

AGC of New Hampshire

Building Forward. Constructing Change.



**Written Testimony to GOFERR on Construction Needs Following the COVID-19 Crisis
and Economic Recovery in New Hampshire**

April 22, 2020

The Associated General Contractors of NH (AGC of NH) appreciates the opportunity to advise Senators and House members on the needs of the New Hampshire construction industry. All aspects of construction in the state have been affected by COVID-19, and there are major concerns regarding supply backlogs, project delays, and funding shortfalls.

While Governor Sununu has declared construction work essential in the state, shutdowns in surrounding states have had a direct impact on our industry. We are already seeing supply disruptions, labor shortages, and project delays as a result of the shutdowns happening in Vermont. Two NH bridge projects were immediately impacted in April and others will follow later in the season due to supply backlogs and employee travel restrictions in Vermont. Both building and highway construction will be financially impacted if payments by owners to contractors for work performed are delayed. This will have a ripple effect across the state and put the financial stability of our industry at risk.

On the state and municipal side, funding shortfalls for transportation must be addressed. We can expect to see a substantial decrease in revenue from gas taxes and turnpike fees caused by the significant reduction in traffic. NH DOT estimates a potential loss of approximately \$55-\$60 million over the biennium for the Highway Fund and approximately \$40-\$45 million in the Turnpike Fund. We cannot afford to lose these funds, as some are aimed toward repayment of bonds issued on both completed and ongoing projects. We recognize that the NH DOT is working with the American Association of State Highway and Transportation Officials (AASHTO) to urge congress to offset these shortfalls in the next emergency relief act. If the department is unsuccessful in doing so, we ask that legislators be prepared to assist with the federal relief funds allocated in the \$1.25 billion “flex funds” or future relief funds.

The construction industry will play an essential role in getting the NH economy back on track after this health crisis. The Association urges legislators to mitigate the damage to the construction industry and the many jobs it supports.

Respectfully submitted,

Gary Abbott
Executive Vice President