

Final Adopted FY2011 State Budget

Preliminary Analysis



Impacts on Connecticut's Towns and Cities

May 10, 2010

Final Adopted Budget FY2011

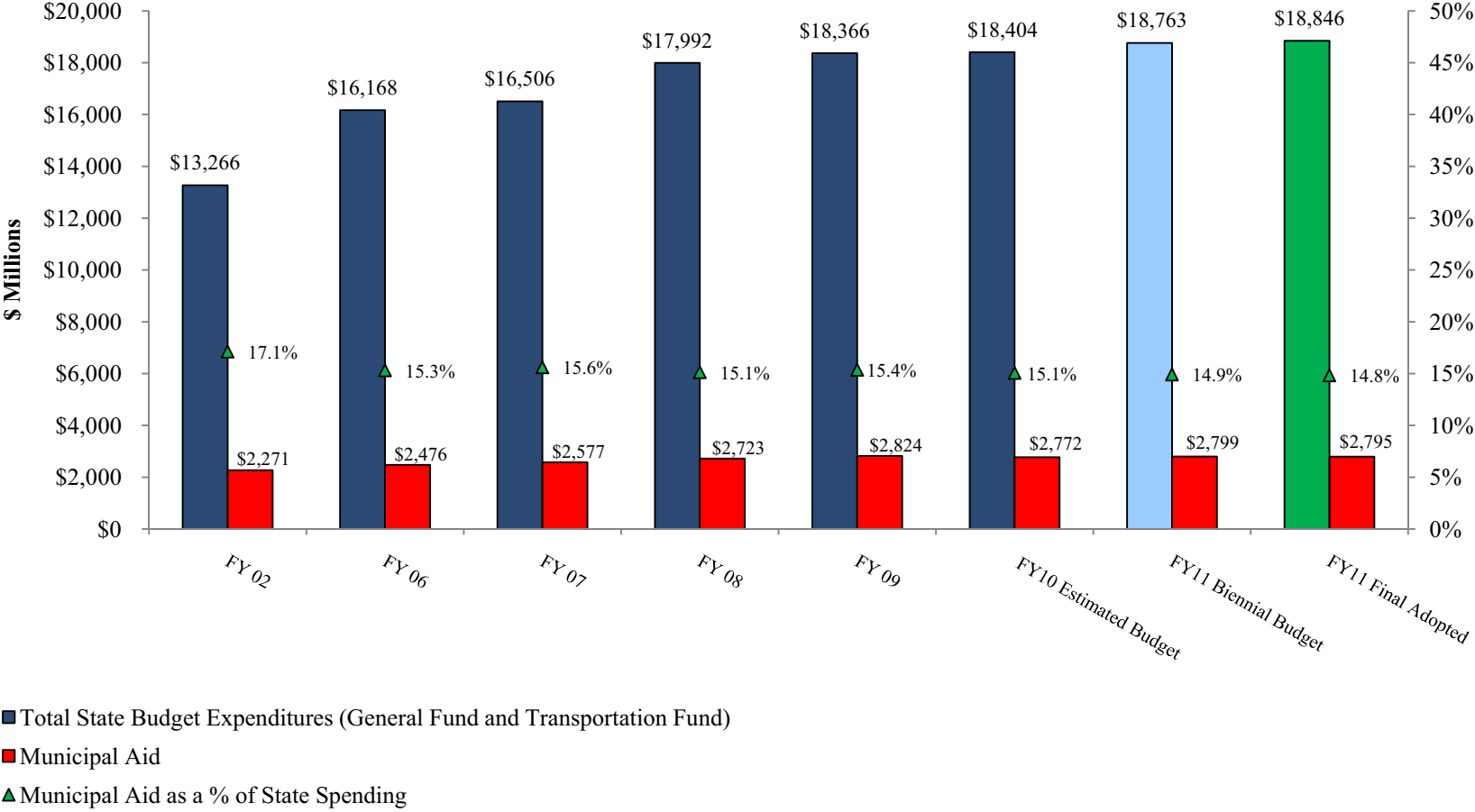
AID TO MUNICIPALITIES

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If you have questions, please call Gian-Carl Casa, Jim Finley, or George Rafael of CCM at (203) 498-3000.

Total Municipal Aid

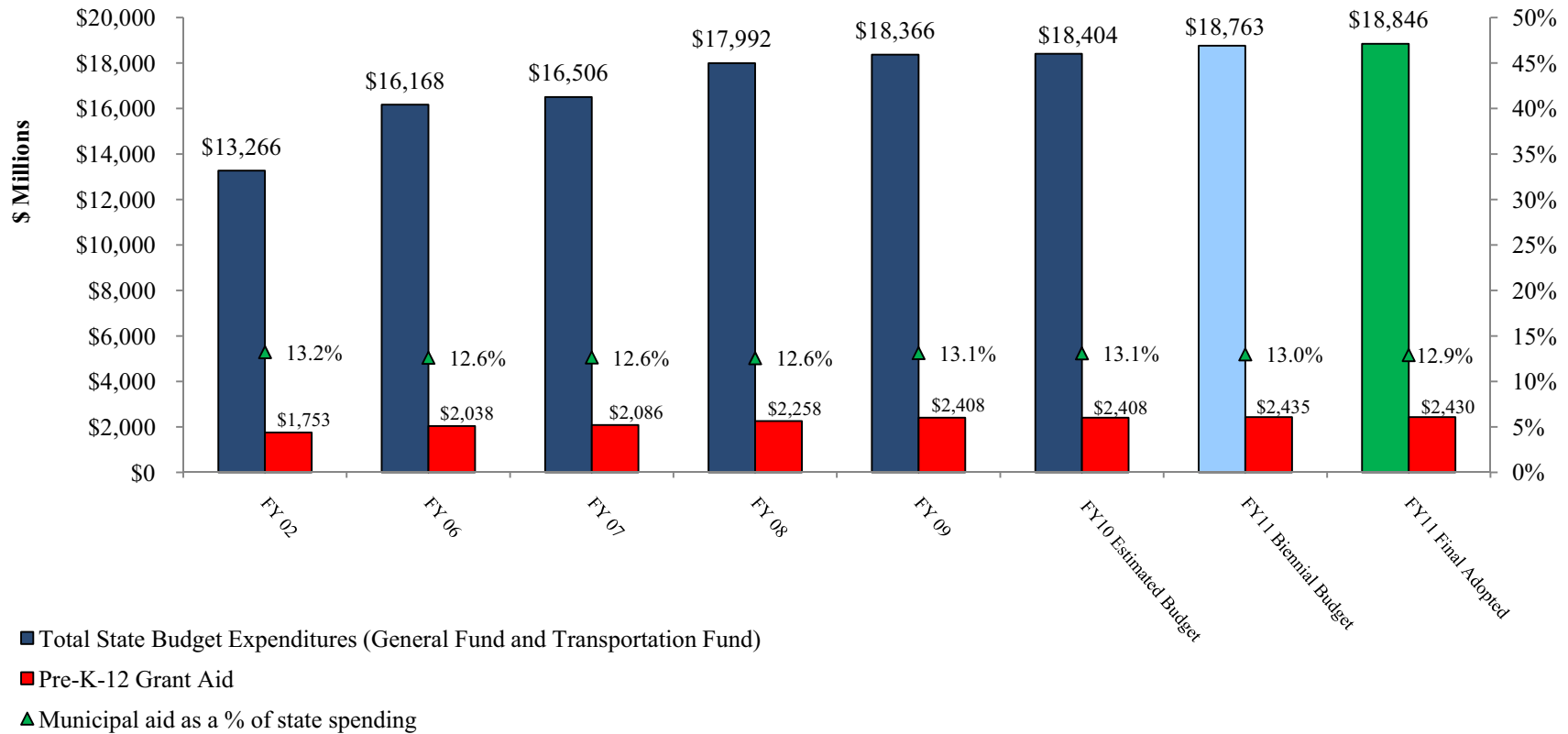


Includes \$30 million each for Town Aid Road and LoCIP funding. Approximately 14.3% of the Education Cost Sharing Grant (approximately \$271 million) is expected to be funded by federal ARRA State Fiscal Stabilization Funds and will go directly to boards of education, **reducing the state-funded contribution to ECS.** Figures shown include both federal and state funding for ECS.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

Pre-K to 12 Public Education Grants*

Adopted Budget Increases Education Aid \$22.4 million from FY2010

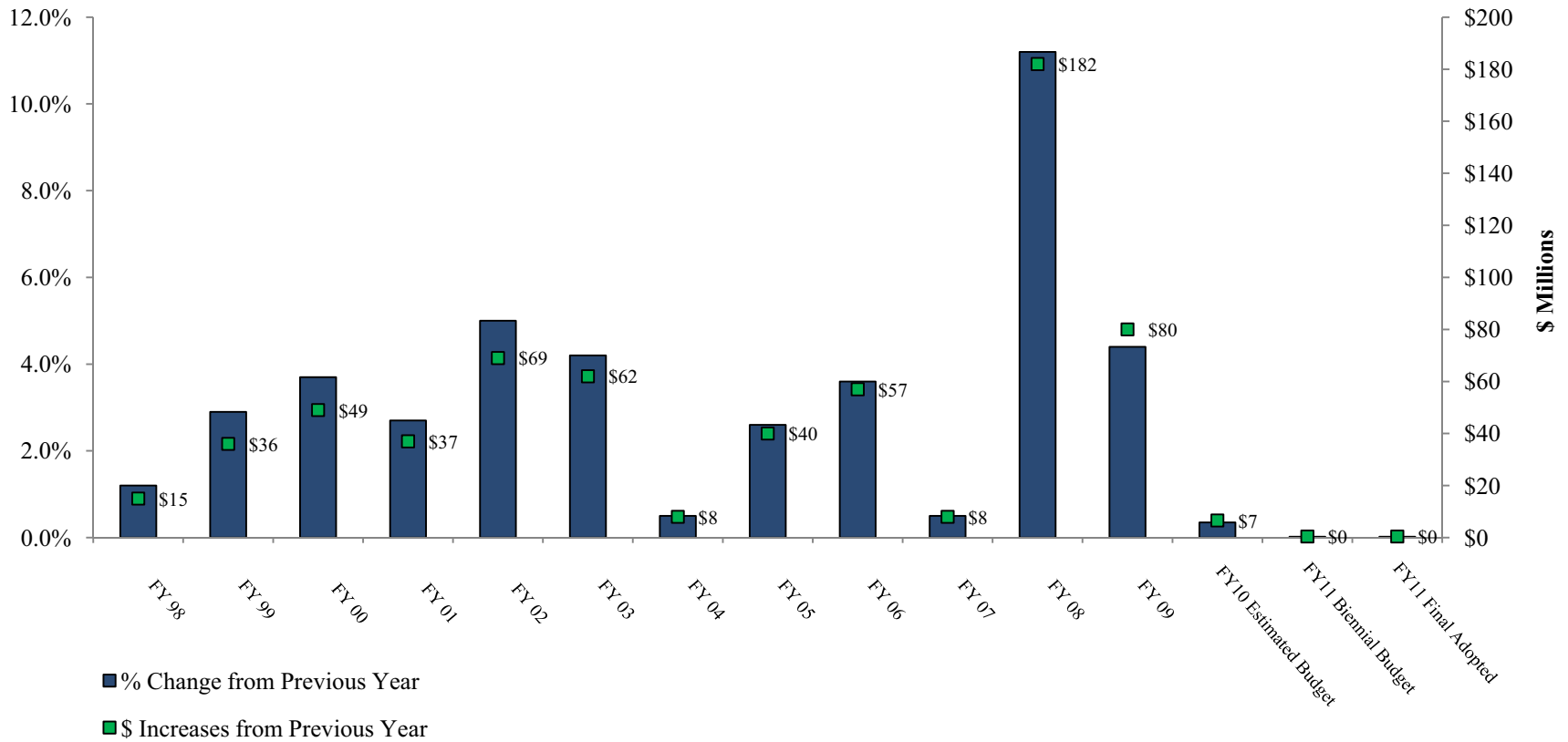


Note: Education aid includes operating grant aid that assists towns and cities. School construction, charter schools, and unified school districts are excluded.

*Approximately 14.3% of the Education Cost Sharing Grant (approximately \$271 million of what is shown) is expected to be funded by federal ARRA State Fiscal Stabilization Funds and go directly to Boards of Education, **reducing the state-funded contribution to ECS.** Figures shown include both federal and state funding for ECS.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Final Budget, and CCM, May 2010.

ECS Grant: Adopted Budget “Level Funds” Towns and Cities



Approximately 14.3% of the Education Cost Sharing Grant (approximately \$271 million of what is shown) is expected to be funded by federal ARRA State Fiscal Stabilization Funds and go directly to Boards of Education, **reducing the state-funded contribution to ECS.** Figures shown include both federal and state funding for ECS. Individual grants to towns and cities will vary due to ECS formula elements.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

Special Education Excess-Cost Grant* Adopted Budget Level Funds Appropriation**



Note: The Excess Cost - Student Based grant has two components: (1) children whose placement is handled by the Department of Children and Families and (2) children whose placement is handled by a local school district. For children placed by DCF, municipalities are reimbursed for all costs that exceed the local school district's average per-pupil expenditure. For locally placed students, municipalities are reimbursed for all costs that exceed 4.5 times the district's average per pupil expenditure. The Excess Cost - Equity grant reimbursed those towns whose special education expenditures exceeded the state average, but has been eliminated.

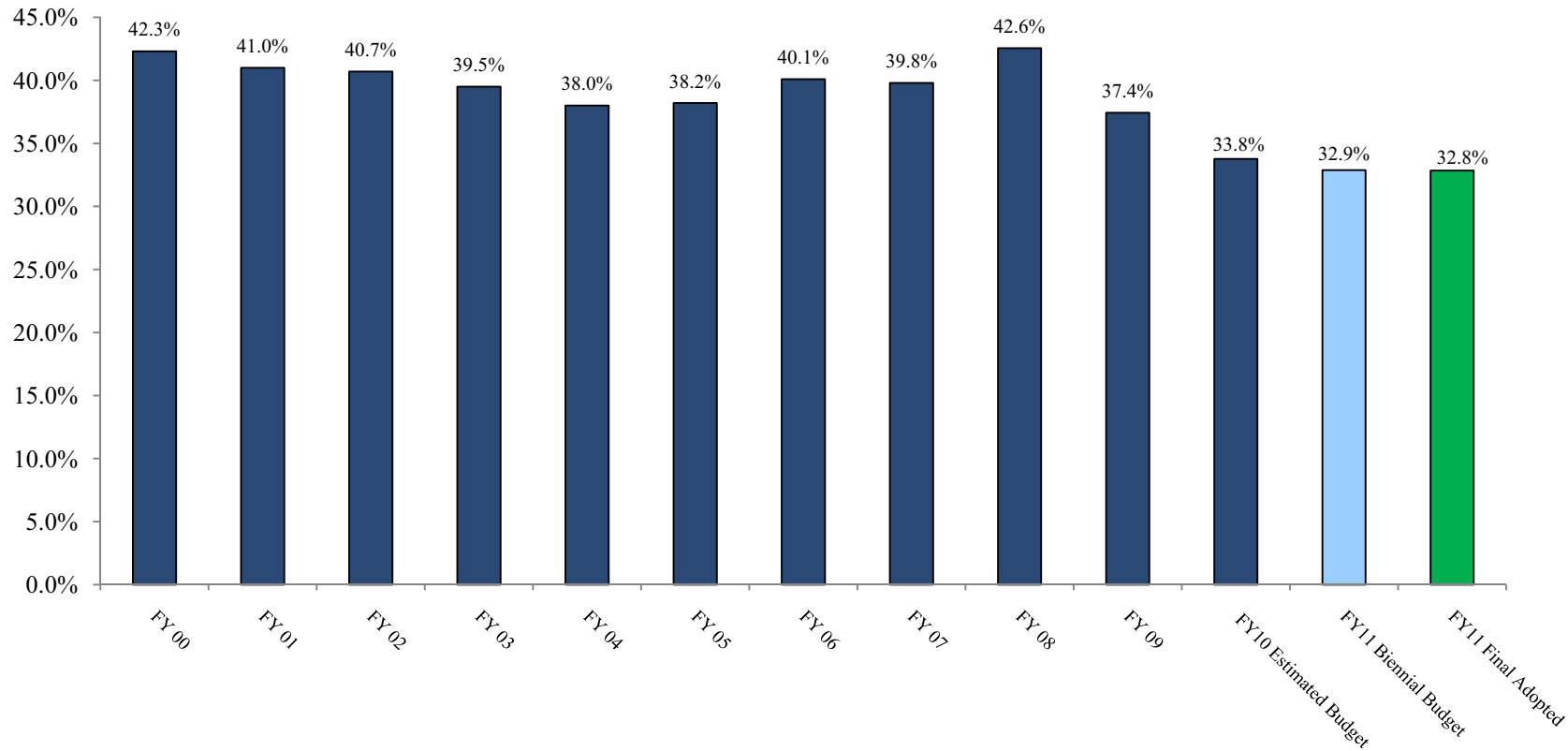
*The grant has been capped at the level of appropriation, so if reimbursements cost more than the amount appropriated, municipalities would absorb the difference.

**The budget transfers approximately \$19 million from School Transportation to Special Education Excess Cost. This transfer will contribute towards the State's maintenance of effort requirements for the federal Individuals with Disabilities Education Act (IDEA) funding. The distribution of this \$19 million will not change. Although called "Special Education," the distribution for the \$19 million will be as if it were the Public School Transportation grant.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

State's % Share of Pre-K to 12 Education Costs

2.8% Decrease from FY2010



***FY 2007 is the latest year for which total educational expenditures are available from the Connecticut State Department of Education. Total education costs are assumed to increase 3.0 percent annually in FY08-FY11 to determine state share.**

Approximately 14.3% of the Education Cost Sharing Grant (approximately \$271 million) is expected to be funded by federal ARRA State Fiscal Stabilization Funds and go directly to Boards of Education, **reducing the state-funded contribution to ECS. This reduction is reflected in the percentages above.**

Note: State's share includes education grant aid, payments into the Teacher's Retirement Fund, Debt Service, Retirees Health Service Cost, Municipal Retiree Health Insurance Costs, and school construction bond authorizations.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

Non-Education Aid

Adopted Budget Essentially Level Funds Non-Education Grants*

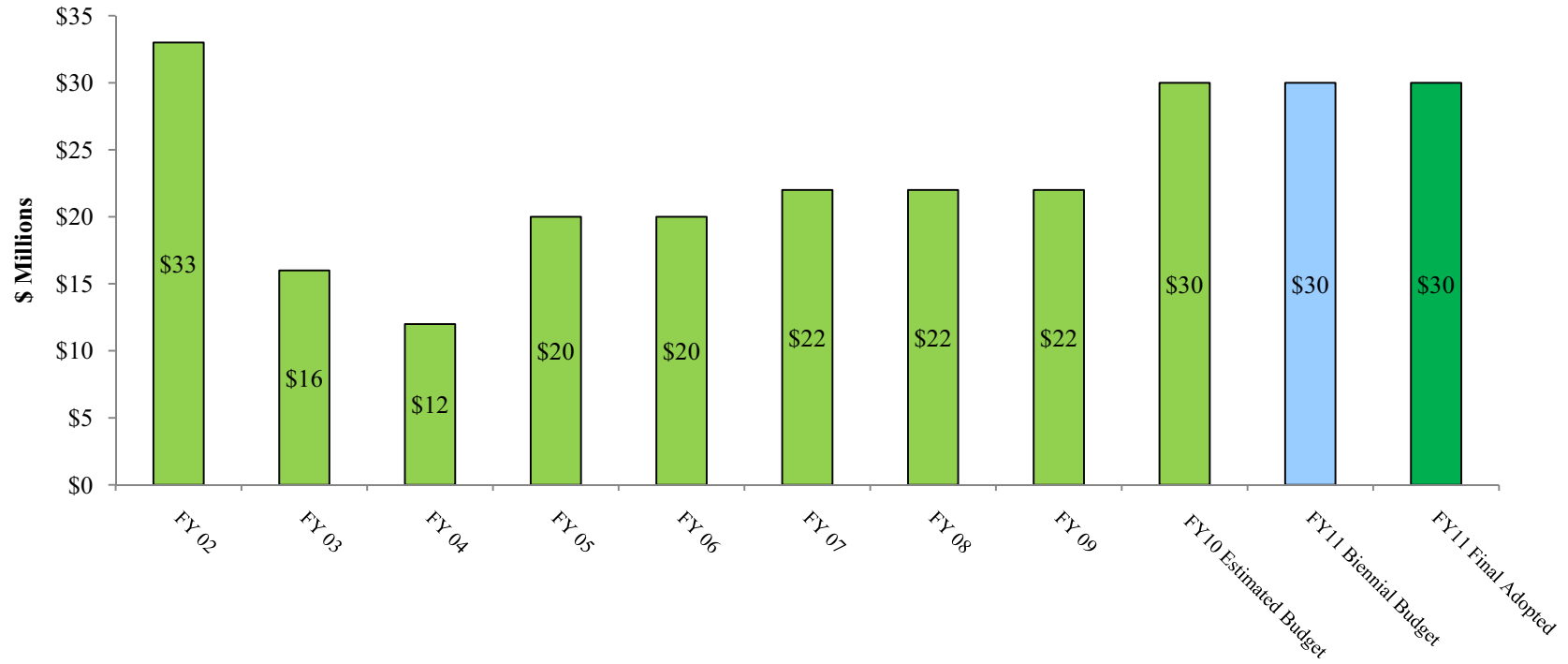


*Excludes PILOT Machinery/Equipment and Commercial Motor Vehicles, which is reimbursement for an expanded state-mandated tax exemption, and thus, is not increased municipal revenue. Funding for that program was reduced (see page 12). These figures do include state-bond funded formula grants.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

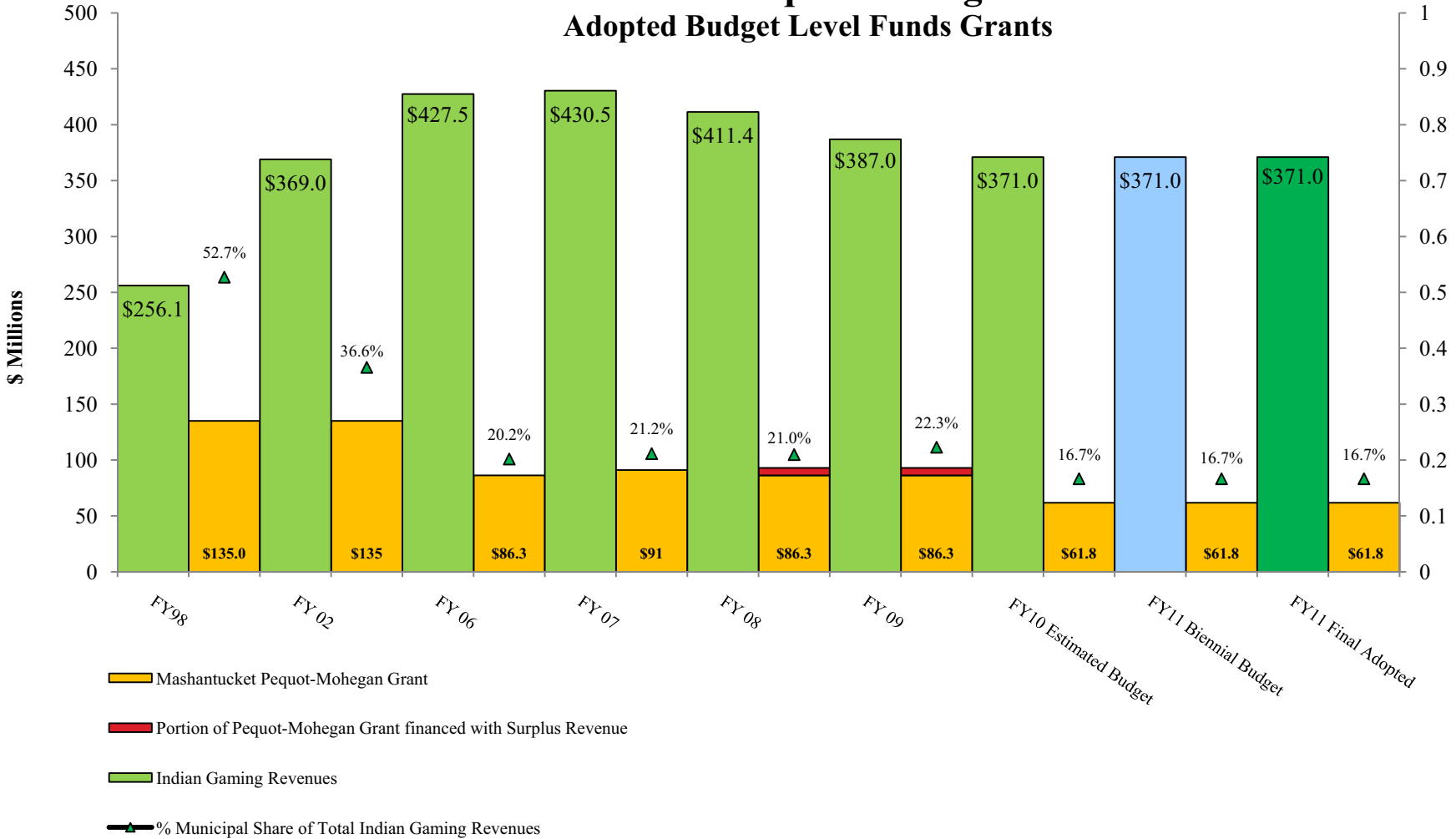
Town Aid Road Grant

Bonded at \$30 Million - Same as FY2010



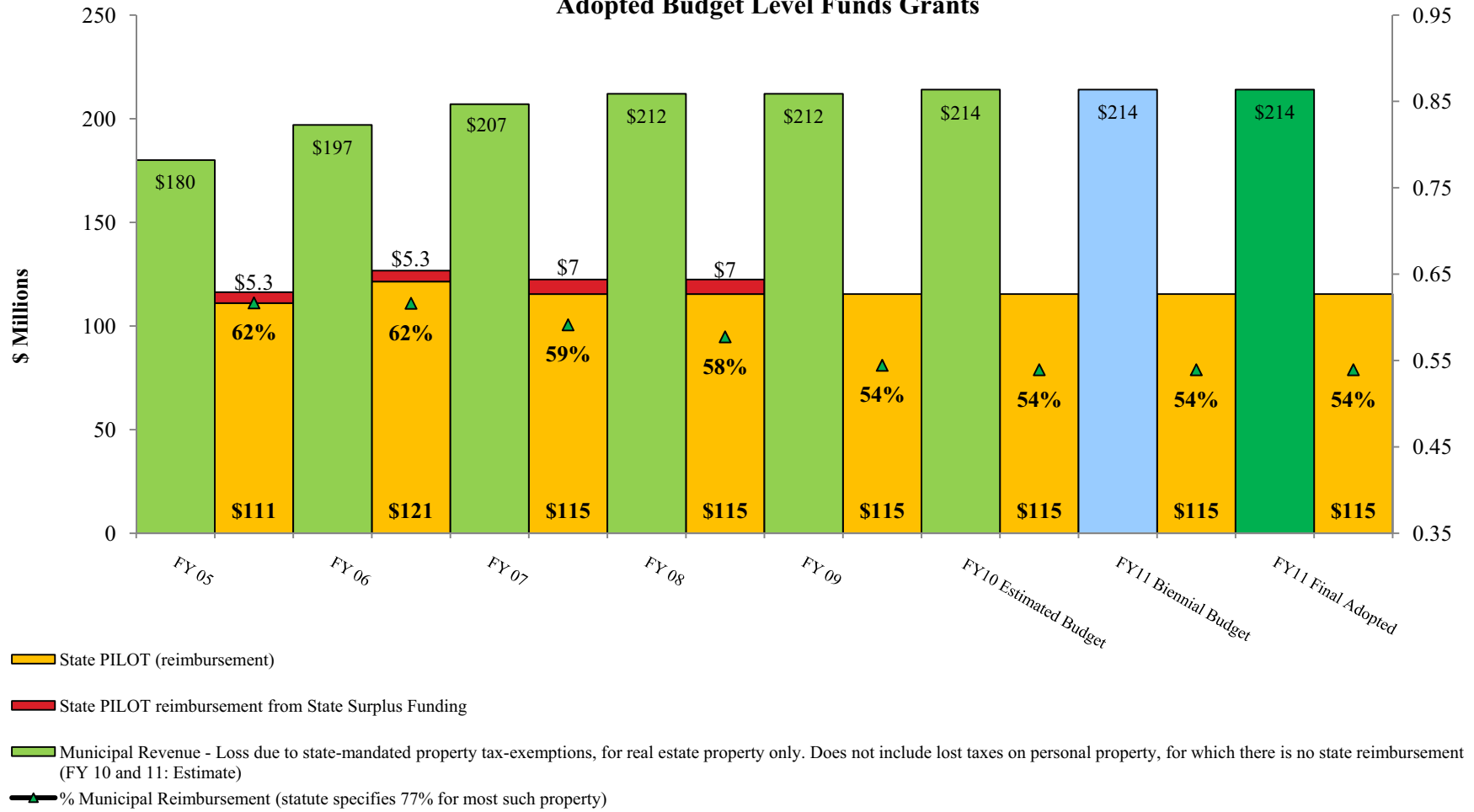
Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

Mashantucket Pequot-Mohegan Grant Adopted Budget Level Funds Grants



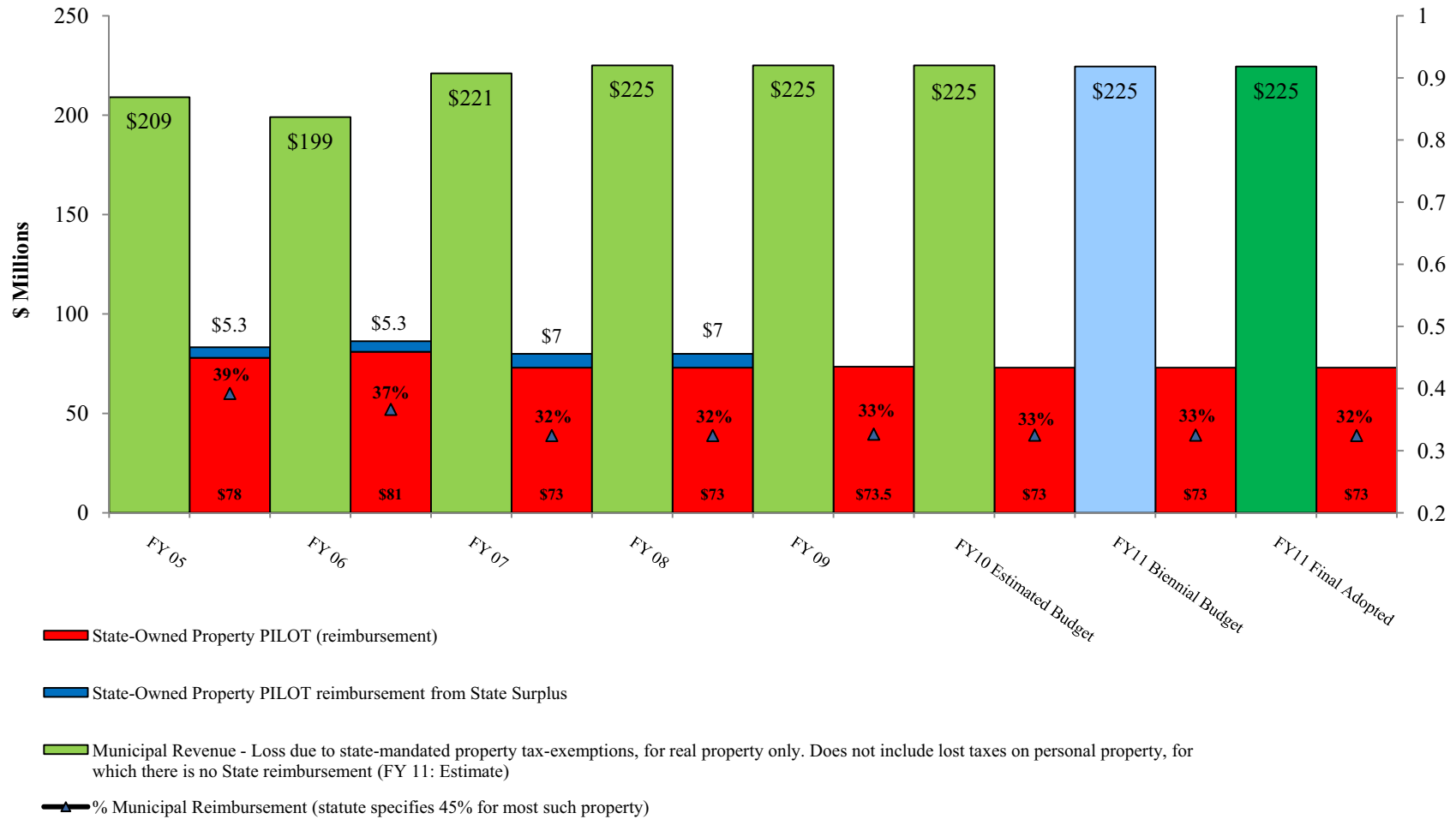
Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

PILOT: Private Colleges and Hospital Property Adopted Budget Level Funds Grants



Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

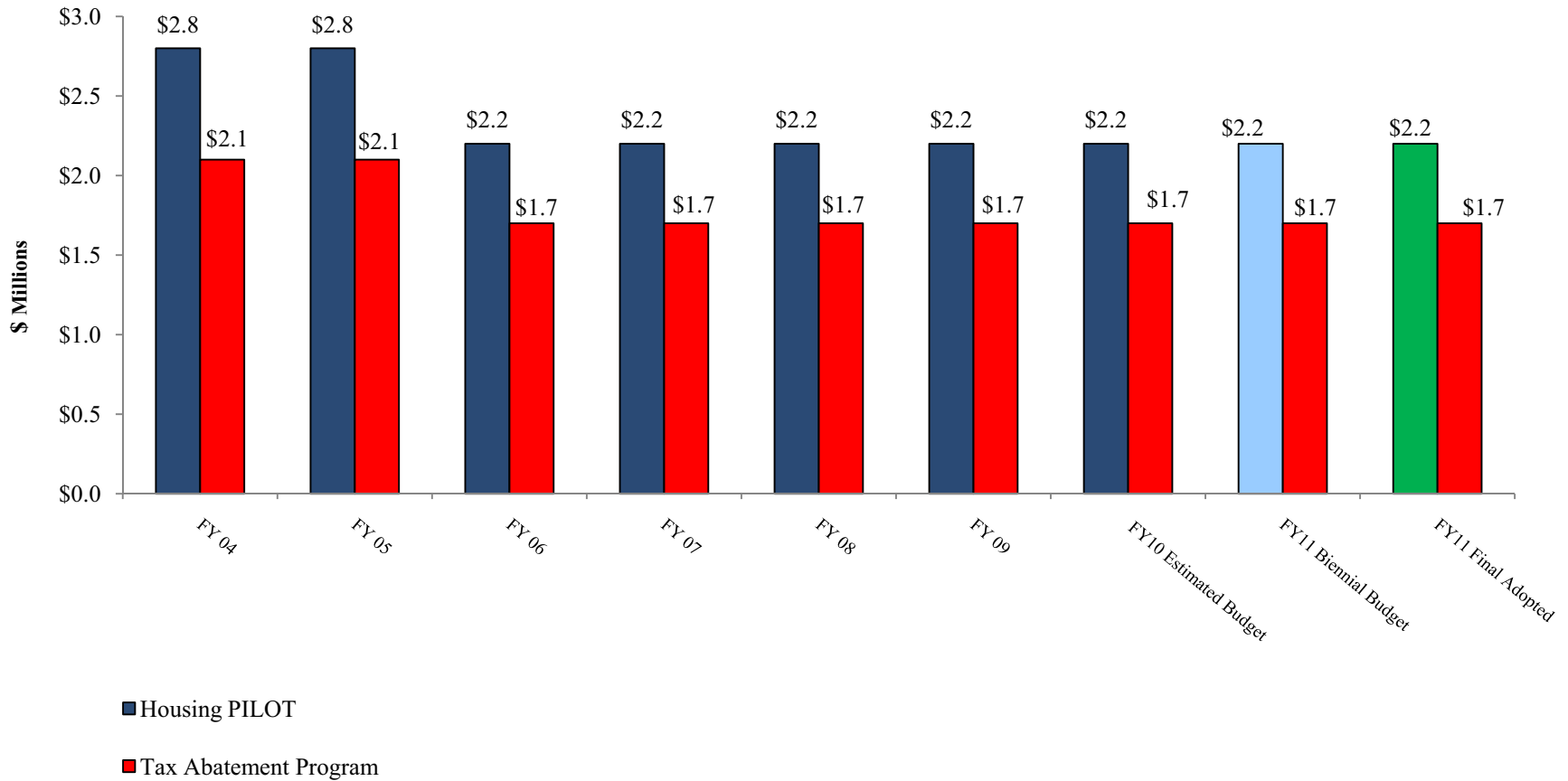
PILOT: State-Owned Property Adopted Budget Level Funds Grants



Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

DECD PILOT and Tax Abatement Grants

Adopted Budget Level Funds Grants from FY2010



Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

PILOT: Manufacturing Machinery & Equipment

Adopted Budget Cuts by \$9.5M from FY2010



The grant has been capped at the level of appropriation, so if the amount payable to municipalities totals more than the amount appropriated, municipalities would absorb the difference.

Source: Previous budgets, FY10-FY11 Biennial Budget, FY11 Revised Budget, and CCM, May 2010.

CCM - Connecticut's Statewide Association of Towns and Cities



The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of cities and towns. CCM represents municipalities at the General Assembly, before the state executive branch and regulatory agencies, and in the courts. CCM provides member cities and towns with a wide array of other services, including management assistance, individualized inquiry service, assistance in municipal labor relations, technical assistance and training, policy development, research and analysis, publications, information programs, and service programs such as workers' compensation, liability-automobile-property insurance, risk management, and energy cost-containment. Federal representation is provided by CCM in conjunction with the National League of Cities. CCM was founded in 1966.

CCM is governed by a Board of Directors, elected by the member municipalities, with due consideration given to geographical representation, municipalities of different sizes, and a balance of political parties. Numerous committees of municipal officials participate in the development of CCM policy and programs. CCM has offices in New Haven (the headquarters) and in Hartford.

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THE VOICE OF LOCAL GOVERNMENT