May 26, 2020

I. State Response to Massive Revenue Gap Preserves ETR/CMPTRA

On Friday, State Treasurer Elizabeth Maher Muoio announced that State revenue losses in the current Fiscal Year, which now will end on September 30, will total $2.75 Billion. As you recall, back in March, in anticipation of COVID’s economic fallout Treasury’s Office of Management and Budget (OMB) announced that some $920 million items of appropriations had been frozen and placed in reserve. These included a total of $44,738,465.18 municipal revenues.

This announcement states that the Governor will ‘de-appropriate’ approximately $1.32 billion, including State balances available as the result of the application of certain federal revenues towards State spending. That will subtract $29.9 million from the Transitional Aid program.

In addition, the Governor will also be asking the Legislature for permission to delay September Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy Tax Receipts (ETR) payments until October. It appears that the July and August payments will
be delivered as anticipated. The one-month delay from September to October delays the payment into the first month of the State 2021 fiscal budget (FY2021), which will now run from October 1, 2020 to June 30, 2021.

The Administration’s proposal will use a portion of State government’s Federal CARES Act Coronavirus Relief Fund (CRF) funding to create a $250 million Local Government Relief Fund. The Department of Community Affairs (DCA) will administer this as reimbursement-based grants to local governments for eligible CRF related costs that have not been reimbursed through other sources, including FEMA. Local units will need to demonstrate financial hardship directly attributable to COVID-19. That would include substantial COVID-19 related expenditures in public safety overtime, health services, self-insured health benefit outlays, and public works, which will substantially heighten local governments’ budgetary and cash-flow challenges. $5 million from this relief fund will be dedicated toward supporting projects that improve local government dispatch and public health services to enhance emergency response preparedness and system resilience. However, DCA would be directed to prioritize the twelve counties that were not eligible for their own Coronavirus Relief Fund allocations.

Looking forward to the 2021 State Fiscal Year, which will begin on October 1 and conclude June 30, 2021, the Governor calls for the elimination the SFY ’21 increases of $336 million for school aid, which had been included in the Governor’s February request to the Legislature. School aid, like the September ETR/CMPTRA, will be delayed into the beginning of SFY ’21.

II. Where Can I Find COVID-19 Related Resources from the League?

The League has created a COVID-19 webpage, which was created as a central source for all resources we are posting. The webpage also includes a newly added “Vendor & Supplier Resources” page with information and links to vendors that are offering COVID related products and services. The League is also posting updates of news and new legislation and guidance daily on the Emergency Management & Public Health News Flash.

You may sign up to receive email alerts when new items are posted, or visit the League’s COVID-19 resource page to view news flash items. Many of these items are also being posted on the League’s Facebook, Twitter and LinkedIn accounts.

There have also been several posts published on the League’s Town Crier blog that gives detailed explanations and analysis of the legislation surrounding COVID-19.

III. National League of Cities Call

Wednesday, May 27 at 11:00 AM ET

National League of Cities is hosting a regional conference call with updates on CV-19 for municipalities in New Hampshire, Vermont, New York, Rhode Island, Massachusetts, New Jersey, Pennsylvania, Maryland, Delaware, and Connecticut. Register to join.