



#TownsTalkBudget Budget Talking Points for Town Officials

On January 20, 2026, Governor Hochul released her SFY 2026–27 Executive Budget. **February is a critical window for towns to make their voices heard.** NYAOT is calling on towns to take action and contact their Assemblymembers and Senators to speak up about what matters most to towns in this budget.

Whether through a Zoom meeting, an email, or an in-district visit, every outreach counts and can influence the final outcome. Below are NYAOT's talking points on key legislative priorities to help towns engage quickly, clearly, and effectively as budget negotiations move forward. But we *strongly* recommend using examples from your town and your own experiences – giving real life examples is one of the best ways to illustrate why these requests are so important.

On our Legislative Resource Hub you can also find

- A sample resolution on state budget funding priorities
- A sample leave-behind to give to your state representative
- A sample letter / email to send to your state representative
- A comprehensive summary of the 2026 Executive Budget along with more detailed outlines of the SEQRA and drone proposals

1. Request: \$100 Million in Formula-Based Aid for Water and Sewer Infrastructure

Right now, grants are the only source of state aid for municipal for water and sewer projects. While grants are important and have helped many communities complete major work, they are competitive and unpredictable, which makes it hard to plan for routine repairs and long-term maintenance.

NYAOT is not asking the state to eliminate or reduce grant programs, including the Clean Water Infrastructure Act. Rather, our ask of formula-based aid would be in addition to grants and would work alongside them.

The Executive Budget funds clean water infrastructure grants at \$500 million. It also includes an additional \$250 million in funding for water infrastructure grants for projects

necessary to promote housing preservation, with \$50 million of that earmarked for projects in rural communities.

NYAOT is recommending using \$100 million of this additional \$250 million in funding and allocating it to the Sewer and Water Action Program (SWAP), a CHIPs like program for water and sewer infrastructure.

Why this matters to towns:

- Guaranteed annual funding would allow towns to plan ahead instead of reacting to emergencies
- Preventive maintenance is much cheaper than emergency repairs
- Reliable infrastructure is essential to support housing and economic development
- This approach aligns with New York's constitutional right to clean water

Other points to raise with your representative:

- Guaranteed annual allocations for water and sewer, like CHIPS for roads, helps plan maintenance instead of waiting for something to break. Give examples of what
- Talk about your town's experience applying for Clean Water Infrastructure Act grants, whether that means repeated applications, high upfront costs, long waits, or unsuccessful attempts (check out the Town of Boston case study on our Legislative Resource Hub for inspiration)

2. Request: Make the \$50 Million Increase in Unrestricted Aid Permanent and Index It to Inflation

Last year's Enacted Budget included \$50 million in Temporary Municipal Aid (TMA) in addition to the base \$715 million in Aid and Incentives to Municipalities (AIM). Both programs provide unrestricted aid to municipalities and are distributed using the same statutory formula. However, TMA was established as a temporary funding source and was described as a two-year program rather than a permanent component of municipal aid. The Executive Budget proposes extending TMA for a third year at \$50 million while maintaining AIM at a flat \$715 million.

NYAOT is asking for TMA to be made permanent or incorporated into AIM and for these funding sources to be adjusted annually for inflation, such as through the Consumer Price Index (CPI)

Other points to raise with your representatives:

- Unrestricted aid helps towns control property taxes.
- This funding lets towns keep up with basic services like road maintenance, public safety, and code enforcement. - Give examples to one or two specific services your town relies on unrestricted aid to support.
- Fifteen years of level funding forced towns to stretch budgets, delay maintenance, and rely more heavily on property taxes. A temporary or one-time increase does not solve these long-term issues.

3. Request: Increase Transportation Funding for Local Roads and Bridges

Local governments own 85% of all roads in New York State, with towns maintaining 62.9% of all centerline miles, more than any other level of local government

According to data from 2023:

- Towns spent over \$1.8 billion on transportation-related expenses.
- One-fifth of every dollar spent by towns goes toward maintaining roads and bridges, highway barns, equipment fleets, salt and sand, asphalt, and concrete.
- Towns spend half a billion dollars more on roads than on public safety.
- Over the past decade, more than 1,000 miles of town roads have been eliminated due to rising costs, yet expenses continue to grow.

An estimated \$1.7 billion more per year is needed statewide to properly maintain local roads and bridges outside New York City. However, proposed funding for local transportation infrastructure is flat.

Local Transportation Funding	25/26 Enacted State Budget	26/27 Executive Budget
CHIPS	\$648M	\$648. M
EWR	\$100M	\$100M
PAVE-NY	\$150M	\$150M
POP	\$100M	\$100M
Bridget-NY	\$200M	\$200M
Marchiselli	\$39.7M	\$39.7M

Other points to raise with your representatives:

- The cost of asphalt, fuel, and labor has gone up much faster than state aid.
- Note that transportation investment supports jobs and local economies, not just infrastructure.



Subject: SFY 2026–27 Executive Budget: Key Issues for Towns

Dear Senator/Assemblymember [Last Name],

I'm writing on behalf of the Town of [Town Name] to outline our budget priorities for the 2026/2027 fiscal year. Towns across New York are facing rising costs, aging infrastructure, and long-term funding challenges that need to be fully addressed in the State Budget. I urge you to consider the following priorities that are critical to providing essential services to our residents.

1. Provide \$100 Million in Formula-Based Aid for Water and Sewer Infrastructure

Currently, grants are the primary source of state assistance for municipal water and sewer projects. While these programs are valuable, their competitive and unpredictable nature makes it difficult for towns to plan for routine maintenance and long-term capital needs. We are asking that \$100 million of the Executive Budget's additional \$250 million for water infrastructure be allocated to the Sewer and Water Action Program (SWAP), creating a CHIPS-like, formula-based funding stream for water and sewer systems.

For towns like ours, guaranteed annual funding would allow us to plan ahead, invest in preventive maintenance, and avoid costly emergency repairs. Reliable water and sewer infrastructure is also essential for housing preservation, economic development, and meeting New York's constitutional commitment to clean water.

[Insert 1–2 sentences about your town's water or sewer system, recent repairs, or challenges applying for Clean Water Infrastructure Act grants.]

2. Make the \$50 Million Temporary Municipal Aid Funding Permanent and Index Unrestricted State Aid like AIM to Inflation

Unrestricted aid is one of the most effective tools towns have to manage costs, stabilize property taxes, and maintain core services such as road maintenance, public safety, and code enforcement. After more than a decade of flat AIM funding, temporary or one-time

increases do not address long-term structural needs. We urge you to support making the \$50 million Temporary Municipal Assistance funding permanent, either by incorporating it into the AIM base grants, or formally making the program permanent. We also ask that AIM and TMA indexing municipal aid to inflation.

[Provide examples of how your town uses AIM]

3. Increase Transportation Funding for Local Roads and Bridges

Towns maintain nearly two-thirds of all centerline miles in New York State, yet the cost of asphalt, fuel, equipment, and labor has increased far faster than state transportation aid. While the Executive Budget maintains funding levels for CHIPS and related programs, it does not reflect the true cost of maintaining local roads and bridges.

In [Town Name], transportation spending represents a significant share of our budget and directly affects public safety, economic activity, and quality of life. Without additional investment, towns are forced to delay maintenance, reduce road mileage, or shift costs onto property taxpayers.

I encourage you to keep the real, day-to-day impacts on towns in mind as budget negotiations continue. Town officials bring practical experience and firsthand knowledge of how state policy plays out locally, and we stand ready to work with you to strengthen the final budget.

Thank you for your time and consideration. I would welcome the opportunity to discuss these issues further.

Sincerely,

[Name]

[Title]

Town of [Town Name]

[Phone / Email]



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[Provide examples of how your town uses AIM]

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Sincerely,

[Name]

[Title]

Town of [Town Name]

[Phone / Email]



**SAMPLE RESOLUTION IN SUPPORT OF STRENGTHENING STATE-LOCAL
PARTNERSHIP IN THE SFY 2026-27 BUDGET**

WHEREAS, on January 20, 2026, Governor Kathy Hochul released the State Fiscal Year (SFY) 2026-27 Executive Budget; and

WHEREAS, towns provide essential services to residents, including maintaining local roads and bridges, operating and maintaining water and sewer infrastructure, and delivering public safety and code enforcement services; and

WHEREAS, towns are experiencing rising costs for labor, fuel, materials, and equipment, while many state aid programs remain flat or temporary in nature; and

WHEREAS, predictable, formula-based state aid allows towns to plan responsibly, invest in preventive maintenance, and limit reliance on the property tax; and

WHEREAS, grants remain an important source of funding for municipal infrastructure projects, but competitive grant programs alone are insufficient to support routine maintenance and long-term planning for water and sewer systems; and

WHEREAS, the SFY 2026-27 Executive Budget includes \$500 million in Clean Water Infrastructure Act grant funding and an additional \$250 million for water infrastructure projects intended to promote housing preservation, including funding for rural communities; and

WHEREAS, the New York Association of Towns (NYAOT) has recommended allocating \$100 million of this additional funding to the Sewer and Water Action Program (SWAP) to create a formula-based, CHIPS-like funding stream for municipal water and sewer infrastructure; and

WHEREAS, last year's Enacted Budget included \$50 million in Temporary Municipal Aid (TMA) in addition to the \$715 million Aid and Incentives to Municipalities (AIM) base, but this TMA funding remains temporary and neither AIM or TMA is indexed to inflation; and

WHEREAS, unrestricted municipal aid is critical to helping towns control property taxes and maintain core services, and more than a decade of flat funding has forced towns to delay maintenance and shift costs to local taxpayers; and

WHEREAS, towns maintain nearly two-thirds of all centerline miles of roads in New York State and spend a significant share of their budgets on transportation, yet state transportation aid does not reflect the true and growing cost of maintaining local infrastructure;

NOW, THEREFORE, BE IT RESOLVED, that the [Town Board/Council] of the Town of [Town Name] calls on the Governor and the State Legislature to modify the SFY 2026–27 Executive Budget to better support towns by:

1. Allocating \$100 million in formula-based aid for municipal water and sewer infrastructure through the Sewer and Water Action Program (SWAP), in addition to existing grant programs; and
2. Making the \$50 million Temporary Municipal Assistance in unrestricted municipal aid permanent, and indexing AIM and TMA to inflation to reflect rising municipal costs; and
3. Increasing state transportation funding for local roads and bridges, in particular the CHIPS base, to better align with the actual cost of maintaining town-owned infrastructure; and

BE IT FURTHER RESOLVED, that the Town Clerk is directed to transmit copies of this resolution to the Governor, the Temporary President of the Senate, the Speaker of the Assembly, and the Town's State Senator and Assemblymember.



The Town of Boston Case Study: Why Predictable Water Infrastructure Funding Matters

The Town of Boston is a suburban ring community in southern Erie County with a population of 7,948 (2020 Census). The town operates three water districts that purchase and distribute drinking water from the Erie County Water Authority. Like many towns across the state, Boston is neither fully rural nor fully urban; it has experienced steady population growth alongside aging infrastructure and increasing service demands.

Boston is representative of many New York towns in key respects:

- It is among the 43% of towns statewide that own and operate drinking water systems.
- It is among the 37% of towns that experienced population growth between 2000 and 2020.
- It faces both legacy infrastructure challenges and development pressure.

Within Boston's existing water districts, there are 471 unserved parcels, reflecting pent-up demand constrained by system capacity. **Aging infrastructure has also led to nearly 160 water main breaks over the past 25 years in one water district alone, averaging more than six breaks per year.**

A 2023 drinking water system assessment by the **Erie County Water Authority identified 14 critical capital improvement projects necessary to maintain safe and reliable service.** On average, these deficiencies were first identified eight years ago, with some dating back as far as 17 years, underscoring the long-term nature of the town's needs.

Experience with Competitive Grants

Boston has actively pursued state grant funding. Since 2019, the town has:

- Spent \$100,800 on professional grant-writing services
- Applied for CFA funding six times
- Received no awards

Even the town's engineering consultant advised that the most recent application was unlikely to be funded, reflecting the competitive and unpredictable nature of grant programs, rather than a lack of need or planning.

Local Fiscal Impact

Without grant support, Boston will be required to issue approximately \$11 million in debt to complete necessary water system improvements, financed through the Drinking Water State Revolving Fund over 30 years.

The cost burden on residents is substantial:

- In one water district, 48% of per-unit water costs will be debt service, effectively doubling rates
- In another district, debt service will account for 41% of per-unit costs
- Residents will pay an estimated \$564,172 in cumulative debt service

These costs are driven not by mismanagement, but by the absence of predictable, system-level funding to address routine infrastructure needs before they become emergencies.

Conclusion

Boston's experience is not unique. It demonstrates that while competitive grants remain essential for major capital projects, they are not designed to support ongoing system maintenance and long-term infrastructure planning.

A dedicated, formula-based program like the Sewer and Water Action Program (SWAP) would complement existing grants by providing municipalities with the stable funding needed to manage infrastructure responsibly, reduce emergency costs, and protect ratepayers, just as CHIPS has done for local roads.