2020-21 Executive Budget Released

Last night, the Governor released the details of his 2020-21 Executive Budget for the fiscal year beginning April 1, 2020. NYCOM will be sending you a comprehensive analysis of the Budget's impact on cities and villages, but in the meantime we wanted to highlight some of the proposals of greatest importance to our members.

As expected given the $6 billion state deficit, the Governor’s Executive Budget does not include an increase in AIM funding – but it does not cut AIM funding either. We were successful with respect to our requests for increased funding for water and sewer infrastructure, the continuation of PAVE-NY and BRIDGE-NY, raising the bidding-out threshold for CHIPS projects, and the calculation of the interest rate on judgments.

Executive Budget Initiatives of Importance

- An additional $500 million would be provided for drinking water and wastewater infrastructure as well as water quality protection. This would be in addition to the $500 million included in the current year’s budget as well as the five-year $2.5 billion Clean Water Infrastructure Act that was created in 2017-18.

- CHIPS funding would remain at $438 million but the $65 million in Extreme Winter Recovery funding is not continued under the Executive Budget.

- The Budget includes $100 million for PAVE-NY and BRIDGE-NY. Both programs were due to expire at the end of the current fiscal year. In addition, the Budget would increase the CHIPS bidding-out threshold from $250,000 to $750,000, allowing municipalities the option to perform any projects at or under the $750,000 threshold with their own workforce rather than bidding out the contract competitively.

- While the Governor did not advance specific proposals to address widespread concerns regarding last year’s Criminal Justice Reform, he noted that the reform is an ongoing process and that the Executive and the Legislature need to respond to relevant facts pertaining to implementation problems.

- The interest rate on court judgments or accrued claims would be changed from a 9% fixed rate to a market rate used by the federal court system. This would not only generate savings but encourage timely court proceedings.

- The Budget would legalize recreational marijuana for those 21 years of age and older. County governments and cities with a population over 100,000 would have
The authority to opt out which would allow them to prohibit any establishment or operation involving the cultivation, processing, distribution and sale of adult-use cannabis within their jurisdiction. In addition, the proposed law expressly preserves the authority for any municipality to regulate the time, place, and manner of licensed adult-use cannabis retail dispensaries within their boundaries. It appears that no city (excluding New York City), village or town would receive any of the associated tax revenue.

- The Budget would legalize e-bikes and e-scooters and authorize any county, city, village or town to further regulate – or prohibit entirely – their use.

- The Budget includes language establishing a $3 billion Restore Mother Nature Bond Act to address habitat restoration and flood reduction.

- The Budget includes funding for a fifth Downtown Revitalization competition where 10 communities would each receive $10 million.

- The Budget would eliminate VLT Aid for all recipients (except for the City of Yonkers).

- The Budget would require all local elected officials who earn an annual government salary of more than $100,000 to file a copy of their tax return with JCOPE.

If you have any questions or concerns, feel free to contact Barbara Van Epps, NYCOM Deputy Executive Director, at 518-463-1185 or Barbara@nycom.org. Please keep in mind that these proposals will be discussed at NYCOM's Winter Legislative Meeting at the Albany Marriott, February 9-11.