

PART V. MUNICIPAL AID

Section I. Major Changes

The FY 27 Revised Budget increases municipal aid by \$308.2 million over FY 27 original appropriations. This includes a \$26.5 million increase in Teachers' Retirement payments on behalf of municipalities. Without this, the budget increases municipal aid by \$281.7 million over original appropriations.

Growth in municipal aid is largely due to supplemental grants described below.

SUPPLEMENTAL AID

Supplemental Education Aid

The FY 27 Revised Budget appropriates \$183 million in volatility revenue to the State Department of Education (SDE) in FY 26. The funding is largely designated for FY 27 spending as supplemental education funding. Of the supplemental education funding, \$162.2 million is set aside for town supplemental education aid grants (to supplement ECS grants), with town amounts listed in Section 390 of PA 26-68, the FY 27 Revised Budget, and every town receiving a grant.⁹ Additionally, approximately \$10.9 million is transferred from the Probate Court Administration Fund to a new temporary education aid for school districts account for district relief and compensatory use learning aid grants. These grants are distributed to various towns for educational purposes in FY 27 and amounts are listed in Section 394 of PA 26-68, the FY 27 Revised Budget.

Other portions of the \$183 million in supplemental education funding provided pursuant to Section 390 of PA 26-68, the FY 27 Revised Budget, that impact towns are: (1) \$2.75 million for board of education operated magnet schools to increase the per student grant amount to operators; and (2) \$800,000 for vocational agriculture programs. Non-board of education choice school operators and SDE receive the rest of the supplemental education funding.¹⁰

Supplemental Mashantucket Pequot and Mohegan Fund

The FY 27 Revised Budget appropriates \$100 million in volatility revenue to the Office of Policy and Management (OPM) in FY 26. The funding is designated for FY 27 spending as a supplemental Mashantucket Pequot and Mohegan Fund grant. This funding is included as a payment list in Section 464 of PA 26-68, the FY 27 Revised Budget, which is determined by the Mashantucket Pequot and Mohegan Fund grant formula listed in statute.

⁹PA 26-68, the FY 27 Revised Budget, sets aside \$162.2 million for these grants. The sum of the town grant amounts is approximately \$200,000 less than this amount.

¹⁰Other choice school supplementary funding is provided to: (1) RESC-operated magnet schools (\$5.55 million); and (2) state charter schools (\$8.7 million).

Part V. Municipal Aid
Section II. Synopsis

The following chart provides a summary of all major aid to, or on behalf of, municipalities in the FY 27 Revised Budget.

Table 5.1 Municipal Aid Funding
In Dollars

Grant or Account	FY 26 Est.	FY 27 Original	FY 27 Final Revised	FY 27 Final Revised - FY 27 Original	FY 27 Final Revised - FY 26 Est.
Appropriated Property Tax Relief and General Aid					
Tiered PILOT	345,980,314	345,980,314	354,284,704	8,304,390	8,304,390
Disability Exemption	364,713	364,713	364,713	-	-
Distressed Municipalities	1,500,000	1,500,000	1,500,000	-	-
Elderly Freeze Program	4,000	4,000	2,000	(2,000)	(2,000)
Property Tax Relief for Veterans	2,708,107	2,708,107	1,708,107	(1,000,000)	(1,000,000)
Supplemental Revenue Sharing Grant	85,932,470	85,932,470	85,932,470	-	-
Motor Vehicle Tax Grant	127,496,890	127,496,890	111,581,971	(15,914,919)	(15,914,919)
Municipal Restructuring	300,000	300,000	300,000	-	-
Municipal Restructuring - Debt Service	45,404,138	47,778,925	47,058,347	(720,578)	1,654,209
Mashantucket Pequot and Mohegan Grant	52,541,796	52,541,796	54,141,796	1,600,000	1,600,000
Supplemental Mashantucket Pequot and Mohegan Fund Grant	-	-	100,000,000	100,000,000	100,000,000
Subtotal	662,232,428	664,607,215	756,874,108	92,266,893	94,641,680
ECS and Other Education Aid					
Education Equalization Grants (ECS)	2,456,768,109	2,456,935,081	2,456,935,081	-	166,972
Magnet Schools ^{1,2}	322,925,940	344,345,603	347,555,603	3,210,000	24,629,663
Excess Cost - Student Based	221,119,782	221,119,782	221,119,782	-	-
Sheff Transportation ¹	77,661,541	80,326,212	80,326,212	-	2,664,671
Open Choice Program ¹	31,472,503	31,472,503	31,472,503	-	-

Part V. Municipal Aid

Grant or Account	FY 26 Est.	FY 27 Original	FY 27 Final Revised	FY 27 Final Revised - FY 27 Original	FY 27 Final Revised - FY 26 Est.
Priority School Districts	30,818,778	30,818,778	30,818,778	-	-
Special Education and Expansion Development (SEED)	30,000,000	30,000,000	30,000,000	-	-
Vocational Agriculture ³	26,295,732	26,295,732	26,932,180	636,448	636,448
Adult Education	21,694,983	25,953,382	25,356,130	(597,252)	3,661,147
Non Sheff Transportation ¹	14,275,787	14,275,787	14,275,787	-	-
Commissioner's Network	9,869,398	9,869,398	9,817,398	(52,000)	(52,000)
Family Resource Centers	6,352,710	7,000,000	7,000,000	-	647,290
After School Programs	5,750,695	5,750,695	5,750,695	-	-
Health Foods Initiative	4,151,463	4,151,463	4,151,463	-	-
Bilingual Education	3,832,260	3,832,260	3,832,260	-	-
Health and Welfare Services Pupils Private Schools	3,438,415	6,447,702	3,438,415	(3,009,287)	-
School Accountability	3,412,207	3,412,207	3,412,207	-	-
Extended School Hours	2,919,883	2,919,883	2,919,883	-	-
Child Nutrition State Match	2,354,000	2,354,000	2,877,755	523,755	523,755
School Breakfast Program	2,158,900	2,158,900	14,158,900	12,000,000	12,000,000
Local Food for Local Schools Incentive Program	1,500,000	3,430,000	3,430,000	-	1,930,000
Primary Mental Health	335,288	335,288	314,288	(21,000)	(21,000)
High Quality Special Education Incentives	-	9,900,000	8,900,000	(1,000,000)	8,900,000
Learner Engagement and Attendance Program (LEAP)	-	7,000,000	7,000,000	-	7,000,000
High Dosage Tutoring Grants	-	5,000,000	2,000,000	(3,000,000)	2,000,000

Part V. Municipal Aid

Grant or Account	FY 26 Est.	FY 27 Original	FY 27 Final Revised	FY 27 Final Revised - FY 27 Original	FY 27 Final Revised - FY 26 Est.
School Based Behavioral Health Grants	-	-	5,000,000	5,000,000	5,000,000
Supplemental Education Aid ⁴	-	-	172,923,686	172,923,686	172,923,686
Subtotal	3,279,108,374	3,335,104,656	3,521,719,006	186,614,350	242,610,632
Various Other Grants					
Youth Service Bureaus	2,733,240	2,733,240	2,747,240	14,000	14,000
Youth Service Bureaus Enhancement	1,115,161	1,115,161	1,115,161	-	-
Housing/Homeless Services - Municipality	692,651	692,651	692,651	-	-
Local and District Departments of Health	6,509,802	8,213,916	8,341,658	127,742	1,831,856
School Based Health Clinics	13,540,721	14,400,721	15,102,721	702,000	1,562,000
Teen Pregnancy Prevention - Municipality	98,281	98,281	98,281	-	-
Connecticard Payments	703,638	703,638	703,638	-	-
Subtotal	25,393,494	27,957,608	28,801,350	843,742	3,407,856
Major Bonding and Other Funding Sources					
LoCIP	45,000,000	45,000,000	45,000,000	-	-
Town Aid Road	80,000,000	80,000,000	80,000,000	-	-
Grants for Municipal Projects/ MME	150,000,000	150,000,000	152,000,000	2,000,000	2,000,000
Subtotal	275,000,000	275,000,000	277,000,000	2,000,000	2,000,000
TOTAL - Less TRS	4,241,734,296	4,302,669,479	4,584,394,464	281,724,985	342,660,168
Teachers' Retirement System (TRS)					
Retirement Contributions - Normal Cost	293,618,465	299,800,000	328,073,000	28,273,000	34,454,535
Retirement Contributions - UAL	1,511,502,535	1,405,300,000	1,403,546,000	(1,754,000)	(107,956,535)
Retirees Health Service Cost	29,074,250	44,356,000	44,356,000	-	15,281,750
Municipal Retiree Health Insurance Cost	5,780,000	8,840,000	8,840,000	-	3,060,000

Part V. Municipal Aid

Grant or Account	FY 26 Est.	FY 27 Original	FY 27 Final Revised	FY 27 Final Revised - FY 27 Original	FY 27 Final Revised - FY 26 Est.
Subtotal	1,839,975,250	1,758,296,000	1,784,815,000	26,519,000	(55,160,250)
GRAND TOTAL	6,081,709,546	6,060,965,479	6,369,209,464	308,243,985	287,499,918

¹Significant funding from these accounts is provided to Regional Educational Service Centers.

²The FY 27 Final Revised figure includes supplemental grants of \$5.55 million for RESC operated magnet schools (including Goodwin and Great Path) and \$2.75 million for board of education operated magnet schools pursuant to Section 390 of PA 26-68, the FY 27 Revised Budget.

³The FY 27 Final Revised figure includes a supplemental grant of \$800,000 for vocational agriculture pursuant to Section 390 of PA 26-68, the FY 27 Revised Budget.

⁴The FY 27 Final Revised figure represents the total grants to towns pursuant to Sections 390 and 394 of PA 26-68, the FY 27 Revised Budget.