70 towns and cities would receive decreases in state aid

The Connecticut Conference of Municipalities (CCM) today (Wednesday, March 4) called on the General Assembly’s Appropriations Committee to correct a flaw in the Governor’s proposed budget that would result in property taxpayers in nearly 70 towns and cities, -- urban, suburban and rural -- receiving less state aid for the next fiscal year, than they are receiving this fiscal year.

CCM is very appreciative that Governor Malloy has maintained a commitment to property taxpayers by sparing major municipal state grants from cuts. Due to the fact that some state grants are not fully funded, many communities could receive less funding as a result of shifting grant distributions. CCM will work with the Governor and Legislature to ensure that property taxpayers in each municipality are held harmless.

Here are examples of the cuts, which total over $7 million statewide: Hartford (-$2,553,440); New Haven (-$1,216,132); Bridgeport (-$499,830); West Hartford (-$184,922); West Haven (-$157, 126); Hamden (-$146,132); Milford (-$134,934); Mansfield (-$377,178); Newtown (-$45,374) and East Lyme (-$48,100). See attachment for full list of proposed cuts.

The Governor made this very direct pledge in his budget address -- "I will not sign a budget that is balanced on the backs of our towns or our public schools." This demonstrates a commitment to residential and business property taxpayers.

The main (categorical) state aid grants that aid property taxpayers are protected from cutbacks: the Education Cost Sharing (ECS) Grant; PILOTS for Private Colleges and Hospitals and for State Property; the Pequot/Mohegan Grant, the Town Aid Road (TAR) Grant and the Local Capital Improvement Program (LoCIP). The Governor’s proposed budget will help restrain property taxes in all communities.

Yet, it remains a fact that, (1) after a brief increase, largely due to temporary revenue sharing, the amount of non-education aid provided to towns and cities is set to decrease; (2) the ECS grant remains underfunded by more than $600 million; and (3) special-education costs continue to rise while state reimbursement of those costs has been flat.
Again, as the Governor’s stated to close in his budget address -- Let’s preserve needed local services, and protect public education. Working with the Governor and state legislators, we can address the biggest issues -- ensuring property taxpayers in all towns retain the current level of state aid; eliminating new costly requirements like mandating that small towns pay 100 percent of residential state trooper costs, and enacting meaningful mandate reform.

If the State wants to ensure its economic competiveness, it must start with sustaining its towns and cities. Funding critical local public services come from two primary sources -- the property tax and state aid, and it is increasingly clear that sustaining state aid is an essential component to thwarting the municipal over-reliance on the property tax.

Connecticut’s property-tax system only works fairly -- urban, suburban or rural -- if two conditions exist: the property and income wealth of a community can generate enough property tax revenue at a reasonable cost to taxpayers to meet the need for services -- and or state aid is sufficient to fill local revenue gaps.

CCM now call on state legislators to back the Governor’s call and then also make the necessary legislative improvements to make Connecticut the strong economic engine it must be, and relieve overburdened and overwhelmed property taxpayers.