



NEW YORK STATE SENATOR

Martin Malavé Dilan

State-Funded Construction Projects Getting Back on Track

MARTIN MALAVÉ DILAN May 5, 2010

| ISSUE: **TRANSPORTATION, CONSTRUCTION, UNEMPLOYMENT, HIGHWAYS, DMV (DEPARTMENT OF MOTOR VEHICLES)**

| COMMITTEE: **TRANSPORTATION**



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Today, the State Senate passed a measure sponsored by Senator Martin Malavé Dilan (D-Brooklyn) that will assist New York construction crews in getting back to work on the state's roads and bridges by authorizing the continued payment of all capital construction contracts.

“New York made a commitment to contractors that come construction season the money would be there for them to conduct the work they agreed to do,” said Senator Dilan, Chair of the Senate Transportation Committee. “By honoring these contracts we not only meet the requirements by which we are legally bound, but also protect the public, employs its workforce and invest in critical transportation projects.”

The legislation is sponsored in the Assembly by Assemblyman Vito Lopez, D-Brooklyn.

S.7686 makes all capital contracts binding liabilities, and requires they be honored. Since April 1, New York has operated without a budget, relying instead on emergency spending measures to pay its expenses. These liabilities have included the public employee payroll, social security contributions and aid to localities.

The first three budget extenders allocated funds toward projects funded solely through the American Recovery and Reinvestment Act. As each new extender came before the Senate, Senator Dilan asked that Governor David Paterson include all capital projects, whether funded through ARRA, Federal or State coffers. Just two weeks ago, capital project funding in New York was extended to federally funded capital projects.

But approximately 80 percent of these federally funded construction projects currently let by the New York State Department of Transportation require some form of state match in order to qualify for the remaining federal dollars.

“Without the state’s match, the work, federal- or state-funded, will be delayed this construction season, and some larger projects may not get done at all,” said Senator Dilan. “This legislation is a vital step toward shoring up tens of thousands of construction jobs across the state.”

The legislation currently awaits Assembly approval. Upon final passage, the measure will be effective immediately and cover liabilities dating retroactively to March 31, before the state budget expired.