



NEW YORK STATE SENATOR

Thomas F. O'Mara

## Senator O'Mara's weekly column 'From the Capitol' -- for the week of March 13, 2023 -- 'Local Roads Are Essential'

THOMAS F. O'MARA March 13, 2023

| ISSUE: **LOCAL ROADS AND BRIDGES**



We're calling for the final 2023-2024 state budget to take critical steps and provide the funding necessary to move forward on this priority, as well as to adequately recognize (which Governor Hochul's proposed Executive Budget does not) the impact of a 22% construction inflation rate and how the exorbitant, inflationary cost increases for fuel, asphalt, and steel are severely straining county and town transportation budgets.

Senator O'Mara offers his weekly perspective on many of the key challenges and issues facing the Legislature, as well as on legislative actions, local initiatives, state programs and

policies, and more. Stop back every Monday for Senator O'Mara's latest column...

This week, "Local Roads Are Essential"

**Approaching final negotiations over a new state budget, it's critical to begin stressing that this year's budget must address the right priorities -- and one of the top priorities, in my view, is the future of our local roads and bridges.**

**It's a priority that I and Assemblyman Phil Palmesano have long worked to strengthen. Since 2013, in fact, we have stood together with New York's county and town highway superintendents, and many other local leaders, to do everything we can to raise awareness and call for legislative support.**

**Last week, like we have for over a decade now, we gained the support of more than 70 state senators and members of the Assembly to get behind the call for increased state support for local roads, bridges, and culverts. This annual advocacy campaign, known as "Local Roads Are Essential," is sponsored by the New York State Association of County Highway Superintendents (NYSCHSA) and the New York State Association of Town Superintendents of Highways, Inc. (NYSAOTSOH).**

**In a March 7, 2023, letter to Governor Kathy Hochul and legislative leaders, we wrote, "We believe that New York State's investment in local transportation infrastructure must be a foundation of the nation's most aggressive infrastructure program in order for this program to achieve its envisioned generational goals. Unfortunately, the Executive Budget proposes local road, bridge, and culvert funding to remain flat for this second year of the five-year, Department of Transportation (DOT) Capital Plan. First and foremost, in our view, the Governor's proposal fails to recognize or understand the impact of a 22% construction inflation rate. For example, New York State Department of Transportation's July 2020 to July 2022 price adjustments show significant cost increases. Fuel costs are nearly 260% higher, asphalt nearly 80% higher, and steel costs have increased by approximately 115%."**

**We're calling for the final 2023-2024 state budget to take critical steps and provide the funding necessary to move forward on this priority, as well as to adequately recognize (which Governor Hochul's proposed Executive Budget does not) the impact of a 22% construction inflation rate and how the exorbitant, inflationary cost increases for fuel, asphalt, and steel are severely straining county and town transportation budgets.**

**According to NYSCHSA President Kevin Rooney, "Construction inflation means less work will get done. Our dollars won't go as far meaning fewer critical projects will be completed and more will be delayed. Less work for our contractors means fewer construction jobs and likewise fewer contracts**

for MWBE firms. Our equipment and materials suppliers will try to recover their inflationary cost through higher prices. Delays in highway and bridge maintenance means more costly rehabilitation and reconstruction down the road. State funding needs to be increased to avoid the worst impacts of the unprecedented construction inflation on our already aging and ailing local transportation systems.’

Specifically, we are calling for the new state budget to increase the base funding level for CHIPS by \$200 million to a total of \$738 million; increase Extreme Winter Recovery funding by \$70 million to \$170 million; increase the CHIPS bidding threshold from \$350,000 to \$750,000; and restore the Dedicated Highway and Bridge Trust Fund (DHBTF) to its originally intended purpose as a dedicated, pay-as-you-go funding source for critical transportation repairs and capital projects.

According to one analysis by the New York State Association of Town Superintendents of Highways, the local highway system outside of New York City faces an annual funding gap of \$1.7 billion.

Perhaps most frustrating is that New York State has the resources thanks to the federal Infrastructure Bill--which delivered an historic 52% increase in federal funding for New York’s roads and bridges over five years, or \$4.6 billion more. Unfortunately, as Washington stepped up, Governor Hochul and the Albany Democrats stepped back and grew the NYSDOT Capital Plan by only \$2 billion over the same five-year period, according to Mike Elmendorf, President and CEO of the Associated General Contractors of New York State (AGC).

Assemblyman Palmesano and I will remain committed and working to prioritize the state’s commitment to the effective maintenance and improvement of local transportation infrastructure in every region of New York. State investment will be essential to the future of local communities, economies, environments, governments, and taxpayers.

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