

PART V. MUNICIPAL AID

Section I. Major Changes

The FY 22 and FY 23 Budget increases total municipal aid by \$449 million in FY 22 and \$647.5 million in FY 23. Approximately half of this increase is due to increases in Teachers' Retirement System payments of \$196.1 million in FY 22 and \$333.7 million in FY 23. The remainder is due to the following:

- Funding of the Municipal Revenue Sharing Account (MRSA) and the Tiered PILOT program. These changes, described further below, result in an increase in aid of \$193.7 million in FY 22 and \$203 million in FY 23. Of these increases in aid, \$146 million in both years is due to Tiered PILOT and the remainder is due to the funding of MRSA.
- An increase in funding for Education Cost Sharing of \$45.6 million in FY 22 and \$91.2 million in FY 23.
- An increase in funding for the Grants for Municipal Projects bond authorization of \$15 million in both FY 22 and FY 23.

Municipal Revenue Sharing Account (MRSA) and Tiered PILOT

MRSA

The FY 22 and FY 23 Budget maintains the 0.5% sales tax diversion to MRSA beginning on July 1, 2021. This diversion was established by PA 15-244 but subsequently delayed until FY 22.

The diversion results in estimated deposits into the account of \$389.8 million in FY 22 and \$399.3 million in FY 23. Funding is distributed as follows:

- \$262.5 million in FY 22 and \$276.1 million in FY 23 is transferred to the General Fund to support three GF appropriations for Tiered PILOT grants and for the Municipal Transition Grant.
- \$82.2 million in FY 22 and \$68.6 million in FY 23 directly to municipalities for Tiered PILOT grants not covered by appropriations.
- \$45.1 million in FY 22 and \$54.6 million in FY 23 for revenue sharing distributed pursuant to PA 15-244.

Tiered PILOT

PA 21-3 changed the method of proportionately distributing the State Property PILOT and College & Hospital PILOT in years when funding is insufficient to fully fund either grant. It does so by setting reimbursement rates for each town based on property wealth.

The FY 22 and FY 23 Budget increases PILOT funding by \$146 million over FY 21 appropriations by funding the PILOT grants at the reimbursement rates specified by PA 21-3. Funding is provided via 1) three appropriated General Fund accounts, and 2) MRSA payments.

Section II. Synopsis

The following chart provides a summary of all major aid to, or on behalf of, municipalities in the FY 22 and FY 23 Budget.

FY 22 and FY 23 Municipal Aid Synopsis

Grant or Account	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 22 - FY 21	FY 23 - FY 21
Appropriated Property Tax Relief and General Aid					
State Property PILOT	54,944,031	54,944,031	54,944,031	-	-
College and Hospital PILOT	109,889,434	108,998,308	108,998,308	(891,126)	(891,126)
Disability Exemption	364,713	364,713	364,713	-	-
Distressed Municipalities	1,500,000	1,500,000	1,500,000	-	-
Elderly Circuit Breaker	-	-	-	-	-
Elderly Freeze Program	40,000	10,000	10,000	(30,000)	(30,000)
Property Tax Relief for Veterans	2,708,107	2,708,107	2,708,107	-	-
Municipal Revenue Sharing	36,819,135	36,819,135	36,819,135	-	-
Municipal Transition	32,331,732	32,331,732	32,331,732	-	-
Municipal Stabilization Grant	38,253,335	37,853,335	37,853,335	(400,000)	(400,000)
Municipal Restructuring	7,300,000	7,300,000	7,300,000	-	-
Municipal Restructuring - Debt Service	56,314,629	54,677,710	54,098,049	(1,636,919)	(2,216,580)
Pequot Grant	51,472,789	51,472,789	51,472,789	-	-
Tiered PILOT	-	66,400,000	80,000,000	66,400,000	80,000,000
Subtotal	391,937,905	455,379,860	468,400,199	63,441,955	76,462,294
ECS and other Education Aid					
Vocational Agriculture	15,124,200	18,824,200	18,824,200	3,700,000	3,700,000
Adult Education	20,383,960	21,214,072	21,333,248	830,112	949,288
Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415	3,438,415	-	-

Grant or Account	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 22 - FY 21	FY 23 - FY 21
Education Equalization Grants	2,093,563,712	2,139,188,097	2,184,789,061	45,624,385	91,225,349
Bilingual Education	3,177,112	1,916,130	1,916,130	(1,260,982)	(1,260,982)
Priority School Districts	30,818,778	30,818,778	30,818,778	-	-
Extended School Hours	2,919,883	2,919,883	2,919,883	-	-
School Accountability	3,412,207	3,412,207	3,412,207	-	-
Interdistrict Cooperation	1,537,500	1,537,500	1,537,500	-	-
School Breakfast Program	2,158,900	2,158,900	2,158,900	-	-
Excess Cost - Student Based	140,619,782	140,619,782	140,619,782	-	-
Open Choice Program	25,982,027	27,980,849	30,342,327	1,998,822	4,360,300
Magnet Schools	295,033,302	282,438,044	284,584,077	(12,595,258)	(10,449,225)
Sheff Transportation	45,781,798	51,843,244	52,813,212	6,061,446	7,031,414
After School Programs	5,750,695	5,750,695	5,750,695	-	-
Subtotal	2,689,702,271	2,734,060,796	2,785,258,415	44,358,525	95,556,144
Various Other Grants					
Youth Service Bureau	2,626,772	2,640,772	2,640,772	14,000	14,000
Housing/Homeless Services - Municipality	575,226	607,063	637,088	31,837	61,862
Local and District Departments of Health	4,288,499	6,919,014	7,919,014	2,630,515	3,630,515
School Based Health Clinics	10,550,187	10,678,013	10,680,828	127,826	130,641
Teen Pregnancy Prevention - Municipality	98,281	98,281	98,281	-	-
Connecticard Payments	703,638	703,638	703,638	-	-
Subtotal	18,842,603	21,646,781	22,679,621	2,804,178	3,837,018
Major Bonding and Other Funding Sources					
MRSA/MRSF	-	127,300,000	123,000,000	127,300,000	123,000,000
Town Aid Road	60,000,000	60,000,000	60,000,000	-	-
LoCIP	30,000,000	30,000,000	30,000,000	-	-

Grant or Account	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 22 - FY 21	FY 23 - FY 21
Grants for Municipal Projects/ MME	76,000,000	91,000,000	91,000,000	15,000,000	15,000,000
Subtotal	166,000,000	308,300,000	304,000,000	142,300,000	138,000,000
TOTAL - Less TRS	3,266,482,779	3,519,387,437	3,580,338,235	252,904,658	313,855,456
Teacher's Retirement System (TRS)					
Retirement Contributions	1,249,835,000	1,443,656,000	1,578,038,000	193,821,000	328,203,000
Retirees Health Service Cost	24,405,387	26,707,000	29,901,000	2,301,613	5,495,613
Municipal Retiree Health Insurance Cost	5,108,813	5,100,000	5,100,000	(8,813)	(8,813)
Subtotal	1,279,349,200	1,475,463,000	1,613,039,000	196,113,800	333,689,800
GRAND TOTAL	4,545,831,979	4,994,850,437	5,193,377,235	449,018,458	647,545,256