NYCOM Posts Additional COVID Guidance and Fights for Federal Funding to Local Governments

May 7, 2020

Additions to NYCOM's COVID-19 Resources
The NYCOM staff is continually updating our COVID Resources webpage, including recently added Guidance on Workforce Reductions, FEMA reimbursement FAQs, FEMA applicant briefings, and extending the period for interest-free payment of property taxes. Additionally, we have recorded versions of our very popular series of COVID-related Webinars, including the speakers’ powerpoints and handouts. Topics include: Helping Local Businesses During the COVID Pandemic; Workforce Management in the Shadow of a Pandemic; Enforcing the Governor's COVID Executive Orders; and Conducting Meetings and Public Hearings During the COVID-19 Pandemic.

Campaign for Direct Federal Funding for All Local Governments
In NYCOM's effort to show the tremendous fiscal pain being felt at the municipal level, we continue to add to our Fiscal Pain Tracker. We encourage all of our members to keep sending to FiscalPain@nycom.org any information you release pertaining to the impacts the coronavirus pandemic is having on your budget, personnel and operations.

NYCOM's statewide mayoral sign-on letter to New York's congressional delegation first issued on April 13th, continues to build strength, with 331 municipalities (53 cities and 278 villages) signing on in support of federal aid that is direct and available to offset sharp drops in local revenues resulting from the coronavirus pandemic. If your mayor would like to sign-on, it’s not too late so please email lisa@nycom.org. This effort is helping build momentum, as demonstrated by two important developments this week. First, Representative Tom Suozzi (NY-3) and Representative Lee Zeldin (NY-1) led a successful effort to have every member of the New York congressional delegation sign a letter to the House and Senate leadership in support of direct federal funding to all local governments. Yesterday, a bipartisan and bicameral legislative proposal to provide direct federal funding to all cities, villages, counties and towns was announced by Senator Charles Schumer, Senator Kirsten Gillibrand, Representative Antonio Delgado (NY-19) and Representative Lee Zeldin (NY-1). The "Direct Support for Communities Act" would provide local governments with direct federal relief that can be used to pay for essential services and offset lost revenues and increased costs from the COVID-19 emergency. Representative Nita Lowey (NY-17), Chairwoman of the House Committee on Appropriations, has expressed her support for the distribution formula included in this legislation. By the beginning of next week, House Speaker Nancy Pelosi is expected to advance a comprehensive package of CARES 2.0 federal stimulus for, among others, local and state governments.

As NYCOM and our 600 city and village members continue our advocacy, we are also proud to be a key partner in the National League of Cities campaign to secure flexible federal funding for all local governments. NLC, which represents America's cities, villages, and towns, has unveiled its Cities Are Essential campaign to secure economic relief for the communities on the frontline of America’s response to the novel coronavirus. Their call is simple and of critical importance to restarting the nation's economy: we need $500 billion in direct federal aid for local governments over the next two years to support the communities that support America’s people.

State Budget Mid-Year Cuts
As you may recall, the Adopted State Budget included language that permits the State Budget Director to make uniform or targeted reductions to appropriations, including capital and operating aid, if the State Financial Plan becomes unbalanced by more than 1% (because revenues fall below projections or expenditures rise above projections) during any measurement period. The first measurement period began on April 1 and ended on April 30. The second measurement period began on May 1, 2020 and
ends on June 30, 2020 and the last measurement period begins on July 1, 2020 and ends on December 31, 2020.

Although the Governor and the Budget Director, at various times during their daily press conferences, have referred to local aid cuts ranging from 20% to 50%, the state released a financial plan update in mid-April which indicated that general fund receipts were down by approximately $13.3 billion and that aid to localities would likely need to be reduced by $8.2 billion (approximately 13%). We anticipate the proposed reductions to the budget will be shared with the State Legislature (as required) in the next week or so, at which time the Legislature will have ten days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director’s proposed reductions would go into effect automatically.

On April 30, the State Comptroller released a quarterly sales tax report which indicated that local sales tax collections during the first quarter (January-March) of 2020 totaled $4.4 billion, reflecting an increase of 4.6% over the first quarter last year. Keep in mind, the period covered in this report largely reflects sales activity before businesses and offices were closed as a result of the pandemic and also includes revenue from the internet sales tax that was not yet in effect last year. We anticipate the next report covering the month of April, which is expected to be released by the State Comptroller during the third week in May, will reflect significant declines in local sales tax revenue.

NYCOM is also working on several pieces of legislation that if enacted would help municipalities address some of the impacts of the COVID-19 pandemic. One bill that was introduced this week (S.8236 - Gaughran / A.10409 - McDonald) would allow local code enforcement officers to extend the expiration date of all active building permits for up to 120 days. We will keep you posted on the status of this legislation as well as other bills that are introduced at NYCOM’s request.