July 17, 2020

I. State
II. Federal
III. 2020 Annual League Conference

Municipal Clerks: Please forward to your Mayor, Governing Body and Department Heads.

To assist in providing guidance and information we have created a COVID-19 resource page. We will continue to update the page as we get pertinent information and include announcements in our Daily Updates.

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I. State

a. COVID-19 Update

Today Governor Murphy announced that there were 202 new positive results and an additional 20 confirmed deaths resulting from COVID-19. To date there have been 176,551 confirmed cases, and 13,710 confirmed deaths. There are also 1,974 probable deaths associated with the virus.

The rate of transmission (RT) dropped earlier in the week but increased to 1.11. The Murphy Administration has expressed its objective to push and keep that number below 1.01. Meanwhile, the number of patients hospitalized, those in critical and intensive care, and the number of ventilators in use continue to decline.

Since last Friday, the Governor has taken the following actions:

Executive Order 164: Postponement of Annual Municipal and County Party Committee Reorganization Meetings and Special Elections. Please see the League's Town Crier Blog post for more.
Executive Order 165: Lifting 50% Capacity Limits on NJ TRANSIT and Private-Carrier Vehicles

The State Department of Labor and Workforce Development (DOL) reported that through June data, the State unemployment rate rose to 16.6%. Further, the DOL reported that 38,150 new unemployment applications were filed last week. This brings the total to just under 1.4 million since mid-March.

Meanwhile, the US Bureau of Labor Statistics report that New Jersey added 130,900 jobs in June. The State has recovered approximately 26% of the jobs lost during the peak of the pandemic in March and April.

See the League’s COVID-19 page for all our resources and communications.

Contact: Michael F. Cerra, Executive Director, mcerra@njlm.org, 609-695-3481 x120.

b. Governor Signs State COVID-19 Borrowing Bill

Yesterday, both the Assembly, by a 46-26 vote, and the Senate, by a 22-15 vote, passed the amended State COVID-19 Borrowing bill. Late yesterday Governor Murphy signed it into law, P.L. 2020, c. 60 authorizes the borrowing of up to $9.9 billion in State general obligation bonds to address the State’s financial problems that have arisen as a consequence of the COVID-19 Pandemic. The law permits up to $2.7 billion to be authorized between now and the end of September, which is the end of the extended fiscal year 2020, and the remainder could be borrowed between October 1 and June 30, 2021, which is the new State FY21.

However, prior to the issuance of borrowing the “Select Commission on Emergency COVID-19 Borrowing”, which was created by the bill, must approve authorization. This four-member commission will be comprised of two Senators and two Assembly representatives and will have to approve each request to borrow with a majority vote. Senate President Sweeney has indicated he and Senator Sarlo will serve on the commission. Assembly Speaker Coughlin will be appointing the two Assembly representatives.

The provision of the legislation that authorized borrowing from the federal government on behalf of local governments was removed prior to floor vote of the Assembly and Senate. We anticipate separate legislation to address municipalities’ financial problems arising from COVID-19.

In addition, today the NJ Supreme Court has accepted review of the NJ GOP challenge to the State’s COVID-19 law. An Order was issued deeming the matter pending in the Supreme Court and scheduled oral arguments for August 5.

Contact: Lori Buckelew, Assistant Executive Director, lbuckelew@njlm.org, 609-695-3481 x112.

c. Governor Plans to Close the Digital Divide in Education

Yesterday, Governor Murphy announced a three-pronged plan to address the digital divide for school children, in time for the 2020-2021 school year. The plan looks to put
needed technology into the hands of all pre-K to 12 students, with unmet hardware and connectivity needs. This will be crucial, as Districts consider ‘in school-at home’ hybrid plans for reopening, or if deteriorating public health conditions force a return to virtual instruction.

The Administration’s approach to closing the digital divide consists of the following:

1. The New Jersey Economic Development Authority (NJEDA) released today a Request for Information (RFI), seeking information and ideas to bridge the digital divide for New Jersey’s pre-K-to-12 students, including philanthropic support from companies and organizations to help close the digital divide in public schools.

2. The DOE will offer a one-time $10 million formula grant using a portion of the State’s federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Elementary and Secondary School Emergency Relief (ESSER) funds, to purchase digital devices and internet connectivity for one-to-one student use based on need and the availability of philanthropic donations.

3. After philanthropy and ESSER Fund grants have been exhausted, the Administration will redirect Coronavirus Relief Fund (CRF) funds to close any remaining gap and fill the unmet digital device and internet connectivity needs of New Jersey students. Up to $44 million in CRF funds will be available for this purpose, with an additional $6 million available for nonpublic schools.

**Contact:** Jon Moran, Senior Legislative Analyst, jmoran@njlm.org, 609-695-3481 x121.

d. Governor Signs Electronic Procurement Act

Yesterday Governor Murphy signed into law the Electronic Procurement Act. **P.L. 2020, c. 59** permits local governments to use an electronic construction procurement process for public works construction contracts. Rulemaking authority has been given to the Division of Local Government Services to develop the process to be used for electronic construction procurement.

The law mandates that the State use electronic procurement process for public works construction contracts when the project requires public advertisement. The new law will take effect on March 1, 2021.

**Contact:** Lori Buckelew, Assistant Executive Director, lbuckelew@njlm.org, 609-695-3481 x112.

II. Federal

a. New Jersey Census Response Lags

When the time comes to distribute federal and state aid, your citizens won’t count, unless they’re counted. When the time comes to apportion seats in Congress and in the State legislature, your citizens won’t count, unless they’re counted. When the time comes to determine how many votes New Jersey will have in the Electoral College, Garden State citizens won’t count, unless they’re counted. And they won’t have another opportunity to be counted until 2030.
The Census Bureau has begun sending door-to-door census takers out into the field. Workers from the Trenton Field Office will take to the streets, beginning on July 30, with more offices to follow.

But your citizens don’t have to wait. They can still mail the census form back to the Bureau, and they can still respond on-line. Please direct them to United States Census 2020, where they can complete the census on-line. On that site, they can also access the census form and more information in any one of twelve languages, besides English, if they find that easier.

New Jersey’s current response rate sits at 64.1%. That means that more than one-third of our fellow citizens remain uncounted. Nineteen other states show stronger response rates. A number of Garden State municipalities, including some of most populous towns and popular vacation destinations, have rates below 40%. You can access your community’s response rate.

And for those who still choose not to respond by mail or on-line, please let them know to expect a knock on the door. They can learn how that process will work, and, importantly, how to recognize a legitimate census bureau employee, as well as how to avoid scammers.

The League is constantly updating our own 2020 Census Information page.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njlm.org, 609-695-3481 x121.

b. CARES Act CRF Guidance Permits Use of Funds for TANs Costs

The U.S. Treasury has been using FAQs to expand permissible uses of Coronavirus Relief Fund (CRF) monies, distributed pursuant to the CARES Act. You can view the latest (July 8) at Treasury CRF FAQs.

On page 7, that guidance states (emphasis added):

‘If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?’

‘If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.’

As a reminder, only the State of New Jersey and our nine most populous counties received CRF funding. That funding can only be used for limited purposes, outlined in the FAQs. However, Treasury Guidance permits recipient governments to pass funding on to non-qualifying local units, as sub-recipients. A total of $3,444,163,690.30 came to the State and the nine counties. Here are the subtotals.

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
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<tr>
<td>Bergen County</td>
<td>$162,662,060.40</td>
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<tr>
<td>Camden County</td>
<td>$88,375,283.90</td>
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<tr>
<td>Essex County</td>
<td>$139,414,976.30</td>
</tr>
</tbody>
</table>
Hudson County                                          $117,327,044.40  
Middlesex County                                      $143,966,956.60  
Monmouth County                                     $107,974,955.70  
Ocean County                                            $105,949,274.70  
Passaic County                                          $87,564,767.20  
Union County                                             $97,077,214.30  
Payment to the State of NJ                        $2,393,851,156.80

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**c. Local Aid to Be Debated as Congress Reconvenes**

On Monday, Congress will return to Washington. Press reports indicate that leaders in both Houses and in both political parties will seek bipartisan agreement on a new legislative response to the economic impact of the Coronavirus.

As the next COVID response bill is being negotiated, Members of Congress will hear from a host of special interests. Many of them will have legitimate needs. Please contact Senators Menendez and Booker and your Representative. Respectfully, ask that those needs be addressed in addition to, not instead of, the needs of New Jersey municipalities.

Senators Menendez and Booker and all Members of our House delegation have been strong advocates for direct local aid. Yesterday, League President Jim Perry, First Vice President Janice Kovach, Second Vice President Sue Howard, and Third Vice President Bill Chegwidden jointly signed letters to all of them. That letter states:

> As the pandemic continues to plague our Nation, we thank you for your ongoing efforts to secure direct, substantial, and flexible federal support for all New Jersey municipalities...

> Municipal revenues are down. Expenditures are up. Both of those pressures may intensify in the coming months, as businesses retrench and property tax assessments are appealed. Absent any federal support, vital municipal services, delivered by dedicated public servants, are headed for the chopping block. Our citizens and our private sector businesses depend on those employees and those services. And any hope for sustained economic and social recovery will be crippled without them.

> Direct, substantial, and flexible local aid is needed. All local governments, regardless of population, urgently need direct federal funding to continue to fight COVID-19, to protect their residents, and to promote the economic recovery, through the summer and beyond. The citizens of small towns matter just as much as the citizens of big counties, and New Jersey municipal employees contribute at least as much to society as private sector workers.

Please, take the time to thank your Congress Member and Senators Menendez and Booker for their consideration. Encourage them to continue to fight for direct local aid for all New Jersey municipalities.

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III. 2020 Annual League Conference

a. Delegate Registration

Delegate registration will open on August 1. We encourage everyone to preregister online and have their conference credentials mailed to them in advance. This avoids delays and lines onsite in Atlantic City.

b. League Code of Conduct

The League intends to maintain a welcoming professional atmosphere in all aspects of the Annual League Conference. To that end, conduct that violates the League Code of Conduct is not tolerated by the League, anyone who witnesses it, or is subjected to it. Everyone who participates in the Annual League Conference is required to adhere to this code.

c. Conference Center Preparations

We are busy making arrangements for this live event including education and exhibits with the full expectation that by November the State will permit important gatherings of government officials like the Annual League Conference. The League is taking measures along with our partners at the Atlantic City Convention Center and all related service providers to follow CDC and NJDOH guidelines to create a safe and healthy conference. A healthy conference environment is our top priority for 2020 and with that, we are dedicated to providing an educational, informative, productive, and collaborative conference. Sanitization protocols that comply with CDC guidance are ready for public spaces, meeting areas, food service, and transportation. Venue layout will take into account social distancing, and preregistration will eliminate waiting lines.

d. Unauthorized Hotel Reservation Services

Every year there are unauthorized firms soliciting housing and hotel reservations from attendees at the Annual League Conference. We assure you that the only firm authorized to handle our conference housing reservations is AC Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on our website.

Using unauthorized reservation services creates real problems for you and the conference as a whole. You cannot be assured your credit card information is secure and your room reservation may not actually be made. Using unauthorized services means your room will not be part of the official conference housing block so you won’t get emergency housing information (which happened in both 2011 and 2012), nor will there be adequate shuttle bus services to your hotel. As always, the League is available to answer your questions on any aspect of the annual conference and we strive to make your participation both enjoyable and highly productive.

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