

State Aid to Cities and Towns in New England

January 14, 2020

An ongoing question from municipal officials in Rhode Island is how state aid to local government here compares to the rest of New England. With municipal government in the Northeast funded primarily by property taxes, robust state aid can help cities and towns achieve important policy objectives and control the growth of property taxes. Compiled from U.S. Census Bureau data and research from other state municipal leagues, this report by the R.I. League of Cities and Towns looks comprehensively at state aid programs for municipalities in New England.¹

Executive Summary

- According to a League analysis of U.S. Census Bureau data from Fiscal Year 2017, state aid represents about 27% of local revenues in Rhode Island. Regionally, state aid as a percentage of municipal revenue falls within a relatively narrow range for five of the New England states – between about 25% and 28% of local budgets. Only New Hampshire, at about 16%, provides state support at materially lower levels than its neighbors.
- Aid to schools is the most significant component of state aid in New England, representing between 82% and 90% of local aid in all states, except New Hampshire. In Rhode Island, education aid represented 87% of all state aid to local government. (In this report, state aid to schools includes contributions on behalf of teachers for retirement.)
- However, in all New England states, local contributions still represent the greatest portion of school revenues, with state aid representing less than a majority of education budgets – between 39% and 46% in five of the six New England States. The state share of total education spending in Rhode Island was 44%, while New Hampshire was an outlier at 21%. Because most states use distribution formulas intended to address disparities in community wealth, state school aid to individual municipalities may vary substantially from the state average.
- General revenue sharing, reimbursement of tax exemptions and support for local roads are the other primary categories of state aid, though funding levels vary substantially within the six states. For example, Rhode Island is one of two states that offer state Payment in Lieu of Taxes (PILOT) funding to cities and towns, but the Ocean State does not fund general revenue sharing or local roads programs, unlike some of its neighbors.

¹ The document focuses on the types and amounts of state aid, as well as the methods of distribution, including programs that are dependent on the wealth factors of each municipality. The base year for the report is Fiscal Year 2017 with additional commentary on more recent trends.

- State school aid programs are generally structured to assure that poorer school districts receive greater support than wealthier districts. However, teacher retirement contributions from the state are at a set rate for all districts, irrespective of community wealth.
- General revenue sharing is generally intended to equalize disparities in community wealth, with more state aid going to lower-wealth communities. Municipal road programs are generally not distributed by community wealth. Tax exemption reimbursements may or may not be equalizing, depending on their unique nature in each state.

Introduction

In every state, the Governor's annual budget request and the final budgets enacted by the legislature include some level of state aid to cities and towns. However, the amount and format of that aid varies substantially by state. To understand the similarities and differences in local aid in New England states, the League prepared this report to provide meaningful comparisons.

In the New England states, cities and towns have limited ability to use local option sales taxes or local personal income taxes. Principally for this reason, New England cities and towns rely heavily on the property tax. Thus, the level of state aid is a more significant factor in limiting property tax increases – or even reducing the property tax – in this region than in states where cities and towns have a broader tax base.

The goal of this report is to illustrate how the six New England states compare on state aid to cities and towns, as well as to illustrate to what extent state aid varies among different categories of communities within a state.

There are three sources of data for this report. The first is U.S. Census Bureau data, the second is state generated data, and the third is data from select municipalities. A description of these data sources and their strengths and limitations is described in Appendix A. Using that data, this report will summarize:

- The aggregate levels of state aid support by state;
- The focus on education aid relative to other municipal aid;
- The unique nature of certain state aid strategies; and
- The relative success in using state aid to equalize wealth disparities among communities.

Census Bureau Data

Table 1 compares aggregate state aid as a percentage of municipal spending in each of the New England states, as reported by the U.S. Census Bureau for Fiscal Year 2017. The data show that, with the exception of New Hampshire, state aid as a percentage of total municipal revenue falls within a narrow range in five states from a low of 25.1% in Vermont to a high of 27.9% in Massachusetts. New Hampshire is the outlier at 16.1%, reflecting the state's relatively high reliance on the property tax and lack of broad-based state taxes such as a sales or income tax. The data also show that education spending represents the majority of municipal budgets in all six states.

| <i>Amounts in \$1,000s</i> | CT | ME | MA | NH | RI | VT |
|--|---------------------|------------------|-------------------|------------------|------------------|------------------|
| Municipal General Revenue | \$18,030,905 | 5,072,962 | 32,307,625 | 6,375,958 | 4,580,778 | 2,814,952 |
| Census - State Aid | 4,920,275 | 1,346,352 | 9,013,592 | 1,430,771 | 1,247,163 | 1,763,078 |
| State Property Tax | | 38,643 | 6,598 | 405,186 | 2,633 | 1,056,635 |
| Adjusted State Aid ² | 4,920,275 | 1,307,709 | 9,006,994 | 1,025,585 | 1,244,530 | 706,443 |
| State Aid as a % of Municipal Revenue | 27.3% | 25.8% | 27.9% | 16.1% | 27.2% | 25.1% |
| Direct Municipal Expenditures | | | | | | |
| <i>Elem & Secondary Education</i> | 9,358,047 | 2,542,030 | 16,027,301 | 2,971,769 | 2,459,207 | 1,650,954 |
| <i>Non-Education</i> | 7,530,896 | 2,397,126 | 15,385,363 | 2,402,730 | 1,991,219 | 950,585 |
| Total Municipal Expenditures | \$16,888,943 | 4,939,156 | 31,412,664 | 5,374,499 | 4,450,426 | 2,601,539 |

State-Generated Data

Working with colleagues in the other New England states, the League also collected comparable but more detailed data on state aid components in FY 2017, as shown in Table 2.

There are moderate differences between Census data and state-reported data in five of the six states. In addition to the adjustment in this report for state-collected and redistributed property taxes (see Footnote 2), other differences relate first to the sampling methods used by the Census Bureau in information collecting, especially for smaller towns. It is also clear that some intergovernmental state aid as reported in the Census data is going to special districts (especially water or sewer authorities) or county governments, which is not counted in state data sources as aid to cities and towns.

There were very significant differences in Census data for New Hampshire as compared with data received directly from the state itself. The Census data shows (after the deduction for the state mandated education property tax) state aid of over a billion dollars. The state-source data, which has been confirmed with New Hampshire representatives, shows state aid in FY 2017 of just over \$750 million. We have not been able to resolve this significant differential, although using either data source confirms that New Hampshire's state aid support for municipal government is significantly lower than the other states in New England. Using the state source data, New Hampshire's state aid as a percent of spending would be 14.0% in FY 2017 as compared with 16.1% using Census data.

² In Vermont and New Hampshire, state-mandated property taxes for support of schools are reflected in the Census reporting as state aid. The data above deducts those amounts to arrive at net adjusted state aid from resources other than the property tax.

| <i>Amounts in \$1,000s</i> | CT | ME | MA | NH | RI | VT |
|---|------------------|------------------|------------------|----------------|------------------|----------------|
| State Sources - Education | | | | | | |
| Unrestricted | 2,012,400 | 954,536 | 4,628,013 | 564,007 | 896,303 | 260,900 |
| Retirement | 1,012,200 | 156,985 | 1,378,108 | | 100,222 | 108,198 |
| Categorical | 590,144 | 7,179 | 1,388,759 | 70,951 | 91,336 | 266,900 |
| <i>Education - Total</i> | <i>4,329,020</i> | <i>1,118,700</i> | <i>7,394,880</i> | <i>634,958</i> | <i>1,087,861</i> | <i>635,998</i> |
| <i>State Ed Aid as a % of Total Ed Spending</i> | <i>46.3%</i> | <i>44.0%</i> | <i>46.2%</i> | <i>21.4%</i> | <i>44.2%</i> | <i>38.5%</i> |
| State Ed Aid as % of all Local Aid | 88.0% | 85.5% | 82.1% | 61.9% | 87.4% | 90.0% |
| State Sources - General Aid | | | | | | |
| PILOT | 181,700 | | 26,770 | | 41,979 | |
| Revenue Sharing | 175,000 | 65,227 | 1,021,928 | | | |
| Projects | 60,000 | 6,594 | 70,154 | 8,801 | | |
| Gambling | 58,077 | | | | | |
| Roads | 60,000 | 23,030 | | 40,640 | | 64,691 |
| Library | | | 18,883 | | 9,299 | |
| Public Safety | | 23,330 | 15,988 | | | |
| Retirement | | | 27,759 | | | |
| Other | 47,823 | 11,888 | 79,110 | - | 12,521 | 16,670 |
| General Aid - Total | 582,600 | 130,069 | 1,260,592 | 49,441 | 63,799 | 81,361 |
| Property Tax Relief | 51,943 | 121,846 | 24,040 | | 10,000 | |
| State Collected Revenue | | | 332,128 | 68,939 | 39,921 | |
| All State Aid, Non-Education | 634,543 | 251,915 | 1,616,760 | 118,380 | 113,720 | 81,361 |
| Non-Education State Aid as a % of Non-Education-Related Local Spending | 8.4% | 10.5% | 10.5% | 4.9% | 5.7% | 8.6% |
| All State Source State Aid | 4,963,563 | 1,370,615 | 9,011,640 | 753,338 | 1,201,581 | 717,359 |
| All State Aid as a % of Local Revenues | 29.4% | 27.7% | 28.7% | 14.0% | 27.0% | 27.6% |

State Comparisons

Without exception, the largest category of state aid is for education. New England states support from 21.4% to 46.3% of total elementary and secondary education costs, including teacher retirement. New Hampshire provides the lowest share (21.4%), while Massachusetts and Connecticut have the highest share (46.2% and 46.3%, respectively).

All but New Hampshire and Rhode Island support 100% of pension costs for teachers with state funds, which is included in Table 2 as state education aid. New Hampshire provides no support for teachers pensions while Rhode Island pays 40% of the cost (with local government school districts contributing the remaining 60%). It should be noted that all states have significant unfunded

liabilities in their pension plans and addressing this shortfall may be a major driver of state aid in the out years, as states address underfunded teacher pensions. Teacher pension funding levels are in the 50% to 60% range in Connecticut, Massachusetts, Rhode Island, and Vermont. Funding levels are higher in Maine and New Hampshire, although the funding percentage is only reported for all public employees covered under the plan in those two states.

Other state support to municipal government varies by type and magnitude. Maine has the highest percentage of state support for non-education municipal spending (10.5% of local budgets from state aid) principally because of a robust reimbursement program for mandated property tax exemptions. Massachusetts is at the same level (10.5%), driven largely by general revenue sharing. New Hampshire and Rhode Island provide the least support (4.9% and 5.7% respectively). Rhode Island's recent commitment to state reimbursement for the car tax phase-out will likely result in higher aggregate support over time, though those funds ultimately replace existing municipal revenues and do not represent new revenues.

Connecticut and Rhode Island have a long-term commitment to PILOT (Payment in Lieu of Taxes) which pays cities and towns a portion of the taxes that would have been paid on certain tax-exempt properties. Massachusetts, Connecticut and Maine continue general revenue sharing support to cities and towns, with Massachusetts providing more than \$1.0 billion under this program. Some states like Vermont and New Hampshire provide significant funding for local roads while others like Rhode Island provide none. There are also several property tax relief programs, especially in Maine. State-collected revenue aid represents a state tax or revenue source which is in whole or in part dedicated to municipal aid; in Rhode Island, these pass-through funds include telecommunications tangible property tax and the local components of the meals and beverage tax and hotel tax.

- Connecticut: Of the almost \$5 billion in state aid, over \$1 billion is for teacher retirement contributions. There is no local contribution for teacher retirement. On the one hand, inclusion of this amount overstates the amount directly distributed to cities and towns and schools. However, failure to report this would understate comparisons with New Hampshire or Rhode Island where local budgets include a significant contribution for teachers' pensions. Direct aid to schools of \$2.6 billion was provided. Non-education aid to cities and towns totaled over \$630 million, with more than \$180 million of that for the Connecticut PILOT program.
- Maine: Of the almost \$1.4 billion in state aid, over \$1.1 billion is education-related and includes over \$150 million in teacher retirement contributions. Maine pays the full employer contribution for teachers' pensions. The major components of regular state aid include \$65 million in revenue sharing and \$121 million in property tax relief aid, which is distributed to municipalities for full or partial reimbursement of state-mandated exemptions.

- Massachusetts: As in Connecticut, a significant component of education aid is for teacher pension contributions. Almost \$1.4 billion of \$7.4 billion in state education aid is for pensions. The largest non-education state aid program is general revenue sharing, which is distributed from lottery receipts on an equalized basis. This report treats that aid as appropriated as it is subject to appropriation, but it is also a dedicated revenue stream in law. Local option meals, beverage, and room taxes represent over \$330 million and are recorded as state-collected revenue.
- New Hampshire: Of the over \$750 million in state aid (from state-collected data), approximately \$635 million is education aid. There is no state support for the teachers' retirement program. New Hampshire also has a state-mandated supplement to local property taxes to support education. (The Census Bureau treats this as state aid, but this report does not.) The other major aid programs are the meals and room pass-through revenues of almost \$70 million and highway aid of \$40 million.
- Rhode Island: Of the \$1.2 billion in state aid, almost \$1.1 billion is education aid. Of that, \$100 million is teachers' retirement contributions, representing 40% of the employer cost. School districts are responsible for the remaining 60%. The largest unrestricted state aid program is PILOT at \$42 million. Providence receives over 75% of this amount. There has been a new initiative to phase out the car tax, which has moved that category of aid from \$10 million in FY 2017 to over \$90 million in FY 2020.
- Vermont: The school aid program is unique in this state, as the education property tax is collected by the state and redistributed to school districts. While the Census data records this redistribution as state aid, this report only records the net amount above property tax collections as state aid. Of the \$636 million in net education aid, over \$100 million is for teacher pension contributions. This contribution has increased significantly since the 2017 base year to address pension funding levels of just over 50%. Like the other New England states except for New Hampshire and Rhode Island, the state pays 100% of the employer share of teacher retirement costs. The largest component of non-education aid is road grants of over \$60 million, which are based upon miles of roads and classification; wealth of the community is not a factor. Vermont's is the largest dedicated road grant program in New England.

Community Wealth & Aid Distribution

Every state has equalizing components in its school aid programs, which attempt to provide greater shared resources to communities with lower median incomes and/or lower property wealth. Most of the New England states use a formula which provides greater aid per student to communities based upon lower property values and/or personal income in the school district. Additional indicators like eligibility for free school lunch or family participation in the federal Temporary Assistance for Needy Families program may also be factors. New Hampshire's program only recognizes free school lunch eligibility as a factor in providing additional aid to school districts.

The League evaluated the distribution of state aid in select communities, based upon both median household income and per capita full valuation of property. (Vermont was excluded because school districts are separate entities in that state, and it was not possible to reliably merge financial information.) We attempted to select comparable cities and towns based on both population and wealth. Additionally, we were limited in New Hampshire to using cities and towns with combined school and municipal audited financial statements. Five cities and towns were evaluated in the five states reviewed.

Ultimately the sample size for this study is too small to be able to make any sweeping generalizations about the relationship between municipal characteristics and allocation of state aid. However, from the data we gathered we were able to observe some general trends in New England.

The first data set (Table 3) ranks identified cities and towns by median household income from low to high. State aid distributions generally correlate inversely with median income, as would be expected; communities with greater median incomes generally received less aid on a per-student basis. However, there are some exceptions regarding both correlation and magnitude.

Similarly, Table 4 ranks the identified communities by assessed value per capita from low to high. Again, state aid distributions generally correlate inversely with assessed value per capita as would be expected in equalized aid, with some exceptions. As seen in Table 4, communities with greater assessed property values generally received less aid on a per-student basis.

The two tables demonstrate that communities with lower assessed property values and median incomes receive higher levels of state aid. Higher state contributions are reflected through a higher percentage of the municipal budget that comes from state sources. For example, Hartford (CT), Lewiston (ME), Springfield (MA), Berlin (NH), and Woonsocket (RI) have the lowest household incomes of the municipalities surveyed, and lowest assessed value per capita in the cities selected for each state, and each of them receives the highest percentage of state support.

**Table 3: Median Household Income and State Aid Compared –
Select New England Cities and Towns**

| | Pop Pop (000) | Median House Inc | Assessed Value (\$000) | Value Per Capita | Muni Budget (000) | State Aid (000) | % State Aid |
|----------------------|------------------|------------------------|---------------------------|---------------------|----------------------|--------------------|---------------------|
| Connecticut | <u>3,574</u> | <u>\$73,781</u> | <u>\$560,053</u> | <u>\$156,702</u> | - | - | <u>27.3%</u> |
| Hartford | 125 | \$33,841 | \$7,431 | \$59,448 | \$599,914 | \$327,341 | 54.6% |
| New Haven | 130 | \$39,191 | \$10,608 | \$81,600 | \$582,957 | \$282,532 | 48.5% |
| Bridgeport | 144 | \$44,841 | \$9,952 | \$69,111 | \$606,409 | \$271,187 | 44.7% |
| Old Saybrook | 10 | \$74,185 | \$3,249 | \$324,900 | \$47,808 | \$3,962 | 8.3% |
| Cheshire | 29 | \$107,579 | \$4,245 | \$146,379 | \$119,698 | \$29,595 | 24.7% |
| Maine | <u>1,338</u> | <u>\$53,024</u> | <u>\$176,176</u> | <u>\$131,671</u> | - | - | <u>25.8%</u> |
| Lewiston | 36 | \$39,890 | \$2,323 | \$64,528 | \$126,608 | \$62,894 | 49.7% |
| Bangor | 33 | \$40,071 | \$2,616 | \$79,273 | \$108,468 | \$30,663 | 28.3% |
| Ellsworth | 8 | \$49,737 | \$1,075 | \$134,375 | \$32,572 | \$7,627 | 23.4% |
| Brunswick | 20 | \$58,125 | \$2,320 | \$116,000 | \$61,517 | \$14,613 | 23.8% |
| Yarmouth | 8 | \$77,695 | \$1,711 | \$213,875 | \$38,799 | \$6,632 | 17.1% |
| Massachusetts | <u>6,902</u> | <u>\$74,167</u> | <u>\$1,249,673</u> | <u>\$181,060</u> | - | - | <u>27.9%</u> |
| Springfield | 153 | \$37,118 | \$8,214 | \$53,686 | \$692,373 | \$378,780 | 54.7% |
| Pittsfield | 45 | \$46,737 | \$3,573 | \$79,400 | \$159,424 | \$55,185 | 34.6% |
| Boston | 616 | \$62,021 | \$179,793 | \$291,872 | \$3,165,482 | \$554,661 | 17.5% |
| Cambridge | 105 | \$89,145 | \$49,449 | \$470,943 | \$592,598 | \$65,150 | 11.0% |
| Watertown | 32 | \$91,171 | \$7,951 | \$248,469 | \$129,643 | \$20,787 | 16.0% |
| New Hampshire | <u>1,356</u> | <u>\$71,305</u> | <u>\$194,656</u> | <u>\$143,552</u> | - | - | <u>16.1%</u> |
| Berlin | 10 | \$37,969 | \$405 | \$40,500 | \$31,868 | \$11,443 | 35.9% |
| Laconia | 16 | \$52,702 | \$2,357 | \$147,313 | \$57,936 | \$9,534 | 16.5% |
| Somersworth | 12 | \$62,777 | \$1,096 | \$91,333 | \$38,280 | \$9,572 | 25.0% |
| Nashua | 86 | \$70,316 | \$10,982 | \$127,698 | \$264,164 | \$44,258 | 16.8% |
| Portsmouth | 21 | \$72,384 | \$6,139 | \$292,333 | \$102,461 | \$3,389 | 3.3% |
| Rhode Island | <u>1,057</u> | <u>\$61,043</u> | <u>\$127,614</u> | <u>\$120,732</u> | - | - | <u>27.2%</u> |
| Woonsocket | 41 | \$38,340 | \$1,947 | \$47,488 | \$142,087 | \$66,081 | 46.5% |
| Providence | 178 | \$40,366 | \$13,128 | \$73,753 | \$744,475 | \$330,942 | 44.5% |
| Cranston | 80 | \$64,282 | \$7,331 | \$91,638 | \$283,704 | \$69,479 | 24.5% |
| Newport | 25 | \$65,365 | \$6,433 | \$257,320 | \$106,254 | \$16,952 | 16.0% |
| N. Kingstown | 26 | \$87,311 | \$4,456 | \$171,385 | \$100,914 | \$17,277 | 17.1% |
| Vermont | <u>626</u> | <u>\$57,808</u> | | | | | |

**Table 4: Assessed Value Per Capita and State Aid Compared –
Select New England Cities and Towns**

| | Pop Pop (000) | Median House Inc | Assessed Value (\$000) | Value Per Capita | Muni Budget (000) | State Aid (000) | % State Aid |
|----------------------|------------------|---------------------|---------------------------|---------------------|----------------------|--------------------|----------------|
| Connecticut | <u>3,574</u> | <u>\$73,781</u> | <u>\$560,053</u> | \$156,702 | - | - | 27.3% |
| Hartford | 125 | \$33,841 | \$7,431 | \$59,448 | \$599,914 | \$327,341 | 54.6% |
| Bridgeport | 144 | \$44,841 | \$9,952 | \$69,111 | \$606,409 | \$271,187 | 44.7% |
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| Cheshire | 29 | \$107,579 | \$4,245 | \$146,379 | \$119,698 | \$29,595 | 24.7% |
| Old Saybrook | 10 | \$74,185 | \$3,249 | \$324,900 | \$47,808 | \$3,962 | 8.3% |
| Maine | <u>1,338</u> | <u>\$53,024</u> | <u>\$176,176</u> | \$131,671 | - | - | 25.8% |
| Lewiston | 36 | \$39,890 | \$2,323 | \$64,528 | \$126,608 | \$62,894 | 49.7% |
| Bangor | 33 | \$40,071 | \$2,616 | \$79,273 | \$108,468 | \$30,663 | 28.3% |
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| Springfield | 153 | \$37,118 | \$8,214 | \$53,686 | \$692,373 | \$378,780 | 54.7% |
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| New Hampshire | <u>1,356</u> | <u>\$71,305</u> | <u>\$194,656</u> | \$143,552 | - | - | 16.1% |
| Berlin | 10 | \$37,969 | \$405 | \$40,500 | \$31,868 | \$11,443 | 35.9% |
| Somersworth | 12 | \$62,777 | \$1,096 | \$91,333 | \$38,280 | \$9,572 | 25.0% |
| Nashua | 86 | \$70,316 | \$10,982 | \$127,698 | \$264,164 | \$44,258 | 16.8% |
| Laconia | 16 | \$52,702 | \$2,357 | \$147,313 | \$57,936 | \$9,534 | 16.5% |
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| Rhode Island | <u>1,057</u> | <u>\$61,043</u> | <u>\$127,614</u> | \$120,732 | - | - | 27.2% |
| Woonsocket | 41 | \$38,340 | \$1,947 | \$47,488 | \$142,087 | \$66,081 | 46.5% |
| Providence | 178 | \$40,366 | \$13,128 | \$73,753 | \$744,475 | \$330,942 | 44.5% |
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| North Kingstn | 26 | \$87,311 | \$4,456 | \$171,385 | \$100,914 | \$17,277 | 17.1% |
| Newport | 25 | \$65,365 | \$6,433 | \$257,320 | \$106,254 | \$16,952 | 16.0% |
| | + | | | | | | |
| Vermont | 626 | \$57,808 | | | | | |

Observations Regarding Aid Equalization

- In some communities, there may be a disparity between income wealth and assessed property values of a city or town:
 - Boston, for example, has very high property wealth but modest median household income. The rankings show Boston receiving less aid than one would expect based upon median household income, but more aid than expected based on full value of property.
 - Brunswick, Ellsworth, and Yarmouth in Maine as well as Newport in Rhode Island and Old Saybrook in Connecticut have interesting combinations of significant property wealth that counterbalances very modest (especially Ellsworth) household income. Thus, one sees all these communities receiving less aid than expected relative to their median household income, but more aid than expected based upon real estate values.
- Magnitude: We have already commented that New Hampshire's state aid programs are more modest than their neighbors at least partially reflecting the state's opposition to broad based state taxes. Berlin, for example, one of the poorest communities in the state by either indicator gets just 35% state support as compared to nearly 50% or more in comparable (although larger) cities and towns in other New England states.
- Road grants: Both New Hampshire and especially Vermont have road grant programs based upon road classification and miles. Such grant programs are non-equalizing relative to wealth and are therefore a countervailing influence to the equalization effects of education aid and other municipal aid programs.

New Trends

This report has focused on the base year 2017. Since that time, some states have made new pledges. In particular, Rhode Island has provided support for phasing out the car tax, with the amount pledged for this phase out increasing from \$10 million in the base year to over \$94 million in FY 2020. Connecticut began a similar commitment although this has not been maintained. New Hampshire's most recent budget had one-time aid for education and general revenue sharing. Massachusetts enacted significant formula changes in their school aid program during the 2019 legislative session.

Conclusions

While the specific programs for distributing state aid to cities and towns in the New England states may differ significantly from one state to the next, the overall level of state support to municipalities as a percentage of all city and town spending is in a narrow range of from 25.3% to 27.9%, with the exception of New Hampshire, where state aid represents just 16.7% of municipal spending.

In all New England states, education aid represents the largest category of state aid to local governments, ranging from 62% in New Hampshire to 90% in Vermont. However, in all six states, the state contribution to total education budgets is less than 50%; in four of the six states, state aid is between 44.2% and 46.3% of total education revenues. New Hampshire and Vermont provide

lower support, but Vermont's noneducation aid especially road grants make up for the shortfall in education aid. Four of the six states provide full support for the employer share of teachers' retirement.

There is a wider discrepancy in state non-education aid support with such aid representing between 5% and 11% of municipal (non-education) budgets. Further, the policy focus of state non-education aid varies substantially by state. Connecticut and Rhode Island share a commitment to Payment in Lieu of Taxes. Maine's unique focus is on reimbursement for state mandated exemptions. Massachusetts maintains a robust general revenue sharing program. Vermont (especially) and New Hampshire provide road grants to cities and towns. The League encourages Rhode Island policymakers to review other New England programs to determine if any additional local aid initiatives are warranted.

All New England state education aid programs include equalizing factors. However, income and property wealth criteria do not always capture the complexities of a community's ability to fund education, with state formulas sometimes generating different and competing state aid results.

As the Governor and General Assembly review the efficacy of the state education funding formula, we encourage them to review distribution methods in other states to ensure that communities are appropriately compensated for the cost of education. As part of that effort, **the Rhode Island League of Cities and Towns recommends increasing the state's share of teacher retirement costs from the current 40%, as Rhode Island is one of only two New England states where the state does not cover 100% of those costs.** Such an increase could ensure that increased state resources were equitable distributed across all communities.

Because cities and towns rely heavily on property taxes to fund schools and municipal operations, every state dollar toward local aid is a dollar that need not be raised from property taxes. **With Rhode Island having the sixth-highest property tax burden in the nation, a robust state investment in local aid helps all residents and businesses in Rhode Island.**

Appendix A – Overview of Data Sources

In preparing this report, the League used a variety of data sources regarding state and municipal revenue sources and categories. A summary of those sources, as well as a description of certain analytical techniques, is included below.

U.S. Census Bureau: The U.S. Census Bureau collects comprehensive data about municipal revenues. That data detail is limited to how much of municipal revenue in each state is from state sources. Census data is also limited by timeliness. The most recent fiscal year for Census data is 2017. The first part of this report analyzes comparative state aid to municipalities by a review of published Census data.

State generated data: The Rhode Island League of Cities and Towns reached out to its peer organizations in other states and collected detailed state aid data with their help.

- Comparison with Census data: Using 2017 as a base year, this report analyzes differences between state-reported data and Census data.
- Types of aid: School aid and various purpose aid are compared.
- Time series: While the core focus of the report will be on data comparisons based upon 2017 information, the report will deal with recent initiatives that may have resulted in additional or reduced aid in certain categories in later fiscal years.

Select municipalities: Statements of Revenue and Expenses from select municipal audits (Comprehensive Annual Financial Reports) were examined to report on the level of state support in each state except Vermont.

Categories of Aid: The report goes beyond both school aid and various purpose aid. Within each component, commentary is provided on whether the use of such aid is unrestricted in use or categorically required to be spent for particular purposes. The unique nature of each state's aid program is discussed with focus on state policy objectives of their state aid programs.

Equalization: Five of the state education aid programs have an equalization component, which uses a formula to provide greater state school aid to less wealthy communities, as measured by property wealth and/or personal income and little or no state aid to communities with higher levels of personal income or taxable property relative to the average or median statewide. The fundamental goal of equalization efforts is to provide equal educational opportunities irrespective of the wealth of the community. Wealth is usually defined by property wealth but may also include personal or household income as a component of the formula. New Hampshire's Education Aid program makes equal per student grants to each district but does create some proxy equalization by adjusting the grants based on participation in the Federal free and reduced-price lunch program. Some non-education aid programs also include an equalization component. Equalization funding programs (and the lack of such programs) are analyzed comparatively. The report's approach to equalization analysis is to identify several poor and wealthy communities in the six New England states to determine equalization success.

Appendix B. State and Local Government Finances by Level of Government: 2017

(Dollar amounts are in thousands. For meaning of abbreviations and symbols, see note below table.)

Source: 2017 Census of Governments: Finance. Data users who create their own estimates using data from this report should cite the U.S. Census Bureau as the source of the original data only. The data in this table are based on information from public records and contain no confidential data. The data in this table come from a census of state and local governments and are not subject to sampling error.

Additional information on nonsampling error, response rates, and definitions may be found at:

http://www2.census.gov/stater/17_methodology.pdf

| Line | Description | Connecticut | | | Maine | | | Massachusetts | | | New Hampshire | | | Rhode Island | | | Vermont | | |
|------|---|-----------------|-----------------|------------|-----------------|-----------------|------------|-----------------|-----------------|-----------|-----------------|-----------------|-----------|-----------------|-----------------|---|-----------------|-----------------|---|
| | | State amount | Local amount | 3 | State amount | Local amount | 3 | State amount | Local amount | 3 | State amount | Local amount | 3 | State amount | Local amount | 3 | State amount | Local amount | 3 |
| 1 | Revenue1 | 34,335,860 | 20,185,149 | 10,630,716 | 5,219,450 | 66,876,177 | 38,153,171 | 9,328,813 | 6,534,414 | 9,112,327 | 5,023,245 | 6,884,054 | 3,105,945 | | | | | | |
| 2 | General revenue1 | 27,797,919 | 18,030,905 | 8,579,443 | 5,072,962 | 54,786,749 | 32,307,625 | 7,012,244 | 6,375,958 | 7,506,405 | 4,580,778 | 6,025,734 | 2,814,952 | | | | | | |
| 3 | Intergovernmental revenue1 | 7,535,049 | 5,499,873 | 3,020,597 | 1,459,991 | 16,331,054 | 10,441,821 | 2,720,430 | 1,534,582 | 2,519,225 | 1,407,710 | 1,991,516 | 1,832,641 | | | | | | |
| 4 | From Federal Government | 7,517,893 | 579,598 | 2,943,046 | 113,639 | 15,740,268 | 1,428,229 | 2,330,182 | 1,033,811 | 2,463,337 | 160,547 | 1,989,234 | 69,563 | | | | | | |
| 5 | From State government1 | 0 | 4,920,275 | 0 | 1,346,352 | 0 | 9,013,592 | 0 | 1,430,771 | 0 | 1,247,163 | 0 | 1,763,078 | | | | | | |
| 6 | From local governments1 | 17,156 | 0 | 77,551 | 0 | 590,786 | 0 | 390,248 | 0 | 55,888 | 0 | 2,282 | 0 | | | | | | |
| 7 | General revenue from own sources | 20,262,870 | 12,531,032 | 5,558,846 | 3,612,971 | 38,455,695 | 21,865,804 | 4,291,814 | 4,841,376 | 4,987,180 | 3,173,068 | 4,034,218 | 982,311 | | | | | | |
| 8 | Taxes | 16,345,525 | 10,951,648 | 4,232,556 | 2,846,314 | 27,518,360 | 17,534,151 | 2,496,719 | 4,110,516 | 3,266,663 | 2,609,688 | 3,127,523 | 647,193 | | | | | | |
| 9 | Property | 0 | 10,791,807 | 38,643 | 2,815,801 | 6,598 | 16,696,537 | 405,186 | 4,058,992 | 2,633 | 2,540,396 | 1,056,635 | 610,703 | | | | | | |
| 10 | Sales and gross receipts | 6,649,708 | 0 | 2,165,142 | 6,578 | 8,818,347 | 419,673 | 959,384 | 2,535 | 1,691,782 | 30,561 | 1,058,569 | 25,193 | | | | | | |
| 11 | General sales | 4,236,619 | 0 | 1,441,867 | 17 | 6,240,822 | 0 | 0 | 0 | 996,390 | 0 | 375,570 | 15,619 | | | | | | |
| 12 | Selective sales | 2,413,089 | 0 | 723,275 | 6,561 | 2,577,525 | 419,673 | 959,384 | 2,535 | 695,392 | 30,561 | 682,699 | 9,574 | | | | | | |
| 13 | Motor fuel | 484,479 | 0 | 252,870 | 0 | 769,442 | 0 | 152,086 | 0 | 90,990 | 0 | 81,020 | 0 | | | | | | |
| 14 | Alcoholic beverage | 63,155 | 0 | 19,266 | 0 | 85,397 | 0 | 12,678 | 0 | 20,873 | 0 | 26,028 | 0 | | | | | | |
| 15 | Tobacco products | 381,778 | 0 | 144,243 | 0 | 619,437 | 0 | 203,102 | 0 | 140,074 | 0 | 76,686 | 0 | | | | | | |
| 16 | Public utilities | 283,433 | 0 | 21,944 | 6,510 | 26,727 | 0 | 53,427 | 2,535 | 97,711 | 0 | 8,589 | 2,188 | | | | | | |
| 17 | Other selective sales | 1,200,244 | 0 | 284,952 | 51 | 1,076,522 | 419,673 | 538,091 | 0 | 345,744 | 30,561 | 490,376 | 7,386 | | | | | | |
| 18 | Individual income | 7,959,492 | 0 | 1,534,866 | 0 | 14,724,277 | 0 | 65,467 | 0 | 1,238,928 | 0 | 743,630 | 0 | | | | | | |
| 19 | Corporate income | 897,247 | 0 | 175,239 | 0 | 2,196,474 | 0 | 573,653 | 0 | 129,732 | 0 | 81,395 | 0 | | | | | | |
| 20 | Motor vehicle license | 235,105 | 0 | 109,723 | 135 | 438,855 | 0 | 102,438 | 0 | 26,788 | 0 | 76,905 | 19 | | | | | | |
| 21 | Other taxes | 603,973 | 159,841 | 208,943 | 23,800 | 1,333,809 | 417,941 | 390,591 | 48,989 | 176,800 | 38,731 | 110,389 | 11,278 | | | | | | |
| 22 | Charges and miscellaneous general revenue | 3,917,345 | 1,579,384 | 1,326,290 | 766,657 | 10,937,335 | 4,331,653 | 1,795,095 | 730,860 | 1,720,517 | 563,380 | 906,695 | 335,118 | | | | | | |
| 23 | Current charges | 2,359,724 | 1,169,577 | 859,687 | 643,211 | 5,573,313 | 3,176,006 | 969,753 | 538,514 | 837,896 | 455,059 | 660,970 | 249,493 | | | | | | |
| 24 | Education | 1,364,929 | 118,719 | 338,951 | 39,656 | 2,718,391 | 411,400 | 617,890 | 48,628 | 449,352 | 41,664 | 569,082 | 29,743 | | | | | | |
| 25 | Institutions of higher education | 1,354,951 | 0 | 333,736 | 0 | 2,710,635 | 29,216 | 617,795 | 0 | 428,254 | 0 | 569,018 | 0 | | | | | | |
| 26 | School lunch sales (gross) | 0 | 108,134 | 0 | 28,932 | 5,374 | 187,107 | 0 | 35,643 | 258 | 17,816 | 0 | 14,876 | | | | | | |
| 27 | Hospitals | 428,892 | 0 | 27,266 | 108,180 | 90 | 352,918 | 6,799 | 0 | 4,997 | 0 | 0 | 0 | | | | | | |
| 28 | Highways | 5,253 | 416 | 145,140 | 7,619 | 962,619 | 810 | 181,572 | 4,069 | 37,058 | 209 | 408 | 2,524 | | | | | | |
| 29 | Air transportation (airports) | 24,116 | 2,835 | 249 | 41,135 | 597,389 | 25,835 | 249 | 41,901 | 57,510 | 0 | 332 | 18,818 | | | | | | |

| Description | Connecticut | | | Maine | | | Massachusetts | | | New Hampshire | | | Rhode Island | | | Vermont | | |
|--------------------------|-------------------|-------------------|------------|-------------------|-------------------|------------|-------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|-------------------|--------|-------------------|-------------------|--------|
| | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | |
| | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount |
| 30 | 7,300 | 69,482 | 0 | 10,358 | 0 | 53,663 | 0 | 17,505 | 0 | 267 | 1,795 | 0 | 7,824 | 0 | 0 | 0 | 0 | 0 |
| 31 | 503 | 844 | 0 | 4,325 | 111,759 | 10,363 | 0 | 0 | 0 | 0 | 1,596 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | 31,137 | 2,120 | 19,783 | 872 | 22,574 | 1,760 | 580 | 580 | 3,219 | 194 | 2,093 | 335 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | 18,082 | 77,750 | 1,466 | 34,831 | 71,239 | 86,758 | 22,876 | 28,286 | 34,839 | 13,754 | 9,683 | 14,201 | 0 | 0 | 0 | 0 | 0 | 0 |
| 34 | 10,328 | 124,468 | 9,429 | 29,076 | 8,588 | 341,063 | 17,016 | 26,471 | 12,893 | 39,858 | 4,769 | 13,197 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | 0 | 419,864 | 0 | 193,681 | 467,980 | 1,264,880 | 2,140 | 153,232 | 99,656 | 134,695 | 0 | 80,525 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | 63,426 | 103,590 | 0 | 55,179 | 0 | 139,009 | 0 | 37,553 | 11,737 | 15,407 | 0 | 28,327 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | 405,758 | 249,489 | 317,403 | 118,299 | 612,684 | 487,547 | 116,046 | 180,289 | 126,368 | 205,887 | 74,603 | 53,999 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 | 1,557,621 | 409,807 | 466,603 | 123,446 | 5,364,022 | 1,155,647 | 825,342 | 192,346 | 882,621 | 108,321 | 245,725 | 85,625 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 | 636,433 | 60,949 | 142,622 | 20,871 | 1,541,056 | 77,874 | 353,901 | 26,032 | 343,275 | 16,479 | 100,933 | 9,424 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 | 0 | 32,788 | 0 | 7,106 | 0 | 9,560 | 308 | 4,763 | 0 | 4,861 | 0 | 4,247 | 0 | 0 | 0 | 0 | 0 | 0 |
| 41 | 2,228 | 13,815 | 2,631 | 4,804 | 5,675 | 73,151 | 1,348 | 6,292 | 13,587 | 599 | 1,856 | 2,689 | 0 | 0 | 0 | 0 | 0 | 0 |
| 42 | 918,960 | 302,255 | 321,350 | 90,665 | 3,817,291 | 995,062 | 469,785 | 155,259 | 525,759 | 86,382 | 142,936 | 69,265 | 0 | 0 | 0 | 0 | 0 | 0 |
| 43 | 35,981 | 782,315 | 9,835 | 146,488 | 926,211 | 3,021,708 | 0 | 136,882 | 24,931 | 220,180 | 0 | 247,432 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | 0 | 370,158 | 0 | 129,184 | 249,932 | 1,325,965 | 0 | 119,481 | 0 | 212,271 | 0 | 84,826 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 | 0 | 381,748 | 0 | 13,590 | 17,276 | 1,417,534 | 0 | 12,319 | 0 | 7,909 | 0 | 157,462 | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | 0 | 16,636 | 0 | 0 | 0 | 36,366 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47 | 35,981 | 13,773 | 9,835 | 3,714 | 659,003 | 241,843 | 0 | 5,082 | 24,931 | 0 | 0 | 5,144 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48 | 0 | 0 | 33 | 0 | 0 | 0 | 686,141 | 0 | 0 | 0 | 64,126 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 49 | 6,501,960 | 1,371,929 | 2,041,405 | 0 | 11,163,217 | 2,823,838 | 1,630,428 | 21,574 | 1,580,991 | 222,287 | 794,194 | 43,561 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 | 1,227,857 | 0 | 130,001 | 0 | 1,506,616 | 0 | 77,109 | 0 | 365,777 | 0 | 203,977 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 51 | 5,237,557 | 1,371,929 | 1,900,443 | 0 | 9,166,610 | 2,823,838 | 1,553,319 | 21,574 | 999,813 | 222,287 | 590,217 | 43,561 | 0 | 0 | 0 | 0 | 0 | 0 |
| 52 | 36,546 | 0 | 10,961 | 0 | 90,971 | 0 | 0 | 0 | 19,659 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 53 | 0 | 0 | 0 | 0 | 399,020 | 0 | 0 | 0 | 195,742 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 54 | 31,485,085 | 18,685,524 | 10,145,529 | 5,100,185 | 65,778,247 | 37,004,357 | 7,882,386 | 5,643,035 | 8,780,320 | 4,979,801 | 7,007,462 | 2,908,100 | 0 | 0 | 0 | 0 | 0 | 0 |
| By character and object: | | | | | | | | | | | | | | | | | | |
| 55 | 9,190,177 | 4,006 | 2,428,618 | 2,320 | 9,129,315 | 423,282 | 831,584 | 69,078 | 1,277,277 | 0 | 1,800,627 | 1,292 | 0 | 0 | 0 | 0 | 0 | 0 |
| 56 | 22,294,908 | 18,681,518 | 7,716,911 | 5,097,865 | 56,648,932 | 36,581,075 | 7,050,802 | 5,573,957 | 7,503,043 | 4,979,801 | 5,206,835 | 2,906,808 | 0 | 0 | 0 | 0 | 0 | 0 |
| 57 | 13,315,998 | 15,546,154 | 5,952,841 | 4,516,053 | 40,678,206 | 30,032,056 | 5,253,784 | 5,036,318 | 5,153,303 | 4,219,790 | 4,189,825 | 2,602,031 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58 | 2,187,546 | 1,805,731 | 399,970 | 461,772 | 4,859,445 | 3,778,383 | 493,748 | 385,682 | 442,114 | 354,974 | 336,308 | 237,171 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59 | 1,904,830 | 1,531,628 | 360,481 | 358,858 | 4,238,598 | 2,006,465 | 406,467 | 282,723 | 388,842 | 259,582 | 293,562 | 168,186 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 | 282,716 | 274,103 | 39,489 | 102,914 | 620,847 | 1,771,918 | 87,281 | 102,959 | 53,272 | 95,392 | 42,746 | 68,985 | 0 | 0 | 0 | 0 | 0 | 0 |
| 61 | 498,407 | 670 | 167,960 | 6,825 | 1,022,829 | 0 | 193,058 | 3,306 | 169,679 | 0 | 183,266 | 27 | 0 | 0 | 0 | 0 | 0 | 0 |
| 62 | 1,539,729 | 443,080 | 168,027 | 113,215 | 3,273,948 | 663,445 | 318,874 | 128,143 | 449,333 | 113,057 | 101,073 | 43,523 | 0 | 0 | 0 | 0 | 0 | 0 |

| Description | Connecticut | | | Maine | | | Massachusetts | | | New Hampshire | | | Rhode Island | | | Vermont | | | | | | | | | |
|---|-------------------|-------------------|-----------|-------------------|-------------------|------------|-------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|-------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | | | | | | | | |
| | government amount | government amount | 2 | government amount | government amount | 3 | government amount | government amount | 2 | government amount | government amount | 3 | government amount | government amount | 2 | government amount | government amount | 3 | | | | | | | |
| 63 Insurance benefits and repayments | 4,753,228 | 885,883 | 1,028,113 | 0 | 6,814,504 | 2,107,191 | 791,338 | 20,508 | 1,288,614 | 291,980 | 396,363 | 24,056 | 4,535,378 | 8,349,004 | 1,069,165 | 2,305,517 | 7,084,206 | 14,671,904 | 1,156,326 | 2,656,323 | 1,325,482 | 1,904,537 | 959,299 | 1,302,797 | |
| 64 Exhibit: Salaries and wages | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65 Direct expenditure by function | 22,294,908 | 18,681,518 | 7,716,911 | 5,097,865 | 56,648,932 | 36,581,075 | 7,050,802 | 5,573,957 | 7,503,043 | 4,979,801 | 5,206,835 | 2,906,808 | 17,026,896 | 16,888,943 | 6,667,873 | 4,939,156 | 46,572,438 | 31,412,664 | 5,698,524 | 5,374,499 | 6,041,741 | 4,450,426 | 4,749,703 | 2,601,539 | |
| 66 Direct general expenditure | 2,053,331 | 1,642,513 | 399,970 | 429,127 | 3,627,135 | 3,359,685 | 488,926 | 334,324 | 429,602 | 274,099 | 336,287 | 199,959 | 14,973,565 | 15,246,430 | 6,267,903 | 4,510,029 | 42,945,303 | 28,052,979 | 5,209,598 | 5,040,175 | 5,612,139 | 4,176,327 | 4,413,416 | 2,401,580 | |
| 68 Other direct general expenditure | 7,530,896 | | 2,397,126 | | 15,385,363 | | 2,402,730 | | 1,991,219 | | 950,585 | | 4,122,653 | 9,358,047 | 1,007,124 | 2,542,030 | 7,130,389 | 16,027,301 | 1,159,490 | 2,971,769 | 1,063,333 | 2,459,207 | 1,188,531 | 1,650,954 | |
| 69 Education | 604,097 | 453,033 | 50,430 | 147,599 | 974,708 | 1,238,394 | 122,717 | 144,110 | 12,390 | 78,511 | 109,019 | 55,639 | 3,399,363 | 0 | 782,344 | 0 | 5,501,740 | 36,294 | 940,165 | 0 | 692,395 | 0 | 892,984 | 0 | |
| 70 Capital outlay | 548,433 | 0 | 49,685 | 0 | 960,637 | 0 | 110,063 | 0 | 9,175 | 0 | 108,224 | 0 | 3,399,363 | 0 | 49,685 | 0 | 5,501,740 | 36,294 | 940,165 | 0 | 692,395 | 0 | 892,984 | 0 | |
| 71 Higher education | | | | | | | | | | | | | | | | | | | | | | | | | |
| 72 Capital outlay | | | | | | | | | | | | | | | | | | | | | | | | | |
| 73 Elementary & secondary | 0 | 9,358,047 | 18,932 | 2,542,030 | 248,525 | 15,991,007 | 2,971,769 | 48,148 | 2,459,207 | 78,511 | 0 | 1,650,954 | 0 | 9,358,047 | 0 | 453,033 | 440 | 1,238,394 | 219,325 | 0 | 322,790 | 0 | 295,547 | 0 | |
| 74 Capital outlay | 0 | 453,033 | 493 | 147,599 | 440 | 1,238,394 | 147,599 | 144,110 | 832 | 78,511 | 0 | 55,639 | 0 | 453,033 | 0 | 205,848 | 0 | 1,380,124 | 219,325 | 0 | 322,790 | 0 | 295,547 | 0 | |
| 75 Other education | 723,290 | 0 | 205,848 | 0 | 1,380,124 | 0 | 219,325 | 0 | 322,790 | 0 | 295,547 | 0 | 10,705 | 155,335 | 4,215 | 38,320 | 16,474 | 295,476 | 2,144 | 54,351 | 2,431 | 38,754 | 2,989 | 19,239 | |
| 76 Libraries | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social services and income maintenance: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 77 Public welfare | 3,718,930 | 99,414 | 3,238,502 | 49,711 | 22,154,901 | 93,853 | 2,193,527 | 243,461 | 2,682,913 | 8,104 | 1,843,184 | 2,054 | 178,929 | 670 | 45,604 | 6,825 | 463,428 | 0 | 48,031 | 3,306 | 24,857 | 0 | 45,168 | 27 | |
| 78 Cash assistance payments | 2,548,350 | 314 | 2,393,228 | 203 | 20,215,638 | 93,853 | 1,870,787 | 3,751 | 2,429,899 | 0 | 1,136,099 | 12 | 991,651 | 98,430 | 799,670 | 42,683 | 1,475,835 | 93,853 | 274,709 | 236,404 | 228,157 | 8,104 | 661,917 | 2,015 | |
| 79 Vendor payments | 1,437,042 | 0 | 62,151 | 112,036 | 716,525 | 864,509 | 61,520 | 40 | 66,227 | 0 | 23,827 | 12 | 54,057 | 0 | 8 | 1,007 | 33,035 | 18,194 | 1,766 | 0 | 367 | 0 | 56 | 0 | |
| 80 Other public welfare | | | | | | | | | | | | | | | | | | | | | | | | | |
| 81 Hospitals | | | | | | | | | | | | | | | | | | | | | | | | | |
| 82 Capital outlay | | | | | | | | | | | | | | | | | | | | | | | | | |
| 83 Health | 905,120 | 156,688 | 147,108 | 43,407 | 1,412,304 | 160,048 | 97,799 | 18,316 | 186,540 | 20,585 | 364,778 | 10,381 | 81,183 | 0 | 67,344 | 0 | 197,482 | 0 | 31,529 | 0 | 21,211 | 0 | 2,144 | 0 | |
| 84 Employment security administration | 28,383 | 0 | 258 | 0 | 81,675 | 0 | 1,097 | 0 | 1,365 | 0 | 3,850 | 0 | | | | | | | | | | | | | |
| 85 Veterans' services | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transportation: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 86 Highways | 1,593,893 | 682,138 | 670,914 | 315,515 | 2,753,908 | 1,107,207 | 463,068 | 294,296 | 313,017 | 134,263 | 373,582 | 248,378 | 1,090,846 | 114,901 | 312,264 | 55,158 | 1,498,849 | 299,778 | 259,097 | 53,014 | 222,508 | 19,054 | 176,570 | 64,816 | |
| 87 Capital outlay | 21,099 | 6,352 | 201 | 51,803 | 581,758 | 39,408 | 880 | 39,653 | 75,113 | 0 | 16,117 | 24,234 | 3,592 | 45,462 | 0 | 4,591 | 0 | 16,790 | 0 | 11,461 | 0 | 1,756 | 0 | 7,659 | |
| 88 Air transportation (airports) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 89 Parking facilities | 361 | 607 | 320 | 5,252 | 97,214 | 8,313 | 110 | 0 | 0 | 2,720 | 0 | 0 | | | | | | | | | | | | | |
| 90 Sea and inland port facilities | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public safety: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 92 Police protection | 222,095 | 955,230 | 90,368 | 220,007 | 856,115 | 1,729,029 | 70,914 | 349,417 | 87,077 | 361,112 | 104,081 | 114,483 | 627,223 | 0 | 166,842 | 0 | 1,297,657 | 0 | 258,278 | 0 | 335,484 | 0 | 71,579 | 457 | |
| 93 Fire protection | | | | | | | | | | | | | | | | | | | | | | | | | |
| 94 Correction | 622,023 | 0 | 162,568 | 97,713 | 952,578 | 0 | 145,827 | 80,154 | 199,314 | 22,049 | 151,528 | | | | | | | | | | | | | | |

| Description | Connecticut | | | Maine | | | Massachusetts | | | New Hampshire | | | Rhode Island | | | Vermont | | |
|---|-------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|-------------------|---------|-------------------|-------------------|--------|-------------------|-------------------|--------|
| | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | |
| | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount | government amount | government amount | amount |
| 95 Capital outlay | 2,675 | 0 | 7,668 | 461 | 41,988 | 0 | 28,615 | 0 | 4,304 | 17 | 1,130 | 0 | 36,259 | 1,642 | | | | |
| 96 Protective inspection and regulation | 75,717 | 26,111 | 36,365 | 10,908 | 89,471 | 213,628 | 49,038 | 8,141 | 22,596 | 10,655 | | | | | | | | |
| Environment and housing: | | | | | | | | | | | | | | | | | | |
| 97 Natural resources | 198,914 | 16,822 | 137,181 | 9,942 | 223,895 | 24,236 | 57,101 | 8,019 | 49,743 | 15,574 | 110,675 | 2,980 | | | | | | |
| 98 Capital outlay | 39,715 | 7,219 | 6,361 | 1,189 | 43,677 | 3,214 | 5,838 | 725 | 2,649 | 1,275 | 5,018 | 673 | | | | | | |
| 99 Parks and recreation | 29,049 | 223,272 | 7,066 | 88,079 | 194,884 | 300,894 | 26,014 | 83,061 | 60,176 | 47,393 | 21,251 | 41,376 | | | | | | |
| 100 Capital outlay | 12,422 | 17,890 | 221 | 13,254 | 33,394 | 81,600 | 2,019 | 9,515 | 7,467 | 3,976 | 1,060 | 5,307 | | | | | | |
| 101 Housing and community developme | 178,764 | 609,342 | 177,099 | 108,793 | 1,141,322 | 1,562,754 | 113,325 | 103,209 | 82,187 | 177,534 | 93,898 | 65,543 | | | | | | |
| 102 Sewerage | 0 | 638,766 | 0 | 215,384 | 303,389 | 1,122,697 | 21,214 | 141,008 | 53,744 | 130,153 | 2,059 | 72,184 | | | | | | |
| 103 Capital outlay | 0 | 308,711 | 0 | 61,134 | 132,901 | 329,248 | 1,026 | 48,117 | 0 | 43,846 | 10 | 12,317 | | | | | | |
| 104 Solid waste management | 75,346 | 187,637 | 0 | 116,675 | 808 | 399,150 | 31,144 | 95,557 | 45,470 | 57,162 | 3,345 | 32,728 | | | | | | |
| 105 Capital outlay | 12,766 | 6,938 | 0 | 3,062 | 0 | 20,099 | 174 | 3,779 | 9,269 | 345 | 7 | 1,892 | | | | | | |
| Governmental administration: | | | | | | | | | | | | | | | | | | |
| 106 Financial administration | 367,759 | 240,346 | 206,913 | 47,032 | 577,162 | 368,745 | 97,210 | 88,960 | 167,521 | 45,619 | 84,255 | 30,271 | | | | | | |
| 107 Judicial and legal | 634,448 | 43,149 | 90,246 | 21,819 | 1,153,986 | 66,581 | 130,774 | 31,421 | 129,204 | 30,045 | 70,661 | 5,866 | | | | | | |
| 108 General public buildings | 1,029 | 108,845 | 40,125 | 40,328 | 415,131 | 615,348 | 33,362 | 55,073 | 53,807 | 27,371 | 6,261 | 18,526 | | | | | | |
| 109 Other governmental administration | 433,720 | 260,048 | 34,000 | 119,242 | 212,441 | 232,340 | 39,394 | 145,498 | 56,400 | 68,932 | 32,867 | 67,177 | | | | | | |
| 110 Interest on general debt | 1,539,729 | 393,138 | 168,027 | 103,311 | 2,960,038 | 580,501 | 318,874 | 112,614 | 448,794 | 100,806 | 101,073 | 30,148 | | | | | | |
| General expenditure, n.e.c.: | | | | | | | | | | | | | | | | | | |
| 111 Miscellaneous commercial activities | 728 | 4,359 | 0 | 9,948 | 0 | 20,283 | 0 | 5,767 | 4,019 | 1,121 | 27,944 | 10,371 | | | | | | |
| 112 Other and unallocable | 724,614 | 2,050,612 | 319,778 | 400,468 | 2,348,588 | 4,265,916 | 553,169 | 174,975 | 169,539 | 354,027 | 84,544 | 73,297 | | | | | | |
| 113 Utility expenditure | 514,784 | 906,692 | 20,925 | 158,709 | 3,261,990 | 3,061,220 | 14,669 | 178,950 | 172,688 | 237,395 | 21 | 281,213 | | | | | | |
| 114 Capital outlay | 134,215 | 163,218 | 0 | 32,645 | 1,232,310 | 418,698 | 4,822 | 51,358 | 12,512 | 80,875 | 21 | 37,212 | | | | | | |
| 115 Water supply | 38 | 371,923 | 0 | 126,544 | 258,260 | 1,180,976 | 0 | 146,828 | 197 | 229,954 | 0 | 85,392 | | | | | | |
| 116 Electric power | 0 | 359,351 | 0 | 14,260 | 14,048 | 1,354,253 | 0 | 12,512 | 0 | 7,441 | 0 | 163,436 | | | | | | |
| 117 Gas supply | 0 | 24,350 | 0 | 50 | 0 | 31,925 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| 118 Transit | 514,746 | 151,068 | 20,925 | 17,855 | 2,989,682 | 494,066 | 14,669 | 19,610 | 172,491 | 0 | 21 | 32,385 | | | | | | |
| 119 Liquor store expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 546,271 | 0 | 0 | 0 | 60,748 | 0 | | | | | | |
| 120 Insurance trust expenditure | 4,753,228 | 885,883 | 1,028,113 | 0 | 6,814,504 | 2,107,191 | 791,338 | 20,508 | 1,288,614 | 291,980 | 396,363 | 24,056 | | | | | | |
| 121 Unemployment compensation | 722,677 | 0 | 94,725 | 0 | 1,515,911 | 0 | 55,346 | 0 | 153,857 | 0 | 69,924 | 0 | | | | | | |
| 122 Employee retirement | 4,004,335 | 885,883 | 933,388 | 0 | 5,259,248 | 2,107,191 | 735,992 | 20,508 | 943,578 | 291,980 | 326,439 | 24,056 | | | | | | |
| 123 Workers' compensation | 26,216 | 0 | 0 | 0 | 39,345 | 0 | 0 | 0 | 1,175 | 0 | 0 | 0 | | | | | | |
| 124 Other insurance trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 190,004 | 0 | 0 | 0 | | | | | | |

| Description | Connecticut | | | Maine | | | Massachusetts | | | New Hampshire | | | Rhode Island | | | Vermont | | |
|--------------------------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|--------------------------------|---------------------|
| | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | | State | Local | |
| | government amount ¹ | government amount ¹ | amount ¹ | government amount ¹ | government amount ¹ | amount ¹ | government amount ¹ | government amount ¹ | amount ¹ | government amount ¹ | government amount ¹ | amount ¹ | government amount ¹ | government amount ¹ | amount ¹ | government amount ¹ | government amount ¹ | amount ¹ |
| 125 Debt outstanding | 38,756,156 | 11,241,788 | | 4,750,384 | 3,102,943 | | 77,043,165 | 19,953,843 | | 7,739,447 | 2,670,879 | | 8,932,377 | 2,683,372 | | 3,502,960 | 1,250,722 | |
| 126 Short-term | 0 | 439,411 | | 0 | 4,388 | | 49,414 | 1,500,527 | | 0 | 5,693 | | 63,695 | 21,634 | | 224,670 | 24,637 | |
| 127 Long-term | 38,756,156 | 10,802,377 | | 4,750,384 | 3,098,555 | | 76,993,751 | 18,453,316 | | 7,739,447 | 2,665,186 | | 8,868,682 | 2,661,738 | | 3,278,290 | 1,226,085 | |
| 130 Public debt for private purposes | 12,628,164 | 35,915 | | 1,959,530 | 23,852 | | 22,412,187 | 41,427 | | 3,927,178 | 9,005 | | 4,772,407 | 0 | | 1,450,732 | 1,344 | |
| 134 Long-term debt issued | 6,229,478 | 1,232,216 | | 645,026 | 389,639 | | 7,782,972 | 2,723,913 | | 1,494,359 | 228,270 | | 1,186,237 | 323,100 | | 842,735 | 145,924 | |
| 135 Long-term debt retired | 4,224,793 | 1,458,478 | | 631,940 | 349,519 | | 6,526,807 | 2,381,566 | | 1,663,401 | 270,504 | | 1,293,341 | 318,355 | | 846,401 | 128,864 | |
| 136 Cash and security holdings | 48,292,915 | 16,412,358 | | 19,770,340 | 2,434,732 | | 105,180,584 | 33,895,234 | | 15,216,594 | 3,214,310 | | 16,621,465 | 3,222,359 | | 8,633,433 | 1,160,129 | |
| 137 Insurance trust funds | 31,052,311 | 10,272,303 | | 14,004,345 | 0 | | 59,482,375 | 20,918,868 | | 8,511,912 | 224,534 | | 7,634,872 | 1,682,254 | | 4,493,714 | 279,520 | |
| 138 Unemployment compensation | 482,330 | 0 | | 406,013 | 0 | | 1,096,984 | 0 | | 298,994 | 0 | | 312,491 | 0 | | 353,539 | 0 | |
| 139 Employee retirement | 30,526,495 | 10,272,303 | | 13,587,352 | 0 | | 58,322,811 | 20,918,868 | | 8,212,918 | 224,534 | | 7,215,304 | 1,682,254 | | 4,140,175 | 279,520 | |
| 140 Workers' compensation | 43,486 | 0 | | 10,980 | 0 | | 11,619 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| 141 Miscellaneous | 0 | 0 | | 0 | 0 | | 50,961 | 0 | | 0 | 0 | | 107,077 | 0 | | 0 | 0 | |
| 142 Other than insurance trust funds | 17,240,604 | 6,140,055 | | 5,765,995 | 2,434,732 | | 45,698,209 | 12,976,366 | | 6,704,682 | 2,989,776 | | 8,986,593 | 1,540,105 | | 4,139,719 | 880,609 | |
| By purpose: | | | | | | | | | | | | | | | | | | |
| 143 Offsets to debt | 14,060,214 | 311,426 | | 3,533,877 | 110,266 | | 32,617,803 | 273,159 | | 4,741,402 | 17,254 | | 6,547,894 | 19,423 | | 2,207,073 | 107,942 | |
| 144 Bond funds | 417,808 | 650,002 | | 108,658 | 232,715 | | 1,331,652 | 1,950,168 | | 121,044 | 127,633 | | 184,274 | 180,906 | | 14,487 | 63,600 | |
| 145 Other | 2,762,582 | 5,178,627 | | 2,123,460 | 2,091,751 | | 11,748,754 | 10,753,039 | | 1,842,236 | 2,844,889 | | 2,254,425 | 1,339,776 | | 1,918,159 | 709,067 | |

¹Duplicative intergovernmental transactions are excluded.

Abbreviations and symbols: - zero or rounds to zero; (X) not applicable
n.e.c. = "not elsewhere classified"

Acknowledgments

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