



March 22, 2023

The Honorable Kathy Hochul
Governor
Executive Chamber
State Capitol
Albany, New York 12224

The Honorable Carl Heastie
Speaker
New York State Assembly
932 Legislative Office Building
Albany, New York 12248

Dear Governor Hochul and Speaker Heastie:

Thank you for your continued leadership to ensure our state's critical transportation infrastructure receives the funding it needs.

In 2022, you introduced and enacted the New York State Department of Transportation's (NYSDOT) fully funded \$32.8B five-year capital program. While the current NYSDOT five-year

capital program provides a strong base, the adopted capital program needs additional funding each year to stop the further deterioration of the state’s highways and bridges.

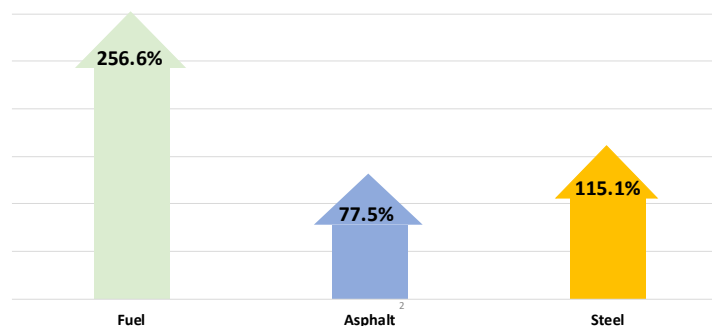
Record high inflation rates on highway construction materials have severely increased costs and, as a result, reduced the NYSDOT’s core program to its lowest levels since 2015—despite the record infusion of federal funds to New York from the Bipartisan Infrastructure Bill. It is critical that additional funding 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.

NYSDOT Capital Program (in Million \$s)	SFY Enacted 2022-23	SFY Executive 2023-24	Senate One House 2023-24	Assembly One House 2023-24	Inflation Adjustment 2023-24
State/Local Construction	\$2,575	\$2,599	\$3,839	\$2,599	\$3,170.78
Signature	\$850	\$1,300	\$1,700	\$1,300	\$1,586
State/Local Construction/Signature	\$3,425	\$3,899	\$5,539	\$3,899	\$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	\$787.8	\$577.8	\$778.8
Local PAVE-NY	\$150	\$150	\$150	\$250	\$150
Local POP	\$100	\$100	\$100	\$100	\$100
EWB	\$100	\$100	\$170	\$100	\$170.1
Local BRIDGE-NY	\$200	\$200	\$250	\$200	\$200
Local State Touring Routes Program	\$100	\$100	\$130	\$100	\$100
Airport Program	\$150	\$0	-	-	-
NYSDOT Plan Total	\$6,648	\$6,974	\$8,974	\$7,074	\$8,101.9
State/Local Construction Total	\$4,652.8	\$5,126.8	\$7,126.8	\$5,226.8	\$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.

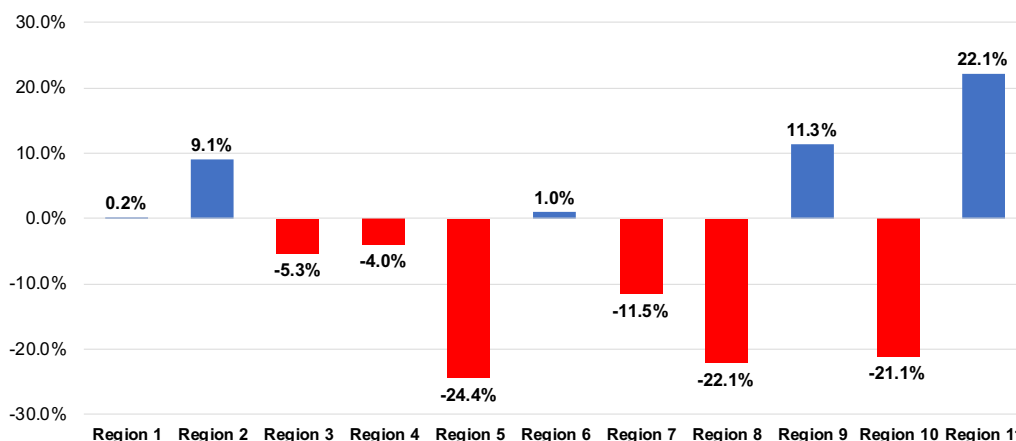
NYSDOT Price Adjustments

Fuel, Asphalt & Steel
July 2022 vs. July 2020



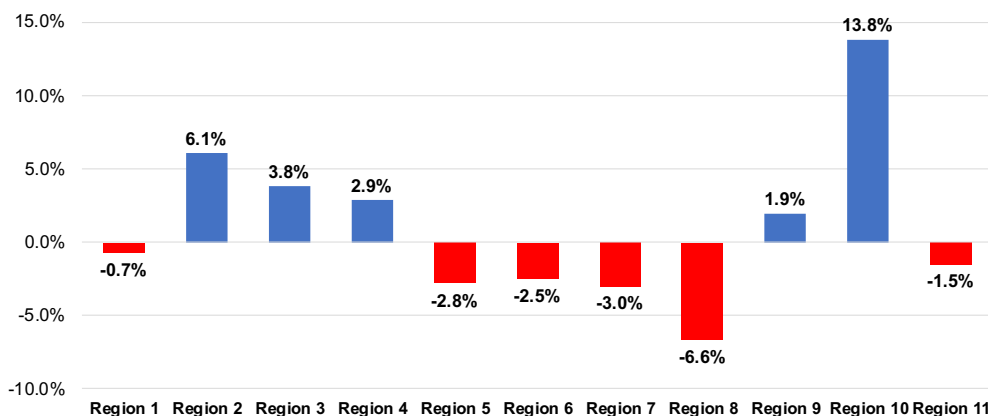
Without a significant level of funding added to the NYSDOT's core program this year, we will see significant reductions in the maintenance and reconstruction work done in every NYSDOT Region in the state. As you can see in the next charts despite increased funding levels our conditions over the past five-years on both our pavements and bridges have decreased in more than half of our NYSDOT regions.

New York State Highway Pavement Conditions Change in Percent Good + Excellent FYs 2017 to 2021



Source: NYSDOT, Annual Pavement and Bridge Condition Report

New York State and Local Bridge Conditions Change in Percent Good + Excellent FYs 2017 to 2021



Source: NYSDOT, Annual Pavement and Bridge Condition Report

As you continued to negotiate the 2023-24 Executive Budget, we strongly urge you to consider accepting the Senate's one house proposal which includes significant and necessary increases to the NYSDOT core and local highway capital budgets. Fortunately, as you know, in December Congress passed the Transportation, Housing and Urban Development bill. The \$1.7 trillion federal fiscal year 2023 spending bill includes provisions that authorizes state, local, and tribal governments to use portions of their federal COVID-19 relief aid for infrastructure projects.

Under the amendment, now an eligible entity may use up to 30 percent of its American Rescue Plan Act (ARPA) relief funding on eligible highway or public transportation infrastructure projects. Based on Comptroller DiNapoli's COVID-19 Relief Program Tracker, New York has directly received \$13.6B in ARPA funds and, through November 30, 2022, it had spent only \$5.3B.

While we understand the state's restrained fiscal condition, we request that you use this or any other funding source you deem appropriate to increase funding for state and local highway infrastructure in your 2023-24 Executive Budget.

Very truly yours,

Michael J. Elmendorf II, President & CEO
Associated General Contractors of
New York State

John F. O'Hare, Managing Director
Building Contractors Association, Inc.

Patrick Purcell, Jr., Executive Director
New York State LECET

Earl R. Hall, Chief Executive Officer
Building Industry Employers of New York
State

William Banfield, Assistant Executive
Secretary-Treasurer
North Atlantic States Regional Council of
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Paul Zuber, Executive Vice President
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Todd G. Helfrich, President & CEO
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Grant Loomis, Vice President,
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Stacey Duncan, President & CEO
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NYS Conference of Mayors

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CC: The Honorable Andrea-Stewart Cousins
The Honorable Timothy Kennedy
The Honorable William Magnarelli
Members of the Legislature