



NEW YORK STATE LEGISLATURE

February 12, 2026

Hon. Kathy Hochul
Executive Chamber
State Capitol, Second Floor
Albany, NY 12224

Hon. Marie Therese Dominguez
NYS Department of Transportation
50 Wolf Road
Albany, NY 12232

Hon. Andrea Stewart-Cousins
Temporary President and Majority Leader
Room 907 LOB
Albany, NY 12247

Hon. Carl E. Heastie
Speaker of the Assembly
Room 932 LOB
Albany, NY 12248

Hon. Robert G. Ort
Senate Minority Conf. Leader
Room 315 Capitol
Albany, NY 12247

Hon. Edward P. Ra
Assembly Minority Conf. Leader
Room 933 LOB
Albany, NY 12248

Hon. Jeremy Cooney
Chair
Senate Transportation Committee
Room 802 LOB
Albany, NY 12247

Hon. William B. Magnarelli
Chair
Assembly Transportation Committee
Room 830 LOB
Albany, NY 12248

Dear Governor Hochul and Legislative Leaders:

For the fourteenth consecutive session, on behalf of local transportation leaders, municipalities, and taxpayers from throughout our respective legislative districts and across New York State, we welcome this opportunity to address the need for greater state investment in local roads, bridges, and culverts.

Governor Hochul's Executive Budget maintains the proposed fifth year of the five-year capital program. It continues the additional \$50 million local add to CHIPS but does not include the \$800 million increase for the NYSDOT Core program. More funding is essential to help offset rising construction costs, stabilize the transportation program, and ensure critical infrastructure projects can move forward.

It is unfortunate the Executive Budget proposes no increases to local road, bridge, and culvert funding for the fourth year of the five-year Department of Transportation (DOT) Capital Plan. The local system is owned by 1,600 local governments and consists of over 97,000 centerline miles of roadways and 8,600 highway bridges. As the Governor has recognized, record high inflation rates for highway construction materials have severely increased state costs. These same factors are adversely impacting local governments by causing significant reductions in the real dollar value of local highway maintenance programs.

Local governments, excluding New York City, spent \$2 billion on road maintenance and improvement in the 2020 fiscal year, according to the NYS Comptroller. A 2023 study of local highway and bridge needs by the New York State Association of Town Superintendents of Highways (NYSAOTSOH), based in part on a 2007 “Transportation Needs Assessment” by NYSDOT, found that municipalities would need an additional \$32 billion over 15 years to restore locally owned roads through repaving and improvements or \$2.1 billion annually. In 2025, that need was updated to \$2.69 billion a year, or \$40.35 billion over 15 years, because of unprecedented inflation of construction materials costs.

It is critical that:

- 1.) an additional \$250 million be provided in the final 2026-27 state budget to increase CHIPS base aid to a total of \$898.1 million. This will allow municipalities to recoup some of the real funding value lost to inflation since the five-year program was initially adopted in 2022;**
- 2.) five of the state’s local road assistance programs be combined into two, to reduce the administrative burden on recordkeeping at NYSDOT and municipalities. The program uses are almost identical for CHIPS, “Extreme Winter Recovery” (EWR), and “State Touring Roads” (STR), as are the guidelines for the “Operation Pave Our Potholes” (POP) and PAVE-NY programs;**
- 3.) the CHIPS bidding threshold be increased from \$350,000 to \$1,000,000, or eliminate the threshold altogether;**
- 4.) we understand the impact of state policies on local road infrastructure including, and especially at this time, the All-Electric School Bus Mandate set to take effect in 2027 and whether the local road system can handle the significantly heavier weight of electric school buses.**

In our view, the Governor’s proposal fails to recognize or understand the significant impact inflation is having on local highway departments. Nationally, according to the FHWA Highway Construction Cost Index, highway construction costs over the past 3 years have increased by 70 percent. Considering these unprecedented cost increases alone, the Governor’s proposal is unacceptable. It simply will not get the job done.

NYSDOT's highway system has benefited from the \$1.2 trillion "Infrastructure Investment and Jobs Act" (IIJA) which increased federal highway aid to New York by 52 percent. Unfortunately, only 13% of local roads are eligible for federal aid—while 97% of state-owned roads are eligible to receive federal aid.

It is important to be clear at the outset that equitability, fairness, and parity remain essential when funding our state's infrastructure. We recognize the importance of funding for the MTA Capital Plan as a critical infrastructure investment that is necessary to meet the transportation needs of residents, commuters, and visitors for our downstate region.

We are one state, with challenging infrastructure needs statewide, and therefore we believe it is critically important that the capital needs of the MTA, the DOT, and our localities each receive the level of funding necessary to keep its systems in a state of good repair.

Governor Hochul's Executive Budget does not address the long-term solutions that are needed to ensure the sustainability of New York's infrastructure and offer the following recommendations:

1. Restore funding to address inflationary impacts from the first three years of the DOT Capital Plan and increase CHIPS funding for municipalities.
2. Develop integrated funding solutions to address the long-term needs of both the MTA and DOT.
3. Reprioritize investments to focus on modernizing and strengthening all of New York's core transportation infrastructure.

Additionally, we state again that it is important that we understand the impact our legislation can have on local road infrastructure. Starting in 2027 the state is mandating that all new school bus purchases be electric. Our 1,600 municipalities have a responsibility to guarantee that the local road system can handle the significantly heavier weight of electric school buses.

There is preliminary data which raises some significant concerns:

- A diesel school bus weighs about 10 tons per axle while an electric school bus carries about 14 tons on its front axle and 25 tons on its rear axle.
- Currently, with diesel school bus utilization most town roads have a 10-year expected life.
- When using a heavier electric bus, the expected life is only 8 years due to rutting of the subgrade.
- Not only is this a 20 percent shorter life but it is more costly because the subgrade failure requires the road to be replaced versus just the asphalt surface.
- A town's cost for pavement maintenance would increase from a range of \$20,000 to \$50,000 per mile to about \$550,000 per mile for reconstruction.
- New York's towns could see at least a ten-fold increase in the cost of maintaining their roads from this mandate.
- This is almost solely a town and village expense, because nearly all state, county and city roads are built to a different standard and won't be as impacted by the heavier electric school buses.

Therefore, we once again stress that New York State's direct investment in local roads and bridges through CHIPS remains fundamental. It deserves priority consideration in the final allocation of state infrastructure investment in the budget for the 2026-27 fiscal year.

It is warranted. Local governments, for the foreseeable future, will continue to struggle to address budgetary demands in the face of the state-imposed property tax cap, rising pension, health care and highway construction costs, and unfunded state mandates, among other burdens.

Therefore, to reiterate, we put forth the following request **to add \$250 million in CHIPS base aid to the Executive Budget proposal, to a total of \$898.1 million. We also support having five of the state's local road assistance programs be combined into two, to reduce the administrative burden on recordkeeping at NYSDOT and municipalities.**

The case is compelling for New York State to take this proposed step to address the undeniable local transportation infrastructure shortcomings. We believe it is the right thing to do.

Additionally, we strongly support increasing the CHIPS bidding threshold from \$350,000 to \$1,000,000 or eliminating the threshold altogether. We are disappointed that a proposal to modify the threshold was not included in the Executive Budget as it was in some previous years and urge that this initiative be added to the final budget. Increasing the CHIPS bidding threshold will give municipalities more flexibility to pursue the most cost-effective option to bid out or perform in-house projects less than \$1,000,000, reducing costs to taxpayers.

A stronger state-local partnership is the only solution to meet the critical investment level needed to maintain and improve local roads, bridges, and culverts. Keep in mind that:

- Local governments are responsible for maintaining nearly 87 percent of the roads in New York State and one-half of the state's 18,000 bridges;
- Drivers on local roads contribute nearly half of the gas taxes collected in New York State;
- According to TRIP, a national transportation advocacy group, roads and bridges that are deficient, congested, or lack desirable safety features, cost New York motorists an additional \$40.3 billion annually, up to \$3,755 per driver in some areas, due to higher vehicle operating costs, traffic accidents, and congestion-related delays;
- If the overriding goal is this state's economic competitiveness, it cannot be overlooked that businesses are located in towns, villages, and cities and, therefore, it is imperative to ensure that local roads and bridges are maintained to spur economic development and job creation, while helping to control property taxes for individuals and businesses;
- Additionally, every \$1 invested in the CHIPS program can save from \$6-\$14 in long-term rehabilitation costs. This state assistance benefits the middle class struggling with high local property taxes;

- Each \$150 million increase in funding for local roads, bridges, and culverts results in up to 4,200 highway construction-related jobs;
- In a report released by the State Comptroller in 2024 his office estimated the total estimated cost for upkeep on all local bridges in New York was nearly \$29 billion; and
- According to a recently updated analysis by the New York State Association of Town Superintendents of Highways, the local highway system outside NYC faces an annual funding gap of over \$2.690 billion.

An increase in the CHIPS base level by \$250 million will significantly strengthen the foundation we have built over the last several state budgets and further solidify our fundamental belief that "Local Roads are Essential!"

Through the renewed, vigorous, long-term state investment we have outlined, we will finally move toward the safe and reliable local infrastructure we envision, an infrastructure that will serve as the catalyst for future community and economic development, job creation, and overall public and motorist safety.

Once again, thank you for your leadership and thoughtful consideration. We look forward to working with you to achieve these critical goals and take advantage of this once-in-a-generation opportunity to make the 2026-27 New York State budget truly transformative for our local roads, bridges, and culverts.

Sincerely,



Thomas F. O'Mara
Senate District 58



Philip A. Palmesano
132nd Assembly District



Peter Oberacker
Senate District 51



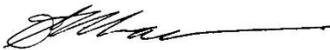
Jacob Ashby
Senate District 43



George M. Borrello
Senate District 57



Patricia Canzoneri-Fitzpatrick
Senate District 9



Stephen T. Chan
Senate District 17



Patrick M. Gallivan
Senate District 59



Joseph A. Griffo
Senate District 53



Pamela Helming
Senate District 54



Andrew J. Lanza
Senate District 24



Mario R. Mattera
Senate District 2



Jack Martins
Senate District 7



Dean Murray
Senate District 3



Anthony Palumbo
Senate District 1



Steven D. Rhoads
Senate District 5



Rob Rolison
Senate District 39



Daniel G. Stec
Senate District 45



James Tedisco
Senate District 44



Mark Walczyk
Senate District 49



Bill Weber
Senate District 38



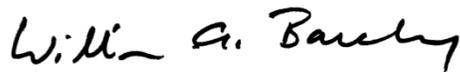
Alexis Weik
Senate District 3



Joseph Angelino
121st Assembly District



Andrea K. Bailey
133rd Assembly District



William A. Barclay
120th Assembly District



Anil R. Beephan, Jr.
105th Assembly District



Scott Bendett
107th Assembly District



Kenneth D. Blankenbush
117th Assembly District



Jacob R. Blumencranz
15th Assembly District



Paul Bologna
144th Assembly District



Karl Brabenec
98th Assembly District



Alec Brook-Krasny
46th Assembly District



Eric G. Brown
20th Assembly District



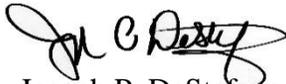
Keith P. Brown
12th Assembly District



Lester Chang
49th Assembly District



Patrick Chludzinski
143rd Assembly District



Joseph P. DeStefano
3rd Assembly District



David J. DiPietro
147th Assembly District



Michael A. Durso
9th Assembly District



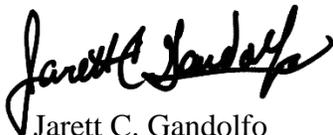
Michael J. Fitzpatrick
8th Assembly District



Christopher S. Friend
124th Assembly District



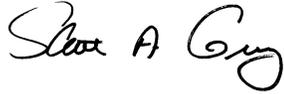
Jeffery L. Gallahan
131st Assembly District



Jarett C. Gandolfo
7th Assembly District



Jodi A. Giglio
2nd Assembly District



Scott A. Gray
116th Assembly District



Steve M. Hawley
139th Assembly District



Joshua T. Jensen
134th Assembly District



John Lemondes Jr.
126th Assembly District



Brian M. Maher
101st Assembly District



Brian D. Manktelow
130th Assembly District



David G. McDonough
14th Assembly District



John Mikulin
17th Assembly District



Brian D. Miller
122nd Assembly District



Andrew Molitor
150th Assembly District



Angelo J. Morinello
145th Assembly District



Daniel Norber
16th Assembly District



Michael Novakhov
45th Assembly District



Sam T. Pirozzolo
63rd Assembly District



Michael W. Reilly, Jr.
62nd Assembly District



Joseph Sempolinski
148th Assembly District



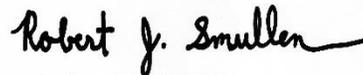
Matthew J. Simpson
114th Assembly District



Matthew J. Slater
94th Assembly District



Douglas M. Smith
5th Assembly District



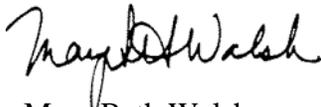
Robert J. Smullen
118th Assembly District



Christopher Tague
102nd Assembly District



Michael Tannousis
64th Assembly District



Mary Beth Walsh
112th Assembly District