



CITY OF CONCORD

Report to Mayor and City Council

DATE: October 18, 2019
TO: Mayor and City Council
FROM: Brian G. LeBrun, Deputy City Manager - Finance
SUBJECT: Fiscal Year 2020 Additional Municipal Aid

Recommendation

Approve the attached supplemental appropriation request in the amount of \$749,727.79 for the General Fund with the recommendation to transfer funds to the Highway Reserve for paving needs.

Background

As part of the State of New Hampshire Fiscal Year 2020/2021 budget, an additional \$40,000,000 was appropriated to provide municipal aid to each city, town and unincorporated place in the state. \$20,000,000 will be distributed in Fiscal Year 2020 and the same amount will be distributed in Fiscal Year 2021. The distribution of these funds by community was based on the following from page 61 of the State budget (copy included):

- a) "Twenty percent of such funds for the determination year shall be distributed to municipalities on the basis of the ratio that each municipality's average daily membership in residence bears to the statewide total membership in residence as determined by the department and provided to the treasurer."
- b) "Eighty percent of such funds for the determination year shall be distributed to municipalities on the basis of the ratio that each municipality's number of pupils in the municipality's average daily membership in residence eligible for a free or reduced price meal bears to the total statewide membership in residence eligible for a free or reduced-price meal, as determined by the department and provide to the treasurer."

Discussion

The New Hampshire Department of Education calculation based on the formula described in the State budget determined that the City of Concord would receive \$749,727.79 for Fiscal Year 2020 and the same or a similar amount for Fiscal Year 2021. Since the City of Concord has two associated school departments, \$652,353.05 pertains to the Concord calculation and \$97,374.74 pertains to the Penacook calculation.

City administration recommends using the full \$749,727.79 to transfer to paving reserve for paving needs as detailed in the attached resolution slated for a December public hearing and action.

It is anticipated that the Fiscal Year 2021 amount will be considered as part of the Fiscal Year 2021 budget.