

## **2022-2023 Executive Budget – Transportation Overview (UPDATE)**

1.28.22 - This overview has been revised based on additional information from the Division of Budget after the initial Executive Budget was released and the local funding request has been updated.

On Tuesday, Governor Kathy Hochul released her [2022-2023 Executive Budget](#) which included all funds spending level of \$216.3B. She described it as a “once-in-a-generation opportunity” to enhance the state’s economy.

Governor Kathy Hochul’s Executive Budget proposal includes a record high \$32.8B five-year spending plan for the New York State Department of Transportation (NYSDOT) and the local road system. This is the first fully funded NYSDOT five-year capital program proposed by a Governor in nearly 12 years. Historically, the agency had five-year capital programs but they are currently completing what is only a two-year capital program and prior to that had a four-year capital program. It was important to our industry and the agency that the state return to a fully funded five-year program and the Governor delivering it is significant.

The \$32.8B capital program includes a record \$7.12B in local highway and bridge assistance, \$4.15B for signature projects and \$13.224B for core highway construction. The increased funding levels to local highways and bridges and signature projects is in line with the spending levels we expected considering the systems’ needs, the additional \$4.6B in federal infrastructure New York received and the state’s record budget surplus. Unfortunately, NYSDOT’s core highway construction program **declines** under the Executive’s budget. In the proposed program’s first year construction funding is reduced by nearly \$300M when compared with this year and declines by over a billion dollars over the five-year plan. At this reduced funding level we believe the number of deficient bridges and miles of poor pavement will grow. Currently, we already have 1,700 deficient bridges and more than 7,000 miles of highway in poor condition.

NYSDOT Capital Program (in Million \$s)	SFY Enacted 2021-22	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27	Total 2022-2027
State/Local Construction	\$2,850	\$2,575	\$2,599	\$2,603	\$2,679	\$2,767	\$13,224
Engineering/Administration	\$732	\$1,039	\$1,041	\$1,042	\$1,043	\$1,045	\$5,210
Preventative Maintenance	\$360	\$391	\$391	\$391	\$391	\$391	\$1,955
Right of Way	\$67	\$75	\$75	\$75	\$75	\$75	\$375
Facilities/Equipment	\$32	\$37	\$37	\$37	\$37	\$37	\$185
Other Federal	\$25	\$26	\$26	\$26	\$26	\$26	\$131
Rail	\$72	\$90	\$90	\$90	\$90	\$90	\$449
Aviation	\$17	\$27	\$27	\$27	\$27	\$27	\$135
Non-MTA Transit	\$85	\$160	\$160	\$140	\$120	\$120	\$698
CHIPS/Marchiselli	\$577.8	\$577.8	\$577.8	\$577.8	\$577.8	\$577.8	\$2,889
PAVE-NY	\$150	\$150	\$150	\$150	\$150	\$150	\$750
POP	-	\$100	\$100	\$100	\$100	\$100	\$500
EWR	\$100	\$100	\$100	\$100	\$100	\$100	\$500
Local BRIDGE-NY	\$100	\$200	\$200	\$200	\$200	\$200	\$1,000
Local Routes Program	\$100	\$100	\$100	\$100	\$100	\$100	\$500
Airport Program	-	\$150	\$0	0	\$0	\$0	\$150
Signature Projects VAN WYCK/I-81/KENSINGTON	\$900	\$850	\$1,300	\$1,900	\$100	\$0	\$4,150
<b>NYSDOT Plan Total</b>	<b>\$6,168</b>	<b>\$6,648</b>	<b>\$6,974</b>	<b>\$7,559</b>	<b>\$5,816</b>	<b>\$5,806</b>	<b>\$32,802</b>

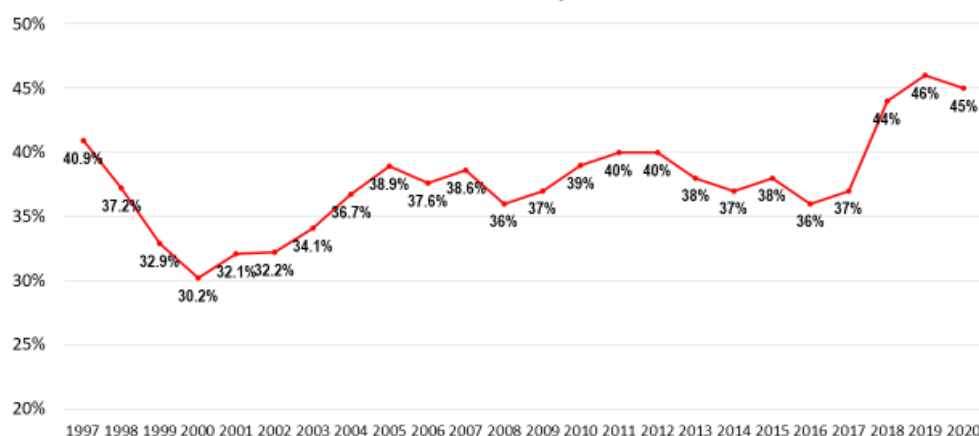
Under the current two-year capital program the local road system has received record levels of funding and the newly proposed program increases these investments. In the first year of the proposed five-year program local transportation appropriations increased by \$200M (20%):

Local NYSDOT Funding	Executive Proposal 2021	Enacted 2021	Executive Proposal 2022	Request 2022-2027 (Per Year)
CHIPS	438.1M	538.1M	538.1M	788.1M
PAVE-NY	100M	150M	150M	150M
POP	--	--	100M	100M
EWR	--	100M	100M	150M
State Touring Routes	--	100M	100M	100M
Marchiselli	39.7M	39.7M	39.7M	39.7M
BRIDGE-NY	100M	100M	200M	200M
Total	677.8M	1,027.8M	1,227.8M	1,527.8M

Governor Hochul has proposed a new funding program for local transportation called Pave our Potholes (POP). At this time we do not have specific details on how the POP program will be implemented. We will keep you apprised as we learn more information.

While \$32.8B is a record level of funding for the state's highway program the proposal arrives around the same time that the federal government passed its November 2021 \$1.2T Infrastructure Investment and Jobs Act (IIJA). The IIJA increases federal highway aid to New York by 52 percent, in the last five years the state received \$8.8B and over the next five years it is poised to receive \$13.7B which amounts to a \$4.6B increase. Unfortunately, it appears the state has used about \$2.6B of these new federal funds to reduce the state funding share dedicated to the NYSDOT's new capital program. We don't think at a time of declining state pavement conditions and record state budget surpluses there should be a pullback of dedicated state funding support of our transportation system that is so critical to the recovery of our economy.

**State Highway Surface Condition Trend**  
**% Poor + Fair by Year**



Source: NYSDOT Pavement Condition Reports

The state's pavement conditions have declined at record levels over the past four years. From 2016 to 2019 the state pavements went from 36% fair/poor to 46% fair/poor. That means the ratings of nearly 3,800 lane miles decreased from good/excellent to fair/poor. Almost every region in the state saw a reduction in pavement conditions. The cause is clear, NYSDOT hasn't been receiving the level of funding it needs to properly maintain its roads. In 2019, they used treatments that had an average life of 9.4 years but were only receiving enough funding to pave every 15.7 years. We need to get enough funding for the agency to ensure its treatment life and paving cycles match.

While we are pleased with the overall record level of spending in Executive Budget's proposed plan we are hoping to work with the Legislature to bring the program to a level that meets the true needs of the state's roads and bridges. We believe New York needs to invest \$43.7 billion on highways and bridges over the next five years in order to be in a state of good repair.

<b>NYSDOT Capital Program (in Million \$s)</b>	<b>SFY 2022-2027 Executive Proposal</b>	<b>SFY 2022-2027 Need</b>
State/Local Construction	\$13,224	\$22,281.20
Engineering/Administration	\$5,210	\$4,777.2
Preventative Maintenance	\$1,955	\$1,825
Right of Way	\$375	\$516
Facilities/Equipment	\$185	\$450
Other Federal	\$131	\$125
Rail	\$449	\$457
Aviation	\$135	\$187
Non-MTA Transit	\$698	\$440
CHIPS/Marchiselli/Local PAVE-NY/EWR/POP	\$4,640	\$6,139
Local BRIDGE-NY	\$1,000	\$1,000
Local State Touring Routes Program	\$500	\$500
Airport Program	\$150	\$500
<b>Signature Projects</b>	<b>\$4,150</b>	<b>\$4,500</b>
<b>NYSDOT Plan Total</b>	<b>\$32,802</b>	<b>\$43,697.4</b>

## **Article VII (Policy) Proposals of Interest**

### Transportation Environmental Conservation Economic Development

**PART A Highway Safety SLOW Act** - Addresses highway safety by imposing tougher penalties for offenses committed against highway and transportation worker, and for drivers who cause physical injury to pedestrians or bicyclists.

**PART B Increase to the CHIPS Bidding Threshold** - Increases the current threshold in State Highway Law (Section 10-c) for utilizing in-house forces under the Consolidated Local Street and Highway Improvement Program (CHIPS) from \$350,000 to \$750,000.

**PART F Electronic bid submissions for Thruway Authority contracts** - Allows for sealed proposals submitted by a bidder include electronically secure proposal submissions as permitted by the Thruway Authority.

**PART H Increase MTA Design-Build Threshold** - Increases the threshold for mandatory use of design-build contracting for MTA projects from \$25 million to \$200 million for new construction or \$400 million for the rehabilitation or replacement of existing assets.

**PART I MTA Procurement Reform** - Reforms the Metropolitan Transit Authority's (MTA) and New York City Transit Authority's (NYCTA) bidding processes by altering advertisement procedures for bids, permitting the use of existing contracts awarded by governments, allowing for a once yearly review of the Qualified Products Lists, and increasing the threshold for discretionary procurements to Minority and Women Owned Business Enterprises (MWBE), Service-Disabled Veteran-Owned Businesses (SDVOB) and small businesses.

**PART AA Extend the Infrastructure Investment Act** - The infrastructure investment act authorizes certain State entities to utilize design-build contracts for capital projects related to the state's physical infrastructure. This bill also extends the infrastructure investment act and design-build authorization for certain New York City entities for an additional five years through December 31, 2027.

**PART NN - Financing the Clean Water, Clean Air, and Green Jobs Bond Act of 2022** - Authorizes the issuance of \$4 billion of general obligation bonds to preserve, enhance, and restore the quality of the state's environment through Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022.

**PART QQ - Improvements to the Freshwater Wetlands Regulatory Program** - Makes changes to the state's freshwater wetlands program. A central piece of this proposal is to reform wetland maps to ensure their accuracy and utility to address climate risks identified in the Community Risk and Resiliency Act and the Climate Leadership and Community Protection Act. This bill would also update the freshwater wetland and coastal hazardous erosion area permitting fees and penalties.

#### Education, Labor Family Assistance

**PART W Increase Criminal Penalties for Wage Theft** - Amends section 198-a and section 213 of the Labor Law to increase criminal penalties for employers who knowingly engage in wage theft. The severity of the criminal penalty would correspond to the specified amounts of wage theft per employee. The bill would also require payment of lost wages to employees as restitution.