



TO: OPWDD Providers

FROM: Kevin M Valenchis
Deputy Commissioner
Division of Enterprise Solutions

A handwritten signature in black ink, appearing to read "KMV".

DATE: August 21, 2020

SUBJECT: Local Assistance Payment Withhold

The State's Fiscal Year 2021 First Quarterly Financial Plan Update released in mid-August reported a \$14.5 billion revenue decline in General Fund receipts, representing a \$1.2 billion decline from previous revenue estimates made in April as part of the Enacted Budget Financial Plan. Over the next four years, the projected revenue loss amounts to \$62 billion. In response, the State has taken steps to reduce spending including, among other things, freezing non-essential hiring and new contracts, deferring pay raises, and withholding 20% of local aid payments.

Pursuant to the authority set forth in Section 1, paragraph (f) of Chapter 53 of the Laws of 2020, the Office for People With Developmental Disabilities (OPWDD) will withhold 20% of all payments otherwise planned to be made for non-Medicaid Local Assistance programs. This withhold will apply to all Local Assistance payments made with 100% State funds and is effective immediately.

This withhold is necessary to address the unprecedented financial effects of the COVID-19 pandemic on New York State. OPWDD is not alone in this effort; the withholding applies to all New York State agencies and authorities. If the Federal government delivers funding to the states to offset our revenue loss, the level of State-planned reductions may be reduced. In the absence of such recovery aid, all or a portion of the current withholdings may be converted to permanent reductions.

OPWDD understands that these withholdings will necessitate difficult choices for local governments and the State's not-for-profit partners. We are requesting that you begin working with your OPWDD Regional District Offices on the development of a plan that would allocate these withholdings on a recurring basis in the event sufficient Federal stimulus funding is not made available for State and Local governments to address the revenue losses associated with the COVID-19 response.

Any questions regarding this directive should be posed to: ATL_Withholds@opwdd.ny.gov.

cc:

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