

February 4, 2009

**PLEASE DELIVER IMMEDIATELY TO MAYOR, FIRST SELECTMAN,  
CITY/TOWN MANAGER & FINANCE DIRECTOR**

**Governor's Proposed Budget Impact on:  
Essex**

Today, February 4, 2009 the Governor released her proposed budget for FY 2009-10 and FY 2010-11. The Governor has proposed level-funding the following programs: Education Cost Sharing, Special Education, School Transportation, Adult Education and Priority School Districts. Please note grants to individual cities and towns may vary due to changes in grant formula elements.

The Governor has also proposed level-funding major non-education grants. However, because state surplus money was used in the past biennium to supplement state general fund appropriations, the result will be reductions in the following programs: TAR (\$8 million reduction), PILOTs (\$7 million reduction) and the Pequot Mohegan Fund (\$6.7 million reduction). PILOT for new Manufacturing Machinery and Equipment will be level funded and capped at the level of appropriation, with proportional reductions if necessary. Below is CCM's preliminary analysis of the impacts on Essex under this plan for certain key grant programs.

| Grant  | Current Year     | Governor's Proposal |                  | Governor's Proposal (FY 2009-10) over Current Year (FY 2008-09) |               |
|--|------------------|---------------------|------------------|---|---------------|
|  | FY 2008-09       | FY 2009-10          | FY 2010-11       | Change:   |               |
|  | (\$)             | (\$)                | (\$)             | (\$)  | (%)           |
| <b><u>Education</u></b>                            |                  |                     |                  |   |               |
| Adult Education                                    | \$0              | \$0                 | \$0              | \$0   | n/a           |
| ECS Grant  | \$389,697        | \$389,697           | \$389,697        | \$0   | .00%          |
| Non-public School Transportation                   | \$0              | \$0                 | \$0              | \$0   | n/a           |
| Public School Transportation                       | \$1,976          | \$1,970             | \$1,970          | \$- 6   | .00%          |
| <b><i>Sub-Total: Education</i></b>                 | <b>\$391,673</b> | <b>\$391,667</b>    | <b>\$391,667</b> | <b>\$- 6</b>  | <b>.00%</b>   |
| <b><u>Non-Education</u></b>                        |                  |                     |                  |   |               |
| Local Capital Improvement                          | \$41,636         | \$41,875            | \$41,875         | \$ 239  | .01%          |
| Pequot-Mohegan Grant                               | \$26,866         | \$16,066            | \$16,066         | \$-10,800   | - .40%        |
| PILOT: Colleges & Hospitals                        | \$14,139         | \$12,029            | \$12,029         | \$-2,110  | - .15%        |
| PILOT: State-owned Property                        | \$8,416          | \$7,156             | \$7,156          | \$-1,260  | - .15%        |
| Town Aid Road Grant                                | \$109,012        | \$79,942            | \$79,942         | \$-29,070   | - .27%        |
| <b><i>Sub-Total: Non-Education</i></b>             | <b>\$200,069</b> | <b>\$157,068</b>    | <b>\$157,068</b> | <b>\$-43,001</b>  | <b>- .21%</b> |
| <b><i>Total: Education &amp; Non-Education</i></b> | <b>\$591,742</b> | <b>\$548,735</b>    | <b>\$548,735</b> | <b>\$-43,007</b>  | <b>- .07%</b> |

\*Some grants are not listed because town-by-town amounts are not currently available. Many of these grants will be featured in an upcoming CCM report.