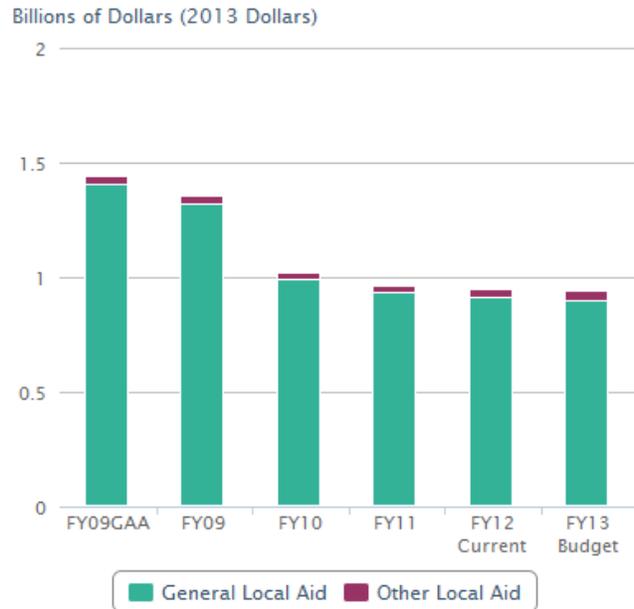


## LOCAL AID

|                          | FY 2009 GAA<br>(inflation adj.) | FY 2012<br>Current | FY 2013<br>House   | FY 2013<br>Senate  | FY 2013<br>Budget  |
|--------------------------|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Local Aid</b>         | <b>1,438,324,839</b>            | <b>936,450,293</b> | <b>932,350,293</b> | <b>941,360,000</b> | <b>939,240,293</b> |
| <b>General Local Aid</b> | 1,404,262,198                   | 898,980,293        | 898,980,293        | 900,000,000        | 898,980,293        |
| <b>Other Local Aid</b>   | 34,062,641                      | 37,470,000         | 33,370,000         | 41,360,000         | 40,260,000         |

The Fiscal Year (FY) 2013 budget funds non-school local aid at levels just slightly higher than the current FY 2012 budget. The vast majority of this funding supports general local aid to cities and towns, helping them fund vital local services such as police and fire protection, parks, and public works. General local aid has been cut dramatically over the last several years, and while the FY 2013 budget funds general local aid at levels slightly above the FY 2011 and current FY 2012 budgets, this represents the third year in a row of not making inflation adjustments to fully adjust for the rising cost of providing local services. *MassBudget* treats education aid separately in our Education section, although cities and towns often use a portion of their general local aid to help fund education as well.



### LOCAL AID LINE ITEMS

| Line Item | Name                                    | FY 2012<br>Current | FY 2013<br>House | FY 2013<br>Senate | FY 2013<br>Budget | Notes          |
|-----------|---|--------------------|------------------|-------------------|-------------------|----------------|
| 1233-2350 | Unrestricted General Govt Aid (UGGA)    | 898,980,293        | 898,980,293      | 900,000,000       | 898,980,293       | see text below |
| 1233-2400 | State Owned Land (in Lieu of Taxes)     | 26,270,000         | 26,270,000       | 26,270,000        | 26,270,000        |                |
| 1599-0026 | Muni. Regionalization & Efficiencies Gr | 10,050,000         | 5,950,000        | 10,090,000        | 12,840,000        | see text below |
| 7006-0140 | Local Share of Racing Tax Revenues      | 1,150,000          | 1,150,000        | 0                 | 1,150,000         |                |
| OS-CPA    | Community Preservation Act              | 0                  | 0                | 5,000,000         | 0                 | see text below |

### General Local Aid

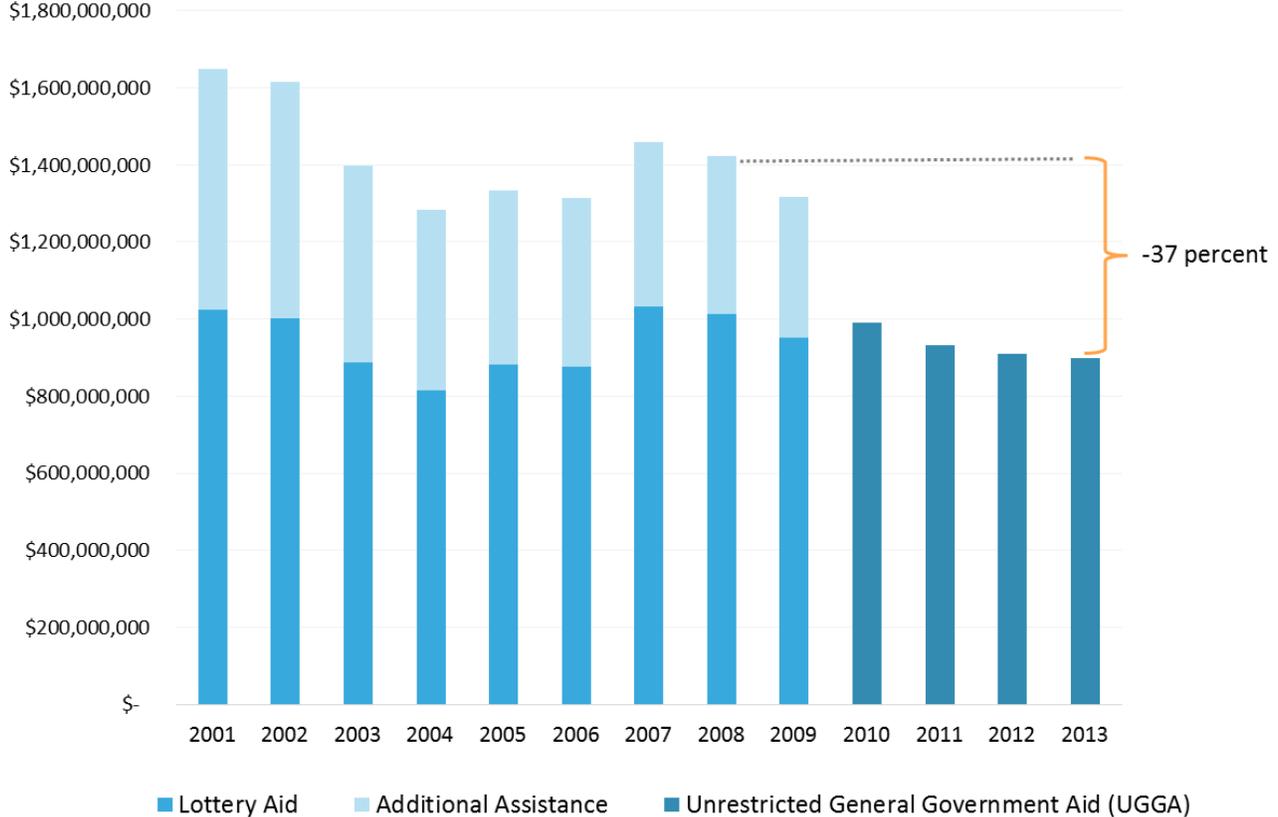
|                          | FY 2009 GAA<br>(inflation adj.) | FY 2012<br>Current | FY 2013<br>House | FY 2013<br>Senate | FY 2013<br>Budget |
|--------------------------|---------------------------------|--------------------|------------------|-------------------|-------------------|
| <b>General Local Aid</b> | 1,404,262,198                   | 898,980,293        | 898,980,293      | 900,000,000       | 898,980,293       |

The FY 2013 budget funds **Unrestricted General Government Aid (UGGA)** at \$899.0 million, the same nominal level as the current FY 2012 budget. The FY 2012 GAA funded UGGA at a baseline level of \$834.0 million, but FY 2012 budget language directed 50 percent of all unexpended balances from general fund spending coming out of FY 2011 (up to \$65.0 million) to supplement UGGA appropriations for FY 2012. Unexpended FY 2011 fund balances proved sufficient to fund the full \$65.0 million amount, meaning that cities and towns in FY 2012 will receive the same total UGGA appropriation of \$899.0 million that they received in FY 2011. While FY 2013 funding will be equal to final FY 2012 levels, the FY 2013 budget does have the virtue of guaranteeing all of this money through a direct appropriation rather than having \$65.0 million of it come as a contingency.

It should be noted that this FY 2013 funding level is tantamount to a cut since no inflation adjustment will have been made over the last two years to keep up with rising costs. Furthermore, general local aid has been cut dramatically since FY 2001. For more information on the history of general local aid and for historical funding levels, please see *MassBudget's* recent paper *Demystifying General Local Aid in Massachusetts*, available [here](#).

### General Local Aid is Down 37 Percent from Pre-Recession Levels

Inflation adjusted, 2013 dollars  
\$1,800,000,000



## Other Local Aid

|                        | FY 2009 GAA<br>(inflation adj.) | FY 2012<br>Current | FY 2013<br>House | FY 2013<br>Senate | FY 2013<br>Budget |
|------------------------|---------------------------------|--------------------|------------------|-------------------|-------------------|
| <b>Other Local Aid</b> | 34,062,641                      | 37,470,000         | 33,370,000       | 41,360,000        | 40,260,000        |

Through outside section language, the FY 2013 budget enacts a few policy changes to the **Community Preservation Act (CPA)**. The budget provides more flexibility for how the open space portion of a community's CPA funds can be spent, allowing cities or towns to renovate existing recreational facilities rather than requiring them to use the funds only to purchase new open space. Allowing CPA money to be spent on recreational renovation projects may help more urban communities, with little passive open space, opt into the CPA for the first time. Additionally, the FY 2013 budget allows for alternative municipal revenues to be used to supplement the current CPA property tax surcharge.

The FY 2013 budget couples these policy changes with a deposit of \$25.0 million for the Community Preservation Trust if there is sufficient money in the FY 2013 consolidated net surplus to do so. Currently, cities and town can opt into the program and pass a property tax surcharge of up to 3 percent. When the act was first passed, the state provided a 100 percent match to the revenue raised by cities and towns through the surcharge. State matching funds come from revenue raised through the deeds recording fees, and therefore show up off-budget. As housing sales waned during the economic crisis, and as more communities joined the CPA, the state's contribution has diminished considerably, down to 22 percent for FY 2012.