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March 6, 2015

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

The New York State County Highway Superintendents Association (NYSCHSA) and the New York State Association of Town Superintendents of Highways (NYSAOTSOH) urge you to make more state funding and resources available at levels that accurately reflect the critical needs of New York's local roads and bridges. As we enter another budget cycle, we understand very often that comments can be reported out of context. It is our hope that this is the case with your quote on March 5, 2015 in Politics on the Hudson:

While the Democratic governor said he's added more state aid for upstate infrastructure projects, he said the state can't bail them all out.

"The state can't subsidize endlessly local governments that can't pay their own bills. That would just bring down the state also. So it's about funding job development," he (Cuomo) contended.

In other media accounts, it was implied that you viewed CHIPS funding as pork barrel spending:

"I am against legislators bringing back pet projects."

As I'm sure you know, a vast majority of New York's roads and bridges are owned and maintained by local governments. Every day nearly half of the miles driven in New York occur on these local roads.

As of January 1, AAA estimates that New Yorkers pay 64.12 cents in taxes per gallon of gas:

- Excise tax: 8 cents
- Petroleum business tax: 17.8 cents
- Fuel quality testing tax: 0.05 cents
- Oil spill fund: 0.0196 cents
- State sales tax: 8 cents
- Metropolitan Commuter Transportation District surcharge, including NYC/ Hudson Valley: 0.75 cents
- Local sales tax: 10.88 cents

Total state taxes: 45.49 cents

Federal taxes: 18.63 cents

Combined federal, state taxes: 64.12 cents

As previously mentioned, local governments maintain 97,462 lane miles (87 percent) of NY's roads, 8,606 (53 percent) of NY's bridges and 48 percent of the miles driven are on local roads – yet local governments collect only **17 percent** of the gas taxes. Assuming about a quarter of federal gas tax collections goes towards local infrastructure that number increases to **24 percent**. Based on those statistics, I hope you agree that it is wrong for local governments to collect only one out of every four cents in gas tax revenues. It is time that drivers on NY's local roads stop subsidizing state roads and other non-locally owned transportation facilities with their gas tax dollars, DMV fees and auto rental fees.

As long as the state remains the primary collector of highway use taxes, gasoline taxes and other related revenues, local governments must rely on the state to distribute a fair and adequate portion of these motorist-generated funds back to the municipalities that actually do the work to keep the vast majority of the statewide system in a state of good repair. By diverting these funds elsewhere, municipalities have few, if any, financing options to make up the gap between what they can spend and what is needed.

Our Associations' memberships were extremely optimistic when so many of our state's leaders spoke in support of allocating the majority of the \$5 billion the state received in foreign bank settlement funds toward infrastructure. But we were discouraged to see that your Executive Budget proposal allocates none of these settlement funds to local roads and bridges. It was even more disappointing to see funding for programs that provide vital state aid to local roads and bridges were in fact reduced from this year's fiscal spending level and are projected to remain flat over the next five years.

The New York State Comptroller's studies indicate a large number of road mileage is deteriorating and many bridges in the state are rated structurally deficient and functionally obsolete. According to a recent Comptroller's report, in 2012, thirty four percent (34%) of bridges were deficient and forty-eight percent (48%) of road pavements were rated fair or poor and getting worse. The Comptroller estimates that there will be \$89 billion in unmet local infrastructure needs over the next 20 years, with much of this shortfall on the already deteriorating local transportation system.

We are not unrealistic and understand that closing a \$1.32 billion annual funding gap all at once would be impossible. Therefore, we are urging your support to provide at a minimum funding for CHIPS at \$638 million and Marchiselli at \$39.7 million per year for the next 5 years. This translates into a \$1 billion increase over the five year period and will help us begin to address some of the more critical needs of the local systems. Even at this level, local governments would only be getting a fraction of the gas taxes and other driver fees the state collects annually.

We also urge the establishment of a multi-year \$500 million State Aid to Local Road, Bridge and Culvert Program, again utilizing the CHIPS distribution formula, to assure that all NY's municipalities can fund vital road, bridge and culvert projects. The 2015-2016 Executive Budget includes a \$750 million 5-Year State/Local Bridge Program (\$150 million per year) which is supposed to repair 100 Bridges over that time period. There has been no list circulated of which bridges are targeted, nor were the members of our Associations included in the determination of any such priorities. Instead of what's proposed, we request about 67% of this funding (\$500 million) be reallocated by the Legislature to fully fund our proposed State Aid to Local Road, Bridge and Culvert Program.

As noted, all requested funds would be distributed through the current CHIPS formula which ensures every community in the state receives a share based on the size of the highway infrastructure they maintain as well as motor vehicle registrations. We agree that road and bridge funding is too important to be left to political maneuvering and games. Every driver in New York deserves safe roads for themselves and their families regardless of where they live or who they voted for. Nearly half of all legislators, from both houses and from both sides of the aisle support this request. This is not "pork" but instead it is funding distributed through a formula that helps ensure every municipality in the state, including New York City, can meet their obligation to maintain a major part of the statewide transportation system in a safe and functional condition.

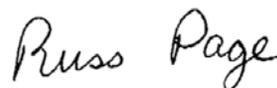
Our associations and the mutual constituencies and communities we serve appreciate the support of our state elected officials who partner with us to insure we all "get the job done" when it comes to providing the public with a safe and functional statewide transportation system; one that supports jobs and economic growth for our communities.

As this is a critical issue that effects the economic wellbeing of the entire state, we would like to meet with you and your staff to discuss how we can work together to make more state funding and resources available to more closely reflect the critical needs of our local roads and bridges.

Sincerely,



Kevin O'Brien, President
NYSCHSA



Russell Page, President
NYSAOTSOH