

December 13, 2023

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

Dear Governor Hochul:

We are approaching the two-year anniversary of when you enacted a record level of funding to rebuild New York's deteriorating road and bridge system. In 2022, you initiated the New York State Department of Transportation's (NYSDOT) \$32.8B 5-Year Capital Program, which included funding for state and local highways and bridges and \$4.15B for Signature Project construction.

While we are appreciative of your leadership to provide funding for New York's transportation infrastructure, we are very concerned with the program's spend out thus far and the devastating impact unprecedented inflation and material cost escalation have had on its spending power.

NYSDOT's investment in its core highway and bridge program actually declined from 2021 to 2022. This is particularly troubling considering that 2022 was the first year New York started receiving additional funds from the Infrastructure Investment and Jobs Act (IIJA). The IIJA increased federal funding for New York's roads and bridges by \$4.6B bringing federal investment up to \$13.4B, a 52 percent increase.

In 2021-22, NYSDOT's core project lettings totaled \$1.987B and in 2022-23, the first year of the new record five-year capital program, core lettings dropped to \$1.367B, a 31% decline in highway spending.



NYSDOT Core Highway and Bridge Program '21-'22 vs. '22-'23

Source: NYSDOT

In reviewing NYSDOT's 2023-24 Capital Program, we are worried that there will be a similar decline in core bridge and highway investment even if the Department meets the intended letting targets for the year.

We also appreciate you approving legislation which mandates the release of an Annual Highway and Bridge Condition Report to the Legislature. The report is an extremely important tool in helping to understand the condition of these essential assets. Unfortunately, the condition data is very alarming:

Bridges: In reviewing over a decade of infrastructure data 2022 saw more regions have declining bridge conditions than any other period. Year over year (2021-2022), *bridge conditions declined in ten of NYSDOT's eleven regions*. All the Memorandum of Understanding (MOU) Regions (Long Island, New York City, Hudson Valley and Upstate) saw increases in their number of deficient bridges. As a result, today, New York State has a record 4,264 deficient bridges. More than one in four of the State's bridges are deficient.

Pavements: In 2022, NYSDOT maintained 38,582 lane miles of roadway, over 42% of these roads are in fair and poor condition (16,225 lane miles of deficient roads). In 2017, only 25% of the State's roads were in fair and poor condition and nearly 2,000 less lane miles were deficient.

While the current NYSDOT five-year Capital Program, when enacted, provided a strong base, the adopted capital program now needs additional investment. As noted earlier, the record high inflation rates on highway construction materials have severely increased costs and as a result reduced NYSDOT's current core program—driving costs up in excess of 20% and thereby effectively consuming a full year of funding for the five-year program.

It is critical that at least an additional \$400M be added to the 2024-25 budget for core highway construction just to keep funding at a similar level to when the five-year program was initially adopted in 2022.

As you prepare the 2024-25 Executive Budget, we understand the constrained fiscal situation in which the State is operating, which is why we are requesting the minimum amount necessary to slow the rate of decline on our State's roads and bridges.

Simply put, all our diverse industries rely on NYSDOT's statewide system of roads and bridges to survive and thrive. We must act now to improve their conditions to strengthen our economy and sustain and create jobs.

We appreciate your consideration of this important request and look forward to continuing to work together with you and your Administration.

Very truly yours,

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

William Fekete, Business Manager International Union of Operating Engineers (I.U.O.E.) Local 17

Sam Capitano, Business Manager Upstate NY Laborers' District Council

William Banfield, Assistant Executive Secretary-Treasurer North Atlantic States Regional Council of Carpenters

Heather C. Mulligan, President and CEO The Business Council of NYS Fred Hiffa Rebuild NY Now

John T. Evers, President/CEO American Council of Engineering Companies of New York

Gerald K. Geist, Executive Director Association of Towns

Dottie Gallagher, President & CEO Buffalo Niagara Partnership

Kim Gaylord, President & CEO Builders Exchange of Rochester John F. O'Hare, Managing Director Building Contractors Association, Inc.

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Aaron Hilger, CEO Sheet Metal and Air Conditioning Contractors' National Association

Stacey Duncan, President & CEO Greater Binghamton Chamber of Commerce

Matt Cohen, Esq., President & CEO Long Island Association

Randy Wolken, President & CEO MACNY, The Manufacturers Association

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Ronald L. Epstein, President & CEO New York Construction Materials Association

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Todd Shimkus, President Saratoga County Chamber of Commerce

Justin Guiles, President New York Pavement Preservation Association

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Lindsay Mills, Chairman NYS Council of NECA Contractors

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Earl R. Hall, Executive Director Syracuse Builders Exchange

Joseph Morelle, Jr., Executive Director UNiCON Rochester

Justin Wilcox, Executive Director Upstate United

 CC: The Honorable Andrea Stewart-Cousins, Senate Majority Leader The Honorable Carl Heastie, Speaker of the Assembly The Honorable Timothy Kennedy, Chair, New York State Senate Transportation Committee The Honorable William Magnarelli, Chair, New York State Assembly Transportation Committee Blake Washington, Director, New York State Division of the Budget Karen Persichilli Keogh, Secretary to the Governor Kathryn Garcia, Director of State Operations and Infrastructure Nivardo Lopez, Deputy Secretary to the Governor for Transportation Members of the Legislature