



**February 4, 2025**

Public Hearing on the 2025-2026 Executive Budget

before the

THE NEW YORK STATE SENATE FINANCE COMMITTEE AND  
ASSEMBLY WAYS & MEANS COMMITTEE

Comments Submitted by the New York Association of Towns

Testimony Delivered by Executive Director, Christopher Koetzle

Thank you for allowing the New York Association of Towns (NYAOT) to provide testimony on the 2025-2026 Executive Budget and its impact on New York’s 933 towns. At its core, local governments and the state share the same mission: to foster safe, thriving communities for residents and visitors alike. Collaboration is essential to achieving this goal, and we look forward to working together with the Legislature throughout the year.

## **NYAOT and New York’s Towns: A Quick Overview**

Founded in 1933, NYAOT has remained committed to its mission: training, educating, and advocating for towns across New York State. While the landscape of local government and how we provide those services have evolved over the decades, our core purpose remains unchanged.

### *Our Work and Commitment to Towns*

NYAOT provides a wide range of resources and training opportunities to support town officials at every level, including:

- Annual and regional conferences to provide in-depth training and networking opportunities.
- Webinars and educational programs tailored to current municipal challenges.
- Presentations at partner organization conferences to expand outreach and collaboration.
- Responsive support, answering inquiries and providing guidance to local officials.
- Publications, newsletters, and manuals to ensure town leaders have the tools they need.
- On-the-ground engagement, meeting directly with town leaders to understand their needs.

### *New Leadership, Stronger Advocacy and Partnerships*

A major change in 2024 was the appointment of Chris Koetzle as Executive Director of NYAOT. With 15 years of experience as Supervisor of the Town of Glenville, Chris brings firsthand knowledge of the challenges towns face daily. Under his leadership, NYAOT is more focused on training, advocacy, and hands-on support for local governments. We also strongly urge the Legislature to consider NYAOT a resource and partner. Our staff understands town operations and law better than anyone in the state.

### *Challenges for Towns in 2025*

Through direct engagement with our members, NYAOT identified three of the most pressing challenges towns will face this year:

**Workforce Development** – Recruiting and retaining a skilled municipal workforce remains a top concern for towns. We appreciate the state’s efforts to address this issue and the proposals included in the Executive Budget, but there is still more to be done to ensure towns can effectively staff essential services. In addition to the proposed budget proposals for workforce development outlined in our testimony, NYAOT also urges the Legislature to take the following actions to strengthen workforce development:

- Reform Civil Service to create a more nimble hiring process, Evaluate Tier 6 to improve retention and ensure public service remains an attractive career option.
- Raise the salary cap for retirees who return to public service, allowing experienced professionals to help fill critical workforce gaps.

**Infrastructure Funding** – As detailed in our testimony, towns urgently need sustainable funding to maintain and improve roads, water systems, and other essential infrastructure. Without stable, long-term investment, municipalities will struggle to keep up with rising costs and necessary improvements.

**Managing the Tax Cap** The rising trend of tax cap overrides underscores the need for modifications to the tax cap formula:

- Since 2022, the percentage of towns overriding the tax cap has increased by 8%.
- Last year, a quarter of all towns enacted an override.
- 22% of those overrides turned out to be unnecessary, indicating that the cap is too rigid and does not reflect actual municipal needs.

NYAOT has two recommendations for reform as they relate to the State Budget – 1. Exempt ambulance districts from the tax cap, and 2. exempt wage increases to support workforce development

Year	No Override	Override	% No	% Yes
2024	691	229	75%	25%
2023	742	229	76%	24%
2022	812	164	83%	17%
2021	772	210	79%	21%
2020	800	185	81%	19%

\* Totals exceed 933 due to certain town special districts.

At NYAOT, we are dedicated to helping towns navigate these challenges through strong advocacy, practical training, and direct support. Our commitment to towns is stronger than ever, and we will continue working to ensure that local governments have the resources and knowledge they need to thrive.

## **NYAOT's Response to the 2026 Executive Budget**

Governor Hochul's Executive Budget maintains critical funding for local governments and introduces new tools and options to help towns address pressing challenges. However, to ensure that New York's towns have the resources they need to thrive and serve their residents effectively, targeted investments in key areas are essential. Our top priorities for the state budget include:

- Strengthening Aid and Incentives for Municipalities (AIM)
- Increasing Consolidated Local Street and Highway Improvement Program (CHIPS) Funding
- Creating a CHIPS-Like Program for Water and Sewer Infrastructure
- Ensuring Ambulance Services Are Properly Funded as an Essential Service
- Funding for Workforce Development

By addressing these priorities, we can build stronger communities and ensure local governments have the resources they need to serve New Yorkers effectively.

### **AIM: Strengthening Communities through Fair and Sustainable Funding**

In the State of the State, the Governor declared, "Your family is our fight." The town family represents half of New York's population—if you don't live in a city or on a reservation, you live in a town. One of the most effective ways to support New York's families and future is by increasing AIM funding. It supports making homeownership more affordable, increasing wages, enhancing public services, maintaining local infrastructure and more. AIM is the only form of general-purpose aid that offers the flexibility towns need to cover essential costs. It also saves New Yorkers money - every dollar in AIM is a dollar not levied on homeowners through property taxes. Despite the need for this funding, AIM has failed to keep pace with inflation, making it increasingly difficult for towns to maintain the services that residents rely on and increasing the real property tax burden.

#### *The Cost of Inaction and Inequities*

To account for inflation, AIM should have been \$283 million higher in 2024.

- Since 2011, towns lost \$1.4 billion in AIM funding because the program remained stagnant.
- The current AIM formula results in smaller cities receiving disproportionately higher aid than larger towns, creating inequities in funding distribution. For example, the Town of Amherst in Erie County has a population of approximately 130,000 and receives around \$660,000 in AIM. On the other hand, the city of Albany has a population of around 100,000 and receives almost \$13 million in funding.

#### *AIM Needs Reform – But Immediate Increases Are Critical*

AIM is not a perfect program, and we are eager to work with the Governor’s office, the Legislature, and stakeholders to reform the funding formula so that resources are distributed fairly and effectively. However, while we work toward long-term improvements, our immediate priority is securing an increase in AIM funding this year.

We acknowledge and appreciate that the Executive Budget maintains the \$50 million in temporary AIM funding from last year. And while we understand the state’s fiscal challenges, investing in AIM is an investment in New York’s communities, economic growth, and the well-being of millions of residents.

## **Investing in Local Roads: Strengthening New York’s Transportation Infrastructure**

We support the continued funding of the CHIPS program and appreciate that the Governor’s Budget proposes funding above the levels outlined in the five-year capital plan. However, transportation remains the single largest expenditure for towns, and funding has not kept pace with rising costs. Therefore, we ask the Legislature to increase CHIPS funding in the 2025-2026 State Budget.

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.

Just as with AIM, every dollar not funded through CHIPS must be raised locally. While the tax cap successfully slowed property tax growth statewide, it has not reduced the rising costs of maintaining essential local infrastructure.

### *Why Investing in Local Roads Matters*

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. Beyond property tax increases, failing to invest in these roads leads to higher long-term costs for all New Yorkers:

- Every dollar in delayed road and bridge maintenance results in \$4 to \$5 in future repairs, ultimately increasing property taxes.
- New York motorists lose up \$8.9 billion annually to deteriorating roads and bridges, congestion, and missing safety features (“[New York Transportation by the Numbers](#)” January 2025, TRIP National Transportation Research Group).

### *CHIPS: A Reliable, Long-Term Funding Source*

While we support state programs like PAVE-NY and BridgeNY, these initiatives were never meant to replace necessary increases to the CHIPS base. Unlike short-term or competitive grant programs, CHIPS provides steady, predictable funding, allowing towns to engage in long-term capital planning—a practice strongly encouraged by the Office of the State Comptroller (OSC).

#### *Our Ask: A Stronger Commitment to Local Transportation Infrastructure*

We urge the state to:

- Increase CHIPS base funding beyond what is proposed in the Executive Budget.
- Prioritize long-term, stable infrastructure funding to help towns plan, invest wisely, and maintain New York’s roads effectively.

By making these investments now, we can improve road safety, reduce long-term costs, and provide New Yorkers with the reliable transportation infrastructure they deserve.

### **Investing in Water and Sewer Infrastructure: A Sustainable Future for New York**

Currently, municipalities rely on competitive grants for water and sewer infrastructure funding, often vying with private entities for a limited pool of resources and leaving out smaller communities that don’t have the resources to dedicate to grant applications. NYAOT believes that **no one should have to compete for clean water**.

Thus, to truly address the public health and environmental crisis this crumbling infrastructure presents, as well as support initiatives like affordable housing development, NYAOT urges the state to establish a CHIPS-style program that provides municipalities with a stable, long-term funding source for water and sewer improvements in addition to clean water infrastructure grant funding.

#### *Aging Infrastructure and Rising Costs*

Like our roadways, New York’s water and sewer systems are in urgent need of repair. Rising labor and material costs, fiscal constraints, and inadequate funding sources have led to delayed infrastructure improvements, putting public health at risk.

- New York has some of the oldest water infrastructure in the country.
- 25% of New York’s 600+ wastewater treatment facilities are operating beyond their 30-year life expectancy.
- One-third of the state’s 22,000 miles of sewer systems have exceeded their 60-year lifespan ([source: ASCE Infrastructure Report Card, 2015](#)).
- In 2008, the Department of Environmental Conservation estimated \$36.2 billion was needed over 20 years to repair municipal wastewater infrastructure ([source: DEC Wastewater Report, 2008](#)). Given inflation and the rising cost of materials this number has undoubtedly grown exponentially over the last 17 years.

The situation is just as dire for clean drinking water:

- In 2008, the Department of Health projected \$38.7 billion would be needed over 20 years to upgrade drinking water infrastructure ([source: DOH Drinking Water Report, 2008](#)).
- According to the Office of the State Comptroller, that meant \$80 billion in total water infrastructure investment was needed at that time—a number that has only grown over.

Additionally, sewer and water service costs are skyrocketing for a majority of towns.

- In 2011, towns spent \$375 million on water. In 2023, that rose to \$670 million - a 79 percent increase.
- In 2023, towns spent \$291 million on sewers - a \$44 million or 15 percent increase over the last 12 years.
- 484 towns that made expenditures on water services in 2023 - or 51 percent of towns.
- 351 towns that made sanitary sewer expenditures in 2023 - or 37 percent of towns.

### *Infrastructure, PFAS, and Other Emerging Contaminants: A Public Health Crisis*

Per- and polyfluoroalkyl substances (PFAS), often referred to as "forever chemicals," have been detected in various water supplies across New York State. In response, testing protocols and regulatory standards have undergone significant changes, most recently aligning with stricter federal Environmental Protection Agency standards. However, municipalities now face the daunting task of mitigating contamination and protecting residents from long-term exposure. Addressing this crisis requires dedicated investment in infrastructure upgrades and PFAS remediation technologies to ensure clean, safe drinking water for all communities.

### *Our Ask: An Additional Approach to Water and Sewer Infrastructure Investment*

We appreciate the \$400 million allocated to the Environmental Protection Fund in the Executive Budget, as well as the additional \$500 million for clean water infrastructure. However, strictly grant-based funding is insufficient given the state of our aging infrastructure and the massive investment needed to modernize it.

To ensure municipalities have a stable, dedicated funding stream, we strongly urge the creation of a CHIPS-like program for water and sewer infrastructure. Such a program would:

- Enable long-term, strategic infrastructure planning, a practice highly encouraged by OSC
- Allow towns to be proactive, addressing infrastructure needs before they reach crisis levels.
- Provide predictable funding, ensuring municipalities are not forced to rely on inconsistent or competitive grants.
- Help address PFAS contamination, giving local governments the resources they need to upgrade water treatment systems and safeguard public health.

The need for sustainable, long-term funding for water and sewer infrastructure is clear. By creating a dedicated funding source, New York can ensure municipalities have the financial

stability to modernize their systems, protect drinking water, and plan for the future—without waiting for emergencies to drive action.

## **Ambulance Services: Funding an Essential Public Safety Need**

The Governor’s budget includes a key proposal in Health and Mental Hygiene Part R aimed at strengthening Emergency Medical Services (EMS) and ambulance service across New York State. This legislation:

- Establishes an Emergency Medical Community Assessment Program (EMCAP) to evaluate EMS services statewide, issue reports, and provide recommendations.
- Requires the development of a statewide EMS plan to improve coordination and service delivery.
- Mandates counties to establish countywide EMS plans to ensure comprehensive emergency coverage.
- Declares general ambulance service as an essential service, requiring municipalities to provide ambulance services jointly or individually.
- Creates a new section of General Municipal Law to allow all levels of local government to establish special districts for ambulance services.

While NYAOT supports declaring ambulance services as essential, we strongly recommend the following modifications to ensure effective implementation without overburdening local governments.

### *1. Provide Direct State Funding for Local Ambulance Services*

Ambulance services are a growing component of town budgets, yet municipalities are expected to shoulder these increasing costs without state funding.

- In 2018, towns spent \$120.6 million on ambulance services.
- By 2023, that figure rose to \$142 million—an 18% increase in just five years.
- Currently, more than 36% of combined fire/ambulance budgets is allocated solely to ambulance services.

If the state is going to mandate ambulance services, it must also provide funding to help municipalities meet this obligation. Without financial support, this unfunded mandate will put even more strain on already limited local resources.

### *2. Exempt Ambulance Districts from the Tax Cap*

While NYAOT believes all special improvement districts should be excluded from the tax cap formula, this exemption is especially critical for mandated ambulance districts. Requiring municipalities to provide ambulance services without excluding them from tax cap calculations forces local governments to make difficult trade-offs, potentially reducing funding for other essential services.



### *3. Remove Language Declaring Ambulance Services a "Matter of State Concern"*

The proposed General Municipal Law § 122-b(1) states that general ambulance services are "a matter of state concern" that must be provided by every county, city, town, and village.

- Declaring ambulance service a matter of state concern effectively eradicates home rule authority from local governments on this issue. It means that municipalities have no authority to adopt local laws to assist ambulance service in their communities
- Local municipalities know their communities' needs best and should retain authority to adopt local laws impacting and supporting local ambulance service.
- While state guidance and support are welcome, local governments must be able to have the flexibility to respond effectively to the needs of their community.

A well-funded, locally controlled EMS system is the best way to ensure high-quality emergency medical care for all New Yorkers, and these modifications achieve that.

### **Investing in Critical Industries: Local Government Workforce Development**

Governor Hochul's State of the State emphasized the importance of investing in critical industries, and NYAOT believes that none could be more critical than local governments. Towns serve nearly half of New York State's population, providing essential services such as water and sewer management, police protection, and road maintenance, including snow plowing.

However, local governments are struggling to attract and retain workers due to things like barriers in the civil service system and an inability to compete with private-sector wages. Hiring delays, job insecurity, and wage stagnation create long-term vacancies, leaving towns understaffed and compromising public health, safety, and welfare.

#### *NYAOT's Workforce Development Initiative*

To address the workforce shortage, NYAOT has partnered with SUNY Potsdam to develop an innovative microcredential program. This program allows individuals to obtain professional credentials—such as grant writing—in an efficient and cost-effective manner, on their own schedule. By equipping individuals with relevant skills, this initiative benefits both future town employees and the towns they serve.

#### *Workforce Development in the Budget*

NYAOT supports key civil service reforms proposed in the budget, including:

- Removing mandatory maximum age limits for municipal police officers (PPGG Part C)
- Extending the waiver of civil service exam fees until June 30, 2026 (PPGG Part \_)

However, more must be done to strengthen the local government workforce. NYAOT recommends the following be included in the state budget:

- Funding a reimbursement program for commercial driver’s licenses (CDLs): CDL training costs range from \$4,000 to \$12,000. NYAOT proposes a state-funded reimbursement program for individuals who obtain a CDL and commit to working for a local government or the state for a specified period.
- Temporarily excluding wage increases from the tax cap.

Investing in local government workforce development is an investment in the stability, safety, and prosperity of communities across New York State. NYAOT urges the state to take bold action to ensure local governments remain strong and fully staffed for the future.

## **Other Budget Issues**

### *Cybersecurity*

NYAOT takes no position on PPGG Part K, which would require municipalities to report cybersecurity incidents to the Division of Homeland Security and Emergency Services within 72 hours of discovery and ransom payments within 24 hours.

Similarly, NYAOT does not take a position on PPGG Part X, which mandates annual cybersecurity awareness training for local government employees who use technology as part of their official duties. However, we appreciate that this proposal:

- Provides access to state cybersecurity training at no cost, reducing the financial burden on municipalities.
- Allows municipalities to fulfill the requirement through existing cybersecurity training programs, such as those offered by New York Municipal Insurance Reciprocal (NYMIR).

NYAOT has long recognized the importance of cybersecurity in safeguarding municipal systems and data. We work proactively with NYMIR, which provides property, casualty, and cybersecurity insurance to local governments. Through this partnership, NYMIR offers cybersecurity training to its members, helping to strengthen municipal defenses against cyber threats. We support that the Governor’s proposal recognizes these existing training programs and ensures that municipalities can continue utilizing proven cybersecurity education resources to meet state requirements.

### *Other Budget Legislation*

Finally, NYAOT supports the following proposals in the Executive Budget:

- An optional real property tax exemption for certain qualified low-income households (ELFA Part K)
- An optional real property tax exemption relating to property rehabilitation (ELFA Part M)

- The prohibition on institutional real estate investors from purchasing, acquiring, or putting an offer on a single-family or two-family residence unless the residence has been listed for sale to the general public for at least 75 days (Rev Part F)
- Strengthening laws that help towns acquire abandoned properties. The proposal clarifies when a vacant dwelling is abandoned and adds a new basis for determining property abandonment (ELFA Part J)
- Authorizing DASNY to provide planning, design, procurement and construction management services to counties, cities, towns and villages (TED Part JJ)
- Changing interest rates on court judgments or accrued claims against municipalities from 9% to a market rate equal to the weekly average one-year Treasury bill rate

## **Conclusion**

Thank you for your time and consideration. Towns are the backbone of New York State, providing essential services that keep our communities safe, functional, and thriving. Investing in the local government is about ensuring the strength and sustainability of the services that millions of residents rely on every day. NYAOT remains committed to supporting policies that empower towns and the dedicated individuals who serve them. We appreciate your leadership in addressing these challenges and look forward to working together to build a stronger future for all.