

Local Government Assistance

Mission

Local Government Assistance programs provide general purpose aid to municipalities, as well as targeted grant programs and incentives for local government efficiency and consolidation actions. State General Fund-supported programs include the Aid and Incentives for Municipalities (AIM) program, Citizen Empowerment Tax Credits, the Citizens Re-Organization Empowerment Grant program, the Local Government Efficiency Grant program, the Local Government Performance and Efficiency Program, and the County-Wide Shared Services Initiative.

Budget Highlights

The Executive Budget recommends \$1.0 billion in All Funds appropriations to fund miscellaneous State aid and assistance programs, including \$1.0 billion in General Fund support to local governments under several aid programs. Included with the All Funds appropriations, the Budget recommends \$2.5 million in General Fund state operating support for the Financial Restructuring Board for Local Governments and \$30 million in Fiduciary Funds to cover contingency appropriation requirements. Overall, this represents an increase of \$218 million from FY 2018 All Funds appropriation levels, primarily due to the new \$225 million appropriation for the County-Wide Shared Services Initiative.

AIM funding to cities, towns, and villages is recommended to be maintained at \$715 million. In addition, \$39 million in appropriations for Citizen Empowerment Tax Credits, Citizens Re-Organization Empowerment Grants, and the Local Government Efficiency Grant program are recommended to be maintained.

Program Highlights

Aid and Incentives for Municipalities

Unrestricted State aid to cities, towns, and villages.

Citizens Reorganization Empowerment Grants

Funding for local governments to cover costs associated with planning and implementing local government reorganization activities, such as consolidations and dissolutions.

Citizen Empowerment Tax Credits

Annual tax credits for cities, towns, or villages that consolidate or dissolve are equal to 15 percent of the newly combined local government's tax levy. At least 70 percent of such amount must be used for direct relief to property taxpayers.

Local Government Efficiency Grants

Competitive funding to help cover costs associated with local government efficiency projects, such as planning for and/or implementing a functional consolidation, shared or cooperative services, and regionalized delivery of services.

Local Government Performance and Efficiency Program

Grants and/or loans awarded by the Financial Restructuring Board for Local Governments to assist with implementing Board recommendations.

County-Wide Shared Services Initiative Program

Funding for the State's match of the first year of savings from shared services actions included in a finalized county-wide shared services plan submitted to the Director of the Budget.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available FY 2018	Appropriations Recommended FY 2019	Change From FY 2018	Reappropriations Recommended FY 2019
State Operations	2,500,000	2,500,000	0	0
Aid To Localities	822,372,963	1,040,352,613	217,979,650	109,854,000
Total	824,872,963	1,042,852,613	217,979,650	109,854,000

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available FY 2018	Recommended FY 2019	Change
General Fund	2,500,000	2,500,000	0
Total	2,500,000	2,500,000	0

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available FY 2018	Recommended FY 2019	Change
Financial Restructuring Board			
General Fund	2,500,000	2,500,000	0
Total	2,500,000	2,500,000	0

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
FY 2019 RECOMMENDED
(dollars)**

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Financial Restructuring Board	2,500,000	0	2,500,000	0
Total	2,500,000	0	2,500,000	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available FY 2018	Recommended FY 2019	Change
General Fund	792,372,963	1,010,352,613	217,979,650
Fiduciary Funds	30,000,000	30,000,000	0
Total	822,372,963	1,040,352,613	217,979,650

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available FY 2018	Recommended FY 2019	Change
Aid and Incentives for Municipalities			
General Fund	754,000,000	754,000,000	0
County-wide Shared Services Initiative			
General Fund	0	225,000,000	225,000,000
Miscellaneous Financial Assistance			
General Fund	7,470,350	2,250,000	(5,220,350)
Municipal Assistance State Aid Fund			
Fiduciary Funds	15,000,000	15,000,000	0
Municipal Assistance Tax Fund			
Fiduciary Funds	15,000,000	15,000,000	0
Aid to Municipalities with VLT Facilities			
General Fund	28,885,313	28,885,313	0
Small Government Assistance			
General Fund	217,300	217,300	0
Village Per Capita Aid			
General Fund	1,800,000	0	(1,800,000)
Total	822,372,963	1,040,352,613	217,979,650

Note: Most recent estimates as of 01/16/2018