

The Associated Builders & Contractors, Empire State Chapter (ABC) is a construction trade association representing hundreds of merit shop contractors, employing tens of thousands of workers across New York State. Our organization promotes fair and open competition and free enterprise and provides education and world-class safety services for our members.

We thank the Governor for her intentions to invest in critical transportation projects. However, while the Governor's budget calls for the dedication of funding for the DOT Capital Plan, CHIPS, and pave-NY the funding is insufficient. Our association and our members are incredibly concerned that it will not only fail to let us build new roads and bridges but it also not even halt the current decline of our transportation infrastructure. It is undeniable that the state must significantly increase the funding for our infrastructure so that we can improve the quality of life for its residents but also help reduce the negative impact that poor roads have on the environment.

According to a 2021 report by the Reason Foundation, a non-partisan group, New York roads ranked 46th in the country based on road conditions and other factors. Nearly half of New York's roads are in fair or poor condition and we have one of the nation's highest percentages of deficient bridges. But you don't need a study to understand that our roads are crumbling. As you travel around your districts you can see, and feel, the problem. As you travel our highway system on your way to the Capitol, you see bridges being propped up with steel and wood bracing to make them "safer". Rather than prop them up, how about we replace them?

Governor Hochul's proposed budget keeps the same level of funding as last year for the CHIPS program, the Pave Our Potholes Program, Pave-NY, and the Bridge NY program. That's simply not acceptable. Construction material prices alone have increased by over 25% over the past two years and overall construction costs continue to rise. Adjusting for inflation and the increase in material costs, the Governor is proposing funding equal to the 2015 levels. Maintaining the same level of investment in these critical infrastructure programs will mean our roads and bridges will continue to deteriorate.

Making matters worse is the state's frequent use of government-mandated Project Labor Agreements (PLAs) on infrastructure projects. PLAs dramatically reduce competition in the bidding process for these projects because they force contractors to hire most of their workers from the union halls. The problem is that the vast majority of contractors and construction workers are not part of a union and are considered open shop. As a result of these contractors being forced to replace their workers with unknown individuals from the union halls and out of loyalty to their employees, these firms will not bid on this work. This reduced competition due to the lack of bidders will result in drastic cost increases.

Experts agree that the lower the number of bidders, the higher the project cost. A study by Dr. Paul G. Carr, P.E., from Cornell University, shows what happens when the number of bidders on a project is reduced. The study looked at 125 public works projects in New York State and found that the construction costs increased when the number of bidders on the project decreased. Reducing two bidders added more than 4% to the bid cost and we are talking hundreds of millions of dollars, that is a significant increase.

The Empire State Chapter will join with other infrastructure-related groups in calling for an additional \$1.1 billion to be invested in the state's capital program in this year's budget. This funding will make a difference and assist in rebuilding our crumbling infrastructure and create thousands of jobs for New York construction workers.

Increased funding is not enough. Leaders in Albany must also ensure they are protecting their investment of New Yorkers' hard-earned tax dollars. That starts by ending the use of government-mandated PLAs. This, in combination with increased funding, will give the state the ability to fix its infrastructure. We need our roads and bridges fixed today to improve the quality of life of all New Yorkers and avoid serious safety concerns for those traveling on our roads and bridges. We need our leaders in Albany to push for additional funding for the state's infrastructure programs.

We wish to thank the legislature for the opportunity to testify today on this important topic.

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