New York State and Local Governments Continue to Face Fiscal Challenges
August 19, 2020

On August 12, the State Comptroller released the local sales tax numbers for the month of July which showed an 8.2% decline compared to the same period last year. Specifically, collections for counties and cities in July 2020 totaled $1.3 billion, or $116 million less than in July 2019. Only four counties experienced increases (Hamilton, Lewis, Westchester and Yates). County decreases ranged from 2.1% in Essex to 19.7% in Schuyler. Last month, Comptroller DiNapoli reported that local sales tax collections dropped 27.1% in the April-June quarter, down $1.2 billion from collections in the same quarter of 2019. Over the five-month period of the pandemic’s effects -- starting in March and continuing through July -- local governments have received $1.4 billion or 18.7% less than they did during the same period in 2019.

On August 13, the New York State Division of the Budget released a quarterly update to the State’s financial plan which projects a $14.5 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the Budget forecast released in February, creating a total loss of $62 billion through FY 2024 as a direct consequence of the COVID-19 pandemic. The $14.5 billion projected revenue decline for FY 2021 represents a $1.2 billion decline from revenue estimates made in April. To offset these shortfalls, the State has reduced spending by $4 billion through June by freezing hiring and contracts, deferring pay increases and withholding 20% of payments. The Updated Financial Plan also continues to assume a reduction of $8 billion in aid to localities disbursements which are expected to be implemented in accordance with the budget balance and withholding authority that was part of the State’s adopted budget. The allocation of these reductions will depend upon what programs are included or excluded, the level of targeted reductions in certain areas and the availability of Federal Aid.

Guidance Released for Police Reform Collaborative Process

On June 12th, Governor Cuomo issued Executive Order 203 directing all municipalities with police departments to undergo a transparent and comprehensive review of their policing practices and procedures. All local governments throughout the State which have a local police department are required to participate and adopt a plan by April 1, 2021. The Executive Order assured local leaders that further guidance would be forthcoming in order to assist in the process.

On August 17th, Governor Cuomo released the Police Reform and Reinvention Collaborative: Resources and Guide for Public Officials and Citizens. This document provides a roadmap and resources for local officials and their communities to utilize while navigating the Police Reform Collaborative process. In addition, a step-by-step timeline is included that can be used to facilitate the community discussion. A draft certification form is included in the materials which must be submitted to the NYS Division of the Budget once the plan has been adopted.
There are several additional points of interest that were not included in the Executive Order:

- The guidance in this document notes that the State can select an appropriate convener for any jurisdiction that is unable or unwilling to manage the Police Reform Collaborative process.

- The Municipal Police Training Council (MPTC), which was created under Executive Law §837, has established training standards and guidelines for law enforcement agencies to provide an initial framework in their own local policy development. Law enforcement may request all MPTC model policy guidance by contacting DCJS at OPS.GeneralPolicing@dcjs.ny.gov.

- The guidance notes that while aspects of the collaborative process should and could be done in conjunction with neighboring localities, each individual municipality will need to solicit meaningful input from its own community and develop an individual plan to be revised and ratified.

NYCOM is compiling the results of our membership survey on police policies and practices as well as examples from cities and villages that have already begun this collaborative process. If you wish to share what you have done in this regard, please send it to David Bissember (david@nycom.org). In early September, we will be sharing this information with our members with police departments. If you have specific questions regarding the Police Reform Collaborative requirements, please contact John Mancini (jmancini@nycom.org).

### Collection of Absentee Ballots Via Municipal Clerks

Last week, State Senator Rachel May introduced a bill (**S.8918**) that would authorize County Boards of Election to establish a method of receiving and collecting absentee ballots utilizing county, town, city, and village clerks for the General Election in November. Collection of absentee ballots by municipal clerks would be authorized during normal business hours and would begin no later than 21 days before General Election Day. The State Board of Election would be required to develop regulations necessary to implement the collection system. This bill would also deem an absentee ballot to be received by the close of polls on Election Day, provided that the absentee ballot is delivered to an authorized county, town, city, or village clerk by the close of polls on Election Day. The legislation would expire and be deemed repealed on December 31, 2020. As of now, this bill does not have a sponsor in the Assembly and the likelihood of its passage is uncertain at this time. While NYCOM does not object to the intent of this bill, we have expressed to the sponsor our concerns regarding the local administration of the mandate on village and city clerks. Our legislative team will be meeting with the sponsor to discuss our reservations in greater detail.

### Governor Cuomo Authorizes the Reopening of Gyms and Fitness Centers

On Monday, August 17, 2020, Governor Cuomo announced that gyms and fitness centers would be allowed to open as early as August 24, 2020. **Summary Guidelines** and **Detailed Guidelines** for reopening these facilities are available on the Forward New York webpage, along with the **NY Forward Safety Plan Template** which must be completed prior to reopening. The facilities may only operate at 33% capacity and must have air handling systems that meet MERV-13 or higher standards.

The local health department must inspect the facility before or within 14 days of opening. Additionally, in counties outside of New York City, each county’s chief executive officer may postpone the gym and fitness center reopening effective date (but not later than September 2, 2020) and/or opt-out or postpone certain group fitness and aquatic activities within their jurisdiction.

In addition to the normal social distancing, patrons must (1) wear masks at ALL TIMES when in a facility, (2) complete and pass a health screening prior to being permitted entry into the gym and fitness center, and (3) sign-in upon entering providing their full name,
Legislation Providing Local Budgetary Flexibility is Delivered to the Governor

The legislation that would provide budgetary flexibility for local governments (A.10492 Thiele / S.8417 Krueger), for which NYCOM strongly advocated, was delivered to the Governor on August 12. This bill would extend the rollover period, from 5 to 7 years, for bond anticipation notes issued between 2015 through 2021, authorize local governments and school districts to temporarily transfer money from capital reserve funds to pay for operating costs associated with COVID-19, and extend the repayment time frame of inter-fund loan advances made for COVID-19 expenses from the end of the current fiscal year in which the loan takes place to the end of the subsequent fiscal year.