



Labor & Employment Issues Client Alert

Pitta LLP
For Clients
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**“We believe in the ideas of family, mutuality,
the sharing of benefits and burdens
for the good of all, feeling one another’s pain,
sharing one another’s blessing
recognizing that at the heart of the matter
we are bound to each other.”**

-Mario M. Cuomo-

MAYOR DE BLASIO SUPPORTS LINE-OF-DUTY PENSION BENEFITS FOR CITY EMPLOYEES LOST TO COVID-19

On May 19, 2020 Mayor Bill de Blasio announced support for line-of-duty benefits for the survivors of all City employees that lost their lives to COVID-19.

The Mayor stated that it intends to advance state legislation to “make it a reality.” To date, more than 270 New York City public servant have lost their lives to COVID-19.

SERIOUS REVENUE SHORT FALLS CAUSE THE STATE AND CITY SEVERE BUDGET DEFICITS AND POTENTIAL CUTS TO SPENDING

On May 18, 2020 New York State Budget Director Robert Mujica announced that the state will be holding back more than \$1 billion of planned spending because of falling revenue from the COVID-19 pandemic.

This past April, the New York State Legislature passed a budget provision that granted the New York State Budget Director the authority to make spending cuts to balance the budget. The State legislature then has 10 days to respond to the specific cuts the administration proposes.

Budget Director Mujica said that another \$370 million of grants to some of New York’s largest upstate cities that were scheduled to be made later this month and in June will be held indefinitely. The Budget Director also warned school districts which are working on putting together their budgets to plan for a 20% reduction in state aid.

New York State Comptroller Thomas DiNapoli issued a report that shows the State’s revenue were more than \$8 billion short of expected levels for April. New York spent \$4.4 billion in April, which is less than 60% of what Governor Andrew Cuomo proposed before the COVID-19 pandemic. The state also found that sales-tax collections that help fund cities and counties were 24.4% lower in April than the preceding year.

This is a link to the [Comptroller’s report](#).

In addition, New York City's Independent Budget Office ("IBO") projections show combined tax revenue shortfalls for this fiscal year and next year of \$9.5 billion. The IBO's report stated that "in short, New York City is facing nearly unprecedented challenges as it struggles to maintain budget balance, protect vital services, and provide a safe and healthy environment for individuals who want to live, work or visit here." The IBO projects a \$544 million in budget gap this fiscal year, as well as \$830 million in shortfalls in 2021.

This is a link to the [IBO's report](#).

Both Governor Cuomo and Mayor Bill de Blasio support the Heroes Act which passed the House of Representatives on May 15, 2020. The Heroes Act would provide the state \$34 billion and the city \$17 billion in aid to make up budget shortfalls caused by COVID-19.

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