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NYGFOA
Responsible | Knowledgeable | Accountable

New York GFOA Newsletter

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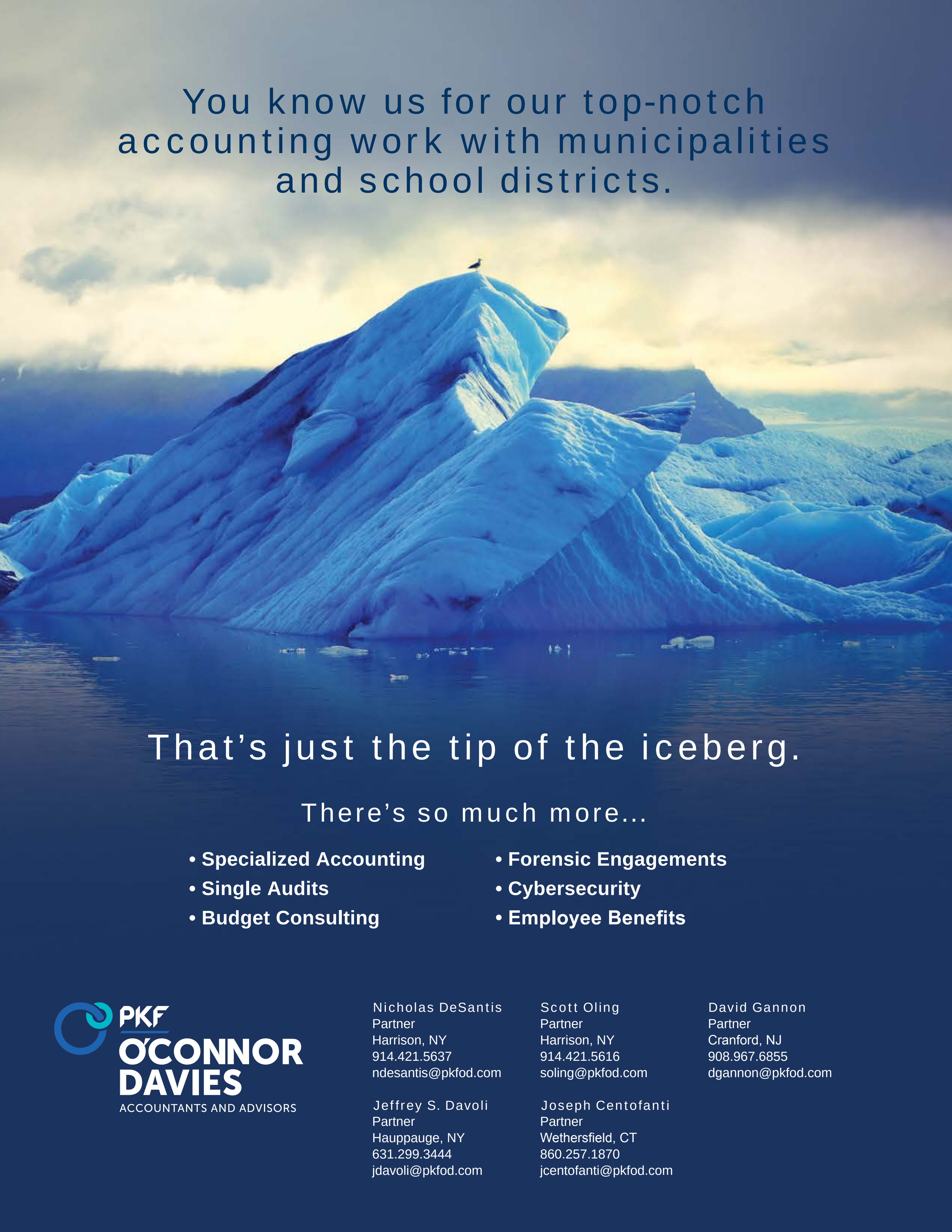
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President's Message

I am really honored to be your President until next April. My path into the field of government finance started in my hometown of Depew, NY when I was hired as Village Treasurer and stayed there for three and a half years until I left for my current job as Associate Professor of Accounting and Finance at Elmira College. I have been involved in NYGFOA on both the Western and Central region councils as well as being on the Board of Governors and co-chairing the Accounting and Auditing Committee for a number of years. NYGFOA is a very special organization to me and I have met so many wonderful people over the last 29 years. I am very excited to be leading this organization over the next year.

We have just completed another wonderful Annual Conference in April. As we move on to the summer and fall NYGFOA will turn its attention to our regional events, virtual events, and our Foundations and Advanced Foundations Certificate Programs. As an educator and government finance professional, NYGFOA is an excellent resource for education and training and we will continue that focus going forward. One of my goals this year as President is to work with the NYGFOA Staff and Board of Governors and Standing Committees on developing a Specialized Topics Certificate Program designed for people who have completed both the Foundations and Advanced Foundations Certificate Programs. Another initiative this year is to offer more live sessions of our Newly Elected Officials Training Program throughout the state.

Membership is always an important goal each year and it all starts with the members. There are so many opportunities to get involved with NYGFOA. Most people start by joining a Standing Committee or a Regional Council. There are opportunities for presenting at regional events, virtual events, and at the Annual Conference. The NYGFOA *Newsletter* is published quarterly and NYGFOA is always looking for articles to be included in the *Newsletter.* Most of the members who currently serve on the Board of Governors and the Executive Committee started at the regional level. Outreach to non-members by members has also been a great tool to grow the membership. NYGFOA is a strong organization because of the dedication and commitment to excellence of its members. Please take advantage of the opportunities to become active in NYGFOA.

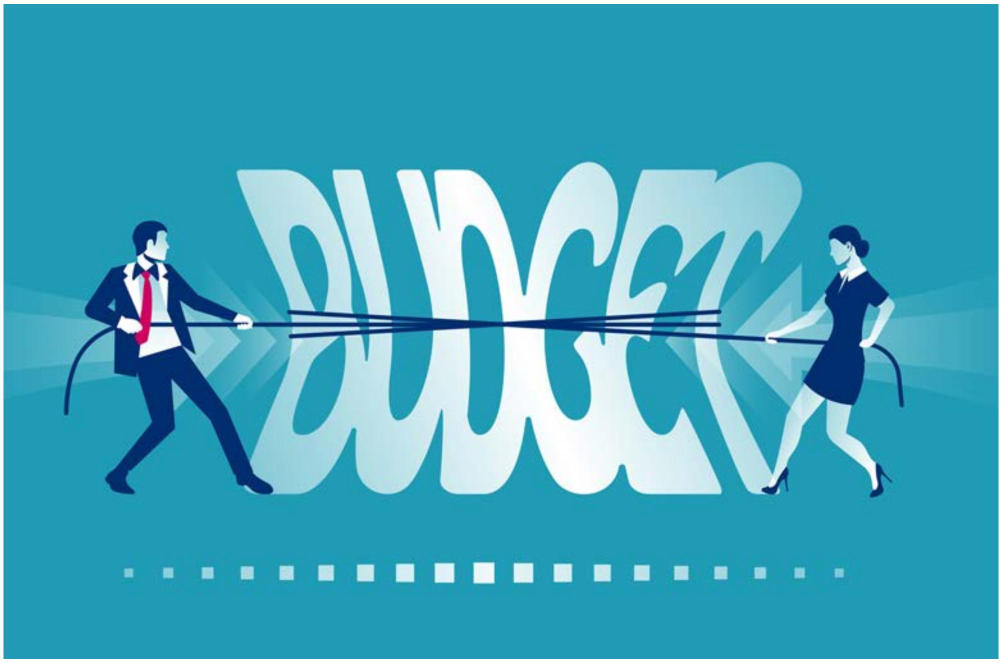
I am hoping to meet many of you this summer as I am attending the Summer Regional events in all five regions. Please feel free to contact Maura, Fred, Mandie, or myself as well as the Board of Governors or Regional Councils if there is anything we can help you with.

Have a wonderful summer.

John A. Savash II, CPA,CGFM
Associate Professor of Accounting and Finance, Elmira College

Strategic Budgeting: Why it Matters for Every Taxpayer

By Tom Amburgey, Mark Funkhouser, and Nick Mastronardi



How Strategic Budgeting Can Make a Difference for Local Governments.

State and local budgets are under pressure. Rising costs, aging infrastructure and growing demand for public services have stretched resources thin, making challenges even harder due to the economic fallout from the pandemic. While many governments are seeing their finances stabilize, this doesn't mean the tough decisions are over.

In today's environment, every dollar must work harder. That's why communities are shifting away from traditional budgeting models and adopting strategies that connect spending with tangible results. When money is tight, it's not just about balancing the books. It's about making meaningful progress on what matters most.

Strategic budgeting helps governments do just that. It's not just a financial frame-work. It's a way to link resources to goals, improve transparency and ensure that public funds are used where they will have the most impact.

What is Strategic Budgeting?

How cities and states manage their budgets directly impacts daily life, influencing everything from road conditions and park maintenance to public safety and school funding. Strategic budgeting is a financial planning method that aligns government spending with clear, community-driven goals. Although it may sound technical, strategic budgeting is deeply relevant to taxpayers — it affects the quality of public services and the effectiveness of government responses to community needs.

Unlike traditional approaches that rely on static spreadsheets and outdated accounting practices, strategic budgeting connects funding directly to results. This allows cities to adjust their spending in response to changing priorities.

When every dollar is tied to a clear goal, it means government services support real needs, projects get completed and transparency makes residents feel their concerns are being heard. It's a way to ensure that, even in tough economic times, government can still make meaningful progress on the issues that matter most — including public safety, affordable housing and community wellbeing.

From Stagnation to Strategy

Traditional budgeting methods allocate funds based on historical spending, which can lock governments into outdated priorities. Budget adjustments typically happen only once yearly, limiting the ability to pivot quickly when new needs arise. In contrast, strategic budgeting ties each expenditure to specific, measurable goals, enabling a government to be more responsive and efficient.

Consider a city that wants to improve its transportation infrastructure. Under a traditional budgeting system, funds might be allocated based on past spending, with adjustments made infrequently. This can result in continued funding for underperforming programs and limited flexibility for innovation.

With strategic budgeting, that same city would set a goal to reduce traffic congestion by, say, 30% over five years. Funds would be allocated to key initiatives, such as expanding public transit, creating bike lanes and implementing smart traffic management systems. Progress would be tracked using metrics like public transit ridership and average travel times. If certain initiatives prove more effective than others, funding can be reallocated to scale successful programs or modify underperforming ones. This adaptive approach allows governments to pivot as needed, ensuring that resources are used efficiently.

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A Tipping Point for Public Cash Managers

By Girard Miller

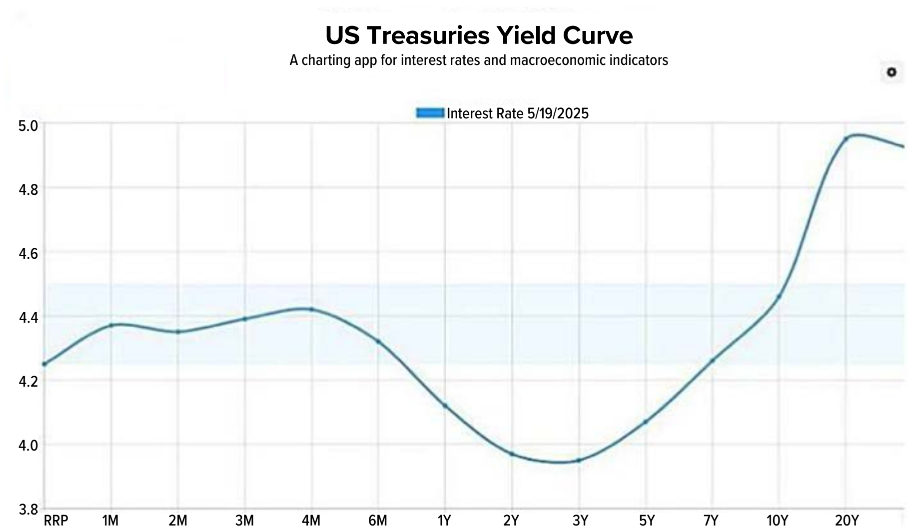
They must soon decide whether tariffs will push money market rates above or below market expectations — and place their bets. But shrinking tax receipts and federal cost shifting are likely to have a bigger budgetary impact.

Money market interest rates have held quite steady this year while the stock market, long-term bonds and financial futures have bobbed and weaved in response to turbulent tariff news and shifting views of recession risks. Public treasurers and cash managers have lost nothing so far by staying ultra-short in their portfolio maturities, but external, outsourced managers running public money against popular indexes in the one- to three-year range have outperformed most others. That's because notes maturing in 2026 and 2027 have produced capital gains on top of coupon income, resulting in total returns this past year of 6 percent versus 4-ish percent for those who stayed short.

But that's now just history. The challenge for public cash managers is what to do next.

Normally, interest rates on bonds and money market instruments give investors a higher yield for longer maturities to reflect liquidity preference, market segmentation and market risk on longer-term paper. The current yield curve for U.S. treasuries is showing a relatively rare configuration: a "swayback" formation in which yields for investments maturing between four and 30 months are successively lower but thereafter increase as maturities lengthen, as would normally be expected. Therein lies the challenge for today's governmental money managers.

This chart illustrates the recent swayback formation (the hump at four months reflects recent market jitters about debt-ceiling default risks):



Source: ustreasuryyieldcurve.com

This is a reflection of market expectations that the Federal Reserve will cut its overnight interest rate, the Fed Funds rate, later this year and into 2026. That's because the general presumption is that the economy is starting to weaken and that presidential tariff turmoil will settle into something more predictable with a tariff of 10 to 15 percent on most countries' imports. That would imply a bump in the CPI inflation rate into the high 3 percent range but not much more. Whether that jolt then feeds into future labor costs and services prices is yet unknown. But if the economy starts to soften and joblessness increases, then the Fed can rationally shift from its current stance of moderately tight monetary policy to a neutral position.

Most futures market traders keep thinking that overnight rates will go even lower in 2026, with the Fed Funds rate settling in around 3.5 percent in a year or so. The result is a slight technical discrepancy between the cash market's Treasury yield curve and the futures market curve, which favors cash managers who can lock up their 2026 rates despite the "inverted" swayback in the cash market yield curve. But it's important to keep in mind that neither of these markets are explicitly reflecting the upside-or-downside possibilities of worse economic outcomes resulting from the financial shock of tariffs. Right now, those hedges are offsetting each other in the markets' pricing structures.

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NYGFOA NEWS

GOVERNMENTAL ACCOUNTING ESSENTIALS (GAE) PROGRAM AVAILABLE

The Governmental Accounting Essentials (GAE), is a professional development program that provides training in the basic areas of governmental accounting:

- Fund Accounting, Accounts, Debits and Credits.
- Accounting Journals and Ledgers.
- The Budget Process.
- The Accounting Process.
- Month End Reconciliations and Analysis and Year End Closing Process.
- The Annual Financial Report (AFR and ST-3).

The GAE has been redesigned and recorded to be offered as an On Demand program so you can view and re-watch the various modules at your convenience.

Governmental accounting is a unique form of accounting with specific procedures and regulations that govern how taxpayer funds are to be recorded and reported.

The GAE will introduce you to the most basic and essential components of governmental accounting. Although some familiarity with accounting would be helpful, this course is designed primarily for those with limited or no governmental accounting or bookkeeping experience.

Is this you? Then the GAE program would be beneficial to you, your department, and your employer.

- Clerk, treasurer, bookkeeper, accountant/accounting staff, comptroller, finance officer, non-finance department staff.
- Governing board or council member.
- Someone whose primary tasks do not involve accounting but who seeks to expand their knowledge of the intricacies of governmental accounting.

Most individuals who work in governmental accounting usually start without prior bookkeeping, governmental accounting, or governmental finance education or experience. With proper training, local government finance staff and leadership can be more confident that their financial reporting follows New York State laws and regulations and ensure that their procedures for processing and documenting financial transactions are transparent and sound.

NYGFOA *NEWSLETTER* ARTICLES

The Association publishes this magazine, quarterly, which is sent to 1,000+ members. This publication is a valuable resource with news, trends and information helpful to government finance professionals in New York.

We are always looking for interesting articles to include in this publication. Article submissions should meet the following criteria:

- Approximately 1,000 to 1,500 words.
- Educational, non-commerical, and of value to government finance professionals.
- Graphics (e.g. charts, pictures) are welcome additions to articles.

If you are interested in learning more about submitting an article in the *Newsletter*, please contact Fred Shellard, Director of Professional Services at shellard@nygfoa.org.

RFP NOTICES AVAILABLE ON THE NYGFOA WEBSITE

Members can have their entity's government finance related Request for Proposals (RFPs) posted on the NYGFOA website, ***RFP Notices*** webpage (https://nysgfoa.org/resources/rfp-requests). We have added this service (no cost for members) to provide your entity's RFPs with greater exposure. There is a nominal charge for non-members.

If you have an RFP you wish to have posted, please email Executive Director Maura Ryan at ryan@nygfoa.org with the link to the location of the RFP on your website (preferred) or provide a PDF of the RFP.

RESOURCE LIBRARY AVAILABLE

An Association member benefit is the exclusive use of the online Resource Library. It is here where you can find sample policies, RFPs, and other useful government finance tools. NYGFOA staff continues to update the library with new materials. If you have a policy, RFP, or tool you would like to share with other members please send it to us to be uploaded to the Library.

If you have questions or to submit a document, reach out to Fred Shellard, Director of Professional Services at shellard@nygfoa.org.

NEED FEEDBACK? HAVE A QUESTION? USE THE MEMBER FORUM!

The Member Forum is an online resource for NYGFOA members to ask questions and solicit feedback on government finance. When you log onto the NYGFOA website, choose the 'Forum' option where you can post a request for information or a question. Members who participate will see your question and can reply. Even if you may not have an inquiry, previous inquiries are

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Employment Opportunities

One of the many benefits of NYGFOA membership is the opportunity to have government finance related career opportunities posted on the NYGFOA website at no charge. There is a nominal monthly fee for non-members.

To have a position posted, please email your job opening (a link to the listing on your website) to Maura Ryan at ryan@nygfoa.org. All postings are kept for 60 days or until the position is filled. Please remember to email us when the position has been filled. An employment posting can be extended beyond 60 days by contacting NYGFOA.

Below are opportunities available as of June 25, 2025. Click on a title below for more information:

Town of Fishkill:
Comptroller (Dutchess)

Town of North Elba:
Finance Officer/Budget Officer (Essex)

Inc. Village of Garden City:
Deputy Treasurer (Nassau)

City of Newburgh:
Comptroller (Orange)

Town of Palmyra:
Clerk to the Supervisor (Wayne)

Village of Blasdell:
Village Administrator, Clerk-Treasurer (Erie)

NYS Office of the State Comptroller:
Career Opportunities (Statewide)

NYC Housing Development Corporation Opportunities (New York County)

- Business + Data Analyst
- Director, Preservation Programs
- Loan Servicing Administrator
- Senior Project Manager, Engineering + Architecture

THE SHORT AND THE LONG OF IT

For those who think tariffs will cause more inflation than the White House asserts and markets are now internalizing, the optimal strategy would be to stay relatively short, investing no longer than four months, while waiting for inflation to prove so stubborn that the Fed needs to keep overnight rates unchanged or even higher. They could then re-invest their maturing paper at better rates.

Those on the other side of that bet would anticipate a Trump Slump as consumers put away their wallets and tariffs cut into their consumption rates, with businesses facing lower sales and profit margins forced to trim payrolls. Or some may simply believe that lower gas and egg prices will offset most tariff impacts. Even if inflation remains above the central bank's long-term target of 2 percent, rising unemployment would force it to cut the overnight rate to something closer to 3 percent or possibly even less. Longer maturities purchased today, even at somewhat lower rates, would then look brilliant.

One interesting wrinkle in this outlook is how local governments react in coming months to the potential disparity in yields on various local government investment pools (LGIPs). The LGIPs that operate like money market mutual funds, with very short-term maturities, would be expected to see their yields hold up around 4 percent until the Fed starts reducing its overnight interest rate — assuming it does. But those like the California Local Agency Investment Fund, which typically invest in maturities averaging longer than 200 days, will continue to live off their unrealized capital gains because they do not mark to market, valuing their assets and liabilities based on current market conditions. If the Fed does cut rates, don't be surprised if eligible local agencies dive into those pools this fall to capitalize on the higher yields from older portfolio holdings.

LARGER FISCAL ISSUES

For most state and local government officials, the outcome of all this strategizing will be secondary to other economic consequences of the tariff wave heading our way once the presidential pauses expire. What seems pretty certain is that most state and local governments' interest income on operating cash will be lower in the coming fiscal year, no matter what.

And other revenue categories will likely dwarf the budgetary impact of forthcoming money market fluctuations: Losses of income and sales tax receipts will probably overshadow the decline in interest income, and tariff-induced price inflation could easily translate into higher employee compensation rates. Cuts in multiple federal aid programs and cost-shifting from the federal to state governments will dwarf variations in operating-portfolio interest income. That focuses attention elsewhere and away from cash managers.

From that perspective, the nuances of cash management at this point will seem like inside baseball. For treasurers who manage the public's cash themselves, there is always the strategy of simply "laddering" their investment maturities to match the cashflow forecasts from the budget office and splitting the rest between equal maturities of 4 and 12 months as a hedge against extreme outcomes either way.

For external money managers of governmental operating funds, who are evaluated on their performance against benchmark indexes, the next six months will test their mettle and their portfolio skill. Those who simply mirror their index will fail to earn their management fee but will probably at least keep their jobs because "who knew?" is always a safe excuse. This would be an appropriate year for low and flat management-fee structures.

Longer term — which in cash management is more than 12 months — it's highly likely that next May the president will appoint an "easy money" Federal Reserve chairman, which suggests a bias toward lower overnight interest rates thereafter. Part of the swayback yield curve is probably anticipating that move. But that kind of politics will likely come at a cost of higher long-term yields as the bond vigilantes sniff out monetization of the swelling federal deficits.

The bottom line is that even though there is considerable uncertainty about the future rate of inflation and thus the direction and timing of Federal Reserve monetary policy and short-term interest rates, the markets have discounted most of that already. As a result, the average cash manager is unlikely to find very many low-risk opportunities to outshine others until the likely inflation impact of tariffs is more obvious, presumably around Labor Day. Until then, staff time is likely spent better on other priorities, like finding ways to trim organization-wide fiscal 2026 expense budgets to match other revenue shortfalls thrust upon them by cost-shifting Washington politicians.

Note: This article reflects the views of the author and not necessarily those of the NYGFOA. Nothing herein should be construed as investment advice.

ABOUT THE AUTHOR: Girard Miller is the finance columnist for *Governing*. He can be reached at millergirard@yahoo.com.

FROM THE STATE LEVEL

AFR Non-Filers Webpage

According to the Office of the State Comptroller, the number of persistent non-filers (delinquent for three years or more) has more than doubled over the past five years. The Annual Financial Report (AFR) captures the local government's financial information for the year, which informs local officials, residents, other taxpayers, and State policymakers about the financial condition of local governments. Filing several weeks late means information is delayed getting to the public on OSC's website.

Fiscal Stress Monitoring System (FSMS) scores are calculated using AFR data to provide an early alert to local government officials to any budgetary issues they may face. Filing several months late can mean that a municipality will not receive a fiscal stress score.

To inform New Yorkers about the importance of filing for transparency, accountability and effective financial management, OSC has set up a new AFR Non-Filers webpage and AFR Filing Status Tracker. Taxpayers will also be able to check their local governments' current filing status. This new webpage also includes help for local officials who need assistance filing their reports.

You can also check out OSC's interactive table online for your AFR filing deadline. If your entity needs an extension, requests can now be submitted through the new AFR system.

OSC Provides Audit Guidance

The Office of the State Comptroller (OSC) has published two documents which provide information on their audit process and how to respond to an OSC audit report and Corrective Action Plan (CAP). Click on the titles below to download the documents:

- Understanding the Audit Process
- Responding to an OSC Audit Report: Audit Responses and Corrective Action Plans

Tax Cap Information

One of the primary components local governments and school districts utilize in determining the real property tax levy cap for their ensuing fiscal year is the inflation and allowable levy growth factor.

The following are the inflation and allowable levy growth factors for municipalities with fiscal years through October 1, 2025.

- July 1, 2025 Fiscal Year Start 2.00%
- August 1, 2025 Fiscal Year Start 2.00%
- September 1, 2025 Fiscal Year Start 2.00%
- October 1, 2025 Fiscal Year Start 2.00%

The Office of the State Comptroller does not establish the allowable levy growth factor. The factor is based on a specific calculation that is prescribed by law and further clarified by the NYS Division of the Budget in the Tax Cap Guidance Document. As a service to local governments and school districts, the Office of the State Comptroller performs the computation to ensure consistency and to mitigate errors.

Information on tax base growth factors, another component in the tax levy cap formula, for counties, cities, towns, villages, and special districts with fiscal years beginning in 2025 are available and provided by the NYS Department of Taxation and Finance.

Strategic Budgeting: Why it Matters for Every Taxpayer | continued from page 4

How Technology Makes a Difference

Modern technology is a game changer for how cities manage these fiscal challenges. Tools that support artificial intelligence (AI), real-time data reporting and compliance are helping city officials work smarter by automating routine and repetitive tasks and providing clearer insights into how resources are used. These technologies don't just make government operations more efficient; they help taxpayers see where their money is going by building transparency and trust in the process. It's about showing that every dollar spent is a step toward a better, more sustainable future.

Other tools like scenario planning software allow cities to model different financial paths, showing both officials and residents how today's decisions will shape the future. This transparency helps residents understand trade-offs and builds support for investments that will pay off in the future. With the guidance of skilled consultants or service providers, cities can unlock the full potential of these advanced tools and create fiscal strategies that are both forward-thinking and resilient.

Smart Budgeting in the Community

For state and local governments looking to adopt full-cycle, strategic budgeting, several key steps can help transform the budget process from a basic financial exercise to a strategic tool for growth. They include:

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In May, the Governor signed into law the $254 billion (All Funds) SFY 2025-26 State Budget. Below is a summary of some of the highlights from the Budget:

AIM Aid and Temporary Municipal Assistance: Although AIM aid remains the same ($715 million), the additional $50 million in unrestricted aid (Temporary Municipal Assistance - TMA) for cities, towns, and villages (outside of New York City) funded in the SFY 2024-25 budget is included again in the SFY 2025-26 budget.

Transportation Aid: CHIPS aid is increased by $50 million ($648 million total) with funding for PAVE-NY ($150 million), Extreme Winter Recovery ($100 million), Pave our Potholes ($100 million) and Touring Routes ($140 million) remaining the same.

Water and Sewer Infrastructure: An additional $500 million is included for the Clean Water Infrastructure Act (CWIA); drinking water and wastewater infrastructure grant and loan program. Up to $5 million may be used for lead line replacement projects and another $5 million may be used for testing and remediation of emerging contaminants in private drinking water wells.

MTA Payroll Mobility Tax: The Metropolitan Transportation Authority (MTA) Payroll Mobility Tax is eliminated for all local governments outside of New York City effective July 1, 2025.

V-FIRE Grant Program: Includes $25 million for the Volunteer Fire Infrastructure and Response Equipment (V-FIRE) grant

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The New PCI Standards: What Every Government Needs to Know

By Benjamin Davidson

Governments that process, store, or transmit credit card information must adhere to Payment Card Industry (PCI) Data Security Standard compliance standards (PCI DSS). Being PCI compliant ensures the secure handling of customer payment card data, minimizes the risk of data breaches, and protects customers' trust. Governments that aren't compliant may face fines and additional expenses from their merchant services providers or even lose the ability to process payments with certain providers. GFOA has long recommended that governments ensure PCI compliance and have robust policies and procedures in place to evaluate and implement compliance, including conducting an annual PCI compliance review.

An annual review of the card brands accepted, the volume of card transactions, and the number and types of payment flows an entity uses, among other activities, will determine the government's scope of responsibility for PCI compliance. Governments should also understand any updates to PCI DSS.

On April 1, 2025, revised PCI compliance protocols, known as PCI 4.0, became mandatory.

GFOA members should familiarize themselves with these changes to ensure compliance with the updated standards. The 12 core PCI compliance requirements remain the same, but there are updated and new component requirements, as well as a shift in how an organization can achieve those requirements.

Some of the key changes include:

- **Reporting changes** to the self-assessment questionnaire (SAQ) and the Report on Compliance (RoC) template, as well as focusing on ongoing monitoring and assessment rather than singular point-in-time assessments.

- **New requirements** include preventative measures against phishing, website, and skimming attacks; periodic review of access privileges, documentation requirements, vulnerability scans, and testing; and password and multi-factor authentication (MFA) requirements.

- **Updated requirements** include implementing security incidence response plans, monitoring access to sensitive areas, group and shared accounts authentication, and limiting invalid authentication attempts.

- **A focus on outcomes** rather than a prescriptive approach to implementing and validating PCI DSS. Using a customized approach comes with its own risks and challenges, however, and is better suited to more sophisticated entities.

Governments should talk with their merchant services providers for additional and specific information on the ways in which new and existing PCI compliance rules apply to the government. "For government entities, PCI compliance isn't just about securing transactions – it's about protecting public trust. A single data breach can compromise citizens' financial information, erode confidence, and lead to costly and regulatory consequences. Compliance ensures not only security but also the integrity of government operations," according to Scott Dingman, principal consultant at Coalfire Systems. "The latest PCI updates in 2025 represent a dramatic shift in how these entities are held accountable, manage risks, and report their compliance."

As governments work to ensure compliance with the updated PCI requirements, they should:

Complete an internal assessment to better understand the necessary scope of PCI compliance. Governments may consider

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NYGFOA

2025 Annual Conference
Albany Marriott, Albany

April 2-4

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GASB UPDATE

GASB REQUESTS INPUT ON SEVERE FINANCIAL STRESS AND PROBABLE DISSOLUTION DISCLOSURES

In late March, GASB issued a Preliminary Views (PV) document for public comment on proposals associated with accounting and financial reporting for severe financial stress and probable dissolution disclosures.

The PV, Severe Financial Stress and Probable Dissolution Disclosures, is intended to set forth and seek comments on the Board's current views at a relatively early stage of the project. The objective of the project is to address issues related to disclosures regarding going concern uncertainties (GCU) and severe financial stress (SFS) with the intention of making clarifications and improvements to the existing GCU guidance to reduce diversity in practice and providing guidance for disclosures related to SFS.

GASB's current guidance on going concern uncertainties was brought into the Board's literature without significant modification from the AICPA's literature and contains elements of both financial stress and continued existence. Pre-agenda research showed that stakeholders were unclear on what going concern means in the government context. Some governments get into financial difficulties but continue to exist and provide services. There are also governments that dissolve and cease to exist for reasons other than financial stress (for example, to realize greater efficiency and cost savings through governments merging or combining operations).

The PV seeks to separate the notions of financial stress and continued existence and sets out the Board's early thinking on issues associated with SFS and probable dissolution (PD) disclosures. SFS guidance would focus on a government's financial condition, regardless of whether there is uncertainty about its continued existence. The PD guidance would focus on the uncertainty about a government's continued existence, regardless of its financial condition.

If a government meets either the SFS or PD disclosure requirement, the government would be required to make certain disclosures related to the SFS or PD. In some cases, a government may meet requirements for both SFS and PD and would be required to make both sets of disclosures.

SFS Disclosures

A government would be required to make SFS disclosures if, as of the financial statement date, it is experiencing financial stress at such a degree that it is near or at the point of insolvency, regardless of whether it will continue to exist. The point of insolvency would be when a government generally is not paying its liabilities as they come due or is unable to pay its liabilities as they come due. A government near the point of insolvency would be experiencing a very high level of financial stress but would not be insolvent. SFS disclosures would be the reasons and causes for the condition, the government's evaluation of the significance of those reasons and causes, the actions taken by the government in response, and the known effects of the condition.

PD Disclosures

A government would be required to make PD disclosures if it is probable that it will cease to exist as the same legally separate entity within 12 months of the date the financial statements are available to be issued, regardless of its financial condition. Relevant factors would be evaluated in the aggregate to determine the likelihood of the dissolution within the time frame.

The PD disclosures would be a statement that dissolution is probable; the reasons and causes for the PD; the government's evaluation of the significance of those reasons and causes; the actions taken by the government in response; and information about the recoverability, amounts, or classification of assets and liabilities.

Stakeholders are asked to review and provide input on the document by June 30, 2025.

Note: The NYGFOA Accounting, Auditing, and Financial Reporting Committee is reviewing the PV and is developing a comment letter to GASB. If you are interested in becoming involved on this Committee, please contact Fred Shellard at shellard@nygfoa.org.

GASB FORMS TWO CONSULTATIVE GROUPS

In June, GASB formed two consultative groups to assist with two of the Board's pre-agenda research projects:

GAAP Structure

The GAAP Structure Consultative Group was established to assist GASB with conducting pre-agenda research about the effectiveness of GASB's current dual-authority approach for communicating generally accepted accounting principles (GAAP) for state and local governments, which utilizes original pronouncements and a codification, both with equal authoritative status.

Its members will assist in the research that will explore a potential single authority structure by helping to identify issues associated with various aspects of a single authority structure, providing input on research topics, plans, and instruments, and reviewing draft due process documents.

Voluntary Digital Financial Reporting Taxonomy

The Taxonomy Consultative Group was established to assist GASB in creating and maintaining digital taxonomies that could be used by governments on a voluntary basis to report their GAAP financial statements in an alternative digital format. Its members will help identify issues involving taxonomy structure and design and provide input to address those issues.

Consultative groups are officially appointed by the GASB chair, based on recommendations from the director of research and technical activities and GASB staff. The chair also consults with other GASB members and the Governmental Accounting Standards Advisory Council (GASAC) chair.

- **Engage stakeholders for input:** Effective strategic budgeting begins with meaningful community engagement. By involving residents, local businesses and city employees early in the process, governments can ensure the budget reflects real community priorities. Public trust improves when people see their voices matter. Tools such as public hearings, surveys and digital budget simulators help gather feedback, promote transparency and build stronger relationships between city officials and the people they serve.

- **Define strategic priorities and objectives:** Once input is collected, the next step is to set clear strategic priorities aligned with the city's long-term vision. These priorities should translate into measurable objectives with defined outcomes. Doing so ensures accountability and better tracking of progress. For example, prioritizing public safety might involve increased funding for first responder training. With expert guidance, governments can use advanced tools to design resilient, forward-looking financial strategies tailored to real community needs.

- **Link budget line items to strategic priorities:** To transform budgeting into a strategic tool, each line item should be tied to a specific goal. This prevents disjointed spending and strengthens alignment between investments and outcomes. Platforms like Euna Budget help governments clearly connect resources with objectives, enabling smarter decisions. Linking funding directly to priorities also creates a structure that supports adaptability — so cities can respond effectively to new developments without losing sight of long-term goals.

- **Implement continuous review and adjustment:** Strategic budgeting doesn't end with budget approval — it thrives through continuous evaluation. As financial conditions or community needs shift, governments must revisit and adjust their budgets accordingly. This ongoing review process supports agility in responding to economic changes, policy shifts or emerging challenges. A flexible, full-cycle budgeting approach keeps spending sustainable, ensures relevance over time and positions city leaders to make informed, timely decisions that reflect evolving realities.

Strategic budgeting might seem like a niche topic, but it touches on the everyday experiences of millions of Americans. As cities navigate rising costs and uncertain revenues, strategic budgeting offers a way forward that puts community needs at the center of the conversation. For state and local governments, it's about doing more with less. For the rest of us, it's about seeing our tax dollars used in ways that build a better future for everyone.

ABOUT THE AUTHORS: Tom Amburgey is the CEO of Euna Solutions, a leading provider of purpose-built, cloud-based solutions for the public sector. Mark Funkhouser is the founder and president of Funkhouser & Associates and former mayor of Kansas City, Missouri. Nick Mastronardi is the co-founder and CEO of Polco and a former member of the White House Council of Economic Advisers.

COURT REINFORCES LIMITS ON "PIGGYBACKING" IN PUBLIC BIDDING

By Jose A. Aquino, Special Counsel, Duane Morris LLP

Bits & Pieces

In New York, "piggybacking" refers to a procurement method authorized by General Municipal Law §103(16), which allows a municipality or school district to purchase goods or services through another governmental entity's contract without conducting its own bidding process, if certain conditions are met. The original contract must have been awarded through competitive bidding or a process that satisfies the legal equivalent under New York law, and it must permit other public entities to make purchases from it. While intended to promote efficiency and cost savings, piggybacking is strictly limited in scope and is not a blanket exemption from public bidding requirements.

On February 13, 2025, the Supreme Court of New York, Broome County, issued a decision in Daniel J. Lynch, Inc. v. Board of Ed. of the Maine-Endwell Central School Dist., addressing the limits of "piggybacking" under General Municipal Law (GML) §103(16) in the context of public construction contracts.

The case arose from a capital improvement project for which the School District awarded a sitework contract to Smith Site Development, LLC. Several contractors, including plaintiff, challenged the award, arguing that the District improperly relied on a piggybacking arrangement to avoid traditional competitive bidding procedures. Specifically, the District piggybacked on a municipal contract that had not been awarded through sealed bidding as required by GML §103.

The Court held that the District's use of piggybacking was impermissible. The Court found that GML §103(16) only authorizes piggybacking when the original contract was awarded through a process compliant with GML §103's requirements – namely, public advertisement and sealed competitive bidding. Furthermore, the Court interpreted the statutory term "vendor" as applying only to suppliers of apparatus, materials, equipment, or related services, and not to contractors performing construction or alteration of buildings. Because the original contract did not meet these criteria, the piggybacking arrangement was invalid.

This decision cautions that piggybacking under GML §103(16) is restricted to eligible vendor contracts and cannot be used to bypass competitive bidding rules for construction projects. The ruling provides a clear precedent for challenging awards made through improper reliance on piggybacking.

ABOUT THE AUTHOR: Jose A. Aquino (@JoseAquinoEsq on X) is a special counsel at Duane Morris LLP's New York office, where he is a member of both the Construction Group and of the Cuba Business Group, specializing in construction law, lien law, and government procurement law.

Note: The Office of the State Comptroller recently issued updated guidance on contract piggybacking. Click Here for the updated guidance. ■

Bits & Pieces

IRS IRA/CHIPS PRE-FILING REGISTRATION TOOL OPEN

Qualifying tax-exempt organizations and entities such as state, local and tribal governments can now register using the IRS IRA/CHIPS Pre-filing Registration Tool. Registration allows entities to take advantage of the options for elective payment or transfer of certain tax credits.

Tax-exempt and governmental entities can benefit from clean energy tax credits using options enabled by the Inflation Reduction Act of 2022 (IRA). The IRA allows qualifying tax-exempt organizations and governments to benefit from certain clean energy tax credits through elective pay. For tax years beginning after December 31, 2022, an applicable entity that qualifies for a clean energy tax credit can make an elective payment election. This election will treat certain credits as a payment against federal income tax liabilities rather than as a non-refundable credit. The amount of the credit will first offset any tax liability of the entity and any excess will be refundable.

Qualifying entities that make an elective payment or credit transfer election must earn the credit, which means they must make a tax credit investment or undertake tax credit production activities to earn a qualifying credit.

Qualifying entities must complete the pre-file registration process and receive a registration number. The registration number must be included on the taxpayer's annual return as part of making a valid elective pay election. To facilitate this, the IRS created the IRA/CHIPS Pre-filing Registration Tool.

Complete and submit the pre-filing registration request no earlier than the beginning of the tax year in which the taxpayer will earn the credit it wishes to monetize with an elective payment election or transfer election.

Refer to Publication 5884, Inflation Reduction Act (IRA) and CHIPS Act of 2022 (CHIPS) Pre-Filing Registration Tool User Guide PDF to assist in the pre-filing registration process. This guide has information on the clean energy credits and detailed instructions on the pre-filing registration process. Also, the Inflation Reduction Act (IRA) and CHIPS Act (CHIPS) Pre-Filing Registration Tool video overview is available on IRS.gov.

The IRA/CHIPS Pre-filing Registration Tool news release is available on IRS.gov.

Additional information about clean energy credits can be found at IRS.gov/cleanenergy.

File Form 8868 to Request an Extension to File Form 990-T to Make an Elective Payment Election for Tax Year 2024

An elective payment election must be made on a return filed by the due date for the return, including extensions. Form 8868, Application for Extension of Time to File an Exempt Organization Return or Excise Taxes Related to Employee Benefit Plans PDF, is used by an exempt organization or governmental entity (filing Form 990-T to make an elective payment election) to request an automatic 6-month extension of time to file its return. For tax year 2024, all entities filing Form 990-T must use Form 8868 to request an extension of time to file Form 990-T.

Form 8868 has been updated to allow the following entities filing Form 990-T to make an elective payment election to request an extension of time to file Form 990-T:

- The government of any U.S. territory or political subdivision or instrumentality;
- A state, the District of Columbia, or political subdivision or instrumentality or agency; or
- An Indian tribal government or a subdivision or instrumentality or agency.

A properly completed Form 8868 submitted by the due date for Form 990-T will give you an automatic 6-month extension after the normal due date for Form 990-T. Additional information on the normal due date for Form 990-T is available in the "When to File" section in the Instructions for Form 990-T.

For more information on Form 8868, refer to the Instructions for Form 8868. ■

Ask the Association

Q We have a governing board which continues to wish to issue debt for various purposes. Is there a limit on what amount of debt, as a percentage of a municipal budget, is permissible?

A Article VIII of the New York State Constitution places a limit on the level of municipal indebtedness (with some exceptions) but not as a percentage of the municipal budget. All Constitutional debt limitations are tied to specified percentages of the average full valuations of taxable real estate on the last completed assessment roll and the four preceding rolls. The percentages are:

- 10% for Nassau County;
- 7% for other counties outside New York City;
- 10% for New York City for combined city and school purposes;
- 9% for other cities with a population of 125,000 or more for combined city and school purposes;
- 7% for cities with a population of less than 125,000 for city purposes, exclusive of schools;
- 7% for towns;
- 7% for villages; and
- 5% for school districts coterminous with, partly within, or wholly within a city with a population of less than 125,000 (with provisions for increasing the limit under certain conditions).

We encourage members to consult with their municipal advisor and/or bond counsel to discuss their entity's municipal indebtedness and what is excluded from the Constitutional debt limit.

Q Can municipalities receive Federal tax credits for the purchase of electric vehicles?

A Yes. Tax exempt and government entities can receive clean energy tax credits. More details are covered in the link below to the IRS:

Elective pay and transferability | Internal Revenue Service

Q Is there something that discusses what municipalities should and should not be doing as far as providing meals/food or similar benefits for municipal employees?

A Reviewing some past OSC opinions, it is clear that a governing board can purchase meals for volunteers to thank them for their service to the locality. It is less clear whether purchasing meals for employees is a gift of public funds. Providing food is probably a legitimate public charge so long as the food is incidental and not the primary purpose of the meeting, meaning that the way that the event is approached matters. If there is an employee event that addresses municipal business, the governing board can provide food. If food is the main reason for the event, an audit may question the expenditure of public funds.

Q Are there any best practices regarding completion of a Schedule of Expenditures of Federal Awards (SEFA)?

A The GFOA of the U.S. and Canada has developed best practices for developing a SEFA.

Q Is there ever a time when a 'non-callable' municipal bond can be redeemed at the Issuer's option prior to its stated maturity date?

A It can be done, but the issuer will need to obtain bondholder consent.

Q Whom do you contact to set up a .gov domain name? We understand that local governments are now required to convert our email systems to .gov.

A Local governments in New York State are required to migrate their email domains over to .gov by December 21, 2025. The process for approval of acquiring a .gov domain name is through the Federal Government. Click Here for more information on the qualifications and how to apply.

Q Our Town Supervisor does not drive a town-owned vehicle. Is it possible to grant a monthly gas stipend for using a personal vehicle? Or do any other municipalities allow monitored periodic fueling at the Town contracted gasoline depot?

A We brought this question to our Member Forum and the consensus of members who responded believe that the best way to address the question is to reimburse the Supervisor for mileage at the IRS reimbursement rate (currently 70 cents per mile). The Supervisor should also keep a log of official trips using their personal vehicle.

Q Our village budgets for reserves in its annual adopted budget. How should it be entered into the accounting software?

A We learned through our Member Forum that this issue is very common with several governmental accounting systems. Account 962 (Other Budgetary Purposes) is a budgetary account that is similar to account 599 (Appropriated Fund Balance) as well as the lesser used account 990 (Unappropriated Revenues – where the estimated revenues in the adopted budget exceed the appropriations).

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U.S. DEPARTMENT OF LABOR PAUSES INDEPENDENT CONTRACTOR CLASSIFICATIONS

By Salvatore G. Gangemi and Ebone Lauren Luciano

In early 2024, the U.S. Department of Labor (DOL) issued a Final Rule revising the DOL's guidance on how to analyze who is an employee or independent contractor for purposes of minimum wage and overtime pay issues under the Fair Labor Standards Act (FLSA) (the "2024 Rule"). The 2024 Rule included a new multi-factor "economic realities" test, which made it more likely a worker would be classified as an employee (and not an independent contractor) for purposes of the FLSA. The test focuses on whether the worker is economically dependent on the employer, and, if so, would weigh in favor of the worker being classified as an employee, and thus protected under the FLSA.

The 2024 Rule took effect on March 11, 2024. Shortly thereafter, several lawsuits were filed in federal courts challenging the Rule.

In a news release and accompanying Field Assistance Bulletin No. 2025-1 (FAB 2025-1) issued on May 1, 2025, the DOL announced it is pausing enforcement of the 2024 Rule (the "Pause"). The DOL plans to either reformulate the test for determining whether a worker is an employee or independent contractor or rescind the 2024 Rule altogether.

During the Pause, the DOL will rely on the former multi-factor "economic reality" test (the "Reinstated Test") originally set forth in Fact Sheet #13 (published in July 2008) and Opinion Letter FLSA2019-6 (published in 2019 and duplicated in this year's linked FLSA2025-2), pertaining to independent contractor classifications in virtual marketplaces. The Reinstated Test essentially questions whether the worker is economically dependent on the employer for work (thus an employee) or a worker in business for themselves (thus an independent contractor). No one factor should be considered in isolation and no one factor is more important than another. Rather, the DOL encourages employers to consider the following factors as a guide when assessing independent contractor classifications under the Reinstated Test:

1. **Opportunity for profit or loss depending on managerial skill**, meaning to what extent does the worker have an opportunity to earn profit or suffer losses through the business due to their own independent decision making;
2. **Investments by the worker and employer**, meaning whether the worker makes investments in the business that are entrepreneurial in nature to support the business' growth;
3. **Degree of permanence of the work relationship**, meaning the nature (e.g., project based) and length (e.g., sporadic, fixed end dates) of the worker's relationship to the business;
4. **The nature and degree of control the employer has over the worker's performance**, meaning the degree to which the employer can direct, control and manage the worker, and the extent of the worker's autonomy in making business decisions affecting the work relationship;
5. **Extent to which the work performed is integral to the employer's business**, meaning the degree to which the worker's contribution to the business is critical, integral, necessary or central to the employer's business; and
6. **Skill and initiative**, meaning the extent to which the worker uses their own specialized skills together with business initiative to perform work for the business.

Despite the DOL's Pause, independent contractor issues that arise in the context of private litigation will still rely on the 2024 Rule. The DOL's decision to stay enforcement, however, signals it will ultimately issue a completely revised rule.

In the meantime, employers should still exercise caution and make thoughtful assessments when determining independent contractor status during the Pause and avoid wholesale (re)classifications. In addition, while the DOL rule applies to FLSA determinations, states are not bound to use the DOL tests in state law contexts. We address some of these tests in our February 14, 2024 alert.

Note: This information is not a substitute for advice of counsel on specific legal issues.

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program. This program allows fire departments to renovate or construct fire stations to meet modern firefighting needs.

Education Aid:
State aid to education increases by 4.7% to $37.4 billion, including $1.5 billion in Foundation Aid and $347 million to provide free breakfast and lunch for every K-12 student.

Universal School Meals:
Appropriates $340 million to establish a Universal Free School Meals program, enabling all students to eat school breakfast and lunch at no charge regardless of income or the school they attend, beginning in the 2025-26 school year.

Environmental Protection Funds:
Increases the Environmental Protection Fund over last year by $25 million for a total of $425 million. This contains $57.7 million for solid waste programs, $118 million for parks and recreation, $203 million for open space programs and $45 million for climate change mitigation and adaptation programs, including:

- $5 million for municipalities and not-for-profit food banks for projects for food donation and the recycling of food scraps;

- Up to $500,000 for grants to municipalities for the acquisition of community forests;

- $3.8 million for smart growth program state assistance payments, provided on a competitive basis, to counties, cities, towns, or villages to establish, update or implement comprehensive plans in a manner consistent with smart growth; and

- $12 million for Climate Smart Communities.

Inflation Refund:
Creates a one-time inflation refund tax credit as a personal income tax credit for certain taxpayers for the 2025 tax year as follows:

- Married filing jointly or qualifying surviving spouse whose 2023 New York adjusted gross income was between $150,000 and $300,000, would receive a $300 credit;

- Married filing jointly or qualifying surviving spouse whose 2023 New York adjusted gross income was $150,000 or less, would receive a $400 credit;

- Single, married filing separately, or head of household whose 2023 New York adjusted gross income was between $75,000 and $150,000 would receive a $150 credit;

- Single, married filing separately, or head of household whose 2023 New York adjusted gross income was $75,000 or less, would receive a $200 credit.

Middle Class Tax Cut:
Reduces the income tax rates in two phases: an initial rate cut applicable for tax year 2025 and a second rate cut beginning in tax year 2026.

The rate reductions would apply to:

- Married couples with incomes up to $323,200 who file jointly;

- Heads of households with incomes up to $269,300; and

- Single taxpayers and married taxpayers who file separately with incomes up to $215,400. ■

Some software will handle these automatically, such as automatically posting to account 599 the amount that represents the difference between estimated revenues and appropriations when the appropriations exceed the estimated revenues. The issue comes up because revenues and expenditures are based on actual activity, whereas estimated revenues and appropriations are based on budgetary planning.

You might consider a workaround using expenditure account 1989.4, which on the OSC Chart of Accounts https://www.osc.ny.gov/local-government/required-reporting/chart-accounts-query is General Government Support Other - Contractual. Depending on your software chart of accounts setup, you could create A.1989.4962 and title it Reserve for [name the purpose]. Likewise, if you have a budget that appropriates fund balance, you could create A.1989.4599 and title it Appropriated Fund Balance.

***Please Note:** *Legal cites in this column are not to be construed as legal advice or a legal opinion. Any legal questions should be directed to an attorney, legal department, or the Office of the State Comptroller.*

Questions

Do you have a government finance related question or are you searching for a resource to help you in your job? If so, please post your inquiry to the online Member Forum on the NYGFOA website (nygfoa.org) or contact Fred Shellard, Director of Professional Services at (518) 465-1512 or e-mail at shellard@nygfoa.org.

outsourcing this assessment to a qualified security assessor (QSA). The PCI Security Standards Council provides a list of QSA providers (at pcisecuritystandards.org/assesors_and_solutions/qualified_security_Assessors);

- Talk with your merchant services provider, solution provider, and/or acquiring bank to determine the government's responsibilities and how the provider can help with evaluating scope and processes to ensure compliance;
- Have policies and procedures in place that include the updated standards, including reporting and infrastructure changes;
- Ensure PCI compliance certifications from third-party payment vendors;
- Use PCI standardizations rather than individual customizations within your payment card program;
- Include questions about aiding the entity with PCI compliance standards (for example, upgraded terminals) in merchant services RFPs;
- Bookmark PCI and GFOA resources on PCI compliance; and
- Look to peers and PCI consultants/QSAs to help PCI compliance today and tomorrow.

The updated protocols may require limited changes for governments that outsource their payment card receivables; the government is still responsible for ensuring that its vendor systems are PCI compliant.

Governments should talk with their payment processing providers to determine if any change or update to its processes are needed to remain compliant. At a minimum, governments should have the providers annually submit a written certification that they are PCI compliant.

ABOUT THE AUTHOR: This article appeared in the April 2025 issue of Government Finance Review, the bi-monthly magazine of the GFOA of the U.S. and Canada. Benjamin Davidson is a consultant with National GFOA's Research and Consulting Center. Benjamin can be reached at bdavidson@gfoa.org.

10 Steps to Thriving in a Political Environment

By the GFOA of the U.S. and Canada

Finance professionals don't like to hear the words "power," "politics," and "budgeting" in the same sentence. Ideally, we'd like budgeting to be an apolitical process where decisions are solely based on data and objective criteria. Unfortunately, this is not the world we live in.

Below we've outlined ten steps you can take to navigate power politics, maintain your ethics, and support positive outcomes for the community you serve.

1 Don't hate the player.

Engaging in power politics is a natural response to the incentives that elected officials, government employees, and members of the public often receive in public finance.

2 Don't hate the game.

Similarly, don't try to take politics out of budgeting—that would be neither reasonable nor desirable. Politics is how debates and conflicts are resolved in a democratic society. In fact, politics is often how the community's voice is heard in the budget process.

3 Change the game.

Promoting ideas for better financial management to help the community thrive requires designing decision-making processes that allow for constructive debate about public money and guide decision makers through the hard trade-offs public budgeting often requires.

4 Share your knowledge.

The power of knowledge comes from sharing it, not hoarding it. If knowledge is never shared, it has no influence and isn't persuasive. Sharing knowledge helps others appreciate how finance professionals see the world, which can make them be more receptive to finance professionals' ideas.

5 Build your professional credibility.

Without professional credibility, a finance professional's knowledge will be ignored. You can build your professional credibility by demonstrating integrity and honesty and producing results for the community.

6 Use the power of agenda-setting.

The finance professional may not be the final decision maker in many public finance debates but is often the "decision architect"—the one who designs the decision-making environment to help decision makers arrive at their best decisions. This includes things like helping decision makers ask the right questions, setting clear priorities, and considering wise options, which is the essence of "changing the game" of power politics.

7 Stay cool, calm, and rational.

This can turn the tables on critics. Finance professionals should present themselves as calm, reasonable, and willing to compromise while being committed to core principles. They should also pick their battles, staying focused on the policies and decisions that matter most for the organization's fiscal sustainability.

8 Say yes, when possible, to make it easier to say no when necessary.

Finance professionals can sometimes gain a reputation as "Doctor No" by constantly rebuffing ideas for programs or services that involve spending public money. This works against producing results for the community. The solution is to say "yes, if..." as in "yes, we can add that public health position if we can find a new source of ongoing revenue to pay for it or reduce expenses elsewhere." Use your knowledge to help identify sources of offsetting revenues or savings.

9 Understand the interests of every player to find "win-win" solutions.

The quickest way to come out on the losing end of decisions is by not knowing or by ignoring the interests of other players. Understanding and appealing to people's interests is vital.

10 Build coalitions around common goals and values, not convenience.

Finance professionals should not be the center of attention but should build strong coalitions. To do this, they can explore opinions, seek common ground, and frame common benefits. If a coalition can be built around a shared goal or vision, it will be easier to negotiate the specifics of a strategy to get to the goal.

Note: These steps are adapted from the GFOA research paper "Power, Politics, and Budgeting: Don't Hate the Player, Don't Hate the Game, Change the Game." Read the full paper: gfoa.org/materials/ power-politics-and-budgeting.

ABOUT THE AUTHOR: This article appeared in the April 2025 issue of *Government Finance Review,* the bi-monthly magazine of the GFOA of the U.S. and Canada. ■

archived (along with the responses). We encourage members to take a look – you may find some interesting information to help you in your job!

Even if you may not have an inquiry, previous inquiries are archived (along with the responses). We encourage members to take a look – you may find some interesting information to help you in your job!

INTERESTED IN BECOMING MORE INVOLVED IN YOUR ASSOCIATION?

Our Banking and Investment Management, Accounting, Auditing and Financial Reporting and Legal and Legislative committees have been proactively following government finance related proposals and changes in their respective areas and their impact on members. The Committees are very interested in having more members participate and make their voices heard on topics such as proposed accounting and auditing standards, proposed changes to State and Federal laws, and regulations regarding debt disclosure continue to evolve.

If you are interested in learning more, and joining your colleagues in supporting the government finance profession, please email Fred Shellard, Director of Professional Services at shellard@nygfoa.org. Membership on one or more Standing Committee(s) is open to all members in good standing.

STATE LEGISLATIVE UPDATE

Bits & Pieces

As the State Legislature winds down its 2025 Session, the NYGFOA Legal and Legislative Committee has been following legislation impacting government finance officers. Below are some of the bills being monitored:

Mandatory Cybersecurity Reporting and Training for Local Governments:

This legislation, which has passed both the Senate and Assembly, would require local governments to report cybersecurity incidents and ransomware payments through centralized mechanism, and for all state and local government employees who use computers in their daily work to complete annual cybersecurity training (via computer). Although the State Office of Information Technology Services (NYS ITS) will make the training available, local governments would not be required to use those resources.

Exclusion of EMS Costs from the Property Tax Cap:

This bill has passed the Assembly and Senate and would remove the costs associated with Emergency Medical Services (EMS) from the real property tax levy cap.

Good Faith Deposits Bill (NYGFOA Bill):

This bill would amend the NYS Local Finance Law by eliminating the requirement for good faith deposits to be delivered by bidders prior to the award of municipal bonds. The good faith deposit would be required to be delivered by the successful bidder on the bonds. This requirement is only applicable to the public sale of bonds in excess of $5 million par value.

Streamlining Municipal Bond Issuances (NYGFOA Bill):

The NYS Local Finance Law would be amended by making permanent numerous provisions which streamline the ability of local governments and school districts to issue bonds. The provisions have been extended every two to three years for nearly thirty years. This bill has passed the State Senate.

Open Auction Bond Sale Pilot Program:

The open auction bond sale pilot program, established in 2019, would be extended another two years to 2027. This bill has passed both houses of the State Legislature.

Public Retiree Income Cap Increase:

The earnings limitation for public retirees who return to public employment would increase from $35,000 to $65,000. This bill has not yet passed either house of the Legislature.

Municipal Residency Requirements:

Local governments would be permitted to set residency requirements for employment with the entity. The purpose is to broaden the pool of qualified candidates for various positions. This bill has not yet passed either house of the Legislature.

To see other bills monitored by NYGFOA during the 2025 Legislative Session, visit our **Legislative Watch** page on the NYGFOA website.

NYGFOA
Responsible | Knowledgeable | Accountable

UPCOMING EVENTS | 2025

REGIONAL SEMINARS

JULY 31
Central Summer Seminar
Ithaca Marriott (Ithaca)

AUG 15
Northeast Summer Seminar
The Landings Hotel
(Schenectady)

OCT 9
Downstate Fall Seminar
Orange County Golf Club
(Montgomery)

16
Long Island Fall Seminar
Hotel Indigo (Riverhead)

30
Brass Tacks of Government Finance
(Virtual via Zoom)

For more information visit the NYGFOA website at nygfoa.org.