1.2 billion for State and local roads and bridges in the final SFY 2023-24 spending measure. Failure to include these additional funds will result in the lowest core program funding level, in terms of accomplishments per dollar, in more than a decade.

The New York Construction Materials Association would also like to take this opportunity to support the proposed New York State Thruway Authority toll increase proposal. The first such systemwide increase since 2010. The efficient movement of people and commerce is critical to the economic competitiveness of New York State. The Thruway's impact on freight goods movement in New York is pronounced. More than 84 percent of freight tonnage in the State is moved by trucks for which the Thruway provides the spine to access origins and destinations statewide. The Thruway also impacts employment across many industry sectors, from manufacturing to agriculture to retail and construction. More than two million New York State businesses of every size rely on the Thruway for the shipment of goods to their factories, stores, and customers. And just like the Erie Canal did nearly 200 years ago, the Thruway connects these businesses to markets across the globe. So, as the State recognizes the Metropolitan Transportation Authority as driving the New York City economy, the State must also recognize the New York State Thruway as driving New York State's economy.

Unfortunately, revenues supporting the Thruway Authority have been significantly impacted by decreased travel during the pandemic as well as the same inflationary pressures experienced by other State transportation agencies and authorities. The Thruway, which receives no State or federal assistance, has also seen its user revenues dedicated for maintenance and system renewal eviscerated by prior State actions that preceded the Hochul Administration. These actions include the construction and debt related costs associated with the Governor Mario M. Cuomo Bridge, unforeseen expenses related to the accelerated deployment schedule for open-road-tolling, 'backdoor borrowing' by the State for non-Thruway purposes, and significant pressure on the Authority to suppress toll increases over the past decade. As a result, the Thruway Authority is in desperate need of additional revenues to support the renewal and modernization of the nearly 70-year-old system. Since the tolls were last increased, the percentage of pavements in fair and poor condition has increased from less than 10 percent to more than 74 percent. In addition, more than 75 percent of the bridges owned by the Thruway Authority are more than 60 years old and in need of constant repair absent funding to rehabilitate or replace the structures. Without the proposed toll increase, nearly all of the Authority's capital spending capacity will be consumed by debt service commitments within a few short years. Not only does the New York Construction Materials Association support the proposed toll increase, but we urge the Thruway Authority to adopt indexed tolling, which has been implemented by other toll road facilities in the State including those operated by MTA Bridges and Tunnels and Port of New York and New Jersey. The Authority's legacy fiscal issues, if left unaddressed, will have serious repercussions for generations to come.

Lastly, the New York Construction Materials Association commends the Governor for including legislation (TED Part H) along with the budget that would heighten criminal penalties for individuals that assault a transportation worker. We urge you to include this proposal in the final budget package. Notwithstanding, we must do more to protect those dedicated highway workers in construction work zones that are risking their own personal safety to enhance the safety of the system for all users. As such, we urge the Legislature to amend this proposal to create the offense of intruding into an active work zone. This new offense would be punishable by imprisonment and fine, as well as authorizing the Department of Motor Vehicles to revoke the license of a motorist convicted of more than one offense in a five-year period. Intrusions into a work zone would include but not be limited to speeding, distracted driving, driving under the influence of alcohol or drugs, and other infractions that place a worker in a work zone in fear of imminent physical injury or death.

In closing, thank you for the opportunity to submit comments on the SFY 2023-24 Executive Budget proposal for transportation. As noted, the capital plan adopted last year provides a strong foundation from which to build from. The New York Construction Materials Association appreciates the Governor's commitment to honoring the authorizations in that plan. Notwithstanding, without the additional requested funding in the final fiscal measure, overall State and local road and bridge conditions will continue to decline at an unprecedented rate. This will further jeopardize the system's reliability and the State's economic development and environmental sustainability goals. I would be glad to address any questions that you may have regarding these comments. I may be reached at 518-441-2585 or ron.epstein@nymaterials.com.

Thank you!

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About the New York Construction Materials Association

NYMaterials is a not-for-profit, statewide trade association representing the business and regulatory interests of companies involved in the production of construction aggregates, ready mixed concrete, and asphalt.

Copies sent to:

wamchair@nyassembly.gov

financechair@nyenate.gov

Nivardo.Lopez@exec.ny.gov

MagnarW@nyassembly.gov

Kennedy@nyenate.gov