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**TESTIMONY BEFORE THE JOINT LEGISLATIVE FISCAL COMMITTEES
PERTAINING TO THE EXECUTIVE BUDGET PROPOSAL FOR TRANSPORTATION
RONALD L. EPSTEIN, PRESIDENT AND CEO
NEW YORK CONSTRUCTION MATERIALS ASSOCIATION
JANUARY 24, 2024**

Chairs Krueger, Weinstein, Kennedy, Magnarelli and distinguished members of the Legislature, on behalf of the New York Construction Materials Association, thank you for this opportunity to provide this testimony on the State Fiscal Year (SFY) 2024-25 Executive Budget proposal for the Department of Transportation.

On January 16, 2024, Governor Hochul released her Executive Budget proposal which detailed strategic initiatives to make New York safer, more affordable, and more livable. The New York Construction Materials Association (NYMaterials) commends the Governor for honoring the third year of the five-year capital plan for programs and projects administered by the Department of Transportation (DOT). Adoption of the five-year capital plan in April 2022, the first such plan in more than a decade, was an important and significant first step in ensuring that State and local roads and bridges remain safe, that our communities are more resilient to extreme weather events and livable, and that cost incurred to system users are reduced by mitigating the need for detours and roadway-related vehicle repairs.

Unfortunately, the engineering estimates used to develop the project costs for the multi-year capital plan could never have contemplated the historic inflationary pressures that have impacted construction material costs. According to the Federal Highway Administration's (FHWA) [National Highway Construction Cost Index](#), highway construction costs nationwide have increased by 58.6 percent over the past 30-months. This year alone, construction bid prices received by DOT exceeded engineering estimates by more than 20 percent - and in certain instances - by nearly 100 percent.

While the DOT capital plan - adopted with your strong support - represented the single largest five-year investment in New York's transportation infrastructure, the plan commitments only provided the resources necessary to slow the rate of decline of the State's aging roads and bridges. As reported to the Legislature by DOT, New York's roads and bridges continue to rank among the worst in the nation. New York State has approximately 1,600 bridges (Figure I) that are [rated](#) by the FHWA as being in poor condition, more than 30 percent higher than the national average. In terms of pavement conditions, according to data reported to the

Legislature by the Department, the percentage of roadways in good condition in certain regions of the State have declined significantly (Figure II). Specifically, roadways in the Long Island, Mid-Hudson, North Country, and Western New York regions are in their worst conditions in decades. For higher volume roadways across the State including the interstate highways, classified by FHWA as being part of the National Highway System (NHS), New York ranks 46th in the nation (Figure III) for the highest percentage of lane miles in poor condition.

While this is in part due to the age of the State's roads and bridges, there was also a conscious decision by those who preceded this current Administration to divest from investing in core transportation infrastructure to support 'signature' projects. Of the \$17.4 billion authorized in the five-year transportation plan for construction, \$4.2 billion (24 percent) continues to be redirected to support legacy signature projects (Figure IV) that more than likely will not be delivered during the current plan period. While the need for both maintaining existing and the construction of new infrastructure is critical to sustaining jobs and increasing economic activity, the plan, because of those prior commitments, is significantly imbalanced. The scope and scale of the signature projects has resulted in a situation where funding for the maintenance and repair of 'core' infrastructure - which averages approximately \$2.5 billion annually over the plan period - has remained fundamentally flat over the past decade (Figure V). If one were to simply look at the Consumer Price Index (CPI) published by the Bureau of Labor Statistics (BLS), real spending on core road and bridge infrastructure has declined by 35 percent over the past decade. In the SFY 2024-25 Executive Budget proposal, spending for core infrastructure only increases by 0.2 percent whereas spending for 'signature' projects increase by 43.7 percent.

Without the identification of additional resources to support existing roads and bridges, New York will be forced to delay or defer project commitments in every region of the State. As such, NYMaterials urges the Legislature to add no less than \$400 million for core transportation infrastructure in the final SFY 2024-25 spending measure. In addition, NYMaterials supports providing an additional \$250 million in funds apportioned to local governments through the Consolidated Local Street and Highway Improvement Program (CHIPS) and the Extreme Winter Recovery (EWR) programs. The request includes restoring the \$100 million rescission included in the Executive Budget proposal as well as providing new funding to address declining conditions and alleviate the impacts of inflationary construction materials cost escalation. Failure to include these additional State and local funds will result in the lowest core program funding level, in terms of accomplishments per dollar, in more than a decade.

Lastly, the NYMaterials noted with great interest that Governor Hochul included legislation along with the Executive Budget that would heighten criminal penalties for individuals that assault retail workers (PPGG Part A). NYMaterials supports the extension of these protections for these essential workers. Notwithstanding, we must do more to protect those dedicated highway workers along roadways and within construction work zones that are risking their own personal safety to enhance the safety of the system for all users. As such, I strongly urge the Legislature to amend this proposal to also include the assault or menacing of highway workers as well as intrusions into a work zone. Intrusions would include but not be limited to speeding,

distracted driving, driving under the influence of alcohol or drugs, and other infractions that place a worker in a work zone in fear of imminent physical injury or death.

In closing, thank you for the opportunity to submit comments on the SFY 2024-25 Executive Budget proposal for transportation. As noted, the capital plan adopted in 2022 provides a strong foundation from which to build from. NYMaterials appreciates the Governor's commitment to honoring the authorizations in that plan. Notwithstanding, without the additional requested funding in the final fiscal measure, overall State and local road and bridge conditions will continue to decline at an unprecedented rate. This will further jeopardize the system's reliability and the State's economic development and environmental sustainability goals. I would be glad to address any questions that you may have regarding these comments.

Thank you!

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About the New York Construction Materials Association

NYMaterials is a not-for-profit, statewide trade association representing the business and regulatory interests of companies involved in the production and recycling of construction aggregates, ready mixed concrete, and asphalt used in public works.

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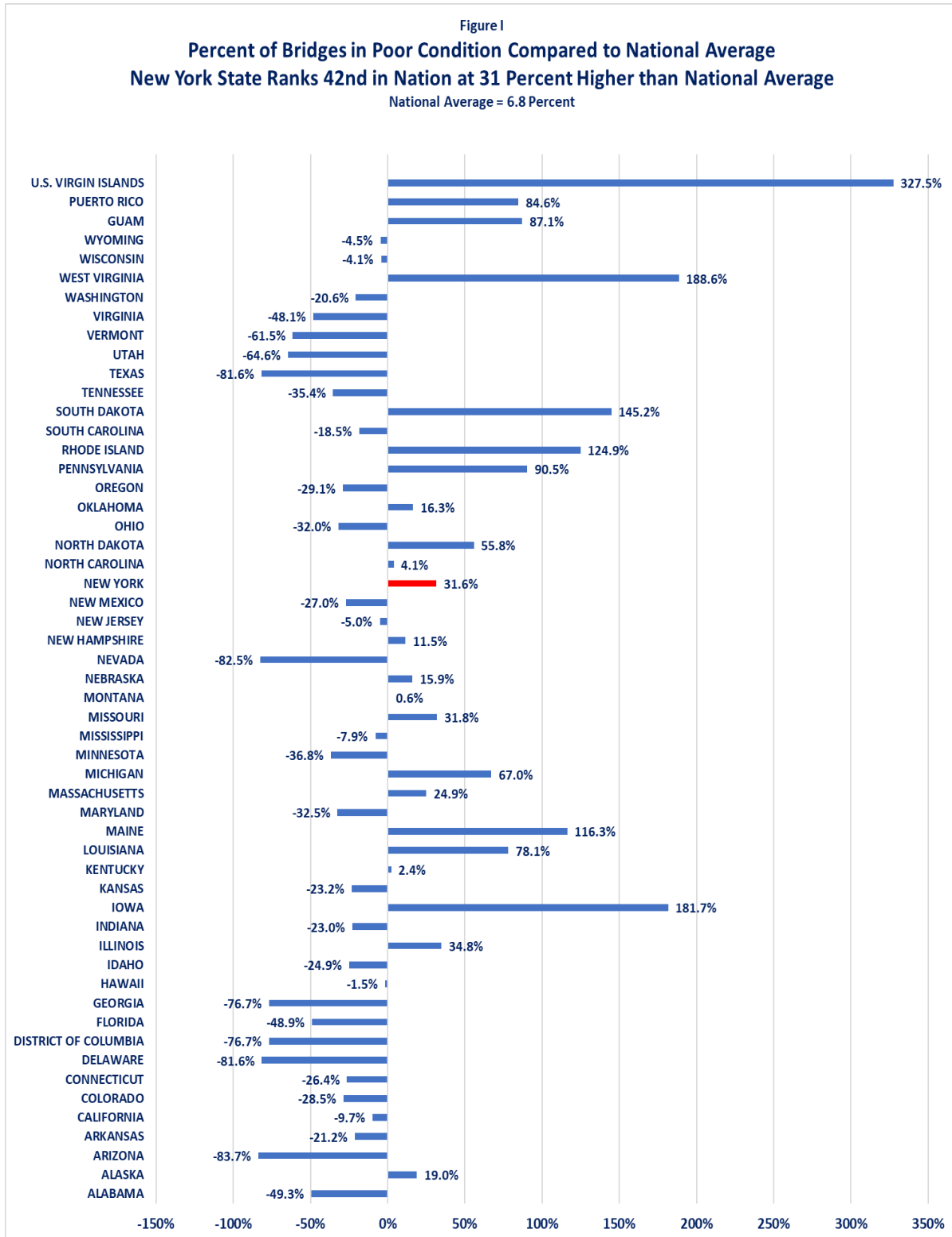
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Attachments



Source: <https://www.fhwa.dot.gov/bridge/nbi/no10/condition23.cfm#a>

Figure II

**State Highway Pavement Conditions
Change in Percent Good Condition
FYs 2017 to 2022**

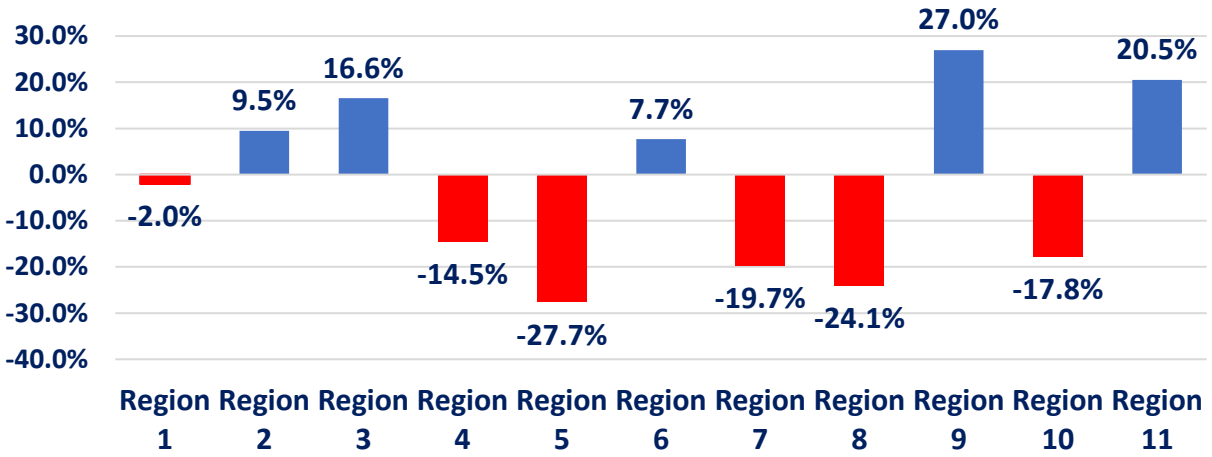
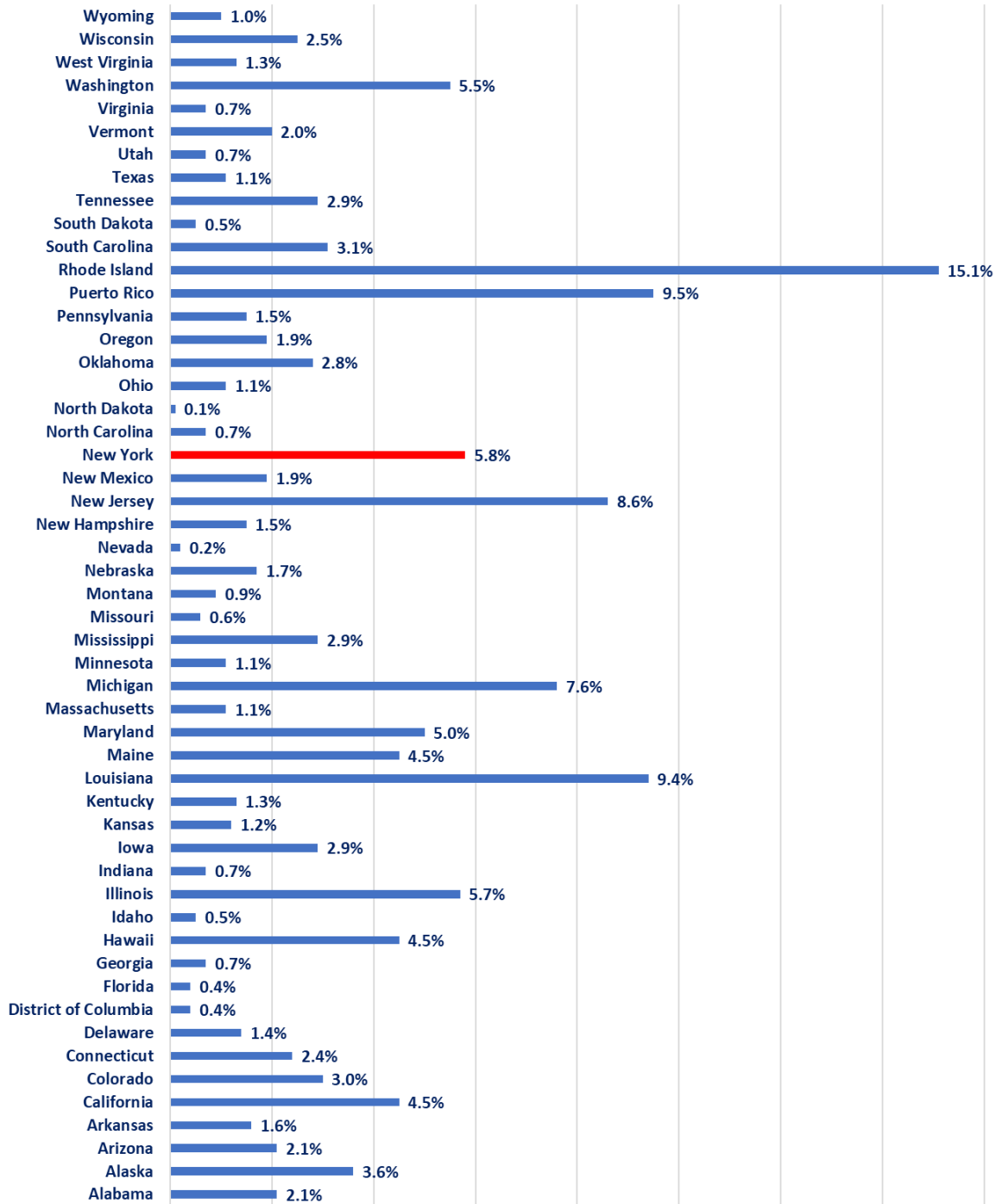


Figure III
**State Ranking for Percentage of National Highway System
 Lane Miles in Poor Condition**
New York State Ranks 46th in the Nation

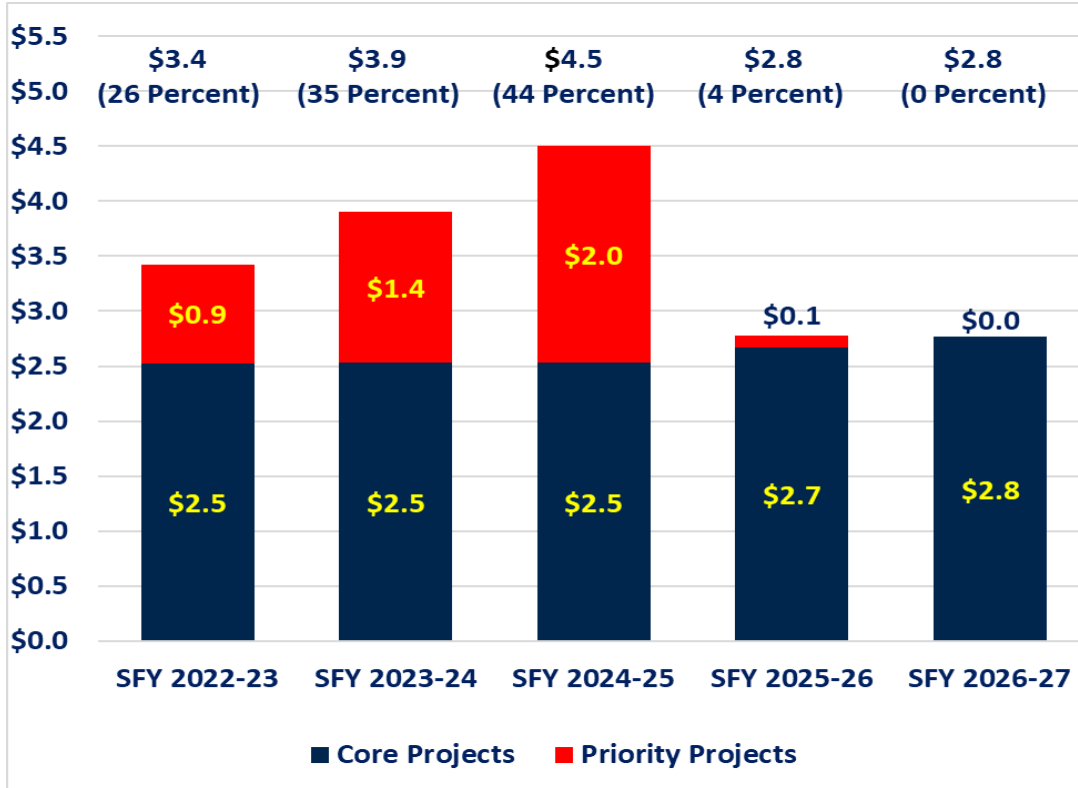


Source: <https://www.gao.gov/assets/gao-22-104578.pdf>

Figure IV

State Highway and Bridge Construction Funding

N = \$17.4 billion
(Core - \$13 billion; Priority Projects - \$4.4 billion)



Source: New York Construction Material Association assessment of the 2022 Enacted Budget Fiscal Plan.

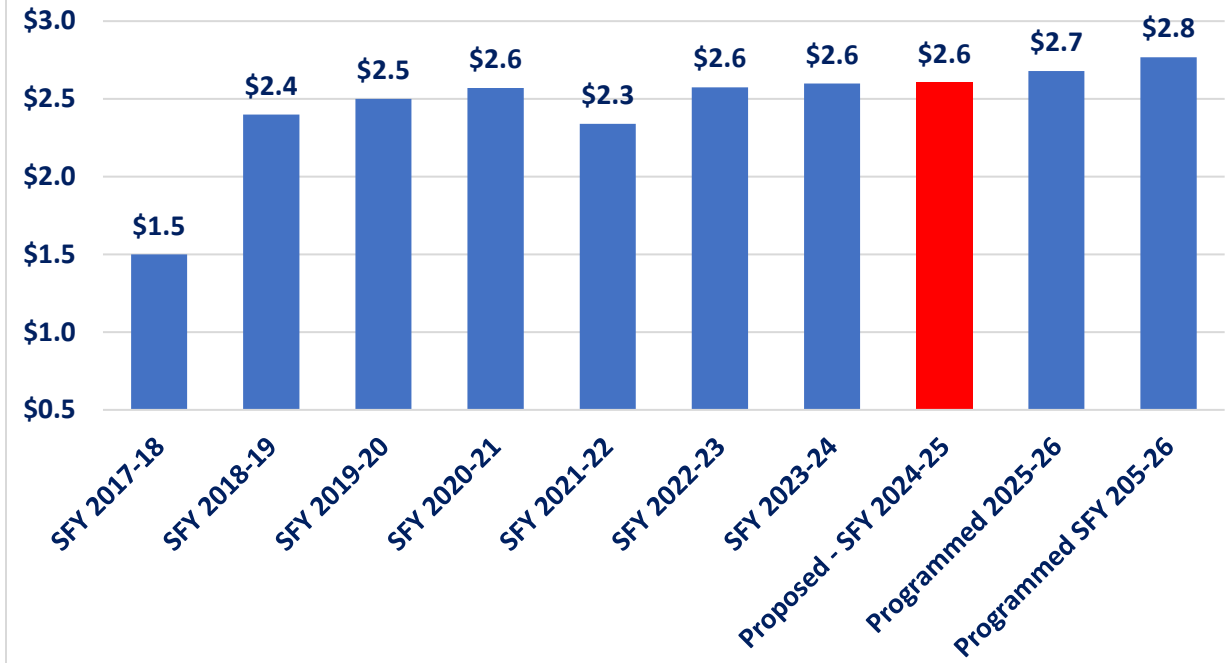
N = \$17.4 billion (Core - \$13 billion; Priority Projects - \$4.4 billion).

Priority Project Funding by Program Year:

- 2022-23 - \$550 million for Hunts Point (Contract III); \$300 million for Interstate 81 (Contract II); \$100 million for JFK redevelopment.
- 2023-24 - \$1.0 billion for the Kensington Expressway; \$300 million for Interstate 81 (Contract II); \$70 million for JFK redevelopment.
- 2024-25 - \$1.0 billion for Route 17/Interstate 86; \$400 million for replacement of the Livingston Avenue Bridge; \$500 million for Interstate 81; \$70 million for JFK redevelopment; \$110 million in EIS commitments for Oakdale Merge and Cross Bronx Expressway.
- 2025-26 - \$100 million for the Inner Loop North. (Contract II); \$10 million for JFK redevelopment.

Figure V

Core Construction Funding for Roads and Bridges \$ in billions



Source: New York Construction Material Association assessment of the Enacted Budget documents.