

PART V. MUNICIPAL AID

Section I. Major Changes

The FY 24 and FY 25 Budget increases municipal aid by \$153.4 million in FY 24 and \$199.7 million in FY 25.

The rise in municipal aid is primarily due to the following increases:

- **Tiered PILOT:** \$22.5 million in both FY 24 and FY 25
- **Education:** \$82 million in FY 24 and \$144 million in FY 25 in Education Cost Sharing (ECS) and other education aid (including increases in Excess Cost and Sheff Transportation). The budget additionally provides \$150 million in FY 25 to a new Education Finance Reform account, with funding to be distributed to towns, state charter schools, and regional educational service centers.
- **LoCIP:** \$15 million in both FY 24 and FY 25

In addition to these increases, the funding of certain town grants was restructured through the Municipal Revenue Sharing Fund (MRSF).

MUNICIPAL REVENUE SHARING FUND (MRSF)

The FY 24 and FY 25 Budget requires (1) Tiered PILOT (all three current accounts), (2) the Motor Vehicle Tax Grants (i.e., Municipal Transition grants), and (3) Supplemental Revenue Sharing Grants (a combination of the Municipal Stabilization Grant and GF Municipal Revenue Sharing grant) to be paid out of the Municipal Revenue Sharing Fund. These grants were previously paid out of the General Fund and the Municipal Revenue Sharing Account (MRSA).

The MRSF will be funded via a 0.5 percentage point sales tax revenue diversion and a transfer from the General Fund. The sales tax revenue diversion previously funded the MRSA.

TIERED PILOT

The FY 24 and FY 25 Budget increases the Tiered PILOT percentages, which are based on town wealth, by three percentage points each beginning in FY 24. Most of the Tiered PILOT funding increase is due to this policy change. The new tier funding percentages are:

- Tier 1: 53%
- Tier 2: 43%
- Tier 3: 33%

MASHANTUCKET PEQUOT AND MOHEGAN FUND

The FY 24 and FY 25 Budget includes additional funding of \$60,000 in both FY 24 and FY 25 to provide grants of \$20,000 to each of the three tribes that received grants from this fund in FY 23.

Section II. Synopsis

The following chart provides a summary of all major aid to, or on behalf of, municipalities in the FY 24 and FY 25 Budget.

Grant or Account	FY 23	FY 24	FY 25	FY 24 - FY 23	FY 25 - FY 23
Appropriated Property Tax Relief and General Aid					
Tiered PILOT	316,881,894	339,410,167	339,410,167	22,528,273	22,528,273
Disability Exemption	364,713	364,713	364,713	-	-
Distressed Municipalities	1,500,000	1,500,000	1,500,000	-	-
Elderly Freeze Program	10,000	6,000	6,000	(4,000)	(4,000)
Property Tax Relief for Veterans	2,708,107	2,708,107	2,708,107	-	-
Municipal Revenue Sharing - GF	36,819,135	-	-	(36,819,135)	(36,819,135)
Municipal Stabilization Grant	37,853,335	-	-	(37,853,335)	(37,853,335)
Supplemental Revenue Sharing Grant	-	87,172,470	74,672,470	87,172,470	74,672,470
Motor Vehicle Tax Grant	132,331,732	154,562,410	154,562,410	22,230,678	22,230,678
Municipal Restructuring	7,300,000	7,300,000	7,300,000	-	-
Municipal Restructuring - Debt Service	54,098,049	51,251,706	47,910,459	(2,846,343)	(6,187,590)
Mashantucket Pequot and Mohegan Grant	51,481,796	52,541,796	52,541,796	1,060,000	1,060,000
Subtotal	641,348,761	696,817,369	680,976,122	55,468,608	39,627,361
ECS and Other Education Aid					
Vocational Agriculture	18,824,200	18,824,200	18,824,200	-	-
Adult Education	22,333,248	23,263,310	23,386,642	930,062	1,053,394
Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415	3,438,415	-	-
Education Equalization Grants (ECS)	2,178,800,382	2,233,420,315	2,287,900,235	54,619,933	109,099,853
Bilingual Education	3,832,260	3,832,260	3,832,260	-	-
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	-	-
Excess Cost - Student Based	156,119,782	181,119,782	181,119,782	25,000,000	25,000,000
Open Choice Program	38,360,327	31,189,780	31,472,503	(7,170,547)	(6,887,824)
Magnet Schools	292,926,486	284,942,141	287,484,265	(7,984,345)	(5,442,221)
Sheff Transportation	54,240,688	70,825,009	75,465,173	16,584,321	21,224,485
After School Programs	5,750,695	5,750,695	5,750,695	-	-
Subtotal	2,813,314,851	2,895,294,275	2,957,362,538	81,979,424	144,047,687
Various Other Grants					
Youth Service Bureaus	2,654,772	2,733,240	2,733,240	78,468	78,468
Housing/Homeless Services - Municipality	637,088	675,409	675,409	38,321	38,321
Local and District Departments of Health	7,179,622	7,192,101	7,192,101	12,479	12,479
School Based Health Clinics	10,680,828	11,544,057	11,544,057	863,229	863,229
Teen Pregnancy Prevention - Municipality	98,281	98,281	98,281	-	-
Connecticard Payments	703,638	703,638	703,638	-	-
Town Aid Road	60,000,000	60,000,000	60,000,000	-	-
Subtotal	81,954,229	82,946,726	82,946,726	992,497	992,497
Major Bonding and Other Funding Sources					
LoCIP	30,000,000	45,000,000	45,000,000	15,000,000	15,000,000
Grants for Municipal Projects/ MME	91,000,000	91,000,000	91,000,000	-	-
Subtotal	121,000,000	136,000,000	136,000,000	15,000,000	15,000,000
TOTAL - Less TRS	3,657,617,841	3,811,058,370	3,857,285,386	153,440,529	199,667,545
Teachers' Retirement System (TRS)					
Retirement Contributions	1,578,038,000	1,554,542,000	1,558,960,000	(23,496,000)	(19,078,000)
Retirees Health Service Cost	12,901,000	13,041,691	16,030,802	140,691	3,129,802
Municipal Retiree Health Insurance Cost	9,840,000	9,840,000	9,840,000	-	-
Subtotal	1,600,779,000	1,577,423,691	1,584,830,802	(23,355,309)	(15,948,198)
GRAND TOTAL	5,258,396,841	5,388,482,061	5,442,116,188	130,085,220	183,719,347