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Good afternoon Chairman DeFrancisco, Chairman Farrell and Members of the Joint Legislative Committee. I am Russ Page, President of the New York State Association of Town Superintendents of Highways (NYSAOTSOH) and Town of Leicester Highway Superintendent. With me representing the New York State County Highway Superintendents Association (NYSCHSA) is 1st Vice President Tracy Eldridge and Hamilton County Highway Superintendent. We appreciate this opportunity to submit testimony for your consideration as you review the 2015-2016 Executive Budget.

We'd like to begin by sincerely thanking you, the members of the legislature for your unwavering support of local roads and bridges. As you know, our collective membership is responsible for ensuring the safe operation of 87 percent of the state's public roads, half of its bridges and plowing not only our huge system but over a quarter of the New York State Department of Transportation (DOT)'s roads. Every time there is a winter weather event, the hard working men and women on our local crews ensure New York's drivers get to and from work, homes, schools, hospital and other destinations safely. With all due respect to our DOT colleagues, it was surprising to see the Executive Budget include a \$50 million appropriation for the agency to purchase additional snow plows since they are responsible for plowing only a fraction of the state's public roads. Simultaneously, the Executive Budget eliminates last year's \$40 million appropriation of "winter recovery" funds (distributed through the CHIPs formula) which can be used by municipalities to purchase their own required snow control equipment.

Our Association members were extremely optimistic when nearly all of our state's leaders spoke in support of allocating the majority of the \$5 billion the state received in foreign bank settlement funds to infrastructure. We were discouraged to see that the budget proposal allocates the bulk of this funding to one region, the MTA and the Thruway Authority, and to read the Governor's quote that: "Infrastructure today is less about roads and bridges in my opinion and it's more about broadband." It is very disappointing to see that funding for programs that provide vital state aid to local highway departments to maintain these roads and bridges are held essentially flat over the next five years in the Executive Budget.

Working with you to guarantee the next five-year highway and bridge capital program truly meets the needs of our state's residents is our top priority. We believe it is essential that parity between the Metropolitan Transportation Authority (MTA) and DOT capital programs once again be restored. The Dedicated Highway and Bridge Trust Fund was created by Governor Mario Cuomo and the Legislature in 1991. Then, in 1993, the Mass Transportation Trust Fund was created. To help fund the latter, they agreed that 34% of the petroleum business tax (PBT) paid by drivers statewide would go to the MTA. To garner the support of upstate legislators it was agreed that there would be ongoing parity between the DOT and MTA capital programs.

Over the next two decades, until 2010, the transit and highway capital programs funding levels were virtually identical. In 2009, the DOT Commissioner Stan Gee requested a \$25.8 billion five-

year capital program and the MTA submitted a \$25.9 billion capital program. Ultimately, the MTA adopted a \$23.8 billion program and the DOT an \$18.6 billion program. The DOT's 2010-2014 program received over \$5 billion less than the MTA. Last fall, the MTA submitted its proposed \$28.9 billion program for the upcoming five-year program (2015-2020) but we haven't yet seen any capital need request from the DOT and this causes us some concern. In November of 2013, we conducted our own needs study of the local transportation system. The analysis determined that on average local governments (excluding New York City) should be spending \$2.32 billion annually on their highways and bridges. Currently these municipalities spend about \$1 billion annually on these facilities, leaving an annual shortfall of \$1.32 billion.

The New York State Comptroller's studies indicate that a large number of road mileage is deteriorating and many bridges in the state are rated structurally deficient and functionally obsolete. According to a 2014 Comptroller's report, thirty four percent (34%) of bridges are deficient and forty-eight percent (48%) of road pavements are rated fair or poor and getting worse. The Comptroller estimates that there will be \$89 billion in unmet local infrastructure needs over the next 20 years, with much of this shortfall on the already deteriorating local transportation system.

Our Associations recently formed a task force to assess these studies and to formulate our funding request. We are realistic that closing a \$1.32 billion annual funding gap all at once would be impossible. Therefore we are urging your support to fund at a minimum CHIPS at \$617 million and Marchiselli at \$39.7 million per year for the next 5 years. This translates into a \$900 million increase over the five year period and will help us begin to address some of the more critical needs of the local systems. This request recognizes that, even with the higher CHIPS levels that we propose, there remains an overwhelming number of local roads, bridges and culverts that require substantial rehabilitation, reconstruction or full replacement that local governments simply cannot finance themselves.

That is why we also urge the establishment of a multi-year \$500 million State Aid to Local Road, Bridge and Culvert Program again utilizing the CHIPS distribution formula to assure that all NY's municipalities can fund vital road, bridge and culvert projects based on local need. The 2015-2016 Executive Budget includes a \$750 million 5-Year State/Local Bridge Program (\$150 million per year) that is supposed to repair 100 Bridges over the time period. There has been no list circulated of which bridges are targeted, nor are the members of our Associations included in the determination. Instead of what's proposed, we request about 67% of this funding (\$500 million) be reallocated by the Legislature to fully fund our proposed State Aid to Local Road, Bridge and Culvert Program. The state can use the remainder along with other resources available to it, including substantial federal funding, for state-owned bridge needs.

Reform the Way Transportation is Funded

The Executive and Legislature need to once again make CHIPS a cash-based pay-as-you-go program. Drivers on local roads contribute nearly half of the gas taxes collected in this state. Unfortunately, CHIPS only receives a small fraction of these revenues. In addition, a general fund transfer of about \$726 million to the Dedicated Highway and Bridge Trust Fund (DHBTF) will be needed to keep the fund balanced again for this upcoming fiscal year.

We suggest examining how existing motor vehicle taxes and fees are currently being distributed. Forty-eight percent of the vehicle miles traveled in New York are on local roads, yet less than 12 percent of the taxes and fees paid to the state by these drivers go back to

maintaining local roads. With the poor condition of both local and state roads and bridges, we believe it is time to consider establishing a more equitable distribution of the gas taxes and motorist fees. One that recognizes the role the local system plays in generating these revenues.

In addition, there is currently a state sales tax on motor fuels that generates \$480 million annually, none of which is dedicated to transportation. We support legislation to deposit a portion of these revenues into the DHBTF to be used to maintain local roads and bridges.

In previous years, even in tough economic times, the Legislature has responded to the dire conditions of the state's transportation systems and augmented CHIPS and other local transportation funding. We are now urging similar support in the next Five Year Transportation Capital Plan with a significant increase in the levels for the CHIPS program to help extend the life of our assets and maintain our vast system.

Our associations and the mutual constituencies and communities we serve appreciate the support of our state elected officials who partner with us to insure we all "get the job done" when it comes to providing the public with a safe and functional statewide transportation system; one that supports jobs and economic growth for our communities. We look forward to working with you and your Legislative colleagues to seek ways to make more state funding and resources available that more closely reflect the critical needs of our local roads and bridges.

Thank you.

January 29, 2015