

State Aid

In the fiscal year ending June 30, 2001, the Town of Concord received \$4.3 million of general unrestricted funds from the state through various formula accounts. About 42% of this total was Chapter 70 school aid, and 25% was the Town's share of the net revenues from the state lottery. Total State aid represented about 9.3% of the Town's General Fund budget resources that year. Over the next two budget years, the State cut aid to local government significantly as part of measures taken to balance the state budget. The FY05 and FY06 budgets saw small increases in state aid to Concord. Yet the FY06 sum, \$3.6 million, is still well below the peak set five years earlier.

For FY07, the Guideline budget projects \$3,662,500, reflecting a very minor increase from the current budget. This would represent about 5.5% of the total budget financing. The FY07 state budget proposed by the Governor in January proposed increases for the cities and towns that would provide an additional \$300,000 for Concord. However, these proposals cannot be the basis for our budget decisions until and unless we receive some legislative indication from the General Court. House and Senate action on the state budget is not expected before June, but the Town may get some indication of legislative intentions prior to the Town Meeting.

Statewide in FY05, a little less than one-fifth of the total state budget was distributed as aid to the cities and towns, about \$4.4 billion. On average, this represented 25% of local budgets—a much higher share than Concord receives. Statewide, 53% of local revenue came from the property tax. In Concord, that year, 85% of the local budget was supported by the property tax.

The present status of FY07 estimates for the town is shown below.

State Aid
FY04 and FY05 actual, FY06 budget and FY07 estimated

Account	Actual FY04	Actual FY05	Budget FY06	Estimated FY07	FY06-07 Difference
Chapter 70 school aid	\$1,542,930	\$1,542,930	\$1,639,230	\$1,639,230	\$0
Additional assistance	383,959	383,959	383,959	383,959	\$0
Lottery	817,244	817,244	905,186	935,000	\$29,814
School construction	148,618	148,618	148,618	148,618	\$0
Police career incentive	135,020	141,396	149,007	153,000	\$3,993
State-owned land and buildings	186,452	300,286	370,137	370,137	\$0
Additional distribution	0	60,044	0	0	\$0
all other	28,072	95,489	47,882	32,556	(\$15,326)
TOTAL	\$3,242,295	\$3,429,922	\$3,644,019	3,662,500	\$18,481