



CAPITAL PLAN OVERVIEW



Governor Hochul continues to make significant infrastructure investments across the State that will play a critical role in building New York’s future: creating jobs, growing the economy, improving transportation, and keeping New York residents healthy and safe. The Executive Budget builds on major investments made over the last three years in transportation infrastructure; affordable and supportive housing; economic and community development; environmental protection initiatives; increased access to care and housing for individuals with mental health issues; health care transformation; public safety; and higher education.

MAJOR INFRASTRUCTURE INVESTMENTS UNDERWAY

Governor Hochul is committed to delivering transformative infrastructure projects that are supported by the State, local governments, public authorities, private entities, and the Federal government. The State budget includes investments in projects that will improve the State's transit systems, modernize airports, and rebuild infrastructure to upgrade the State's transportation network in a timely manner, and be resilient for future generations. Major infrastructure investments currently underway include:

Gateway Hudson Tunnel Project. The rail tunnels under the Hudson River used by Amtrak play a critical role as the connection for New England rail traffic to the rest of the eastern seaboard, giving this project national significance. These aging tunnels were seriously damaged by Superstorm Sandy and are in dire need of repair and expansion. Upon completion, this project will revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. Project costs are estimated at \$15.8 billion.

MTA 2025-2029 Capital Plan. The Governor and Legislature are expected to work closely during budget negotiations to support and approve an MTA 2025-29 Capital Plan. Accordingly, the FY 2026 Executive Budget assumes \$32.7 billion of base funding that would be directly contributed by funding partners. These assumed contributions consist of: \$3 billion from the State, \$3 billion from the City of New York, \$12.3 billion from the MTA (\$3 billion of which would be self-funded by Bridges and Tunnels) and \$14.4 billion requested from the Federal government. This funding proposal acknowledges the need for partner commitments to support the MTA’s 2025-29 Capital Plan, while allowing additional time to work closely with the Legislature to advance additional funding as part of the budget negotiation process.

TRANSFORMATIVE INFRASTRUCTURE PROJECTS (billions of dollars)			
	Total Project Costs	State Share	Other Funding Partners Share ¹
Transformative Projects Total	87.4	4.7	82.7
Gateway Tunnel Project ²	15.8	1.3	14.5
MTA Capital Plan 2020-2024 ³	52.1	3.1	49.0
John F. Kennedy Airport	19.5	0.3	19.2

¹ Includes funding from Federal & local govts, public authorities, and other funding outside of the State budget.

² Project costs are as of the July 2024 RRIF loan closing for the Gateway Hudson Tunnel Project. Total includes financing costs.

³ MTA 2020-2024 Capital Plan State share excludes new revenue sources enacted by the State to fund \$25 billion of the capital plan. MTA 2025-2029 Capital Plan is being developed. Size and funding sources to be determined.

MTA 2020-2024 Capital Plan. The MTA remains committed to its \$52.1 billion 2020-2024 Capital Program, which continues to revitalize the subway system through signal modernization and accessibility upgrades, while also providing important investments in railroads and bus service to advance the quality of life for those served. A substantial amount of new funding was authorized to fund the 2020-2024 Capital Plan, including \$15 billion from congestion pricing revenues. Congestion pricing was implemented in Manhattan on January 5, 2025.

Transforming John F. Kennedy Airport. The State continues to invest in the \$19.5 billion plan to transform John F. Kennedy International Airport (JFK) into a modern, 21st century airport through an overhaul of the airport’s eight disparate terminal sites into one unified JFK Airport. Work will include demolishing old terminals, utilizing vacant space, and modernizing infrastructure, while incorporating the latest in passenger amenities and technological innovations. This record investment includes \$15.6 billion in private sector funding and will increase the airport’s capacity by at least 15 million passengers annually. The first new facilities from this ongoing transformation opened in 2023.

FIVE-YEAR CAPITAL PLAN & BUDGET

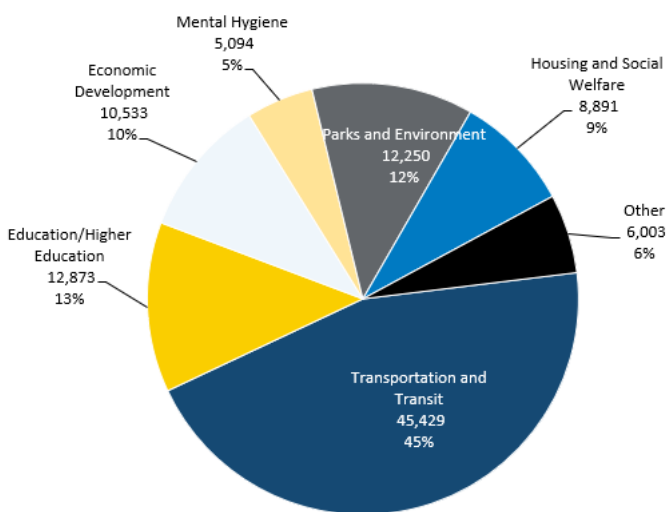
The State’s Five-Year Capital Plan includes \$101 billion of projected capital spending over a five-year period. Capital spending will be funded from multiple sources, including State bonds, State PAYGO (Pay-As-You-Go, e.g., taxes and fees), and Federal funds. The charts below outline projected capital spending by function and funding source.

FY 2026 EXECUTIVE BUDGET CAPITAL PLAN HIGHLIGHTS

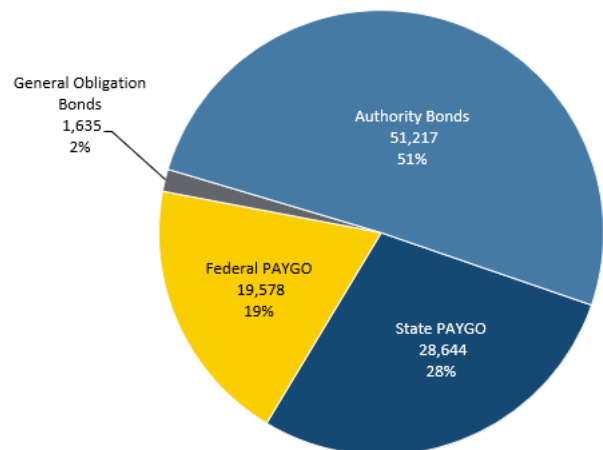
Major initiatives added or continued in FY 2026 include:

Five-Year Department of Transportation Capital Plan. The Executive Budget includes approximately \$6.9 billion for the fourth year of the five-year Department of Transportation (DOT) Capital Plan. It also increases the overall DOT Capital Plan by \$1 billion, bringing the total size of the plan to \$34.1 billion, to support State and local road and bridge construction and transit system improvements. The DOT Capital Plan continues funding commitments to support the final phases of major infrastructure

Five-Year Capital Spending by Function (millions of dollars)



Five-Year Capital Spending by Financing Source (millions of dollars)



the Downtown Revitalization Initiative and NY Forward funding, and \$150 million for the Regional Economic Development Council (REDC) program.

Climate Change Adaptation and Mitigation. The Executive Budget includes funding to protect our environment and make our future more sustainable; supporting New York’s ability to adapt to everchanging climate effects and mitigate damage from extreme weather events, including:

- \$1 billion to reduce the State’s carbon emissions by building out thermal energy networks at SUNY campuses, making clean energy investments in State-owned buildings, retrofitting homes and incentivizing the installation of heat pumps, expanding green transportation options across the State, and supporting businesses of all sizes in their decarbonization journey;
- \$78 million for coastal resiliency projects;
- \$30 million increase in Green Resiliency Grants to support flood control infrastructure projects;
- \$50 million to support sustainability in New York’s dairy industry, and
- \$50 million to bolster the Resilient and Ready program, which will support low and moderate income homeowners with resiliency improvements and assist with repairs in the event of a catastrophic event.

Clean Water Infrastructure. The Executive Budget adds \$500 million to support clean water infrastructure, raising the State’s total investment to \$6 billion. This funding will support local construction projects to improve municipal drinking water distribution, filtration systems, and wastewater treatment.

Hazardous Waste Remediation. The FY 2026 Executive Budget includes a ten-year reauthorization of the State Superfund program to clean up hazardous waste sites. Remediation is funded with a combination of funds collected from responsible parties and State resources. The Budget includes a reauthorization through FY 2035 with \$125 million available for FY26.

Public Safety Investments. The Executive Budget proposes an additional \$35 million for the Securing Communities Against Hate Crimes program; \$15 million for Securing Reproductive Health Centers capital grants; \$50 million for law enforcement technology; and \$25 million for volunteer fire department infrastructure and response equipment. Additionally, the Executive Budget includes funding to expedite the installation of fixed cameras in State prisons.

Higher Education. The Executive Budget proposes \$2.2 billion in new capital funding for the State University of New York (SUNY) and City University of New York (CUNY) systems, including \$834 million to maintain and preserve campus facilities, \$800 million for SUNY hospitals, \$333 million for SUNY and CUNY research facilities, and \$166 million for community colleges in both systems. SUNY and CUNY will also receive \$150 million from the Clean Water, Clean Air, and Green Jobs Bond Act to support decarbonization efforts across campuses.

Arts and Education. The Executive Budget supports investments in cultural arts and education, including \$70 million for nonpublic school infrastructure grants, \$40 million for capital grants administered by the New York State Council on the Arts (NYSCA), and \$34 million for library construction grants.

COMMITTED TO DEBT AFFORDABILITY

Governor Hochul has taken a disciplined approach to maintain affordable debt levels, while making substantive capital investments across the State. Accordingly, the Executive Capital Plan includes \$13.6 billion of cash resources to pay for capital spending that would have otherwise been funded with higher-cost taxable debt issuances. This proactive management of the State’s debt costs will enable a more affordable delivery of infrastructure investments.

State debt will continue to remain affordable as evidenced by the following debt metrics:

- Outstanding debt has remained nearly flat over the past decade, increasing from \$52.1 billion (FY 2016) to \$56.6 billion (FY 2025, projected), or an average of 0.9 percent annually.

- State-supported debt is projected to remain within statutory debt limits throughout the Capital Plan period, primarily due to \$13.6 billion in cash resources that have added since 2023 and will be used to reduce debt issuances.
- State-related debt outstanding as a percentage of personal income is expected to remain below historical levels throughout the Capital Plan and is projected at 4.6 percent in FY 2030.
- Debt service costs are estimated at \$6.7 billion in FY 2026, after adjusting for debt service prepayments, which is an increase of 5 percent from FY 2025.