

New York State County Highway Superintendents Association
New York State Association of Town Superintendents of Highways

**Joint Legislative 2026-2027 Budget Hearing – Transportation
February 3, 2026**

Good afternoon, Chair Krueger, Chair Pretlow and other members of the New York State Legislature. I am James Dussing, President of the New York State Association of Town Superintendents of Highways (NYSAOTSOH) and Highway Superintendent for the Town of Clarence, Erie County. With me representing the New York State County Highway Superintendents Association (NYSCHSA) is their President, William Geary, Commissioner of Public Works for Erie County. As always, we appreciate the opportunity to discuss the Executive Budget proposal and report to you on the conditions and needs of New York's local transportation system. I will start presenting and then Bill will be providing the conclusion.

We would like to begin by thanking you and your colleagues for your steadfast support of local highway infrastructure. As you know, our collective membership and union workforce is responsible for ensuring the safe operation of 87 percent of the state's public roads, half of its bridges and plowing not only our huge system but over a quarter of the New York State Department of Transportation (NYSDOT) roads. Every time there is a weather event, major snow accumulation, freezing temperatures or severe flooding -- the hardworking people on our local crews ensure New York's drivers get to and from work, homes, schools, hospitals and other destinations safely. As we know, this January has been one of the coldest and has delivered the heaviest snowfall in years. In our home region of Western NY some areas have received over 80 inches of snow this month alone.

As you can appreciate, this unusually harsh weather cripples our highway budgets with increased costs for overtime and vehicle operations. In addition, the current OGS centralized contract, which most municipalities utilize to purchase salt, saw nearly every County incur a year over year increase in costs. In Erie County the state contract price per ton jumped by over 34 percent. To add insult to injury that contract has additional cost escalations of 10 percent and 15 percent, respectively, when you hit 120 percent and 130 percent above your projected salt use.

Weather significantly affects our municipality's operations and finances. For example, if weather-related circumstances push costs \$2 million beyond our adopted budget, no extra funding is provided. Those costs must be absorbed by diverting funds from other critical services, including pavement and bridge maintenance.

This year's 2026-27 Executive Budget keeps local transportation funding to the state's 1,600 municipalities flat at last year's levels. It does not recognize the costs of the harsh winter weather or the significant needs of the local system (estimated at over \$100 billion) or the record high inflation

rates on highway construction materials that have severely increased costs. Additional funding is necessary to slow asset deterioration. We supported last year's additional \$800 million for the NYSDOT core program but we also need increased CHIPS funding for New York's massive locally owned road and bridge system.

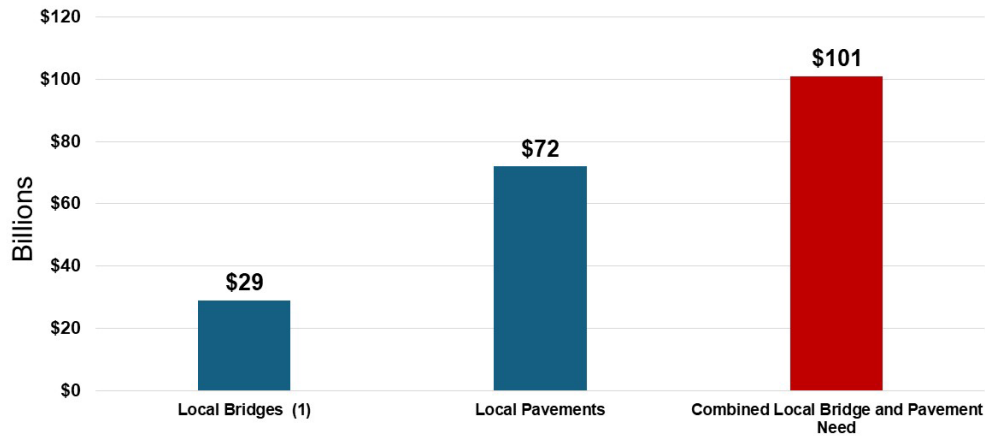
It is critical that an additional \$250 million be added to the 2026-27 budget for CHIPS. This will allow us to recoup some of the real funding value lost to inflation since the five-year program was initially adopted in 2022. We are also requesting that five of the state's local road assistance programs be combined into two, to reduce the administrative burden on recordkeeping at NYSDOT and our municipalities. The program uses are almost identical for CHIPS, EWR and STR as are the guidelines for POP and PAVE-NY.

| NYSDOT Local Transportation Funding (in Million \$s) | Enacted 2024-25 | Enacted 2025-26 | Executive Budget 2026-27 | Request 2026-27 |
|---|------------------|------------------|--------------------------|--|
| CHIPS | \$598.1 | \$648.1 | \$648.1 | Combined CHIPS \$1,138.1 (+\$250M) |
| Extreme Winter Recovery | \$100 | \$100 | \$100 | |
| State Touring Routes | \$140 | \$140 | \$140 | |
| Local PAVENY | \$150 | \$150 | \$150 | Combined POP \$250 |
| Local Pave our Potholes | \$100 | \$100 | \$100 | |
| Local BRIDGE-NY | \$200 | \$200 | \$200 | \$200 |
| Marchiselli | \$39.7 | \$39.7 | \$39.7 | \$39.7 |
| Total | \$1,327.8 | \$1,377.8 | \$1,377.8 | \$1,627.8 (+\$250M) |

LOCAL SYSTEMS' NEEDS ARE GREAT

The projected costs to properly maintain New York's massive local road and bridge system are staggering. According to the Federal Highway Administration (FHWA), the estimated cost for work needed on locally owned bridges in 2023 was approximately \$29 billion. To put this unfunded need in perspective, from 2016 through 2024, the total combined federal and state investment in BRIDGE-NY's local bridge program was just \$1.7 billion. In the New York State Department of Transportation's (NYSDOT) last 20-year capital assessment the agency's engineers projected its pavement needs at 2.5 times those of its bridge needs. Using this same rationale the combined pavement and bridge needs of New York's local governments is more than \$100 billion.

The Cost to Maintain NY's Massive Local Highway System \$100 Billion



*Source: 1. Federal Highway Administration (FHWA)
2. NYS Comptroller

Cold weather doesn't just increase the cost of our snow removal operations – heating our large highway garages and other facilities becomes even more expensive. Municipalities pay New York's commercial energy rates which are 60 percent above the national average. Cumulatively they paid between 7 percent and 9 percent of the state's total CLCPA utility recovery fees in 2024; costing municipalities in total, between \$90 million and \$120 million. From 2023 to 2024, these fees jumped by nearly 20 percent. We expect to see a similar increase in 2025 and over the coming year. As a reminder, in the SFY 2025-26 Enacted Budget funding for New York's local road programs increased by \$50 million. In addition, we are concerned with some of the policy goals of Climate Action Council Final Scoping Plan which over the next several years will impact local governments and require significant changes to our highway garages, our equipment and vehicles and even the materials we buy to maintain our critical infrastructure systems. New freshwater wetland permitting and expanded state jurisdiction, EV sales mandates for medium and heavy-duty trucks and the necessary charging infrastructure, road salt shortages and price hikes, and more severe weather events will likely result in project delays and added costs. These mandates will require planning and significant additional financial investments well beyond what our traditional needs have been. And the true cost will vary depending on where in the state the municipalities are located.

Nearly 90% of Local Roads are Not Eligible for New Federal Infrastructure Money

Thanks to the Federal Infrastructure and Jobs Act, New York State will receive an additional \$4.6 billion from 2022-2027. Unfortunately, the vast majority of local roads are not eligible to receive these funds. At a time of declining local pavement conditions and increased federal aid, the state should be committing more resources to our local transportation system which is critical to our state's economy.

BRIDGE-NY

BRIDGE-NY is a signature program to direct federal and state funding to local bridge and culvert projects throughout the state. In all four rounds of BRIDGE-NY thus far, the number and value of project applications far exceeded the funding available for each region of the state. The chart below clearly indicates this gap between needs and availability of BRIDGE-NY funding. Periodic review and modifications to the program's administration help improve its efficiency and regional balance. As a result of this process, NYSDOT has been implementing the BRIDGE-NY Program through the existing capital program planning process instead of the statewide solicitation used prior. We agree that this approach provides greater local input on project scoring and selection.

| Year | Amount \$ Available | Applications | Funded |
|-------------|--|---|---------------------------|
| 2016 | \$200M (\$20M dedicated to culverts) | Round I: 229 bridges, 366 culverts | 93 bridges, 39 culverts |
| 2018 | \$262M (\$50M dedicated to culverts) | Round II: 259 bridges, 514 culverts | 86 bridges, 79 culverts |
| 2021 | \$216M (\$50M dedicated to culverts) | Round III: 240 bridges, 421 culverts | 52 bridges, 57 culverts |
| 2022 | \$516M (\$124M dedicated to culverts) | Round IV: 213 bridges, 328 culverts | 115 bridges, 101 culverts |
| 2024 | \$483M (\$126M dedicated to culverts) | Round V: 202 bridges, 274 culverts | 122 bridges, 94 culverts |

WHAT IS NEEDED NOW

In previous years, the Legislature has responded to the dire conditions of the state's transportation systems and augmented CHIPS and other local transportation funding. But more is required to reverse the deteriorating conditions of our local transportation systems and make significant progress in its rehabilitation. Funding shortages mean many local governments' preventive pavement preservation strategies—to apply well-timed and targeted maintenance treatments—fall short of what is necessary to avoid more costly major rehabilitation or reconstruction down the road.

Based on the conditions we discussed above and rising costs we make the following requests:

- ✓ Support combining the following three programs into "Combined CHIPS" with an increase of \$250 million; totaling \$1,138.1 million.
 - Increase CHIPS by \$250 million, to \$898.1 million.
 - Maintain Extreme Winter Recovery funding at \$100 million.
 - Maintain State Touring Route funding at \$140 million.
- ✓ Support combining the following two programs into "Combined POP"; totaling \$250 million.
 - Maintain local PAVE-NY funding at \$150 million.
 - Maintain POP funding at \$100 million.
- ✓ Support maintaining the Marchiselli program at \$39.7 million.
- ✓ Support maintaining the local BRIDGE-NY program at \$200 million annually.

WORKZONE SAFETY

We support TED Article VII Executive Budget Part F & Part G which would amend the categories of transportation workers that qualify for enhanced assault protections, establish new penalties for menacing a highway worker and intrusions into active work zones, require license suspension for certain crimes against highway workers and would expand the Automated Work Zone Speed Enforcement Program. The people responsible for maintaining our state and local infrastructure deserve to go home safely at the end of each day.

INCREASE THE CHIPS BIDDING THRESHOLD

We support adding to the Budget language to amend the Highway Law to increase the CHIPS competitive bid threshold from \$350,000 to \$1,000,000. Increasing the CHIPS bidding threshold, or eliminating the threshold altogether, will give municipalities more flexibility to pursue the most cost-effective option on behalf of taxpayers – bid projects or perform them in-house – while still being eligible for state reimbursement, regardless of project size. Considering the significant increases in construction inflation over the past three years, the current \$350,000 threshold is functionally obsolete.

ALTERNATIVE PROJECT DELIVERY METHODS AND ELECTRONIC BIDDING

Depending on a project's size, nature, and timeline, alternative project delivery approaches such as progressive design build, construction manager build, and construction manager as constructor may be more suitable and can deliver projects more quickly and cost-effectively. The Governor has been aggressive in extending these options to more state agencies and to New York City. Other municipalities should have more project delivery options for the same reasons. An option for electronic bidding for public works projects like that available to many state agencies and recently granted to New York City, should also be authorized for municipalities.

CONCLUSION

As public officials ourselves, we understand the difficulty in trying to meet all our constituent's needs with limited resources. We must work together so that all state and local critical infrastructure needs are addressed. Our economy, employees and the traveling public are depending on us.

Thank you for your time and consideration, and we are available to answer any questions you may have.