September 11, 2015

RE:     Weekly Policy Update

I. September Advocacy Critical for Federal Transportation Funding
II. Best Practice Checklist Issued
III. League Staff testifies before Red Tape Review Commission
IV. FEMA September 15 Sandy damage claim deadline approaching

Municipal Clerk: Please forward a copy to all Governing Body Members

Dear Mayor:

Here is a brief recap of some policy issues of interest:

I  September Advocacy Critical for Federal Transportation Funding

Just before the August recess, the United States Senate passed the "Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act", a bill that authorizes over $50 billion in federal funding annually for six years to support highway, bridge, and transit projects and programs. (See our July 23 Federal Update at https://nj-njslom.civicplus.com/Archive.aspx?ADID=286 and our July 31 Weekly Policy Update at https://nj-njslom.civicplus.com/Archive.aspx?ADID=289.)

At the same time, the Senate was forced to pass another short-term extension for transportation funding - the 35th time an extension was required over the past decade. The latest short-term extension was necessary because the House refused to vote on the Senate bill and announced it would consider a House originated bill in September.

The National League of Cities (NLC) has provided an analysis of the DRIVE Act. Among the gains, the bill would restore or increase funding for locally owned bridges, busses, and for local projects eligible under the Transportation Alternatives Program (TAP). A reduction in overall funding for local governments under the Surface Transportation Program is the most significant loss in the bill.

As Congress returned to Washington this week, transportation advocates must focus on the House, urging action on a bill that maintains the gains in the Senate, and that restores funding to municipalities under the Surface Transportation Program. The most important thing local officials can do this September to protect the gains of local governments in the transportation bill is to communicate to your Representative in the House your individual or municipal endorsement of our four priorities to authorize a new, long-term federal surface transportation bill that will: 1) authorize at least six years of transportation programs and funding; 2) enable more local control; 3) support innovative programs and finance; and 4) help fix the Highway Trust Fund.
Yesterday, League President Brian Wahler sent letters to each of New Jersey’s twelve Representatives in the House. We urge you to adapt that letter for your own correspondence with your Congresswoman or Congressman. The links for the letter are:


Contact: Jon Moran, 609-695-3481 x121 or jmoran@njslom.org

II. Best Practice Checklist Issued

The Division of Local Government Services has issued [Local Finance Notice 2015-17](http://www.nj.gov/dca/divisions/dlgs/programs/best_practices.html) regarding the CY 2015/SFY 2016 Best Practices Inventory.

The Best Practices Inventory (“Inventory”) is an excel worksheet which will be submitted electronically to the Division. The Inventory must be certified by your Chief Administrative Officer, Chief Financial Officer and the municipal clerk, who must certify that the Inventory was discussed at a public meeting. The excel worksheet is available at [www.nj.gov/dca/divisions/dlgs/programs/best_practices.html](http://www.nj.gov/dca/divisions/dlgs/programs/best_practices.html).

The following are the highlights:

- The Inventory is **due by Friday, October 16th for Calendar Year or Transitional Fiscal year** municipalities. **Fiscal Year municipalities must return their questionnaire by April 18, 2016.** We urge municipalities to submit their checklist as soon as possible as to avoid a delay in receiving your December aid payment.
- **The Inventory remains at 50 questions, 5 of which are new.**
- Some questions, both repeat and new, may require additional information to be entered in the right column labeled “Comments” or to clarify when a “yes” or “not applicable” answer is appropriate.
- In addition to allowing for “yes” or “no” answers, certain questions allows for the option of answering “prospective” or “not applicable”.
- “Not applicable” is only an appropriate answer if a municipality concludes that the requirement is impossible to meet given the municipality’s circumstances. Using “not applicable” will require an explanation of why it is not applicable.
- “Prospective” should only be used to indicate that compliance with a practice will be forthcoming in the upcoming year based on good faith efforts and direction from the appropriate officials to implement the practice.
- **The completed Inventory must be an agenda item for discussion at a municipal governing body meeting** and the municipal clerk must certify on
the worksheet that the Inventory and the results thereof were discussed publicly.

- The municipality’s Chief Administrative Officer and the Chief Financial Officer must certify the results.
- Once the completed Inventory is submitted to the Division it cannot be amended and resubmitted except by making an appeal to the Director.
- Municipalities can appeal to the Director their scoring by the close of business Friday, October 16, 2015. For State Fiscal Year municipalities the deadline is April 8, 2016. Appeals can be submitted before the submission deadline but not before the Inventory is submitted.

This year’s criteria for withholding property tax relief funding will use a sliding scale up to the full amount of the final aid payment:

<table>
<thead>
<tr>
<th># of Questions scored yes, prospective, or “not applicable”</th>
<th>Amount of Aid Disbursed</th>
<th>Impact on final 5% aid payment/impact on total aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>41-50</td>
<td>100%</td>
<td>No penalty</td>
</tr>
<tr>
<td>33-40</td>
<td>80%</td>
<td>Lose 20% which equals 1% of total aid</td>
</tr>
<tr>
<td>25-32</td>
<td>60%</td>
<td>Lose 40% which equals 2% of total aid</td>
</tr>
<tr>
<td>17-24</td>
<td>40%</td>
<td>Lose 60% which equals 3% of total aid</td>
</tr>
<tr>
<td>9-16</td>
<td>20%</td>
<td>Lose 80% which equals 4% of total aid</td>
</tr>
<tr>
<td>0-8</td>
<td>0%</td>
<td>Lose 100% which equals 5% of total aid</td>
</tr>
</tbody>
</table>

We have reviewed the checklist and provided the Division with some initial comments and feedback. We thank Division of Local Government Services Director Timothy Cunningham for allowing us an opportunity to provide input in the process.

Contact: Lori Buckelew, 609-695-3481 x112 or lbuckelew@njslom.org

III. League Staff testifies before Red Tape Review Commission

Yesterday, we testified before the Red Tape Review Commission regarding the User Friendly Budget. We noted that our concerns with the “User Friendly Budget” are primarily that it creates duplication of work at the municipal level at a time when municipalities are doing more with less. The “User Friendly Budget” appears to be a combination of the Annual Financial Statement (AFS), Annual Debt Statement (ADS), and the municipal budget.

While we recognize that rules are needed to implement provisions of a 2007 law, we are troubled that the “User Friendly Budget” regulations create another reporting requirement for municipalities. It appears as through the Division of Local Government Services (DLGS) is making a strong push towards the automation of the required reporting documents. This has begun with the electronic filing of the tax levy cap worksheet, ADS and the Supplemental Debt Statement. It is our hope that the AFS is next. It would seem that it is now the ideal time
to re-engineer the requirements of the municipal budget document itself by simplifying it and incorporating the intent of the user friendly budget.

A single electronically filed document that allows DLGS staff to perform their review functions, while at the same time satisfying the intent of the User Friendly Budget, would seem to provide a universal solution to all the interested parties.

We have been engaged with DLGS and the Administration on addressing our concerns and look forward to continue working towards a common goal.

Contact: Lori Buckelew, 609-695-3481 x112 or lbuckelew@njslom.org

IV. FEMA: September 15th, Sandy damage claim deadline approaching

The Federal Emergency Management Agency (FEMA) recently issued a reminder that those who filed Sandy-related claims under the National Flood Insurance Program have until Tuesday, September 15 to request a review of their claims if they believe they were underpaid.

To be eligible, the claimants must have experienced flood damage between October 27th, and November 6th 2012, as a result of Sandy. Policyholders can call the NFIP’s Hurricane Sandy claims center at 1-866-337-4262 or go to www.fema.gov/sandyclaims to download a form requesting a review. The downloaded form may be filled out and emailed to FEMA sandyclaimsreview@fema.dhs.gov to start the review process.

For more information click here

Sincerely,

Michael J. Darcy, CAE
Executive Director