



INVEST IN NEW YORK STATE'S  
INFRASTRUCTURE.

OUR FUTURE AND ECONOMY  
ARE BUILT ON IT.

February 6, 2025

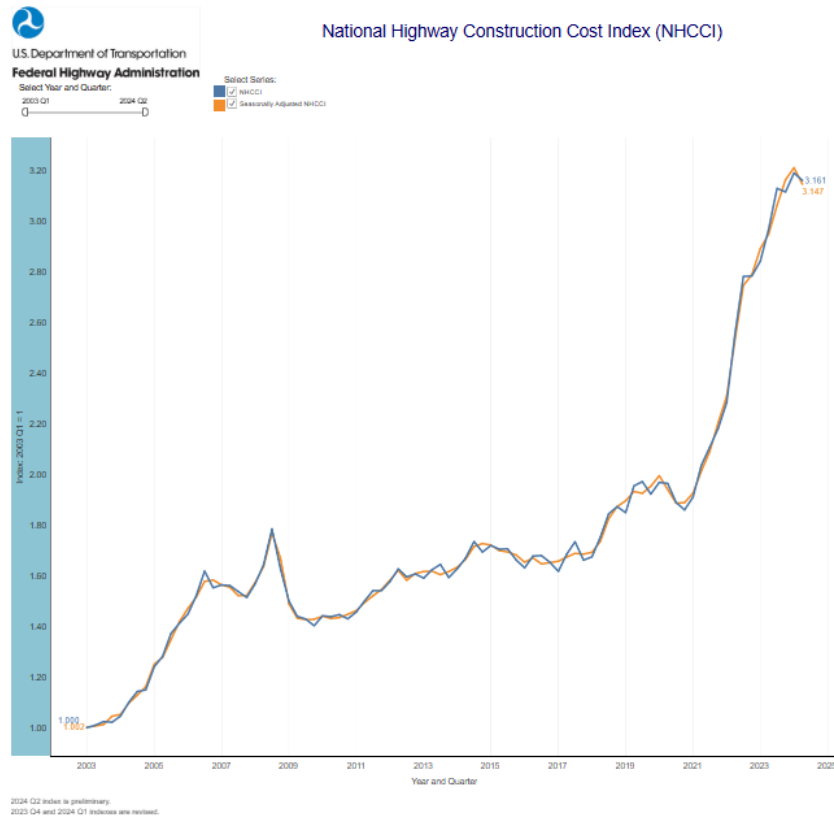
Good afternoon, Senator Krueger, Assemblymember Pretlow and other members of the Legislature. Rebuild NY Now appreciates the opportunity to discuss the fourth year of the New York State Department of Transportation (NYSDOT) Five-Year Capital Program as proposed in the Governor's 2025-26 Executive Budget. 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. The Coalition has over 40 members/partners, including organized labor, highway and building contractors, municipal associations, business groups, trucking and transit organizations and environmental advocates.

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.

It was less than three years ago that Governor Hochul and the Legislature announced agreement on a record \$32.8 Billion NYSDOT five-year capital transportation program (<https://www.governor.ny.gov/news/governor-hochul-announces-record-328-billion-transportation-infrastructure-part-fy-2023-budget>). That announcement highlights projects that would renew infrastructure across the state. What wasn't known at the time was that record levels of inflation on construction materials and highway construction prices would escalate project costs to billions more than was budgeted and announced in April of 2022.

- Syracuse I81 announced at 1.9B today's projected cost \$3.9B
- Buffalo's Kensington Expressway announced at \$1B today's cost \$1.6B
- The Hudson Valley's Route 17 upgrade \$1B today's cost \$1.6B
- Albany's Livingston Ave Bridge \$400m was awarded at \$635m



The unprecedented growth in the rate of Inflation on highway costs not only impacted the large projects but instead all projects. Plans to replace five bridges became three and repaving ten miles of highway became five miles. For the first time ever, the project list developed for NYSDOT’s 2022-2027 Five-Year Capital Program became a wish list verses a delivery plan.

That said, we appreciate that Governor Kathy Hochul in the Executive Budget added \$800 million for the NYSDOT’s CORE Road and Bridge Program. In the budget address, the Governor reiterated the importance of investing in New York’s roads by restoring the purchasing power of NYSDOT’s capital plan to address rising construction costs, ensuring that planned projects are completed. Adding, that this investment will slow asset deterioration, maintain critical infrastructure, ensure ability to maintain pavement and support economic stability statewide.

Rebuild NY Now enthusiastically supports the Governor’s decision to make transportation infrastructure a priority by proposing the largest year over year increase in NYSDOT’s CORE Program spending ever. The unprecedented increase in highway construction costs has led to extraordinary rates of decline in our state and local road and bridge conditions.

The Legislature has routinely recognized that our road system is critical to both the state’s economy and quality of life for all New Yorkers. You take your oversight responsibility of that

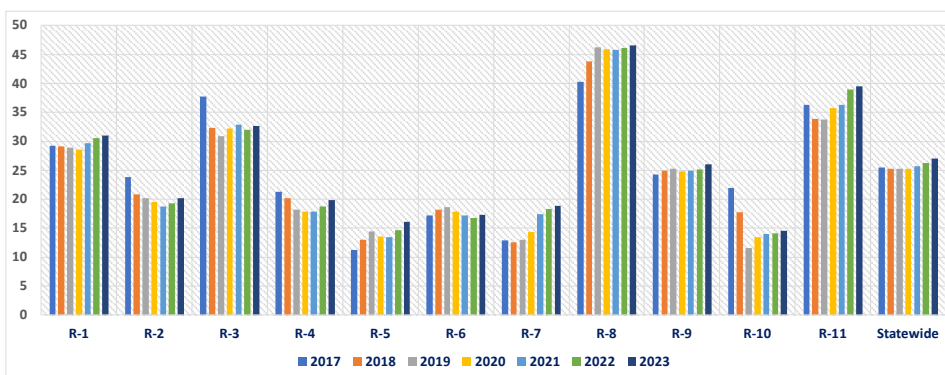
system very seriously. In 2021, you passed A.4010-B/S.199 into law requiring NYSDOT to submit its Annual Highway and Bridge Condition Report to you, the Legislature, annually by June 1st. You did this because the agency as of 2020 had not released system condition reports for 2016, 2017, 2018 and 2019 the last available report was from 2015 – five years earlier.

Thanks to you and your legislative colleagues these reports are now being released annually and you can utilize them as a benchmark to see if the funding proposed the Executive’s Budget Proposal for NYSDOT’s Five-Year Capital Plan is adequate to at least maintain these critical public assets. I would like to review the findings of these reports to show the past funding levels for highway and bridge maintenance are woefully inadequate to keep up with this record level of inflation.

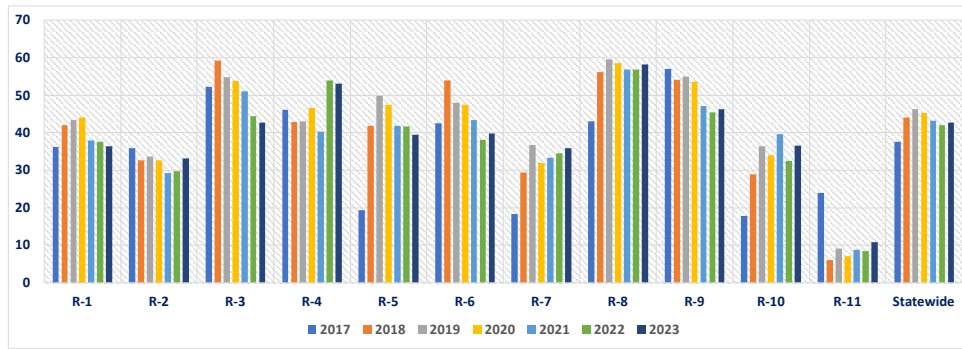
NYSDOT’s latest condition reports are alarming at best, in my thirty years in the transportation sector I have never seen a greater decline in conditions. Due to this combination of inflation and insufficient investment, from 2022 to 2023, every one of the of the state’s 11 NYSDOT Regions saw an increase the number of its deficient bridges. Again, every single NYSDOT region saw declines in bridge conditions and to be clear this report includes both state and local owned bridges – ratings for almost all the bridges New Yorkers drive over every day. In 2023, 4,402 of the state’s 16,318 bridges were deficient. According to a July ’24 report from the NYS Comptroller’s office just the state’s local bridges are in need of a staggering \$29 billion investment in its bridges.

Pavement conditions don’t fare any better, from 2017 to 2023, the majority of regions saw declines in pavement conditions. During that seven-year period more than 1,500 lane miles of road went from good/excellent to fair/poor – 14,479 to 16,171. New York’s poor roads if laid out one after another would go from New York City to Houston, Texas.

**2017 – 2023 Bridge Conditions  
Percentage Fair + Poor**



## 2017 – 2023 - Pavement Conditions Percentage Fair + Poor

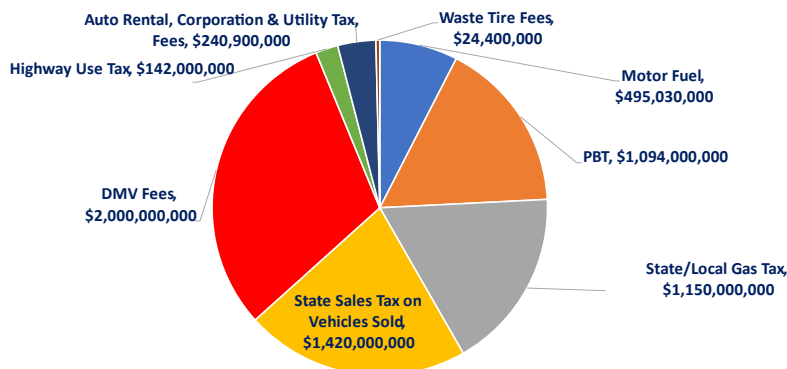


Source: NYSDOT Pavement and Bridge Condition and Performance Reports

What the Governor’s proposed Executive Budget does is provide a necessary one-year increase in funding for NYSDOT’s CORE highway program. As you can appreciate, you can’t turn around seven years of declining infrastructure in one year. We think it is important that as the Executive and Legislature work to find the funding to fill the MTA’s more than \$30 billion deficit in its 2025-2029 Capital Program that serious consideration also be given to finding new revenue sources to fund the long-term needs of our state and local highway infrastructure.

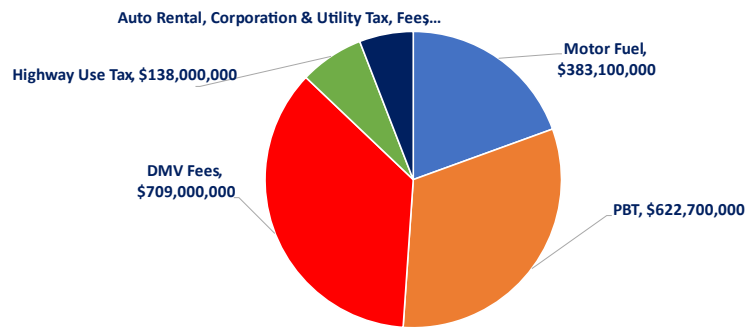
New York’s 11 million drivers pay some of the highest gas taxes and driver fees in the country and contribute more than enough to properly maintain the road system. Unfortunately, only a fraction of driver user fees are deposited in the Dedicated Highway and Bridge Trust Fund. Under the current NYSDOT Five-Year Capital Program the state is collecting about \$6.5 billion annually in driver fees yet only \$2 billion is dedicated to highway infrastructure. Most of these driver user fees are going into the state’s general fund – all driver fees need to be dedicated to transportation infrastructure funding.

### \$6.566B Total Driver Fees Collected in 2023 (Excluding Tolls)



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## In 2023 Only \$1.97B in Driver Fees were Dedicated to Highway Infrastructure

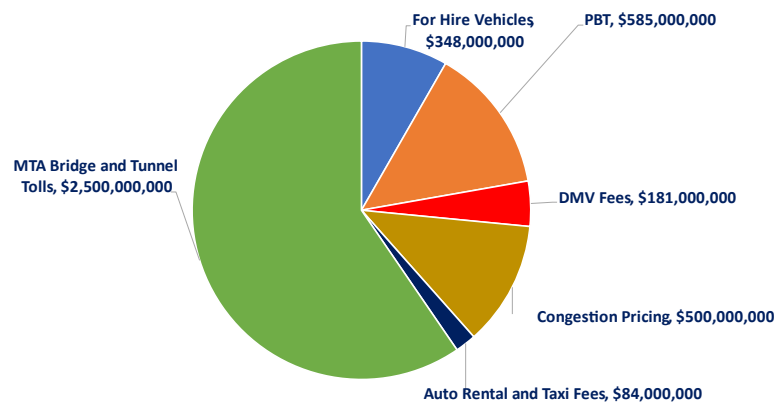


\*In SFY 23/24 \$798,493,000 had to be transferred to the Dedicated Highway and Bridge Trust Fund from the State's General Fund to keep it solvent.

In 2012, the NY Works program was created to financially support many of our state agency capital programs backed by the State's personal income tax (PIT) revenues. As the state's PIT revenues fluctuate the Dedicated Highway and Bridge Trust Fund (DHBTF) presents a unique opportunity in these otherwise challenging times. The DHBTF bonding credit has not been used since 2012. At that time, there was just under \$7 billion 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 \$1 billion of DHBTF bonds and revenues are covering debt service by over 18.9X.

In 2019, the Executive and Legislature funded the MTA's capital program using taxes well beyond just historically "transit" dollars including, internet fees, real estate taxes and using driver fees. Highway funding needs to be given the same broad consideration.

## \$4.19B Driver Fees Dedicated to the MTA



In conclusion, I'd like to reiterate that the Governor's Executive Budget transportation funding level provides a very strong foundation towards restoring the structural integrity of our state's highway system. Rebuild NY Now requests that you and your legislative colleagues support the Executive's proposal to add \$800 million for NYSDOT's CORE program. We also urge you to add \$250 million in Consolidated Highway Improvement Program (CHIPs) funding for the local road system. Additionally, we ask that you consider reconstituting the DHBTF to guarantee all of our state roads and bridges receive the necessary level of investment to bring them back to a good state of repair by 2030. We look forward to continuing our collaboration to ensure our state's transportation systems receive the necessary funding they deserve. Again, on behalf of the Rebuild New York Now membership, thank you very much for addressing these important issues.