

PEQUOT GRANTS Fact Sheet

Description of Original Formula

PA 93-388 established the Pequot fund and distributed revenue in the fund as follows:

- \$20 million based on each town's State Property PILOT grant
- \$20 million based on each town's College & Hospital grant
- \$35 million based on a property tax relief formula that incorporates each town's equalized net grand list per capita and per capita income
- \$5,475,000 is distributed as an additional payment to distressed municipalities
- \$44.2 million is provided to certain towns *in lieu of* the amount they would otherwise receive from the above specified formula
- Host town payments of \$25,000 each to Ledyard, North Stonington and Preston

Current Formula

Current Pequot statute is similar to the original formula, with the following changes:

- Host town payments have changed several times over the grant's history. Currently, they are 1) \$750,000 each to Montville, Ledyard, Preston, North Stonington and Norwich, and 2) \$1.6 million distributed to all members of the Southeastern CT Council of Governments and distressed municipalities within the Northeastern CT Council of Governments.
- PA 99-1 established supplemental payments of \$49.75 million to be distributed from the fund in addition to and in proportion to the funding provided from the original formula. This was later reduced to \$47.5 million
- Language was added allowing for proportional reduction of Pequot grants to the amount appropriated, except that host town payments are not subject to proration.

Non-Formulaic Adjustments

FY 20 and FY 21 grant amounts were distributed partially according to the traditional Pequot formula, but included the following non-formulaic adjustments:

- Towns receive the same Pequot grant they received FY 19 (with four exceptions as described below). FY 19 Pequot funding was distributed

formulaically *and then* reduced from FY 18 levels by \$8.1 million on a per capita basis, with distressed municipalities receiving a reduction of not more than \$250,000.

- \$1,530,000 was distributed accordingly: 1) \$500,000 each to Norwich, Montville, and Ledyard, and 2) \$30,000 to Stonington