

# H.F. 1016

As amended by H1016A1

**Subject** LGA base year formula adjustment for the city of Baldwin

**Authors** Lawrence and others

**Analyst** Jared Swanson

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## Summary

This bill adjusts the calculation for 2026 local government aid (LGA) for the city of Baldwin. Under the bill, it would be assumed that, for the purposes of the 2026 LGA calculation, the city received \$2.85 per capita in LGA in 2025. The city of Baldwin incorporated in 2024 and will first be eligible to receive LGA in 2026. The adjustment under the bill allows the city's aid to phase in more quickly than it would otherwise, raising the city's 2026 aid from \$206 to \$20,169.

Background: A city's LGA is equal to a percentage difference between its unmet need, as determined by the LGA formula, and the aid it received in the prior calendar year. When a city first comes on to the LGA formula, this gap is larger in the first year than it will be in successive years, causing aid to initially be lower than it would have been had the city received aid in the prior year.