

House Political Subdivisions Committee 2/11/2021

Legislative Testimony HB 1379

City of Fargo's Position: Support

Chairman Doctor and members of the House Political Subdivisions Committee, I am Kent Costin, Director of Finance for the City of Fargo. We are pleased to provide our support for HB 1379 because it helps us in a variety of ways.

This bill will speed up our State aid payments to allow for receipt monthly vs. quarterly. State aid from the State Aid Distribution fund is our largest General Fund state revenue. We currently receive about \$6.5 million in State Aid. We monitor our quarterly payments very carefully looking for improvement or decline in this resource. A monthly receipt will improve our cash flow and allows us to monitor the revenue trends faster than we do currently. Any sudden or unforeseen change in our State aid payments will be noticeable immediately allowing City officials to respond and to continue to monitor and manage our budget performance. We may also notice a slight improvement in our interest income due to the proposed timing of our aid payment and this could help improve the accuracy of our future budget projections by having current financial data available.

We believe that processing payments monthly vs. quarterly is a great improvement that will produce positive results.

We support a **DO PASS** recommendation. Thank you for the opportunity to testify.