State Budget Developments
There are twenty-five days remaining prior to the beginning of the State’s new fiscal year and the deadline for timely budget adoption. There are several important developments to report this week:

- **Available State Revenues** - A key step in the state budget-making process is the Governor, Senate and Assembly coming to an agreement on the "Consensus Economic and Revenue Forecast Report" as required by Section 23 of the State Finance Law. This year, agreement on estimates of receipts for the current and the ensuing state fiscal year was not reached by the March 1 deadline. Therefore, Section 23 requires the State Comptroller to issue the estimates by March 5. His number, which was announced yesterday, is $190 million more than the Governor’s Executive Budget estimated in State revenues for the current and next fiscal year.

- **One-House Budgets** - Next week the Senate and Assembly will each introduce and pass their own versions of the state budget, reflecting their priorities as they enter into final negotiations with the Governor. NYCOM is fighting hard to have those issues of greatest importance to our members addressed in each of these one-house budgets and, ultimately, in the final state budget.

- **Permanent Tax Cap** - The Governor declared this week that he won't approve a state budget that doesn't include a permanent tax cap. The Senate has already passed such legislation (S.1904, by Sen. Gaughran) by a vote of 58-2. NYCOM is opposed to making the tax cap permanent without significant amendments (e.g., a true 2% and excluding capital expenditures). To date, the Assembly majority has been noncommittal on this issue, with individual members expressing a position similar to NYCOM’s.

- **Budget Request Sample Letter** - NYCOM has sent each of our city and village mayors a sample letter focusing on NYCOM’s key state budget priorities, including a restoration and increase in AIM funding, additional transportation aid, enactment of the internet sales tax, and, if passed, inclusion of local control and local revenue with any cannabis legalization legislation. Nearly 100 of our members have sent this letter to their state legislators -- if you have not yet done so, please do so today.
Advocacy Update

- **Senate Passes NYCOM's Accelerated Zombie Foreclosure Bill** - NYCOM has been working with Assemblyman John McDonald and Senator James Gaughran to pass legislation (A.4403/S.1864) accelerating from two years to one year the foreclosure period for vacant/abandoned "zombie" properties. Last week the Senate passed the bill by a vote of 61-0. Please contact your Member of the Assembly and urge them to approve the bill, which passed the Assembly in 2018 but now needs to be re-passed in order to become law.

- **Arterial Maintenance Reimbursement COLA** - NYCOM has sent a letter to Senate Majority Leader Andrea Stewart-Cousins and Assembly Speaker Carl Heastie urging them to include an inflationary adjustment to the state reimbursement to the 38 cities that maintain state arterial highways passing through their boundaries. The reimbursement rate has remain unchanged since 1987. Our lead supporters on this issue, Assemblywoman Nily Rozic and Senator Timothy Kennedy, have introduced legislation (A.5990-A/S.4048-A) that would amend the Highway Law to ensure that the arterial maintenance reimbursement rate becomes current and is adjusted annually for inflation thereafter.

- **Potential Expansion of Prevailing Wage Mandate** - NYCOM and our membership have great concerns regarding the inaccuracy of how the prevailing wage is calculated, its broad application, and the resulting negative impact it has on moving public projects forward. An Empire Center for Public Policy report outlines many of the deficiencies with the current prevailing wage law. However, in Governor Cuomo's State of the State Address on January 15th he declared: "Construction with public subsidies should be subject to the prevailing wage so they're built right, they're built fairly, they're built union. And that's long overdue." Since that time the Governor has not advanced specific legislation expanding the prevailing wage, but it remains a live issue during state budget negotiations, with much attention being focused on A.1261 (Bronson)/S. 1947 (Ramos).

If you have questions or concerns on any of these issues, please contact Peter Baynes or Barbara Van Epps at the NYCOM office (518) 463-1185.