

## Effect of recent Federal/State budget and policy changes on the Town of Reading

Change	Effect of Change
<b>FEDERAL</b>	
◆ Tax Rebates	\$300 per person (\$600 per household, tax rebate)
◆ Reduced tax rates	Less Federal income taxes being paid by residents
◆ Reduced portion of Medicare paid by Fed's	More expensive health care cost for all including Town of Reading
◆ Reduced Federal grants	"Safe and Drug Free Community" grants reduced
◆ Homeland Security	No funding forthcoming
<b>STATE</b>	
◆ Reduced Income Tax rate from 5.95% to 5.3%	Less Federal income taxes being paid by residents
◆ Reduced State Aid to Town of Reading ◆	01 - \$12,019,000 = <b>24.11%</b> of Town budget ◆ 02 - \$11,619,000 = <b>23.94%</b> of Town budget ◆ 03 - \$12,164,000 = <b>23.43%</b> of Town budget ◆ 03 revised - \$11,794,000 = <b>22.71%</b> of Town budget ◆ 04 - \$10,653,000 = <b>19.31%</b> of Town budget
◆ Eliminated PRIT (Pension) funding	Loss by Town of Reading of +/- \$500,000 per year
◆ Eliminated Smoking Cessation grant	Loss by Town of Reading of +/- \$150,000 per year - PROGRAM ELIMINATED
◆ DARE grant	Loss by Town of Reading of +/- \$15,000 per year - PROGRAM TO BE ELIMINATED
◆ SAFE grant	Loss by Town of Reading of +/- \$4,500 per year
◆ Chapter 90 Road Improvements	Loss by Town of Reading of \$150,000 to \$300,000 per year
◆ Community Policing grant	Loss by Town of Reading of \$46,000 per year - Elimination of RAD and other programs
◆ SBA grant - reduction of %	Loss by Town of Reading of grant rate from 66% to 58% - will result in shift of millions of dollars to the Town from the State - for RMHS project, and potentially for Killam School project