

August 2, 2017

Re: Daily Update

- I. CY 2017/SFY 2018 Best Practices Checklist Issued
- II. Contact Your Federal Representatives During August Recess
- III. Registration for 102nd NJLM Conference Now Open VI. Upcoming Seminars

Dear Mayor:

I. CY 2017/SFY 2018 Best Practices Checklist Issued

On August 1, the Division of Local Government Services issued the CY 2017/SFY 2018 Best Practices Checklist. [Local Finance Notice 2017-14](#) provides guidance on this year's process. Calendar Year municipalities must submit their Best Practices checklist by Friday, October 20, 2017. State Fiscal Year municipalities will have until Friday, April 6, 2018.

This year's Best Practices Checklist consists of 25 questions that have all been asked in prior years' Best Practices checklist. As a result, most questions require "yes" or "no" answers, with limited "not applicable" answers. Prospective answers are no longer permitted; however, most questions are curable prior to the submission deadline.

The minimum acceptable score is 21 out of 25. Otherwise a percentage of your final aid payment will be withheld as follows:

- 16-20 questions = 25% of final CMPTRA and ETR payment withheld
- 11-15 questions = 50% of final CMPTRA and ETR payment withheld
- 6-10 questions = 75% of final CMPTRA and ETR payment withheld
- 0-5 questions = 100% of final CMPTRA and ETR payment withheld

As in previous years, the completed Best Practices Checklist must be an agenda item for discussion at a municipal governing body meeting. The Chief Administrative Officer, the Chief Financial Officer, and Municipal Clerk must certify the Best Practice Checklist.

Municipalities may submit appeals before the submission deadline, but after their Best Practices Checklist has been submitted to the Division. The Division encourages that appeals be submitted in conjunction with the Best Practices Checklist submission. Appeals to the Director must be submitted no later than the close of business Friday, October 20, 2017 for calendar year municipalities.

Contacts:

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II. Contact Your Federal Representatives During August Recess

This spring, the White House proposed an unprecedented \$54 billion in cuts to federal funding for domestic programs important to municipalities in the Administration's FY '18 Budget. Since then, members of the House and Senate Appropriations Committees have met to debate funding levels for agencies and specific programs. The results have been encouraging for local officials.

This year, Congress is not following the standard procedure, whereby the respective Budget Committees determine the level of funding availability and general requirements. Only then do the Appropriations Committees allocate to different programs and priorities.

Instead, the FY '18 Budget and Appropriations are being negotiated at the same time. Neither the House nor Senate has approved a federal budget for Fiscal Year 2018. As a result, the House and Senate have begun the process with different sets of assumptions, with the Senate assuming a higher level of overall funding than the House. Negotiations between members of the House and Senate on a common set of budget figures will be ongoing through the August recess.

We are gratified to see that the Appropriations bills coming out of both Houses indicate that the Administration's proposal has been largely rejected. However, key municipal funding could still face severe cuts.

Four Appropriations bills have been approved by the House and zero have been approved by the Senate. In the House, the eight remaining appropriations bills have advanced through Committee consideration. In the Senate, six of the twelve appropriations bills have advanced through Committee.

The **House Budget** has been approved by the House Budget Committee and is scheduled for a final House vote in September. The bill would raise the defense discretionary spending level to \$621.5 billion, and lower the nondefense discretionary limit to \$511 billion. As a result, House appropriations bills for FY18 will have less funding available for domestic programs, and cuts to some local government priorities will be an unavoidable consequence. The **Senate Budget** has not been introduced. Rather, the Senate Appropriations Committee has assumed maintaining spending levels generally equal to those in FY 2017. The Senate approach makes more funding available for municipal priorities, and as a consequence, the majority of programs important to local government would not be cut.

House Appropriations are ahead of the Senate. Each of the 12 appropriations bills has been approved by the House Appropriations Committee; and the full House has completed work and advanced a security-themed "minibus" appropriations package. The Security Minibus is comprised of four bills approved by the House Appropriations Committee. The package includes the Defense ([H.R. 3219](#)), Energy-Water ([H.R. 3266](#)), Legislative Branch ([H.R. 3162](#)) and Military Construction-VA ([H.R. 2998](#)) measures, which together represent more than 60 percent of discretionary spending. Funding for local priorities is generally reduced in the House Appropriations bills.

Senate Appropriations bills that have been unveiled are generally more favorable. To date, six appropriations bills have been approved by the full Appropriations Committee: the [Agriculture and Rural Development bill](#); the [Energy and Water bill](#); the [Commerce, Justice and Science bill](#); the [Transportation, Housing and Urban Development bill](#); the [Military Construction and Veterans' Affairs bill](#); and the [Legislative Branch bill](#). In many instances, programs slated for elimination in the House bills, like the TIGER program, are funded in the Senate bills. Crucially, the Senate bills are passing Committee with bipartisan support, which may give the Senate additional leverage to maintain the higher overall funding levels compared to the House proposal.

When Congress reconvenes in September, they will have one month to complete negotiations on a common budget and approve all twelve spending bills. If consensus cannot be reached by the September 31st deadline, Congress must begin passing Continuing Resolutions to keep the federal government funded and operating or the federal government will shut down.

Please contact Senators Menendez and Booker and your local Representative to support FederalLocal partnership programs and priorities. Our citizens are best served when all their elected representatives at all levels of government work together to protect their rights and interests. The National League of Cities (NLC) has posted some excellent analyses of the process and proposals advanced to date. The [FY '18 federal budget tracker](#) page also includes a link to the NLC #FightTheCuts strategy outline. Finally, it provides a link to a detailed comparison of programmatic funding included in the Administration's proposal, the House Appropriations bills, and the Senate's Appropriations bills.

III. Registration for 102nd NJLM Conference Now Open

Pre-registration for the NJLM Conference opened on Tuesday, August 1, by paper and online formats. The form and online registration links will be posted on our website, www.njslom.org.

Click on the tab "Conference," select "Conference 2017" and click on the "Register Now" button to access your municipal pre-registration form or non-municipal registration form.

REMINDER: Pre-registration ends October 1, 2017. After October 1, 2017, all new registrations must be completed onsite in Atlantic City.

Contacts:

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- Johnnifer Harris, Assistant Financial Administrator, jharris@njslom.org.

IV. Upcoming Seminars

a. "Labor Negotiations: Understanding Collective Negotiations, the Impact of the Sunset of Chapter 78 and the Future of the 2% Interest Arbitration Cap.

October 4, 2017

9:00 a.m. to 12:30 p.m.

Doubletree Hotel

700 Hope Road, Tinton Falls, NJ 07724

CEU's: CMFO/CCFO-2.0 Bud,2.0 Off Mgmt/Anc,CPWM-2.0 Mgmt,2.0 Govt;RMC-2.0 Fin,
2.0 Professional Devel, QPA-4.0 Off Admin/Gen Duties;CPA-4.0 Fin;NJCLE-4.0,PACLE-3.5*

<http://www.njslom.org/seminar-documents/2017-oct4-labor.html>

b. "Creating and Maintaining an Ethical Environment"

October 11, 2017

10:00 a.m. to 1:30 p.m.

Holiday Inn

283 Route 17 South

Hasbrouck Heights, NJ 07604

Or

October 25, 2017 10:00

a.m. to 1:30 p.m.

Hotel ML

915 Route 73

Mount Laurel, NJ 08054

CEU's: CMFO/CCFO-4.0 Eth, CTC-4.0 ETH;CPWM-4.0 ETH;RMC-4.0 Eth;QPA-4.0
Eth;CPA-4.0 Eth;CRP-3.0;Planning Board Secretaries-3.0 Administrative; Zoning Officials-3.0
Administrative; Land Use Administrators-3.0 Administrative; NJCLE-4.0 Eth; PACLE-3.5 Eth*

<http://www.njslom.org/seminar-documents/2017-ethics.html>

Very truly yours,

Michael F. Cerra

Assistant Executive Director