

May 15, 2026

On May 2, 2026, the Connecticut General Assembly passed a revised budget for fiscal year (FY) 2027.¹ In addition to adjusting appropriations, the adopted budget includes supplemental funding that will directly impact municipalities. These funds are being provided through a one-time exemption to the State's spending cap that allows the State to use surplus revenues from the prior fiscal year (FY 2026) to address extraordinary financial conditions.

As a result, over \$273 million will be distributed to towns in the form of supplemental education funding (\$173 million) and municipal aid (\$100 million). This budget snapshot provides a nonpartisan look at how the supplemental aid will be distributed and the potential implications for municipalities.

Key Municipal Aid Provisions in the Revised FY 2027 State Budget

- **Provides \$100 million in one-time supplemental funding to municipalities in FY 2027.**² These one-time payments to towns are intended to help stabilize local finances and reduce property tax burdens across the state.
- **Includes over \$173 million in supplemental education funding distributed directly to municipalities.** This supplemental funding is intended to support local and regional school districts and help communities address the cumulative effects of inflation and rising education costs. The funding is to be used for educational purposes only and is provided via two new grants: the Supplemental Education Aid grant and the District Relief and Compensatory Use of Learning Aid (DRACULA) grant.
- **Allows municipalities to revise local budgets and adjust mill rates after receiving these supplemental funds.** This provision is intended to support towns that already passed their local budgets prior to the passage of the revised FY 2027 state budget, allowing these municipalities to incorporate the additional funds into their planning.

¹ Conn. Acts 26-68 as amended by Conn. Acts 26-76 and amended further by H.B. 5563 (An Act Concerning Various Criminal Law Proposals) as amended by House Amendment A (LCO #5944) and Senate Amendment A (LCO #6252).

² Section 54(d) of Conn. Acts 26-76 specifies this one-time municipal grant to Bridgeport for FY 2027 is not included in Bridgeport's Minimum Budget Requirement (MBR) for education.

How would these policies impact municipalities?

- **The revised budget provides supplemental municipal aid to help reduce property tax burdens on residents but only for the upcoming fiscal year.** This one-time funding supports municipalities in FY 2027 and potentially delays increases to mill rates or cuts to services. However, because the supplementary municipal aid is provided as a one-time grant, municipalities and taxpayers may continue to face rising fiscal pressures in future years.
- **The supplemental education grants will help municipalities and school districts address the cumulative effects of inflation but are not guaranteed in future years.** Because this funding sits outside the Education Cost Sharing (ECS) grant and will not count toward a town's Minimum Budget Requirement (MBR) in future years, municipalities will likely have to revisit conversations related to increasing education funding needs in future years.³
- **Municipalities that adopted FY 2027 budgets prior to the passage of the revised state budget will have the ability to revise their budgets and potentially reduce mill rates.** This will allow municipalities with adopted FY 2027 budgets to realize the benefits of supplemental funding and potentially provide property tax relief for its residents. *However, if a town adjusts its previously approved FY 2027 budget, it must provide its local or regional board of education with, at a minimum, funding equal to what the town provided in FY 2026 plus the supplemental education funding allocated to the town under the revised state budget.*

Supplemental Municipal Aid Grant

The revised state budget provides \$100 million in one-time municipal aid grants to cities and towns in FY 2027. This supplemental aid is intended to help municipalities manage rising costs and reduce the burden of increasing local property taxes. While these grants will help provide critical tax relief to taxpayers across the state, it is important to emphasize **this funding is temporary and not part of existing municipal aid formulas.**

This municipal aid is provided as a supplemental Mashantucket Pequot and Mohegan grant. The grant is calculated using the existing Mashantucket Pequot and Mohegan grant formula, which allocates funds to municipalities based on the value of their non-taxable property, their population, and their municipal wealth.⁴ While grant amounts are based on the Mashantucket Pequot and Mohegan grant formula, supplemental municipal aid is a separate grant and is not expected to continue in future fiscal years.⁵

³ Though this supplemental education grant sits outside of the ECS grant, the revised state budget does include a provision requiring that ECS funding be increased by \$152.2 million in FY 2028. This figure aligns with an increase in the ECS formula's foundation amount from \$11,525 to \$13,087. For more information, please visit <https://schoolstatefinance.org/hubs/Reports/Revised%20Budget%20for%20FY%202027%20-%20Education%20Funding%20Snapshot.pdf>.

⁴ The value of non-taxable property is measured using historic Payment in Lieu of Taxes (PILOT) grant amounts.

⁵ In recent years, the Mashantucket Pequot and Mohegan grant has not been fully funded and amounts have been allocated outside of the existing formula, resulting in municipalities either receiving grants that are reduced pro-rata or not receiving grants at all. Fully funding this grant would result in additional aid to municipalities.

Supplemental Education Grants

In addition to supplemental municipal aid, the revised state budget also provides over \$173 million in supplemental education funding to municipalities in FY 2027 through two distinct grants: the Supplemental Education Aid grant and the District Relief and Compensatory Use of Learning Aid (DRACULA) grant. Both grants are largely based on calculations from the ECS formula though their funding sits outside the ECS grant.⁶

This supplemental education funding serves two purposes: 1) offsetting the burden on municipalities to raise local tax revenue and 2) providing additional education dollars for districts. It is important to note the revised budget specifies that this supplemental education funding will not be included in the calculation of each town's MBR for FY 2028, meaning municipalities will not become responsible in future fiscal years for providing this supplemental funding to districts.

Other Municipal Aid

In addition to the one-time, supplemental funding provided to municipalities through the grants outlined above, the revised state budget also provides targeted support for select municipalities. Funding is provided through two existing municipal aid programs: 1) supplemental revenue sharing grants and 2) the Mashantucket Pequot and Mohegan Fund. Table 1 below outlines supplemental funding provided to municipalities through these programs for FY 2027. Similar to other supplemental funding, these grants are expected to be one-time payments provided only for FY 2027.

Table 1: Supplemental Municipal Aid through Existing Grants

Program	Municipality	Grant Amount
Supplemental Revenue Sharing Grant	Waterbury	\$3,000,000
	Manchester	\$800,000
	Vernon	\$500,000
Mashantucket Pequot and Mohegan Fund	Montville	\$800,000
	Ledyard	\$800,000

⁶ For more information on how the Supplemental Education Aid grant and DRACULA grant are calculated, please visit <https://schoolstatefinance.org/hubfs/Reports/Revised%20Budget%20for%20FY%202027%20-%20Education%20Funding%20Snapshot.pdf>.

Impact of Supplemental Funding on Municipalities

Supplemental municipal and education aid is expected to help municipalities and school districts fill budget gaps while decreasing mill rates, preventing mill rate increases, or lowering potential mill rate increases for FY 2027. However, while this aid will provide needed relief to municipalities, school districts, and taxpayers, the one-time nature of funding will only delay fiscal pressure on towns, schools, and families across the state.

For some municipalities, the revised state budget was passed after their city or town budget was enacted. To enable these municipalities to fully benefit from the supplemental funding, the revised state budget includes provisions that allow municipalities to revisit FY 2027 budgets that were passed before the revised state budget was approved. These municipalities can choose to adjust their FY 2027 budgets and potentially reduce mill rates to reflect the supplemental state funding and the decreased need in local property tax revenue.

However, if a municipality adjusts its previously approved FY 2027 budget, it must provide its local or regional board of education with, at a minimum, funding equal to what the municipality provided in FY 2026 plus the supplemental education funding allocated to the municipality under the revised state budget for FY 2027. A municipality may not reduce its total appropriation to its local or regional school district(s) below what was originally provided in its approved FY 2027 budget.⁷

For municipalities that have not yet approved their budgets for next year, they must provide their local or regional district(s) at least the amount they provided in FY 2026 plus the full supplemental education funding the municipality received under the FY 2027 revised state budget. For all municipalities, supplemental education funding will not be included in their MBR.

⁷ Section 507 of Senate Amendment A (LCO #6252) of H.B. 5563 (An Act Concerning Various Criminal Law Proposals) exempts the city of Bridgeport from these provisions.

Supplemental Municipal Aid by Town and Grant

Table 2 below contains the municipal aid, by town, from the supplemental grants detailed above. The amounts for each grant are listed along with the total municipal aid in the rightmost column.

Table 2: FY 2027 Municipal Aid by Town and Grant⁸

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Andover	\$17,751	\$40,096	\$40,096	\$97,943
Ansonia	\$261,746	\$939,494	\$0	\$1,201,240
Ashford	\$24,858	\$69,181	\$69,181	\$163,220
Avon	\$60,304	\$173,326	\$0	\$233,630
Barkhamsted	\$20,054	\$29,885	\$29,885	\$79,824
Beacon Falls	\$32,957	\$253,476	\$0	\$286,433
Berlin	\$75,947	\$581,191	\$0	\$657,138
Bethany	\$21,913	\$35,291	\$35,291	\$92,495
Bethel	\$95,477	\$200,953	\$200,953	\$497,383
Bethlehem	\$14,158	\$105,234	\$0	\$119,392
Bloomfield	\$264,102	\$160,957	\$160,957	\$586,016
Bolton	\$29,551	\$53,664	\$53,664	\$136,879
Bozrah	\$12,185	\$23,802	\$23,802	\$59,789
Branford	\$70,511	\$75,457	\$75,457	\$221,425
Bridgeport	\$10,373,486	\$15,015,199	\$0	\$25,388,685
Bridgewater	\$1,831	\$4,415	\$4,415	\$10,661

⁸ Conn. Acts 26-68 as amended by Conn. Acts 26-76 and amended further by H.B. 5563 (An Act Concerning Various Criminal Law Proposals) as amended by House Amendment A (LCO #5944) and Senate Amendment A (LCO #6252).

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Bristol	\$991,338	\$4,528,816	\$0	\$5,520,154
Brookfield	\$46,102	\$27,584	\$27,584	\$101,270
Brooklyn	\$106,086	\$139,394	\$139,394	\$384,874
Burlington	\$44,057	\$280,369	\$0	\$324,426
Canaan	\$29,770	\$2,515	\$2,515	\$34,800
Canterbury	\$36,403	\$80,097	\$80,097	\$196,597
Canton	\$29,695	\$81,370	\$81,370	\$192,435
Chaplin	\$155,805	\$33,043	\$33,043	\$221,891
Cheshire	\$715,676	\$849,486	\$0	\$1,565,162
Chester	\$21,671	\$125,301	\$0	\$146,972
Clinton	\$51,998	\$103,842	\$103,842	\$259,682
Colchester	\$116,408	\$240,804	\$240,804	\$598,016
Colebrook	\$6,257	\$8,078	\$8,078	\$22,413
Columbia	\$22,616	\$46,324	\$46,324	\$115,264
Cornwall	\$7,988	\$644	\$644	\$9,276
Coventry	\$61,253	\$159,058	\$159,058	\$379,369
Cromwell	\$66,024	\$520,405	\$0	\$586,429
Danbury	\$1,592,148	\$2,952,103	\$0	\$4,544,251
Darien	\$28,726	\$60,986	\$0	\$89,712
Deep River	\$18,488	\$33,522	\$33,522	\$85,532
Derby	\$426,691	\$219,809	\$219,809	\$866,309
Durham	\$25,339	\$65,865	\$65,865	\$157,069

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
East Granby	\$30,354	\$255,098	\$0	\$285,452
East Haddam	\$35,476	\$71,119	\$71,119	\$177,714
East Hampton	\$104,793	\$139,219	\$139,219	\$383,231
East Hartford	\$1,390,427	\$6,938,531	\$0	\$8,328,958
East Haven	\$342,732	\$541,052	\$259,186	\$1,142,970
East Lyme	\$536,657	\$121,530	\$121,530	\$779,717
East Windsor	\$77,422	\$113,382	\$113,382	\$304,186
Eastford	\$14,635	\$18,944	\$18,944	\$52,523
Easton	\$20,603	\$8,972	\$3,113	\$32,688
Ellington	\$64,632	\$206,833	\$206,833	\$478,298
Enfield	\$575,188	\$1,019,672	\$173,274	\$1,768,134
Essex	\$15,263	\$4,311	\$4,311	\$23,885
Fairfield	\$818,108	\$122,691	\$0	\$940,799
Farmington	\$1,669,896	\$74,160	\$74,160	\$1,818,216
Franklin	\$15,866	\$14,725	\$14,725	\$45,316
Glastonbury	\$76,932	\$134,346	\$134,346	\$345,624
Goshen	\$7,837	\$8,065	\$8,065	\$23,967
Granby	\$40,940	\$655,539	\$0	\$696,479
Greenwich	\$161,948	\$110,062	\$0	\$272,010
Griswold	\$171,970	\$735,679	\$0	\$907,649
Groton	\$2,239,466	\$500,801	\$500,801	\$3,241,068
Guilford	\$52,719	\$35,322	\$35,322	\$123,363

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Haddam	\$42,348	\$153,075	\$4,607	\$200,030
Hamden	\$1,572,111	\$2,227,363	\$0	\$3,799,474
Hampton	\$14,776	\$21,168	\$21,168	\$57,112
Hartford	\$13,107,801	\$20,530,197	\$0	\$33,637,998
Hartland	\$27,482	\$21,434	\$21,434	\$70,350
Harwinton	\$25,174	\$253,904	\$0	\$279,078
Hebron	\$30,258	\$119,954	\$119,954	\$270,166
Kent	\$15,707	\$1,532	\$138	\$17,377
Killingly	\$333,903	\$311,488	\$311,488	\$956,879
Killingworth	\$30,712	\$44,145	\$44,145	\$119,002
Lebanon	\$41,770	\$91,572	\$91,572	\$224,914
Ledyard	\$1,703,834	\$240,652	\$240,652	\$2,185,138
Lisbon	\$42,901	\$57,990	\$57,990	\$158,881
Litchfield	\$35,537	\$123,294	\$0	\$158,831
Lyme	\$7,909	\$6,428	\$6,428	\$20,765
Madison	\$205,858	\$7,909	\$7,909	\$221,676
Manchester	\$1,001,403	\$5,247,464	\$0	\$6,248,867
Mansfield	\$2,613,732	\$262,244	\$262,244	\$3,138,220
Marlborough	\$30,635	\$59,042	\$59,042	\$148,719
Meriden	\$1,518,429	\$7,755,320	\$0	\$9,273,749
Middlebury	\$33,414	\$54,899	\$54,899	\$143,212
Middlefield	\$16,332	\$42,007	\$42,007	\$100,346

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Middletown	\$2,348,250	\$2,656,038	\$0	\$5,004,288
Milford	\$667,970	\$193,465	\$193,465	\$1,054,900
Monroe	\$51,404	\$105,459	\$105,459	\$262,322
Montville	\$2,090,413	\$256,057	\$256,057	\$2,602,527
Morris	\$7,647	\$6,225	\$6,225	\$20,097
Naugatuck	\$418,778	\$1,438,012	\$0	\$1,856,790
New Britain	\$4,671,689	\$13,292,120	\$0	\$17,963,809
New Canaan	\$14,857	\$59,493	\$0	\$74,350
New Fairfield	\$42,694	\$69,622	\$69,622	\$181,938
New Hartford	\$22,147	\$172,353	\$0	\$194,500
New Haven	\$12,419,995	\$7,652,745	\$0	\$20,072,740
New London	\$2,912,568	\$1,926,108	\$0	\$4,838,676
New Milford	\$188,992	\$232,906	\$232,906	\$654,804
Newington	\$453,379	\$928,230	\$0	\$1,381,609
Newtown	\$216,181	\$89,914	\$89,914	\$396,009
Norfolk	\$27,508	\$1,108	\$1,108	\$29,724
North Branford	\$49,136	\$146,627	\$146,627	\$342,390
North Canaan	\$36,047	\$138,210	\$0	\$174,257
North Haven	\$265,182	\$87,989	\$87,989	\$441,160
North Stonington	\$1,336,723	\$53,206	\$53,206	\$1,443,135
Norwalk	\$1,432,992	\$1,959,389	\$0	\$3,392,381
Norwich	\$3,126,949	\$5,913,205	\$0	\$9,040,154

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Old Lyme	\$17,974	\$29,897	\$29,897	\$77,768
Old Saybrook	\$29,797	\$12,132	\$0	\$41,929
Orange	\$86,627	\$20,310	\$20,310	\$127,247
Oxford	\$103,082	\$73,540	\$73,540	\$250,162
Plainfield	\$283,649	\$307,289	\$307,289	\$898,227
Plainville	\$121,099	\$745,435	\$0	\$866,534
Plymouth	\$133,545	\$196,042	\$196,042	\$525,629
Pomfret	\$32,424	\$53,420	\$53,420	\$139,264
Portland	\$52,900	\$527,951	\$0	\$580,851
Preston	\$1,807,504	\$59,050	\$59,050	\$1,925,604
Prospect	\$47,719	\$116,728	\$116,728	\$281,175
Putnam	\$164,942	\$166,806	\$166,806	\$498,554
Redding	\$48,331	\$19,287	\$0	\$67,618
Ridgefield	\$44,831	\$19,656	\$3,092	\$67,579
Rocky Hill	\$471,899	\$1,259,142	\$0	\$1,731,041
Roxbury	\$2,027	\$4,951	\$4,951	\$11,929
Salem	\$35,835	\$50,502	\$50,502	\$136,839
Salisbury	\$5,599	\$1,447	\$1,447	\$8,493
Scotland	\$19,307	\$25,493	\$25,493	\$70,293
Seymour	\$114,457	\$238,227	\$238,227	\$590,911
Sharon	\$10,902	\$600	\$600	\$12,102
Shelton	\$135,076	\$317,310	\$46,190	\$498,576

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Sherman	\$3,450	\$38,467	\$0	\$41,917
Simsbury	\$76,945	\$165,475	\$165,475	\$407,895
Somers	\$425,850	\$113,853	\$113,853	\$653,556
South Windsor	\$77,457	\$228,162	\$228,162	\$533,781
Southbury	\$115,615	\$732,698	\$0	\$848,313
Southington	\$181,419	\$416,967	\$416,967	\$1,015,353
Sprague	\$45,613	\$66,065	\$42,205	\$153,883
Stafford	\$161,510	\$191,030	\$191,030	\$543,570
Stamford	\$1,550,880	\$1,441,637	\$0	\$2,992,517
Sterling	\$56,351	\$63,492	\$63,492	\$183,335
Stonington	\$40,066	\$21,460	\$21,460	\$82,986
Stratford	\$406,351	\$1,119,920	\$92,255	\$1,618,526
Suffield	\$516,210	\$699,245	\$0	\$1,215,455
Thomaston	\$42,738	\$109,625	\$109,625	\$261,988
Thompson	\$71,358	\$150,694	\$150,694	\$372,746
Tolland	\$52,389	\$182,111	\$182,111	\$416,611
Torrington	\$743,529	\$2,752,854	\$0	\$3,496,383
Trumbull	\$125,054	\$68,341	\$68,341	\$261,736
Union	\$37,619	\$38,171	\$0	\$75,790
Vernon	\$325,941	\$3,276,608	\$0	\$3,602,549
Voluntown	\$172,490	\$42,345	\$42,345	\$257,180
Wallingford	\$270,800	\$425,723	\$425,723	\$1,122,246

Municipality	Municipal Aid Grant	Supplemental Education Aid Grant	DRACULA Grant	Total (Municipal Aid + Suppl. Ed + DRACULA)
Warren	\$1,732	\$3,475	\$3,475	\$8,682
Washington	\$8,299	\$7,401	\$7,401	\$23,101
Waterbury	\$5,114,077	\$14,775,836	\$0	\$19,889,913
Waterford	\$171,858	\$15,582	\$0	\$187,440
Watertown	\$278,092	\$1,454,776	\$0	\$1,732,868
West Hartford	\$392,543	\$2,824,592	\$0	\$3,217,135
West Haven	\$1,336,369	\$4,946,153	\$0	\$6,282,522
Westbrook	\$46,507	\$3,846	\$0	\$50,353
Weston	\$6,109	\$5,276	\$5,276	\$16,661
Westport	\$188,683	\$81,474	\$0	\$270,157
Wethersfield	\$366,924	\$1,009,684	\$0	\$1,376,608
Willington	\$55,458	\$69,132	\$69,132	\$193,722
Wilton	\$45,578	\$25,737	\$0	\$71,315
Winchester	\$136,056	\$160,499	\$160,499	\$457,054
Windham	\$1,819,472	\$3,759,271	\$0	\$5,578,743
Windsor	\$154,121	\$242,608	\$242,608	\$639,337
Windsor Locks	\$745,276	\$214,929	\$0	\$960,205
Wolcott	\$95,678	\$247,743	\$247,743	\$591,164
Woodbridge	\$13,949	\$26,948	\$0	\$40,897
Woodbury	\$26,755	\$250,602	\$0	\$277,357
Woodstock	\$32,548	\$99,811	\$99,811	\$232,170