**How was your city’s NEU allotment/distribution calculated?**

The U.S. Treasury’s Interim Report provided the method in which a state was to calculate the NEU distribution.  An initial allocation of funding was provided based upon population of cities from 2019 census data.

From this initial list, the Department of Finance and Administration (DFA) was instructed to perform the following steps.

**Step 1:** Determine eligible NEUs – DFA staff reviewed the initial list and adjusted for cities no longer incorporated.

**Step 2**:  Reallocation for non-eligible NEUs – DFA staff removed the population associated with no longer incorporated cities and reallocated based upon remaining population.

**Step 3**:  Obtain approved budget as of January 27, 2020.  For most NEUs, this represents the original 2020 budgeted expenditures.  Supporting documentation is received to ensure correct numbers have been provided.

**Step 4**:  Calculate 75% of budget amount to determine each city’s cap.

**Step 5**:  Compare new allocation amount to the 75% budget cap to determine amount to distribute.

**Step 6**:  City receives allocation amount capped by the 75% budget amount then divided in half for the first tranche.

**Step 7:** Half of the dollar amount above the cap will be returned to the U.S. Treasury in October.

Subsequent allocations will be made to eligible NEUs for those cities that did not respond to the request for information.  Cities that declined their funding will be sent a form to complete and return to transfer funds to the State Fiscal Recovery Fund.  If this form is not completed and returned, that city’s funding will be reallocated to eligible NEUs.  This will occur in the future.

One year later – cities will receive the second tranche.

Attachment – allotment/distribution calculation