



NEW YORK STATE SENATOR

Jeffrey D. Klein

## NYS Department of Transportation Wasted \$200 Million of Taxpayer Dollars

JEFFREY D. KLEIN April 20, 2010

| ISSUE: **FINANCE, TRANSPORTATION, GOVERNMENT OPERATIONS, AGENCIES, LEGISLATURE**

Led by Senator Klein, Task Force on Government Efficiency Unveils Millions in Potential Savings

ALBANY, NY – The Senate’s Task Force on Government Efficiency, chaired by State Senator and Deputy Majority Leader Jeff Klein, released an investigative report citing \$60 million dollars in potential cost-savings at the NYS Department of Transportation (DOT), and more than \$200 million in funds the Department has already wasted, at a press conference in Albany on Tuesday. The report is the third in a series of investigations into state agency spending by the Task Force. The Task Force also announced on Tuesday that it will hold a hearing to probe DOT on its wasteful spending practices on Wednesday, April 28th.

“It’s time to get smart about spending and stop throwing money out the window. DOT should know they have an obligation to ensure safety, but that doesn’t necessarily mean a right to excessive spending. We need to grab the reins and get things moving in the right

direction so that we can ensure that taxpayer dollars are being put to good use for years to come,” said State Senator and Deputy Majority Leader Jeffrey D. Klein (D-Bronx/Westchester).

In its latest report, the Task Force uncovered close to \$60 million in potential cost-saving measures at DOT, ranging from moving some of its contracted services in-house (\$46.5 million) to speeding up its typical contract close-out time frame (\$10 million) to decreasing overtime spending (\$3.5 million) or cutting back on night work (\$360,000).

“This is a painful budget year and, more than ever, the spending of every taxpayer dollar needs to be scrutinized. Considering the economic situation we are in, there is simply no excuse for the DOT to force contractors to replace millions of signs across New York State, thus passing on \$27 million in costs to our taxpayers. The only new sign we need is a big, red stop sign to end this wasteful policy,” said Senator George D. Maziarz (R-Newfane).

The Task Force report also outlined more than \$210 million in wasted funds that have already been spent, including \$150 million on contract management and further rising contract costs associated with changes in DOT specifications. In 2006, DOT revised its specifications for the type of reflective sheeting used on orange construction signs, requiring full compliance by January 2009. Although DOT claimed this change would come at no cost to the state, contractors statewide had to pay nearly \$27 million to replace the 2.7 million existing signs, a cost they are now passing onto the state in the form of higher contract prices.

The report found that DOT has implemented the same wasteful practice by recently revising specifications for temporary concrete barriers used at construction sites. In February 2007, DOT released revised specifications for the manufacturing of these commonplace barriers, requiring that they be replaced with barriers meeting a new set of standards by 2015. At an average cost of \$36 per foot, per barrier, it is going to cost the construction industry statewide an estimated \$33.5 million to meet this benchmark, a cost that once again contractors are passing onto the state in higher contract prices.

“We have a responsibility to every taxpaying New Yorker to ensure that their tax dollars are being used in the absolute most efficient way possible. When we find the kind of waste in state agency services that we are uncovering now in the Department of Transportation, it is imperative that we address this problem immediately. Every New Yorker should have the confidence that their tax dollars are serving a real purpose for the good of our state and of our local communities. This task force will take swift action and use every tool at our disposal to reverse these wasteful practices at DOT,” said Senator William T. Stachowski (D-C, Lake View), Chairman of the

Senate Committee on Commerce, Economic Development and Small Business.

In an effort to stem further wasteful spending and mismanagement of taxpayer dollars at state agencies, the Senate Task Force announced the launch of a new webpage on Monday where state employees and other interested New Yorkers can anonymously submit their ideas, suggestions and feedback on how the state can conserve resources in this tough fiscal

time, as well as to report any suspected wasteful government spending or abuse of tax dollars. This page is accessible via the Task Force's Senate website:

<http://www.nysenate.gov/committee/task-force-government-efficiency>.

The Senate Task Force on Government Efficiency was created with the goal of uncovering inefficient government spending and developing productive solutions to put taxpayer dollars to better use. Chaired by State Senator and Deputy Majority Leader Jeff Klein, this bipartisan Task Force was formally announced in March of 2010. It is comprised of Senators Darrel Aubertine, Brian X. Foley, Craig Johnson, Betty Little, George Maziarz, Tom Morahan, Jose Peralta, Diane Savino, Jose Serrano, Bill Stachowski, Andrea Stewart-Cousins, and David Valesky.