TO: Mayors, Boards of Selectmen, City/Town Managers, Executive Secretaries, Finance Directors, Treasurers, Regional School Superintendents and Regional School Treasurers

FROM: Frederick Kingsley, Chief Municipal Data Management/Technical Assistance Bureau

DATE: February 2003

SUBJECT: Impact of FY03 Local Aid Reductions on Quarterly Distributions

The purpose of this bulletin is to notify local officials of the impact the Governor’s G.L. Ch. 29 §9C reductions on the third and fourth quarter local aid distributions in FY03. Local officials should make their cash flow plans assuming that the reduction in FY03 aid will be spread evenly between the third and fourth quarter distributions (see http://www.mass.gov/agency/documents/eoaf/9Ccuts.xls for the amounts of the local aid reductions). If the state’s cash flow situation allows it, it may be possible to make the entire 9C reduction in the fourth quarter distribution instead, but local officials should not plan for that.

No doubt, the area of most concern from a cash flow perspective is whether the state will disburse quarterly aid consistent with the distribution schedule set out in G.L. Ch. 58 §18C. Please rest assured that the state plans to make these FY03 quarterly distributions on March 31st and June 30th, as scheduled.

As always, if you have any questions or concerns about this information, please do not hesitate to contact our Local Aid Section at 617-626-2386 or 617-626-2320.