

Newton, Massachusetts Community Preservation Program **FY16-20 FUNDING FORECAST**



NOTES ON STATE CPA FUNDING:

The primary source of state CPA funds is fees paid to the Registry of Deeds. The attached forecast assumes that Newton's state funding from this source will shrink steadily in future years as more Massachusetts communities adopt the CPA.

The Community Preservation Act (CPA) as amended in 2012 allows but does not require the state legislature and the governor to add to the state CPA trust fund divided among all CPA communities up to \$25 million from a different source, the state budget surplus. The attached forecast does not include this potential supplemental state funding.

Finally, state matching funds are confirmed each fall as a percentage of the funds each CPA community has certified as raised locally in the *preceding* fiscal year. Final state funding is usually confirmed in mid-November, after Newton has set its current-year real estate tax rates and therefore can no longer adjust its current-year budget. Any state funds received in addition to those budgeted for the current year are therefore budgeted and made available in the following fiscal year, two years after receipt of the local funds the state is matching.

City of Newton, Massachusetts Community Preservation Fund		Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Estimated Totals for FY16-20	Estimated Totals for FY16-25 (using same assumptions)
FUNDING FORECAST, FY16-20		<i>Assumptions: Local revenue increasing 2.5% per year; state match declining 3% per year, from 18% in fy16 to 6% in fy20. * State funds available each year are a percentage of the previous year's local revenue.</i>						
NEW REVENUE								
local CPA surcharge		\$2,843,904	\$2,915,002	\$2,987,877	\$3,062,574	\$3,139,138	\$14,948,495	\$31,861,345
state matching funds:								
confirmed & budgeted in listed year		\$499,417	\$426,586	\$349,800	\$268,909	\$183,754	\$1,728,467	\$2,567,783
confirmed late in prior year, budgeted in listed year *		\$229,184					\$229,184	
forwarded fund balance **		\$8,223,464						
TOTAL REVENUE		\$11,795,970	\$3,341,587	\$3,337,677	\$3,331,483	\$3,322,893	\$25,129,609	\$42,881,776
BUDGETED EXPENDITURES								
Program Administration & Debt Service								
program administration (fy 16 actual budget; other years as 4.5% of annual new funds; statutory maximum is 5%)		(\$150,505)	(\$150,371)	(\$150,195)	(\$149,917)	(\$149,530)	(\$750,519)	(\$1,549,366)
debt service for 20 Rogers St. from general reserve		(\$269,344)	(\$259,781)	\$0	\$0	\$0	(\$529,125)	(\$529,125)
TOTAL Program Administration & Debt Service		(\$419,849)	(\$410,153)	(\$150,195)	(\$149,917)	(\$149,530)	(\$1,563,173)	(\$2,362,020)
AVAILABLE FUNDS after program administration + debt service		\$11,376,121	\$2,931,435	\$3,187,482	\$3,181,566	\$3,173,362	\$23,849,966	\$40,803,285
Required Reserves (min. allocation of annual new funds under the CPA)								
affordable housing (10%)		\$357,251	\$334,159	\$333,768	\$333,148	\$332,289	\$1,690,615	\$3,465,831
historic resources (10%)		\$357,251	\$334,159	\$333,768	\$333,148	\$332,289	\$1,690,615	\$3,465,831
open space & recreation (10%)		\$357,251	\$334,159	\$333,768	\$333,148	\$332,289	\$1,690,615	\$3,465,831
general (total revenue minus 10% budgeted reserves, 4.5% program administration, and scheduled debt service) ***		\$10,304,369	\$1,928,959	\$2,186,179	\$2,182,121	\$2,176,495	\$18,778,122	\$30,405,791

NOTES

* State revenue received each year is confirmed too late to be included in the current-year budget. Any state funds in addition to those budgeted are therefore budgeted and become available in the following year.

** Unspent funds forwarded from prior budget year. This amount is not forecast for future years, in part to avoid counting the same unspent funds multiple times, and in part because the amount forwarded could be zero, if all funds available in a given year are spent in that year.

*** General reserve shown for FY16 includes fund balances actually reserved for housing, historic resources & open space. Only new funds are shown as restricted, to keep 10% budgeted reserves comparable across years.