

FROM THE DIRECTOR



As the year draws to a close, I'm reminded of the new experiences the Division and all the local units we serve have shared during this highly unusual year. While significant Division attention was committed to responding to the COVID-19 public health crisis and its many effects, a process that provoked many new experiences for all of us and has been discussed in prior newsletters, the Division also found time and opportunity to launch and expand a number of initiatives that have improved the quality of our supportive and regulatory services. The first LEAP Grants were awarded in 2020, promoting new shared services across the state; the LAB reached 100 engagements, providing a new array of quality technical assistance to local governments; municipal and fire district budgets have launched in the improved FAST system; the data obtained through FAST has begun to be harnessed to support municipal research, analysis, and decision-making; exams modernization is underway; more efficient, streamlined, and fully-staffed operational units have enhanced responsiveness and capacity; and increased transparency initiatives including this DLGS Newsletter and E-Government for Government (EGG) expansion came to fruition.

I am proud and honored to have led the Division through this period of myriad challenges and transformation. It has been a true pleasure working with the talented professionals at the Division and in the communities we serve, and dedicated representatives at every level of government. Prevailing in the face of 2020's hardships has brought out the best in so many, and reminded many of us why we chose public service in the first place.

Now, as this year comes to a close, so too does my tenure as DLGS Director. Although I will miss working with all of you in this capacity, I look forward to continued progress and collaboration as I enter the new year in a new role as Executive Director of The New Jersey Housing and Mortgage Finance Agency (NJHMFA).

RECENT LOCAL FINANCE NOTICES

Local government officials are reminded that the Division continues to issue Local Finance Notices, EGG Notices, and Operational Guidance addressing the ongoing public health crisis and related recovery, as well as more conventional budgetary and operational matters. Recent publications include:

- LFN 2020-19** - 2021 Fire District Budget & Elections Guidance
- LFN 2020-21** - New Remote Public Meetings Regulations
- LFN 2020-23** - Calendar Year 2021 Municipal & County Budget Cap Information
- LFN 2020-24** - COVID-19 Operating Deficits and Extraordinary Expenditures
- LFN 2020-25** - Recent Tax Collection & Tax Appeal Legislation

Copies of these Notices and existing guidance documents are available on the Division's [website](#).

OPEN DATA PORTAL

The Division recently made available Phase I of its Open Data Portal. This database is directly connected to the Financial Automation Submission & Tracking (FAST) system. It makes full documents and various data points available for public view. In addition to data collected through FAST, the Open Data Portal provides general information about each municipality and county, including form of government, population, and contact information.

Currently, users may access the Annual Debt Statement and Supplemental Debt Statement for municipalities and counties from 2017 to present. The Open Data Portal not only allows users to access these documents, but also contains an interactive “Debt” tile that allows for the comparison of Net Debt expressed as a percentage of Average Equalized Valuation across multiple municipalities and counties, which is displayed on a representative and searchable heat map.

The Division will continue to expand the availability of data across categories and metrics as its data pool increases. The portal will ultimately permit search and comparison of all statutorily required financial documents submitted through FAST, as well as a complementary suite of data exploration tools that empower users to easily compare a variety of metrics across local units based on similar demographics, geography, or location.



MAPS (Use interactive maps to find information on your local government entity)



REPORTS (Search and download reports)



FAST SYSTEM UPDATES

The Division continues to make progress in its implementation of the Financial Automation Submission & Tracking (FAST) system. Recently, the Division released the following components of the system:

Fire District Budgets

In September, the FAST Fire District Budget module became available for use. This new module includes a single Excel template that has merged and improved upon the combination of Excel and Word document templates Fire Districts have historically relied upon. This new template facilitates providing greater detail within the budget document while allowing the Division to more easily extract information for analysis.

County Budget and Annual Financial Statement

The Division has implemented a county-specific Budget and Annual Financial Statement template. The Budget template provides flexibility while standardizing how information is reported, facilitating budget examination and data collection. The county version of the Annual Financial Statement removes a number of pages not applicable to counties, streamlining the document to meet counties’ unique needs.

CURRENT STATE OF MUNICIPAL BUDGETS

As a result of enhanced data collection and analysis through FAST, the Division can now analyze and report a greater number of trends in municipal budgets, including those reflecting the impacts of COVID-19.

Based on 2020 User Friendly Budget data, nearly two-thirds of municipalities have budgeted for declines in total revenue compared to 2019. This is mostly driven by revenue losses. Nearly 80% of all municipalities are expecting reduced revenue from local sources, with projected median decreases of 11.5%. A majority of municipalities have experienced some decline in municipal property tax collections. Although the May quarter was surprisingly healthy, with a majority of municipalities realizing at or above 2019 collection levels, and few experiencing losses of greater than 5%, August collections resulted in an average property tax collection shortfall of slightly less than 1.5%.

As a result of the many budgetary challenges confronted this year, 62% of municipalities reported using more fund balance to balance their budgets in 2020. 55% of municipalities reported a moderate to severe COVID-19 related cash flow or anticipated surplus impact on the 2020 Best Practices Survey. To mitigate the impacts of COVID-19 without unduly burdening taxpayers, 44% of municipalities have reduced budgeted spending. The most commonly reported COVID-19-affected municipal functions are public safety and municipal court operations. Despite declines in revenues and corresponding adjustments to municipal operations, municipalities have increased funding where necessary to respond to the immediate health crisis. Most notably total municipal spending on health and human services functions is expected to rise by 17% in 2020.

In the aggregate, New Jersey's municipalities have successfully managed through this fiscal and operational crisis, meeting the needs of the public while keeping costs, and taxes, down.

LENGTH OF SERVICE AWARD PROGRAM (LOSAP) FAQs

What is LOSAP?

LOSAP is a voluntary program that provides tax-deferred income benefits to active volunteers of emergency services organizations.

How are LOSAP funds generated?

Contributions are made by the governing body of a municipality or fire district on behalf of volunteers that meet the plan's criteria. Funds should be budgeted as a separate line item. For municipalities, these appropriations are exceptions to the appropriation cap.

How are LOSAPs created?

For municipal fire departments, an ordinance is passed on behalf of the volunteer fire organization. For fire districts, a resolution of the board of fire commissioners is required.

What are the steps for creating a LOSAP?

The resolution or ordinance must be adopted, but does not take effect until approved as a public question by voters at the next general election or fire district election.

Is the Division required to review my ordinance, resolution, and ballot question?

Division consent is not required to establish a LOSAP. Drafting and review support is available.

What are the monetary benefits for active volunteers?

LOSAP benefits shall be a contribution between \$100 and \$1,150 per year.

Further LOSAP information can be found on the DLGS [website](#).

Questions may be directed to dlgs@dca.nj.gov.

MEET THE DIVISION

Over the past few years, a number of individuals began their careers in government at the Division of Local Government Services. This edition of the newsletter introduces those staff members.



Jonathan White graduated with a Bachelor's Degree in Political Science in 2018 and a Master of Public Policy in 2019 from Temple University in Philadelphia. He started his professional career with the Division of Local Government Services in early March 2020, just prior to the onset of the COVID-19 pandemic.

Prior to joining the Division, Jonathan worked at the Policy and Analytics Center in the AJ Drexel Autism Institute where he helped research Medicaid waiver programs serving individuals with intellectual and developmental disabilities.

Thus far, Jonathan has assisted in the development of a wide array of guidance documents and notices, including those related to Shared Services, Local Public Contracts Law, and the Division's COVID-19 response. Recently, he played an important role in guiding eligible municipalities through the application process for Local Government Emergency Fund (LGEF) grants and answering questions regarding the program.



Uniquea Antley works with the Division's Local Assistance Bureau (LAB). Uniquea assists the LAB Bureau Chief in ensuring all shared services agreements are properly recorded and filed with the Division and supports initiatives to bring new shared services online. She also provides technical, research, and writing support to the LAB's technical advisors.

Uniquea has been with the Division of Local Government Services for 10 months. She earned her Bachelor's Degree in Journalism from Rutgers, the State University of New Jersey. Prior to joining the Division, Uniquea worked as a staff assistant with University Correctional Healthcare at Rutgers, where she assisted in transferring state inmates between sites, kept track of inmates receiving inpatient hospital care, and scheduled medical appointments.

Outside of her work with the Division, Uniquea has developed a knack for event planning.



Matthew Gallelo is a research analyst and has been at the Division for three years. Many local government officials know Matt for his work on the design, implementation, and support of the Financial Automation Submission & Tracking (FAST) system. In this role, Matt works to develop standardized Excel templates for statutorily-required financial documents, including the budget documents for municipalities, counties, and fire districts. He also provides technical support to individuals completing these documents and transmitting them through FAST.

Matt lends his invaluable support to a number of other Division initiatives, including the Best Practices Inventory, Local Assistance Bureau, and this newsletter.

Matt is a graduate of the College of New Jersey, having received a Bachelor's Degree in Political Science with a minor in Business Management. He is currently working towards both his Certified Municipal Finance Officer (CMFO) and Registered Municipal Clerk (RMC) certifications.