



Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

August 2, 2017

Secretary Ben Barnes
Office of Policy and Management
450 Capitol Ave.
Hartford, CT 06106

Dear Secretary Barnes:

As we know, municipal aid accounts for our single largest state expenditure – more than \$5 billion of our state budget. The vast majority of that funding is for educational aid, which amounts to \$4.1 billion, or 81 percent, of all state funding given to local government.

In recent years, I have made it a priority to protect aid to municipalities. In contrast, we have made drastic changes to how we fund other areas of state government – both in total funding and in our rationale for how limited dollars are allocated. We've reduced state services; we've cut funding to private providers; we've asked state employees to come to the table with concessions; and we've raised revenues. Throughout all of this, we've held town aid harmless. In fact, it could be said that we have sacrificed state services and raised revenues *in order* to shield town government from facing difficult choices required of state leaders and implementing reforms.

As our state struggles to finalize a biennial budget, how we fund our single largest expenditure must be on the table for discussion with the General Assembly and the public. If we fail to recalibrate aid based on shifting local demographics, economies, and need, we risk perpetuating an inequitable distribution of burden among our communities. We risk not investing in the communities that should be our assets in attracting economic development, young professionals, and families.

Therefore, in an effort to inform and facilitate the budget process now underway, I ask that you send me information and analysis regarding municipal aid, local tax levels, expenditure trends, fund balances, and any other criteria that could better inform our decisions. These reports should include both historic trends and current fiscal conditions. They should also be shared publicly when completed.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in blue ink, reading "Dannel P. Malloy".

Governor Dannel P. Malloy