



NEW YORK STATE SENATOR

Timothy M. Kennedy

WNY Shortchanged by Millions of Dollars After DOT Error; Roundtable Forum Held on Regional Economic Impact

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Senator Kennedy Holds Roundtable Forum to Discuss the Impact on the Region

BUFFALO, N.Y. – Western New York was shortchanged by about \$167 million in infrastructure funding after the Department of Transportation made a human error while calculating allocation formulas for fiscal year 2008-2009. Senator Tim Kennedy, as a member of the Transportation Committee and ranking member of the Economic Development

Committee, hosted a roundtable forum Monday to discuss the on-the-ground impact that the DOT funding shortfall has had on Western New York.

As a result of the error, DOT Region 5 – which covers the counties of Cattaraugus, Chautauqua, Erie and Niagara – missed out on a significant level of economic activity and job creation. At the roundtable held at D'Youville College, transportation experts delivered testimony that put the effects in real terms by citing specific projects delayed and opportunities missed.

Senator Kennedy and members of the Western New York Delegation have been working with the Fair Apportionment of Infrastructure Revenue (FAIR) Committee to raise the profile of this issue and to fight to secure Western New York's fair share. The FAIR Committee has been integral to the progress that has been made in this effort.

“Western New York was shortchanged to the tune of about \$167 million because the Department of Transportation made a mathematical mistake. This funding shortfall significantly impacted our economy and infrastructure,” said Senator Kennedy. “The roads we drive on have been left in disrepair for longer as projects are pushed back and delayed. There have been fewer jobs for construction workers, and Western New York has missed out on economic opportunities since each dollar in infrastructure investment creates additional economic spin-off effects. The bottom line is that the DOT needs to fix this mistake.”

Senator Kennedy also noted Western New York has endured a \$426 million loss in economic activity as a result of the funding shortfall, according to conservative economic multipliers. This aid disparity also forced Western New York to miss out on the creation of approximately 2,672 jobs.

“The Western New York region has been negatively impacted in a major way by a ‘math error’ by the New York State Department of Transportation,” said Douglas May, chairman of the FAIR Committee. “They have admitted it and they should fix it.”

“As the third poorest city in the nation, any funding loss is magnified,” said Alan Pero, president of IUOE Local 17. “Left unattended, the continued loss of DOT funding will be catastrophic.”

In his testimony, Pero explained that in a good construction season, the average operating engineer normally works 1400 to 1600 hours. Relative to the reduction in funding to Region 5, hours of employment have been reduced to approximately 750 to 1100 hours with many members falling under 750 hours.

“The loss of valuable infrastructure dollars is devastating to an area like Western New York, where roads and bridges rely on that influx of funding to maintain and improve our system,” said Gerard Sentz, commissioner of the Erie County Department of Public Works, in his testimony. He later continued, “With the loss to this area of \$167 million and with the need to have a fully constrained Transportation Improvement Program (TIP), Erie County has been forced to push back the schedule on many needed projects, shorten the length of many jobs and even change the scope for projects to make them fit within a much decreased budget.”

Sentz outlined specific examples of projects delayed and downscaled. Among other projects, he cited:

- Elmwood Avenue between Kenmore Avenue and Sheridan Drive: Instead of a full-depth reconstruction project which would be expected to last 50 years, the scope was reduced to a mill and overlay type project with a life expectancy of 15 years. The length will have new pavement, but due to the lack of proper funding, the need to replace the subsurface

material and storm drainage was pushed off to future generations.

- North Forest Road from Millersport Road to Dodge Road: Although all the delays cannot be blamed on funding alone, Erie County was forced to reduce the scope to keep other projects at the proper levels. Originally at \$8.3 million, it is now funded at \$4.8 million. The project length will probably be severely cut to meet the financial constraints. In addition, with all the delays experienced, the County has had to put maintenance money into the roadway segment just to keep the road safe and at a reasonable level of service.

“This error has cost Western New York more than 2,000 jobs and nearly a half billion dollars in economic impact, in addition to compromising the safety of our roads and bridges,” said Assemblyman Mark Schroeder (D-145th District). “It is imperative that this mistake is corrected before more damage is done to our transportation infrastructure and economy.”

Assemblyman Sean Ryan (D-144th District) said, “For all the hard work that has gone into growing the Western New York economy, it was truly unfortunate when the state DOT made a mistake that resulted in our region missing out on a considerable volume of economic activity. This needs to be fixed. I look forward to working with Senator Kennedy, the FAIR Committee and our colleagues in the WNY Delegation to advocate for a quick fix to this DOT error.”

Testimony shared at the public hearing will be delivered to the Department of Transportation and the Governor’s Office to effectively communicate the real impact that the funding shortfall has had on Western New York.

While the math mistake and the resulting aid disparity did not happen under the current administration, Senator Kennedy and members of the Western New York Delegation are

committed to working with this administration to fix problems created by previous administrations.

Testifiers included: Gary Hill, president of Union Concrete; Daniel Duprey, executive vice president and COO of Clark Patterson Lee; Hal Morse, executive director of GBNRTC; Jim Manno, vice president of sales and marketing at Sonwil Distribution; Kevin O'Brien, commissioner of Niagara County Department of Public Works; George Spanos, commissioner of Chautauqua County Department of Public Works; Joe Pillittere, commissioner of Cattaraugus County Department of Public Works; Steve Stepniak, commissioner of City of Buffalo Department of Public Works; and Tom Desantis, senior planner of City of Niagara Falls.

Earlier this month, The Buffalo News published an editorial (which can be read here: <http://www.buffalonews.com/incoming/article621481.ece>) to call attention to this issue and to urge the state to fix this funding mistake.