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STATE GRANTS FOR MUNICIPALITIES

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You asked about state grants available to municipalities. This report has been updated by OLR Report [2019-R-0237](#).

SUMMARY

The Office of Fiscal Analysis' (OFA) 2010 [Summaries of Connecticut State Grants](#), the latest available edition, provides information on 45 different grants to municipalities. Table 1 below, courtesy of OFA, provides further information on these grants. We also provide information on Small Town Economic Assistance Program (STEAP) and Urban Action grants, which is not included in OFA's *Summaries*.

STEAP grants are available for economic development, community conservation, and quality of life projects for municipalities that are ineligible to receive Urban Action funds (STEAP targets relatively small towns with no major urban center while the Urban Action Grant Program typically targets large, fiscally distressed towns with urban centers).

A 2011 law also makes groups of municipalities eligible for STEAP grants, as long as each municipality that is a member of the group is otherwise eligible for the grants ([PA 11-123](#)). A municipality can receive up to \$500,000 each fiscal year in total STEAP grants, including any grants it receives as part of a group ([CGS § 4-66g](#)).

The Office of Policy and Management (OPM) administers STEAP. OPM's list of FY 11 grant awards is available here: http://www.ct.gov/opm/lib/opm/budget/steap/fy2011_steap_awards.pdf.

An OFA report containing information on STEAP, including projects awarded for each town since 2002, is available here: http://cga.ct.gov/ofa/Documents/year/STEAP/2011STEAP-20101007_STEAP%20Town-by-Town.pdf.

Urban Action Grants are discretionary grants to municipalities meeting certain statutory criteria. The program is open to towns designated as (1) economically distressed as defined by [CGS § 32-9p\(b\)](#), (2) public investment communities, or (3) urban centers under the state's Plan of Conservation and Development. Eligible projects include economic development, transit, recreation, solid waste disposal, housing, day care, elderly centers, emergency shelters, historic preservation, and various urban development ([CGS § 4-66c](#)). A copy of the Department of Economic and Community Development's Urban Action application for municipal Development is available here: http://www.ct.gov/ecd/lib/ecd/Microsoft_Word_-_Urban_Act_Application-Mun_Dev.pdf.

To view additional state grant information, including those not for towns and historical expenditure levels for all the grants since FY 99, visit the following link to OFA's 2010 *Summaries of Connecticut State Grants*: http://cga.ct.gov/ofa/Documents/year/GS/2010GS-20100301_2010%20Summaries%20of%20Connecticut%20State%20Grants.pdf.

Finally, OFA's website also features a webpage that includes information on other federal and state grants: <http://cga.ct.gov/ofa/Grants.asp>.

TABLE OF GRANTS TO TOWNS

Table 1 below describes state grants to towns, organized by their implementing agency. For each grant, it includes the statutory citation, whether it is mandatory or discretionary, the grant's description, and any factors or formulas used for the grant. The table indicates whether a grant is a mandated state grant (M/S), discretionary state grant (D/S), or federal grant through the state that is mandatory (M/F) or discretionary (D/F).

Table 1: State Grants to Towns

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
State Comptroller	State Grant Payment-in-Lieu-of-Taxes (PILOT) on State-Owned Property	CGS §§ 12-19a and 12-19c	M/S	Provides a 45% reimbursement of the municipal tax loss resulting from the tax exempt status of state-owned real property and a 100% reimbursement on prisons or jails.	45% x municipal tax loss, prorated to available appropriations.
State Comptroller	State Grant PILOT on Property of Private Colleges and General Hospitals	CGS §§ 12-20a and 12-20b	M/S	Provides a 77% reimbursement to municipalities for revenue loss on private tax exempt property.	77% x municipal tax loss, prorated to available appropriations.
Office of Policy and Management	Mashantucket Pequot and Mohegan Fund Grants	CGS § 3-55j	D/S	Provides additional funds for municipalities.	Statutory distribution formula. Additional aid is provided to certain towns in southeastern Connecticut.
Office of Policy and Management	Reimbursement of Property Tax Disability	CGS § 12-94a	M/S	Provides a \$1,000 property tax exemption to disabled persons who receive total disability benefits under Social Security or any federal, state, or local retirement or disability plan.	Number of recipients multiplied by exemption.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Office of Policy and Management	State Aid to Distressed Municipalities	CGS § 12-81(59)	M/S	Provides an exemption of 80% of the assessed values of manufacturing facilities acquired, constructed, substantially renovated, or expanded on or after July 1, 1978 in a distressed municipality.	50% of the revenue loss resulting from the 80% exemption.
Office of Policy and Management	Tax Relief for Elderly and Disabled Homeowners	CGS § 12-170aa(b)	M/S	Provides a taxes due credit against the property tax; the amount of the credit varies inversely with income. An applicant must (1) be 65 years of age or over, (2) have a spouse living with him or her who is 65 or older, or (3) be a surviving spouse over fifty.	Number of recipients multiplied by tax exemption, prorated to available appropriations.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Office of Policy and Management	Elderly Tax Relief-Freeze Program	CGS § 12-129(d)	M/S	Freezes a qualified homeowners property tax at the level of those taxes in the year in which the person first filed for benefits under this program. This program was closed to new applicants in 1980.	Payment to town for lost tax revenue as of 1980 or earlier.
Office of Policy and Management	Local Property Tax Relief for Veterans - Additional State Exemption	CGS § 12-81(19)	M/S	Veterans property tax exemption plus an additional exemption equal to 1/2 of that exemption, if the veteran meet certain income requirements.	Number of recipients multiplied by additional exemption.
Office of Policy and Management	Manufacturing Transition Grants (PILOT - New Manufacturing Machinery and Equipment)	CGS § 12-94b (modified by PA 11-6)	D/S	Manufacturing transition grants to municipalities (see PA 11-6). This replaces PILOT payments that reimbursed municipalities for 100% of tax revenue loss sustained by municipalities as a result of granting exemptions for new machinery and equipment acquired after 10/1/90.	See PA 11-6.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Office of Policy and Management	Property Tax Exemption for Hybrid Vehicles	CGS § 12-129s	D/S	Reimburses towns for a local option property tax exemption for hybrid motor vehicles and those with fuel efficiencies of at least 40 miles per gallon.	None.
Commission on Culture and Tourism	Basic Cultural Resources Grant	CGS § 10-370	D/S	Provides operating support for professional arts institutions.	Not formula based.
Commission on Culture and Tourism	Grants to Local Governments	CGS §§ 10-398 and 10-400.	M/S	Provides funding for various entities such as the Greater Hartford Arts Council, Stamford Center for the Arts, Stepping Stone Child Museum, Maritime Center Authority, and Tourism Districts.	Tourism activities are funded by state appropriations supplemented by federal funding, private contributions, and proceeds from sales of tourism-related advertising and products.
Department of Economic and Community Development	Tax Abatement	CGS §§ 8-216 and 8-216a	D/S	Assists privately owned, non-profit, low and moderate rental housing projects to keep rents as low as possible.	Reimburse towns for taxes abated up to \$450 per dwelling unit per year for up to 40 years. Payment per dwelling unit pro-rated based on availability of funds.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Economic and Community Development	Payment In Lieu Of Taxes	CGS § 8-216	D/S	Annually pays municipalities in which state-assisted moderate rental housing projects are operated by housing authorities an amount "equal to the taxes that would be paid on such property were the property not exempt from taxation."	Assessed value of exempt property times the mill rate. The contracts with municipalities specifically cap the state's PILOT liability to a particular municipality's pro-rata share of the appropriation available.
Department of Public Health	Local and District Departments of Health	CGS §§ 19a-202, -202a, -245,	M/S	Subsidize the operating costs of (1) health districts and (2) municipal health departments that have a full-time director of health and meet certain criteria.	Municipalities with a full-time health department receive \$1.18 per capita.
Department of Public Health	Venereal Disease Control	CGS § 19a-2a	D/S	Helps defray operating costs of certain local health departments.	Not formula based. Actual contract amounts are subject to available appropriation.
Department of Public Health	School Based Health Clinics	CGS § 19a-2a	D/S	Funding for School Based Health Centers	Not formula based. The actual contract amounts are subject to available appropriation.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Public Health	Town Aid Road Grants	CGS §§ 13a-175a–175e and 13a-175i and 13a-175j	M/S	Assists municipalities to construct, reconstruct, improve, or maintain their local roads, highways, and bridges, including snow plowing, and removal of trees.	\$12,500,000 in funding with \$1,500 per mile for first 32 miles of improved roads; the remainder is distributed pro rata based on population. Any town that would be allocated less than the FY 67 allocation must be paid an amount equal to the FY 97 allocation.
Department of Social Services	Child Day Care	CGS § 8-210	D/S	Grant-in-aid funds for contracts with municipalities to develop and operate child day care centers for children disadvantaged by reason of economic, social, and environmental conditions.	Funds are granted equivalent to two-thirds of the net cost of the project or, where the project is assisted by Federal Department of Housing and Urban Development, one-half the amount by which the net cost of the project exceeds the federal grant.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Social Services	Human Resources Development	CGS §§ 8-221 and 8-222	D/S	Grant-in-aid funding for contracts with municipalities to develop anti-poverty programs.	Not formula based. The requested appropriation represents the Department's estimate of costs. The actual contract amounts are subject to the available appropriation.
Department of Social Services	Human Resource Development - Hispanic Programs	CGS §§ 8-221 and -222	D/S	Provides funds to contract with municipalities for services to Hispanic youth to improve their job skills and employability through job training and educational opportunities.	Not formula based. The requested appropriation represents the department's estimate of costs. The actual contract amounts are subject to available appropriations.
Department of Social Services	Teenage Pregnancy Prevention Block Grant	CGS § 17b-851a	D/S	Provides grants to municipalities to develop and implement programs for the prevention of teenage pregnancies.	Not formula based. The requested appropriation represents the department's estimate of costs. The actual contract amounts are subject to the available appropriations.
Department of Social Services	Services to the Elderly	CGS § 17b-425	D/S	Provides for elderly health screening in Bridgeport, New Haven, Hartford, and Waterbury, as well as other elderly services.	Not formula based.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Social Services	Housing/Homeless Services	CGS § 17b-800	D/S	Supports programs operated by municipalities that provide emergency, transitional, and permanent housing services and support for low-income families and individuals.	Not formula based.
Department of Mental Health and Addiction Services	Community Services	CGS § 17a-676	D/S	The Community Based Services to Families account provides alcohol and drug prevention, intervention, and treatment services to individuals and families. Supportive activities, which include homemaking services, child care, and emergency foster placement are provided by private agencies.	Not formula based.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Education	Vocational Agriculture	CGS § 10-65	M/S	Assists 18 local boards of education in the operation of regional vocational agriculture centers in conjunction with their regular public school systems.	School systems that operate vocational agriculture centers receive a state grant for their full cost of operation, less one-third of the average per pupil cost for the prior year, times the average daily membership of the regular all-day students.
Department of Education	Transportation of School Children	CGS §§ 10-54, 10-97, 10-266m, 10-273a, and 10-277	M/S	Assists school districts in providing school transportation services.	The reimbursement of pupil transportation costs for public school children is based on paying 0% to 60% of eligible costs in accordance with a district's relative wealth. Poorer towns receive higher percentages.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Education	Adult Education	CGS § 10-71	M/S	Partial reimbursement of the eligible costs of state-mandated adult education programs.	Towns are reimbursed for their current costs associated with adult education programs based upon a sliding scale from 0% to 65%. The sliding scale is based on a district's relative property wealth rank.
Department of Education	Health Services for Pupils Attending Private Schools	CGS § 10-217a	M/S	Reimbursement to local districts for providing health services to private school students on a 10% to 90% sliding scale.	Sliding scale reimbursement of towns' prior year costs to provide these services, provided that a majority of the children attending such schools are from Connecticut.
Department of Education	Education Equalization Grants to Towns	CGS § 10-262c	M/S	Provides funds for education to towns in order to achieve a number of goals, including helping equalize the ability of towns to finance public elementary and secondary education programs or reducing disparities in per pupil expenditures and tax rates.	The equalization formula (ECS grant) calculates grants for towns.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Education	Bilingual Education	CGS § 10-17b-g	D/S	Provides supplementary funding to local education agencies that are required to implement bilingual education programs.	Each eligible district receives a portion of the total amount appropriated for this program according to the ratio which the number of eligible students in its schools bears to the total number of eligible students in the state.
Department of Education	Priority School Districts	CGS § 10-266p	M/S	Provides funding to the states' neediest school districts in amounts of \$1 million and \$500,000. Additionally, the grant includes aid formerly provided separately for school readiness, early reading success, and school accountability.	Formula based on town population, mastery exam results, and aid to families with dependent children counts.
Department of Education	Young Parents Program	CGS § 10-74c	D/S	Funding for programs to ensure that young fathers and mothers have access to suitable educational programs while also fulfilling a parental role.	None.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Education	Interdistrict Cooperative Program	CGS § 10-74d	D/S	Provides an incentive to inter-district cooperative activities in those districts most affected by declining enrollments, particularly in high schools.	None.
Department of Education	School Breakfast	CGS § 10-266w	D/S	Supports local school breakfast programs in "severe needs" schools. Federal matching funds are received locally to support this funding.	Various.
Department of Education	Excess Cost-Student Based	CGS § 10-76d	M/S	Provides funding for special education students whose overall cost per pupil exceeds statutory levels and for state agency placements.	Formula based on number exceeding.
Department of Education	Excess Cost - Equity	CGS § 10-76g	M/S	Provides funding to school districts with higher than average special education costs.	Formula based on number exceeding.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
Department of Education	Non-Public School Transportation	CGS § 10-54, 10-97, 10-266m, 10-273a, and 10-277	M/S	Grant assists school districts in providing school transportation services.	The reimbursement of pupil transportation costs for non-public school children is based on paying 0% to 60% of eligible costs in accordance with relative wealth.
Department of Education	School to Work Opportunities	CGS § 10-20a-f	D/S	To aid school to work transition programs.	Based on need within available appropriations.
Department of Education	Youth Service Bureaus	CGS § 10-19m	M/S	Funding for a youth service bureau.	Formula is the same as that used to allocate funds under the Public Investment Community Act.
Department of Education	Open Choice Schools Program	Annual appropriation act provides authority for payment	M/S	Provides aid to towns participating in the OPEN program.	Aid based on participating students and appropriation level.
Department of Education	Early Reading Success	CGS § 10-265f	D/S	Provides funds for enriching reading experience, offering full day kindergarten and offering summer school programs.	Formula based on the Number of three and four year olds in a town and free and reduced price lunch percentages.
Department of Education	Magnet Schools	CGS § 10-264l	M/S	Provides funds for the operation of magnet schools.	Percentage of children attending from outside district and the ECS foundation rate.

Table 1 (continued)

Agency	Grant Title	Statutory Citation	Mandatory or Discretionary	Description	Factors or Formulas
State Library	Grants to Public Libraries	CGS § 11-24b	D/S	Funds to assist in providing adequate local public library service to state residents.	Each principal public library receives \$1,200. Sixty percent (60%) of remaining funds are allocated to equalization grants.
State Library	Connecticard Payments to Local Libraries	CGS § 11-31b	D/S	Provides support for local libraries which exceed their normal function of providing for town residents only and offer services to any Connecticut resident who holds a valid library card.	One-half of the total funds appropriated is used to reimburse participating libraries for all reported Connecticut loans. The other half is used to make an additional payment to those libraries that loaned more items to non-residents.

SOURCE: OFA 2010 [Summaries of Connecticut State Grants](#).

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