



## 10 LGA Key Points

9/10/2009

1. \$481.5 million in LGA will be distributed in 2009 (\$526 million was certified but the governor later reduced that through unallotments)
2. Individual cities' LGA amounts are certified by the Dept. of Revenue by August 1 each year
3. LGA payments are distributed in two equal payments to cities in mid-July and at the end of December
4. The LGA program is funded by a fixed pool of money so changes in one city's LGA amount affects what is left for all other cities
5. The LGA calculation compares a city's revenue need to its ability to pay (capacity)
6. A city's revenue need is determined by several factors and there is 1 set of need factors for small cities; 1 set of need factors for large cities
7. If a city's revenue need exceeds its ability to pay, it receives some LGA
8. For cities that receive it, LGA fills a portion (share) of the gap between need and ability to pay (that portion is the same for all cities that receive LGA and depends on the total amount of dollars available for LGA)
9. There are maximum/minimum rules to limit how much a city's LGA can change from year to year
10. Aid bases—regional centers, special circumstances (e.g. flooding), small cities, and new jobs base—are calculated separately from revenue need

### **LGA resources available from LMC**

LGA 101

Key Terms and Definitions

LGA: Technical Details of Calculating a City's Need

Calculating Need in the Local Government Aid Formula