

## Chart 5 COMMUNITY PRESERVATION STATE TRUST FUND DISTRIBUTION EXAMPLE

- **STATE TRUST FUND BALANCE** **\$20 million**
  - As of 6/30 (after state administrative expenses)
  
- **TOTAL NET SURCHARGE LEVY** **\$15 million**
  - 10 communities assessed surcharge in FY
  - 8 communities assessed maximum surcharge of 3%
  
- **AVAILABLE FOR 1<sup>ST</sup> ROUND MATCHING DISTRIBUTION** **\$16 million**
  - 80% of 6/30 fund balance
  - **Distribution ends after 1<sup>st</sup> round distribution of 100% match to all participants**
  - \$5 million balance (\$20m – 15m) remains in fund and carries forward to next year
  
- **WHAT IF 10 COMMUNITIES HAD ASSESSED \$20 MILLION IN SURCHARGES INSTEAD?**
  - First round distribution is pro rated with each community getting 80% of net levy
  - \$16 million (amount available for distribution/\$20 million total net surcharge levy = .80 (80%))
  - \$4 million balance (\$20m -16m) available for **2<sup>nd</sup> round distribution** to 8 communities that use maximum 3% surcharge
  
- **AVAILABLE FOR 2<sup>nd</sup> ROUND EQUITY DISTRIBUTION** **\$4 million**
  - Formula driven using EQV and population to rank participants
  - \$4 million/10 communities receiving matches = \$400,000
  - Every community in state ranked into deciles (highest CP score into lowest decile)
  - 8 communities receive \$400,000 x applicable decile percentage
    - Example 1 - community in 1<sup>st</sup> decile \$400,000 x 140% = \$560,000
    - Example 2 - community in 10<sup>th</sup> decile \$400,000 x 50% = \$200,000
  
- **AVAILABLE FOR 3<sup>rd</sup> ROUND SURPLUS DISTRIBUTION**
  - Amount remaining after 2<sup>nd</sup> round equity distribution
  - Example - \$200,000 remaining
  - Divide \$200,000/8 communities receiving equity distribution = \$25,000
  - 8 communities receive \$25,000 x same decile percentage used in equity distribution, (e.g., 140% or 50% as in example above)
  - Any balance remains in fund and carries over to next year