

PART V. MUNICIPAL AID

Municipal Aid Summary

The final FY 23 Revised Budget increases municipal aid by \$125.6 million over FY 23 original appropriations. This includes a \$12.3 million decrease in Teachers' Retirement payments on behalf of municipalities. Without this, the budget increases municipal aid by \$137.9 million over original appropriations.

Car Tax Grants

The growth in municipal aid is largely due to an increase of \$100 million in Municipal Transition Grants (i.e., car tax grants) to reimburse municipalities for the revenue loss resulting from the reduction in the motor vehicle mill rate cap, which declines from 45 mills to 32.46 mills. This reimbursement is calculated using FY 22 mill rates.

Final Revised FY 23 Municipal Aid

Grant or Account	FY 22 Estimated	FY 23 Original	FY 23 Final Revised	FY 23 Final Revised - FY 23 Original	FY 23 Final Revised - FY 22 Est.
Appropriated Property Tax Relief and General Aid					
State Property PILOT ¹	54,944,031	54,944,031	54,944,031	-	-
College and Hospital PILOT ¹	108,998,308	108,998,308	108,998,308	-	-
Disability Exemption	364,713	364,713	364,713	-	-
Distressed Municipalities	1,500,000	1,500,000	1,500,000	-	-
Elderly Freeze Program	10,000	10,000	10,000	-	-
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	132,331,732	100,000,000	100,000,000
Municipal Stabilization Grant	37,853,335	37,853,335	37,853,335	-	-
Municipal Restructuring	7,300,000	7,300,000	7,300,000	-	-
Municipal Restructuring - Debt Service	54,677,710	54,098,049	54,098,049	-	(579,661)
Pequot Grant	51,472,796	51,472,796	51,481,796	9,000	9,000
Tiered PILOT	66,400,000	80,000,000	83,092,573	3,092,573	16,692,573
Subtotal	455,379,867	468,400,206	571,501,779	103,101,573	116,121,912

Part V. Municipal Aid

Grant or Account	FY 22 Estimated	FY 23 Original	FY 23 Final Revised	FY 23 Final Revised - FY 23 Original	FY 23 Final Revised - FY 22 Est.
ECS and other Education Aid					
Vocational Agriculture	18,824,200	18,824,200	18,824,200	-	-
Adult Education	21,214,072	21,333,248	22,333,248	1,000,000	1,119,176
Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415	3,438,415	-	-
Education Equalization Grants	2,139,188,097	2,179,479,336	2,178,800,382	(678,954)	39,612,285
Bilingual Education	1,916,130	1,916,130	3,832,260	1,916,130	1,916,130
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	156,119,782	15,500,000	15,500,000
Open Choice Program	25,480,849	30,342,327	38,360,327	8,018,000	12,879,478
Magnet Schools	277,438,044	284,584,077	292,926,486	8,342,409	15,488,442
Sheff Transportation	51,843,244	52,813,212	54,240,688	1,427,476	2,397,444
After School Programs	5,750,695	5,750,695	5,750,695	-	-
Subtotal	2,726,560,796	2,779,948,690	2,815,473,751	35,525,061	88,912,955
Various Other Grants					
Youth Service Bureau	2,640,772	2,640,772	2,654,772	14,000	14,000
Youth Service Bureau Enhancement	1,093,973	1,093,973	1,093,973	-	-
Housing/Homeless Services - Municipality	607,063	637,088	637,088	-	30,025
Local and District Departments of Health	6,997,620	7,919,014	7,179,622	(739,392)	182,002

Grant or Account	FY 22 Estimated	FY 23 Original	FY 23 Final Revised	FY 23 Final Revised - FY 23 Original	FY 23 Final Revised - FY 22 Est.
School Based Health Clinics	10,678,013	10,680,828	10,680,828	-	2,815
Teen Pregnancy Prevention - Municipality	98,281	98,281	98,281	-	-
Connecticard Payments	703,638	703,638	703,638	-	-
Subtotal	22,819,360	23,773,594	23,048,202	(725,392)	228,842
Major Bonding and Other Funding Sources					
MRSA - Balance of Tiered PILOT ¹	82,000,000	69,700,000	69,700,000	-	(12,300,000)
MRSA - Revenue Sharing ²	70,200,000	78,700,000	78,700,001	1	8,500,001
Town Aid Road	60,000,000	60,000,000	60,000,000	-	-
LoCIP	30,000,000	30,000,000	30,000,000	-	-
Grants for Municipal Projects/ MME	91,000,000	91,000,000	91,000,000	-	-
Subtotal	333,200,000	329,400,000	329,400,001	1	(3,799,999)
TOTAL - Less TRS	3,537,960,023	3,601,522,490	3,739,423,733	137,901,243	201,463,710
Teacher's Retirement System (TRS)					
Retirement Contributions	1,443,656,000	1,578,038,000	1,578,038,000	-	134,382,000
Retirees Health Service Cost	18,207,000	29,901,000	12,901,000	(17,000,000)	(5,306,000)
Municipal Retiree Health Insurance Cost	5,100,000	5,100,000	9,840,000	4,740,000	4,740,000
Subtotal	1,466,963,000	1,613,039,000	1,600,779,000	(12,260,000)	133,816,000
GRAND TOTAL	5,004,923,023	5,214,561,490	5,340,202,733	125,641,243	335,279,710

¹Figures reflect the estimated portion of Tiered PILOT that will be paid via MRSA. FY 23 Tiered PILOT payments are estimated to total \$316.5 million. Funding received by individual towns will fluctuate based on changes to municipal grand lists and mill rates.

²Figures reflect the estimated payments to municipalities distributed pursuant to CGS 4-66l for revenue sharing. Sections 93 to 95 of HB 5506, the Revised FY 23 budget, specify that any funding accrued during a given fiscal year to the Municipal Revenue Sharing Account for revenue sharing shall be disbursed during, or immediately subsequent to, that fiscal year. This amount will fluctuate based on changes in sales tax deposits into MRSA and on any changes in the final cost of Tiered PILOT.