

2020-21 Enacted Budget Transportation Overview

On Thursday April 2nd the NYS Legislature adopted the 2020-21 State Budget. In what has been an incredibly challenging time, the Governor and Legislature cut the \$178B budget originally proposed by the Governor in January by \$10B. Most legislators voted remotely. Even with these reductions the Governor’s Budget Director projected that the State faces a \$10B deficit between April 1st and July 15th. The projected deficit is partly due to the State tax filing date being moved from April 15th to July 15th as well as the economic slowdown caused by COVID-19.

The Enacted Budget takes a number of actions to deal with the projected deficit. The Budget includes provisions allowing the State to borrow up to \$11B in debt – this should provide the necessary funding for the programs included in the Enacted Budget. Additionally, there is language that requires the State on a quarterly basis to assess its revenues to determine if reductions to the fiscal plan are necessary.

What happens to the NYSDOT and local highway programs after July?

First and foremost, three months is an eternity, let’s hope that COVID-19 is in our rear view mirror and the State and Nation’s economies are on the road to recovery with no further reductions necessary. Second, if that isn’t the case the NYSDOT program is heavily reliant on federal funds and state borrowing. Similarly, CHIPS, PAVENY and EWR are all borrowed dollars which means that any cuts to these programs only provide about 25 cents on the dollar (Example, eliminating the \$100M PAVENY program only saves the State about \$25M – assuming a 100% spend out – which never happens). Third, the NYSDOT and local highway programs are seasonal, nearly all of the capital funds will be expended in the first half of the State’s fiscal year. There are a lot of firewalls protecting the current Budget’s funding levels for the NYSDOT and its local highway programs.

The Executive Budget proposal included a two-year NYSDOT capital program for 2020-21 and 2021-22. The Enacted Budget is a one-year NYSDOT capital program funded at \$6.112B (2020-21) which is a significant increase as compared to last year’s \$4.504B (2019-20). The NYSDOT core capital program increases by about \$200M and by \$1.1B overall.

The **2020-2021 NYSDOT Capital Program** includes:

- Core NYSDOT Highway Program \$2.701B
- PAVE-NY program continues at \$100M, along with CHIPS and Marchiselli at \$478M
- BRIDGE-NY program continues at \$100M
- Emergency Winter Recovery Restored \$65M

NYSDOT Capital Program	SFY Enacted 15-16	SFY Enacted 16-17	SFY Enacted 17-18	SFY Enacted 18-19	SFY Enacted 19-20	SFY Enacted 20-21
State/Local Construction	\$1,813	\$2,187.5	\$2,585.5	\$2,354	\$2,521	\$2,701
Van Wyck – Kew/Hunts Pt – Bruckner – I81	-	-	\$1,162	-	-	\$900
Engineering/Administration	\$617	\$731	\$773	\$778	\$582	\$994
Preventative Maintenance	\$365	\$371	\$373	\$356	\$360	\$360
Right of Way	\$62	\$67	\$67	\$45	\$67	\$37
Facilities/Equipment	\$18	\$18	\$18	\$32	\$32	\$32

Other Federal	\$25	\$25	\$25	\$25	\$25	\$25
Rail	\$64	\$76.5	\$72	\$72	\$72	\$72
Aviation	\$14	\$21.5	\$17	\$17	\$17	\$17
Non-MTA Transit	\$57	\$84.5	\$84.5	\$85	\$85	\$131
CHIPS/Marchiselli/EWR/Local PAVE NY	\$528	\$578	\$643	\$643	\$643	\$643
Airport Program	-	\$200	\$0	\$0	\$0	\$100
Local Bridge Program	\$100	\$100	\$150	\$100	\$100	\$100
Plan Total	\$3,663	\$4,460	\$5,970	\$4,507	\$4,504	\$6,112

Federal Stimulus

If Congress and the President come to an agreement on a Federal Infrastructure Stimulus Bill these numbers will certainly increase.

MTA

The MTA will receive \$6.214B in operating aid, an increase of \$775M from 2019-20. This includes the Payroll Mobility Tax and other revenue received not directly through the state budget.

Article VII Language of Interest

Transportation, Environment and Economic Development

PART A – CHIPS Bidding Threshold Increase. Amends highway law to increase the Consolidated Local Street and Highway Improvement Program (CHIPS) competitively bid threshold from \$250,000 to \$350,000.

PARTS I, K, LLL, MMM, TTT & UUU – MTA Bond Cap Increase to \$90.1 billion. MTA Tax Increment Financing. MTA COVID Deficit Bonding Authority. MTA Emergency Lockbox Authorization. MTA 2020-2024 Capital Program \$3B Contribution Match by NY and NYC.

PART DD – Infrastructure Investment Act (Design Build) Extender until Dec 31, 2022. Expands design-build authorization to other alternative project delivery methods, and expands the current list of authorized entities to include the Dormitory Authority of the State of New York, the New York State Urban Development Corporation, New York State Office of General Services, the State University Construction Fund, the Battery Park City Authority and the New York State Olympic Regional Development Authority. Requires public employees review contractor performance and includes an annual reporting requirement.

PART QQ – \$3 billion Environmental Bond Act of 2020 "Restore Mother Nature" to be submitted for voter approval in November of 2020.

PART EEE – Makes Permanent the New York Buy American Act (currently set to expire on April 15, 2020).

PART FFF – Requires Prevailing Wage to be paid on Certain Private Construction Projects. This adds a new section of the Labor Law, to require prevailing wage to be paid on certain construction projects that are funded with public funds. This includes projects that are paid for with at least 30 percent public funds when costs are over \$5M. Creates a Public Subsidy Board.

Public Protection and General Government

Part Z – Establishment of Statewide Financial System Procurement and Contracting Authority.

The current statute does not provide SFS with the appropriate procurement and contracting authority, causing additional administrative work for external agencies. This authorizes SFS to complete this work internally, while maintaining that all procurements and contracts remain subject to approval by the Division of Budget and Office of the State Comptroller.

Education Labor and Family Assistance

PART J – Guarantees Access to Sick Leave. This bill requires all employers to provide sick leave to their employees each calendar year. Employers with 0-4 employees to provide 40 hours unpaid each calendar year; employers with 5-99 employees to provide 40 hours paid each calendar year; and employers with 100 or more employees to provide 56 hours each calendar year.

Several items were omitted from the Enacted Budget that were originally proposed by the Governor such as the Slow Down and Look Out for Highway Workers and Pedestrians Act of 2020, the Thruway and Bridge Authority merger and requirements for sexual harassment disclosure from state contractors.