

VIII. MUNICIPAL

Municipal Aid

The revised FY 17 budget reduces municipal aid by \$182.4 million⁸ from the original FY 17 budget. This represents a reduction of 4.0%. Revised FY 17 municipal aid is \$103.5 million higher than estimated FY 16 amounts.

Municipal Revenue Sharing Account/Fund

The revised FY 17 budget eliminates the Municipal Revenue Sharing Account (MRSA) for FY 17 only, and instead establishes the Municipal Revenue Sharing Fund (MRSF).

The table below compares the grants to be paid out in FY 17 from MRSA under the original FY 17 budget, and grants to be paid out from MRSF under the revised FY 17 budget. The revised budget combines the Additional Sales Tax grant and the Car Tax grant into one, and specifies the town by town distribution of the combined grant. For comparative purposes, the Additional Sales Tax Grant and the Car Tax grant are shown separately.

MRSA Expenditure Changes

Grant	FY 17 Orig.	FY 17 Revised	Difference
Supplemental PILOT	46,101,081	44,101,081	(2,000,000)
Additional Sales Tax	109,267,687	75,907,908	(33,359,779)
Car Tax Grants	78,000,000	51,943,900	(26,056,100)
ECS	10,000,000	10,000,000	-
COGs	3,000,000	3,000,000	-
TOTAL	246,368,768	184,952,889	(61,415,879)

The revised budget raises the motor vehicle mill rate cap from 32 mills to 37 mills in FY 17, and from 29.36 mills to 32 mills in FY 18 and annually thereafter. It is estimated that a motor vehicle mill rate cap of 37 results in a revenue loss to municipalities and special taxing districts of \$61.4 million in FY 17.

⁸This includes the impact of the MORE Commission Lapse. The Lapse, which was part of the original FY 17 budget, was eliminated from the Revised FY 17 budget by the legislature. The Governor then exercised his line-item veto authority to reinstate the lapse.

Other Municipal Aid Changes

Major reductions to municipal aid, from original FY 17 appropriations, (besides MRSA, which is discussed above), include:

- \$32.1 million in ECS funding
- \$27.4 million in State Property PILOT and College & Hospital PILOT funding
- Elimination of Public School and Nonpublic School Transportation grants (\$26.8 million)
- \$11.9 million in Magnet School funding
- \$4.3 million in Excess Cost funding
- \$2.5 million in Priority School District funding

Municipal Aid Synopsis Revised FY 17

Agency/Grant Name	FY 16 Actuals ¹	FY 17 Orig.	FY 17 Rev.	FY 17 Rev. - FY 17 Orig.	FY 17 Leg. - FY 16 Est.
Appropriated Funds					
Connecticut State Library (CSL)					
Grants To Public Libraries	179,396	193,391	-	(193,391)	(179,396)
Connecticard Payments	837,540	900,000	806,000	(94,000)	(31,540)
Department of Housing (DOH)					
Tax Abatement	-	1,153,793	1,078,993	(74,800)	1,078,993
Payment In Lieu Of Taxes	-	-	-	-	-
Housing/Homeless Services- Municipality	632,458	640,398	592,893	(47,505)	(39,565)
Department of Public Health (DPH)					
Local and District Departments of Health	4,367,839	4,692,648	4,083,916	(608,732)	(283,923)
Venereal Disease Control	197,171	197,171	197,171	-	-
School Based Health Clinics	11,597,078	11,898,107	11,280,633	(617,474)	(316,445)
Department of Social Services (DSS)					
Human Resource Development-Hispanic Programs - Municipality	4,964	5,096	4,719	(377)	(245)
Teen Pregnancy Prevention - Municipality	118,778	124,044	114,876	(9,168)	(3,902)
Community Services - Municipality	74,309	79,573	70,742	(8,831)	(3,567)
Office of Early Childhood (OEC)					
Early Childhood Program ²	10,699,133	10,840,145	10,840,145	-	141,012
Child Care Services ²	18,301,942	19,081,942	17,581,942	(1,500,000)	(720,000)
School Readiness Quality ² Enhancement	4,411,135	4,676,081	4,172,930	(503,151)	(238,205)
School Readiness ²	82,540,846	83,399,834	83,399,834	-	858,988
Office of Policy and Management(OPM)					
State Property PILOT	71,356,484	83,641,646	66,730,441	(16,911,205)	(4,626,043)

Agency/Grant Name	FY 16 Actuals ¹	FY 17 Orig.	FY 17 Rev.	FY 17 Rev. - FY 17 Orig.	FY 17 Leg. - FY 16 Est.
College & Hospital PILOT	122,919,655	125,431,737	114,950,770	(10,480,967)	(7,968,885)
Reimbursement Property Tax - Disability Exemption	400,000	400,000	374,065	(25,935)	(25,935)
Distressed Municipalities	5,549,101	5,800,000	5,423,986	(376,014)	(125,115)
Property Tax Relief Elderly Circuit Breaker	20,505,900	20,505,900	19,176,502	(1,329,398)	(1,329,398)
Property Tax Relief Elderly Freeze Program	94,757	120,000	112,221	(7,779)	17,464
Property Tax Relief for Veterans	2,896,990	2,970,098	2,777,546	(192,552)	(119,444)
Pequot Grants	61,687,907	61,779,907	58,076,612	(3,703,295)	(3,611,295)
Municipal Revenue Sharing Fund	-	-	171,900,000	171,900,000	171,900,000
Department of Education (SDE)					
Vocational Agriculture	11,017,600	11,017,600	10,544,937	(472,663)	(472,663)
Transportation of School Children	22,336,353	23,329,451	-	(23,329,451)	(22,336,353)
Adult Education	19,999,328	21,037,392	20,383,960	(653,432)	384,632
Health and Welfare Services Pupils Private Schools	3,618,668	3,867,750	3,526,579	(341,171)	(92,089)
Education Equalization Grants ³	2,061,731,753	2,069,689,238	2,037,587,120	(32,102,118)	(24,144,633)
Bilingual Education ¹	2,930,273	3,491,130	3,164,800	(326,330)	234,527
Priority School Districts	42,031,867	44,837,171	42,337,171	(2,500,000)	305,304
Young Parents Program	216,462	229,330	212,318	(17,012)	(4,144)
Interdistrict Cooperation	6,810,849	7,164,966	6,353,391	(811,575)	(457,458)
School Breakfast Program	2,378,038	2,379,962	2,225,669	(154,293)	(152,369)
Excess Cost - Student Based	139,843,559	139,805,731	135,555,731	(4,250,000)	(4,287,828)
Non-Public School Transportation	3,416,985	3,451,500	-	(3,451,500)	(3,416,985)
Youth Service Bureaus	2,769,009	2,839,805	2,651,516	(188,289)	(117,493)
Open Choice Program	35,160,537	43,214,700	40,258,605	(2,956,095)	5,098,068
Magnet Schools	318,723,292	324,950,485	313,058,158	(11,892,327)	(5,665,134)
After School Program	5,095,123	5,363,286	4,866,695	(496,591)	(228,428)
Teachers' Retirement Board (TRB)					
Retirement Contributions	975,578,000	1,012,162,000	1,012,162,000	-	36,584,000
Retirees Health Service Cost	14,566,860	14,714,000	14,566,860	(147,140)	-
Municipal Retiree Health Insurance Costs	5,392,897	5,447,370	5,392,897	(54,473)	-
Total- Appropriations	4,092,990,836	4,177,524,378	4,228,595,344	51,070,966	135,604,508
Bond Funds and Other Revenue Sources					
Municipal Revenue Sharing Account- Property Tax Related Aid ⁴	-	233,400,000	-	(233,400,000)	-
Town Aid Road	60,000,000	60,000,000	60,000,000	-	-
LoCIP	30,000,000	30,000,000	30,000,000	-	-

Agency/Grant Name	FY 16 Actuals ¹	FY 17 Orig.	FY 17 Rev.	FY 17 Rev. - FY 17 Orig.	FY 17 Leg. - FY 16 Est.
Grants for Municipal Projects	60,000,000	60,000,000	60,000,000	-	-
Total- Bond Funds and Other Revenue	150,000,000	383,400,000	150,000,000	(233,400,000)	-
GROSS TOTAL	4,242,990,836	4,560,924,378	4,378,595,344	(182,329,034)	135,604,508
MORE Commission Lapse ⁵	-	(20,000,000)	(20,000,000)	-	(20,000,000)
NET TOTAL	4,242,990,836	4,540,924,378	4,358,595,344	(182,329,034)	115,604,508

¹FY 16 actuals for appropriated grants are from the CORE Statewide Financial System, 10/17/16 Trial Balance Report. Figures include carry forward expenditures. Additionally, agencies may set aside a portion of a grant appropriation for grant administration, which they may transfer to other agency accounts. These transfers are considered appropriations adjustments and are not included in final FY 16 expenditure figures.

²These accounts were consolidated into agency operations accounts in the revised FY 17 budget.

³These figures do not include funding for Charter Schools.

⁴Original FY 17 expenditures from the Municipal Revenue Sharing Account do not reflect the impact of consensus revenue.

⁵The FY 16 budget included a bottom line MORE Commission Lapse which was achieved through 1) reductions of \$12.3 million to the State Property PILOT, \$2.5 million to the College & Hospital PILOT, \$4 million to ECS, and elimination of the Department of Housing Payment in lieu of Taxes Grant. These reductions are reflected in the FY 16 actuals shown above. As of October, 2016, it has not yet been announced which grants will be reduced to achieve the FY 17 MORE Commission Lapse.