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## New York State County Highway Superintendents Association New York State Association of Town Superintendents of Highways Joint Legislative Public Hearing on the 2012-2013 Executive Budget--Transportation

Good afternoon Chairman DeFrancisco, Chairman Farrell and Members of the Joint Legislative Committee. I am David Hartman, President of The New York State County Highway Superintendents Association (NYSCHSA). With me is Joseph Amico, President of The New York State Association of Town Superintendents of Highways (NYSAOTSOH). We appreciate the opportunity to submit this testimony today for your consideration as you review the 2012-2013 Executive Budget.

### Local Aid Levels Sustained

The Governor's budget proposal funds the Consolidated Highway Improvement Program (CHIPS) at \$363.1 and the Marchiselli program at \$39.7 million--the primary funding sources for most of the State's local road and bridge system. While this level of funding holds the line on CHIPS and Marchiselli for one more year, if enacted, it will represent the 4th consecutive year local roads and bridges receive the same level of funding.

Consequently, NYSCHSA and NYSAOTSOH urges the Legislature to fund the local road systems throughout the State as outlined by the DOT's Five-Year Plan and evidenced by the numerous state government reports identifying the advanced deteriorating condition of the State's transportation infrastructure.

New York State Comptroller, Thomas DiNapoli, issued a significant report on the condition of the State's transportation infrastructure. The Comptroller confirmed that the infrastructure maintained by local governments is in dire need of repair and/or modernization. The report stated that roughly one-third of the 8,535 bridges maintained by New York's local governments are structurally deficient or functionally obsolete and this number increased between 2002 and 2007, from 2,966 to 3,006 bridges. The DOT indicates that the number of deficient bridges will increase by 1,500 in the next few years. Pavement and culvert conditions continue to deteriorate as well.

The Executive Budget states that spending for transportation is projected to increase by \$306 million (7 percent) in FY 2013, reflecting the acceleration of road and bridge projects and other transportation infrastructure projects throughout the State. We call on the Legislature to apply this percentage increase to all segments of state infrastructure including the local system.

### **Use Pay-As-You-Go Capital Funding for Maintenance/Repair Activities**

The Executive Budget directs that certain DOT maintenance and repair activities be accommodated through non-bonded funding within existing constraints of the DOT Capital budget. This may include such activities as bridge repair and signage replacement. This is good fiscal policy.

The Dedicated Highway and Bridge Trust Fund (DHBTF) was originally designed to be a pay-as-you-go financing method to support the State's transportation programs and purposes, using revenue from highway taxes, motor vehicle taxes and fees, petroleum business taxes and a number of smaller resources. 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 an audit entitled, "The Dedicated Highway and Bridge Trust Fund: Where Did the Money Go?" the State Comptroller reveals that since 1991 just 34.9 percent of the money in the State's DHBTF went directly toward the repair and improvement of the State's deteriorating roads and bridges.

It's time to stop using the gas taxes for non-capital expenditures. We support the passage of S.2467-A (Libous)/A.7198-A (Morelle) that would deposit a percentage of the motor fuel sales tax receipts into the DHBTF adding \$329 million and using the bulk of this funding to enhance CHIPs funding.

### **Chip Seal Budget Language**

Local municipalities will be allowed to continue to use CHIPs funds to pay for certain road surfacing processes and treatments through March 31, 2013, which is an extension of existing uses. This language is supported by NYSCHSA and NYSAOTSOH. It is imperative that these essential processes continue to be reimbursed under CHIPs just as the DHBTF reimburses these same treatments for NYS Department of Transportation.

### **New York Works Fund**

NYSCHSA and NYSAOTSOH know that the Legislature is keenly aware of the funding gap on the local transportation system, is concerned with its deteriorating condition, and endeavors to devise a transportation budget that will truly improve the local bridge and pavement deficiency ratings. This is why we should all be encouraged by the Governor's call for funding the New York Works Fund to "master plan, coordinate, leverage, and accelerate capital investment and put thousands of New Yorkers to work in every corner of

the state". This program is planned to improve or replace more than 100 bridges and repair 2,000 miles worth of roads among other public works projects.

The Executive Budget includes \$1.16 billion of new funding (\$917 million Federal and \$247 million State funds) under the New York Works program that will accelerate capital investment to maintain, repair and replace critical highway and bridge infrastructure, and to prolong the useful life of these assets. Funded components include over \$212 million for bridge repairs on 115 critical bridges throughout the State, \$250 million for a pavement preservation program which will treat more than 2,000 lane miles of State roads, and over \$700 million to accelerate signature transportation projects throughout the State.

So far, we understand that the projects to be funded from this program will initially be limited to state owned bridges and state roadwork. We ask that, as the legislature joins the Governor on this aggressive effort to tackle one of the most difficult and challenging tasks of state government—maintaining and improving the statewide transportation infrastructure—that you keep in mind the extent to which local roads and bridges constitute this vast integrated transportation system. Eighty-seven percent of the roads and half of the bridges are the responsibility of local governments.

#### **Federal Highway Bill Reauthorization**

The uncertainty of the federal transportation bill and the possibility that a final version may reduce available funding for federal aided local projects makes it even more critical that the state look at the statewide transportation system as one seamless system that needs to be maintained in its entirety. This is the way our members and NYS Department of Transportation officials, working together, have viewed the system and hopefully will continue to do so.

While action is needed in Washington to pass a multi-year transportation reauthorization bill, the fear is that some proposed modifications to existing federal highway funding programs could result in fewer funds available for non-National Highway System (NHS) bridges and not provide any additional funds for non-NHS highways in New York.

In addition, how the local Metropolitan Planning Organization (MPO) boundaries are determined would change considerably in some cases by proposed federal legislation. In NY, some counties would be eliminated from their existing MPO, weakening the ability to ensure that transportation decisions benefit the overall community and threatening the economic stability and vitality or viability of the region as a whole. Our organizations have contacted members of our Congressional Delegation with these concerns and request that our state elected officials do the same to urge that a final federal bill insure a fair share of funding directed to local roads and bridges.



### **Stretching Our Transportation Dollars**

The Executive Budget says that DOT will partner with State agencies and other transportation entities within the State in shared services to achieve operational efficiencies and reduce costs. Areas of focus include administrative functions, procurement and capital program delivery. DOT savings occur principally through the attrition of administrative and engineering staff and savings may also accrue to other transportation agencies and authorities that partner with DOT. While our member highway departments extensively employ shared services arrangements at all levels of state and local government with considerable success, there are many other reforms that can be implemented to create efficiencies, particularly in the area of capital program delivery. We look forward to working with DOT and the Federal Highway Administration where possible to improve the efficiency of administering federal and state transportation projects so as to get the maximum "bang for our buck."

### **Consolidation of DOT Regions**

According to the Executive Budget, DOT will consolidate regional offices from eleven to six, and eliminate regional directors and supervisory staff. We hope that our organizations will be consulted in this consolidation process, as will state legislators, as our county and town highway departments depend on the relationships and coordination with regional DOT officials.

### **Conclusion**

NYSCHSA and NYSAOTSOH urge the Legislature seek ways in which to make available more state funding and resources that adequately reflects the critical needs of 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 the CHIPs and other local transportation funding. For this, we and the traveling public are extremely grateful.

NYSCHSA and NYSAOTSOH know that the Legislature continues to be keenly aware of the funding gap on the local transportation system, is concerned with its deteriorating condition, and endeavors to devise a transportation budget that will improve the local bridge and pavement deficiency ratings.

As public officials charged with insuring the maintenance of the local highway and bridge system and the safety of the traveling public, we stand ready as always to work with you and all our State elected representatives to meet this tremendous obligation to our mutual constituents. We ask that you consider our suggestions and adequately fund our local transportation system so that it can remain a secure and efficient asset that helps to bring people, businesses and jobs back to New York State.

Thank you.

January 26, 2012