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August 28, 2020

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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.

I. State

a. COVID-19 Update

Today Governor Murphy announced that there were 372 new positive cases and an additional nine confirmed deaths resulting from COVID-19. To date, there have been 190,971 confirmed cases, and 14,150 confirmed deaths. The rate of transmission is at 0.77. The positivity rate as of August 24, was 1.52%.

Since our last update, Governor Murphy issued the following executive orders:

[Executive Order 179](#): making modifications to this year's primarily vote-by-mail (VBM) General Election and clarifying Executive Order 177. County Clerks are required to publish a notice reflecting this year's primarily vote-by-mail process. County Board of Elections are permitted to continue counting ballots every day until counting is completed. Election audits must be completed by December 4, 2020.

[Executive Order 180](#): extending the public health emergency for another 30 days.

[Executive Order 181](#): permitting gyms, health clubs, and amusement and water parks to reopen their indoor premises to the public on Tuesday, September 1, 2020 at 6:00 a.m. with applicable gathering limits. The Department of Health has issued [guidance](#) for health clubs, gyms and fitness centers outlining the criteria that they must follow to comply with the executive order.

On Tuesday, the Governor updated the Travel Quarantine Advisory to add Guam and remove Alaska, Arizona, Delaware, Maryland, and Montana from the list bringing the total to 31 states and territories.

The Governor also [announced](#) that the State's public water, gas and electric utility companies regulated by the Board of Public Utilities have all agreed to extend their voluntary moratorium preventing shutoffs to both residential and commercial companies until October 15. Additionally, the utilities will offer Deferred Payment Agreements of at least 12 months and up to 24 months. This extension does not apply to cable and telecommunications companies.

For the week ending August 22, New Jersey Department of Labor and Workforce Development received 20,175 new unemployment application, a 21% decline from the prior week. The Federal Pandemic Unemployment Compensation that provided a \$600 per week supplement for anyone eligible for unemployment, expired on July 25. The Labor Department has applied for the FEMA Lost Wages Supplemental Assistance grant, which will provide up to \$300 per week for a limited time to eligible individuals, in addition to other unemployment compensation they receive.

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

b. Nine Month State Budget Introduced

On Wednesday, in Piscataway, Governor Murphy presented his budget proposal for State Fiscal Year 2021 (SFY '21) to the Legislature and people of New Jersey. This proposal sets the stage for Legislative consideration of a budget that will govern State spending from October 1, 2020, through June 30, 2021.

Combined with appropriations for the August 1 payment, which were included in the July-September three-month bridge budget, and if adopted by the Legislature, as is, the proposal would hold combined appropriations for Energy Tax Receipts Property Tax Relief (ETR) and Consolidated Municipal Property Tax Relief Aid (CMPTRA) level for the balance of the year. While level funding is not full funding, Governor Murphy continues to propose budgets without further deep cuts to these vital, unrestricted, statewide municipal property tax relief programs.

The proposal also calls for level funding in Transitional Aid, Capital City Aid, Open Space Payments in Lieu of Taxes, and Highlands Protection Fund Aid. It would reduce funding for the Division of Local Government Service's Shared Services and School Consolidation assistance grants program, from \$10 million to \$3 million. And, it would eliminate funding (\$4 million in SFY '20) for Meadowlands Tax-Sharing Payments.

As the Legislature considers the Governor's proposal, we will work with our Meadowlands municipalities to ensure that their property taxpayers get the relief to which they are entitled.

The Governor also asked the Legislature to authorize a new \$120 million local government emergency fund, to be administered by the Department of Community Affairs (DCA). This program is intended to defray eligible municipal public safety and public health expenses, for municipalities in the 12 counties that did not receive direct federal funding through the CARES Act's Coronavirus Relief Fund (CRF). This fund is also meant to support municipal investments in emergency dispatch and public health resilience. The budget proposal also looks to provide \$32 million in federal funding to help those 12 counties, and municipalities therein, respond to the pandemic.

We are concerned with a number of funding diversions, which the Governor proposed.

Notably, over \$30 million Affordable Housing Trust Fund dollars would be used for other programs. These include \$13.9 million for rental assistance, \$4.4 million for homelessness prevention, \$2.3 million for shelter assistance, and \$10 million to offset general expenditures.

Last year, Governor Murphy and the Legislature ended the diversion of Affordable Housing Trust Fund monies. That budget included a total of \$60 million. 50% was for the Municipal Settlement Fund to help municipalities develop small scale projects designed to meet their court-sanctioned affordable housing need. 40% was for the Neighborhood Partnerships Fund to help Urban Aid municipalities with community development. The remaining 10% was for the Innovation Fund for projects that didn't fit for funding under either of the other two programs. All of those affordable housing programs face deep cuts, if the diversion is allowed.

Other proposed diversions include \$12 million, from the State Recycling Trust Fund, and \$10 million, from the Clean Communities Trust Fund, both to be used to offset State Parks management costs. In the State's last Fiscal Year, the Recycling Trust Fund provided \$14.3 million in grants to municipalities to support their recycling efforts. Also, last Fiscal Year, the Clean Communities Trust Fund provided \$17.3 million in grants to support municipal anti-litter programs, beach clean-ups, stream clean-ups, and other local environmental activities.

Every budget is based on assumptions about how much revenue will come in and how much revenue will be needed for different line items. The Legislature's assumptions often differ from the Governor's. This proposal assumes a certain level of revenue, including about \$1 billion in 'enhancements,' including the millionaires' tax, and \$4 billion from the sale of bonds. And it assumes that the Legislature will agree to fund all of the programs the Governor is calling for, at the levels he wants.

The proposal will be considered and debated by the Senate Budget and Appropriations Committee and by the Assembly Budget Committee, as they work to produce an Appropriations Act to govern State spending, through June, 2021. That bill will need to be passed by both Houses and sent to the Governor before the current, extended Fiscal Year ends on September 30.

Throughout that process, we will continue our review of the proposal and our advocacy on behalf of all New Jersey municipalities.

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

c. Legislature Concurs with Governor's Conditional Veto of A-3971

Yesterday both the Senate and Assembly concurred with the [Governor's conditional veto](#) of A-3971, which authorizes the issuance of "coronavirus relief bonds" by municipalities and counties. The legislation will permit the issuance of a special emergency appropriation for COVID-19 expenditures and/or a deficit in prior year operations due to COVID-19. The special emergency appropriation must be repaid no later than the last day of the sixth fiscal year following the end of the fiscal year that is the subject of the special emergency. The Local Finance Board may extend repayment period up to 10 years if the extension would be needed to prevent significant fiscal distress.

In addition the conditional veto permits the Division of Local Government Services to issue guidance on the calculation of anticipated revenue for the 2021 budget year. It also permits a local unit or board of education to issue refunding bonds for the repayment of a Federal Emergency Management Agency Community Disaster Loan program executed by a promissory note in 2013.

We anticipate guidance on the approach from the Division of Local Government Services shortly. We understand that operating deficits will include documented COVID-19 revenue loss or over expenditures. Municipalities will need to show their operational gap, but will not need to deplete surplus to take advantage of this limited special emergency tool.

We thank the sponsors, Assemblyman Benson and Senators Singleton, Gopal and Scutari for their continued support and assistance in shepherding this legislation. It is providing local governments with the flexibility to address revenue shortfalls and increased expenses during this public health emergency that has led to shuttering of businesses, construction, courts, and schools along with record declines of municipal revenue.

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

d. Hepatitis Inoculation Reimbursement Program Accepting Applications

The New Jersey Department of Health (DOH) has announced that municipalities can apply for reimbursements from the Hepatitis Inoculation Fund for the costs of hepatitis B inoculations for certain emergency medical technicians, firefighters, and police officers. The funds are a continuation of monies already distributed for this purpose between 1996 and 2019 in accordance with N.J.A.C. 8:57B.

Each municipality can receive up to \$5,000 in reimbursement for the cost of protecting its emergency medical technicians, firefighters and police officers against hepatitis B. Funding will be based on the collection of state forfeiture recoveries from confiscated property involved in illegal activity.

First preference will be given to municipalities with volunteer EMTs and volunteer firefighters. Second priority will be given to municipalities with a combined total of fewer than 100 EMTs, firefighters, and police officers. Finally, municipalities with more than 100 emergency services workers will receive funding.

DOH may assign applicants a number and hold a lottery to determine the order of funding. All first priority municipalities will receive money before second and third priority municipalities can be reimbursed. If funds are depleted at any point, distributions will stop

until more money is available. Reimbursements will then continue in the order established by the lottery.

Reimbursements cannot be made to those already reimbursed under this program or those whose medical insurance pays for the full cost of the hepatitis inoculation, but municipalities can claim expense reimbursement for any portion of the cost disallowed by such medical insurance.

[The Department has released more details and directions on this program in a recent announcement.](#)

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

e. Spotted Lanternfly Resources

New Jersey Department of Agriculture Secretary Douglas Fisher has shared information and instructions for residents who encounter the Spotted Lanternfly as the Department continues to receive numerous calls about this exotic invasive insect. The Department is partnering with the United States Department of Agriculture's Animal Plant and Health Inspection Service (USDA-APHIS) to curb the ongoing spread of the Spotted Lanternfly and asking municipal officials to get the word out in their communities.

Please visit and share the [Department's Spotted Lanternfly website](#), which offers Homeowner Resources, Treatment Options, Control Options, and directions for a DIY trap, among other helpful items.

The Department has also created [SLF Homeowner Treatment Options chart](#). This is a list of homeowner treatment options for Spotted Lanternfly that are available at places like Lowe's and Home Depot. The treatments take an application about once every 3 or 4 days to be effective and the department emphasizes to follow the label instructions as well.

The Department of Agriculture also sent out an [informative press release](#) which may be of assistance to local officials and residents alike.

II. Federal

a. COVID Crisis Response Update: This Week in Washington

On Tuesday, Senate Republicans released the text of a draft of their new 'skinny' coronavirus relief bill, which - like the HEALS Act - **includes no additional aid to state or local governments**. The pared-down bill, the [Delivering Immediate Relief to America's Families, Schools and Small Businesses Act](#), includes:

- Liability protections substantially similar to those in the HEALS Act
- An additional \$300 in weekly federal unemployment insurance until December 27th
- Small business relief that would provide an additional round of Paycheck Protection Program (PPP) loans for certain businesses
- \$10 billion for the U.S. Postal Service

- \$29 billion for the Department of Health and Human Services
- \$105 billion for the Department of Education

On Wednesday, House Budget Committee Chairman John Yarmuth released a [fact sheet](#) highlighting reasons why state and local governments need more federal aid now. As the document makes clear, the confluence of plunging tax revenues and increasing demand for services is **creating budget gaps for state, local, and tribal governments that may exceed the largest on record.**

The fact sheet points out that **state and local governments already shed nearly 1.2 million jobs between March and July**, and their **spending fell at a 5.6 percent annual rate in the second quarter of 2020.** "In the absence of additional federal support," Chairman Yarmuth wrote, "Americans can expect more painful job losses and debilitating cuts to services."

And, on Thursday, House Speaker Nancy Pelosi was scheduled to have a telephone conversation with White House Chief of Staff Mark Meadows in hopes of resuming negotiations on a comprehensive response to the economic and public health crises caused by the pandemic.

We thank our Federal partners at the National League of Cities (NLC) for their strong and consistent advocacy, and all of you who have reached out to your colleagues, serving the same constituents, in the U.S. Senate and House of Representatives.

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

III. 2020 Annual League Conference

The 105th Annual Conference will be held as a virtual conference the week of November 16 through November 20. For more information, [please see our August 14 letter](#).

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

a. Register Now

Registration for the 105th Annual New Jersey State League of Municipalities Virtual Conference now open!

As the 105th Annual Conference transitions to a Virtual Conference, we look forward to offering you relevant educational sessions and networking opportunities.

Registration is still open. Those who have registered for the Conference will receive a separate email with details on the transition to Virtual Conference.

- [Pre-Registration Information Letter](#)
- [ONLINE PRE-REGISTRATION](#)

Non-Government Attendees

For-Profit Entities (non-government) should download a Non-Government Registration Form.

- [Non-Government Form \(PDF\)](#)



New Jersey State League of Municipalities

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