NACo National Association of Counties

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

NEW YORK COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- The Consolidated Local Street and Highway Program (CHIPS) is a state funding program. Funds are distributed from the sale of bonds by New York State. New York City and counties receive 41.4 percent of CHIPS funding by a statutory formula based on motor vehicle registration and highway mileage. Localities receive CHIPS payments made out of both the Transportation Improvement Fund (TIF) and the Local Assistance Fund (LAF).

From Federal Funds:

- The Marchiselli Program is a highway improvement program financed by federal funds with a requirement for the State and local governments to share in the cost of approved projects. The projects are funded in shares of, either: 75 percent Federal, 19 percent State and 6 percent Local or 80 percent Federal, 15 percent State and 5 percent Local for non-Marchiselli programs. The projects are prioritized through agreements between the Department of Transportation (DOT) and regional Metropolitan Planning Organizations and then sent with estimated project costs to the State legislature for approval and inclusion in an appropriations bill.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- The public is reluctant to pay for repairing an aging transportation infrastructure making it difficult for politicians to vote to raise revenues or reallocate funding for these projects
- State and federal investment in the county transportation system has been flat and buying power has been eroded by inflation making it very difficult for counties to preserve the crumbling infrastructure. As a result much of the system has fallen beyond the threshold of preservation and needs costly rehabilitation or replacement.
- Federal aid available to counties via the Locally Administered Projects has been cut up to 40 percent depending on statewide region or Metropolitan Planning Organization. Additionally county projects have to compete with state projects for priority based an additional emphasis in Preventative Maintenance projects rather than traditional bridge replacements. The emphasis on the Interstate and the National Highway System (NHS) has also taken funding availability away from smaller, rural counties.

Share of County Owned **Road Miles** Out of Public Roads Statewide	**23%**
Share of County Owned **Bridges** Out of Public Bridges Statewide	**39%**
Share of **Structurally Deficient Bridges** Out of County Owned Bridges	**14%**

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Counties have authority over property assessment, tax rates and can direct usage of the revenue, although state mandated programs consume 90% of the local property tax.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	Counties can levy an additional tax 4 to 4.75 percentage points above the state rate.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee	X	Counties can levy an additional $10 licensing fee above state fees.
Form Special Districts for Transportation		

- Current Marchiselli (state share) funding is not adequate to cover past or current projects. Many counties have completed projects and have not been reimbursed for Marchiselli (state) shares. Many County projects are not ranked high enough to receive any Marchiselli funding and receive no share on federal aid projects.
- Less than 22 percent of the State's Dedicated Highway and Bridge Trust Fund (DHBTF) is available for transportation capital, most of the balance is going to the state operations and debt service. The DHBTF needs reform to ensure that the bulk of dedicated transportation revenues are actually invested in capital projects.
- All funding plans and budgets the state adopts are short-term, one or two year plans that don't allow for the long-term planning that is necessary of most transportation projects.
- Up to 25 percent of a counties' property tax levy is essentially loaned to the state at zero interest. The state often delays reimbursing counties for costs incurred to finance state programs and the reimbursements should include interest payments when the state is behind in paying its bills.
- The impact of federal regulations on locally administered projects is a major burden to small counties and severely impacts that actual number of bridges that are being replaced with these funds. The federal government should consider instituting a threshold or other graduated system that would allow smaller projects to move forward without the heavy burden or the FHWA rules, especially in regards to Construction Inspection. On many small projects, the CI/CA costs can exceed 30% of the total project costs. In some rural counties, the burden of federal aid is adding close to a 50% markup on the project as compared to what could be done with local funding—if local funding was available. A graduated approach based on size and scope of project would allow many more bridges to be repaired or replaced with the same amount of funding.

BREAKDOWN OF COUNTY TRANSPORTATION FUNDING[1]

County Share	33%
State Share	37%
Federal Share	30%

[1] *This is an estimate based on information from Genesee County Highway Department. These shares will vary by county.*

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- New State County Highway Superintendent's Association is seeking support for a state funded Bridge/Large Culvert program that would help counties move forward on replacing the deteriorated local bridge and culvert system.
- Recent plans have been short term (two years or less). New York State County Highway Superintendents Association is participating with New York State Department of Transportation working group to look at the potential for a new five year capital plan that would possibly include opening the current CHIPs formula for additional state aid to counties for transportation improvements. Also working with the state to try to get some flexibility to allow state and regions within state to meet certain standards on the National Highway System (NHS) roads and then if met, allow the flexibility to fund bridges and other federally eligible roads not on the NHS but that have more need.

NACo National Association of Counties

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