

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MEETING NOTICE AND AGENDA
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, April 30, 2026, 10:00 AM–12:00 PM

Meeting Location: This will be a virtual meeting.
Meeting materials may be accessed at the following website:
<https://portal.ct.gov/OPM/Marb/Hartford-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 480 417 775

Agenda

- I. Call to Order & Opening Remarks
- II. Approval of Minutes:
 - a. September 17, 2025, Special Meeting
- III. Review and Discussion: Board of Education FY 2027 Budget
- IV. Update - CT Department of Education Report on Hartford Schools Action to Address District Needs
- V. Review, Discussion and Possible Action: Mayor's FY 2027 Recommended Budget
- VI. Review and Discussion: Hartford 5-Year Plan
- VII. Status Update – Issuance General Obligation Bonds and Leasing Equipment
- VIII. Other
- IX. Adjourn

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
SPECIAL MEETING MINUTES

Hartford Subcommittee of the MARB

Meeting Date and Time: Wednesday, September 17, 2025, at 10:00 AM

Meeting Location: Legislative Office Building
Hearing Room 1C
300 Capitol Avenue
Hartford, CT 06106

Meeting materials can be found at:

<https://portal.ct.gov/OPM/Marb/Full-Board-Meetings-and-Materials>

Call-In Instructions: Telephone: 1-860-840-2075
Meeting ID: 453 301 191#

Members in Attendance: Secretary Jeffrey Beckham, David Biller, Stephen Falcigno, Lisa Hammersley, and Robert White.

Municipal Officials in Attendance: Mayor Arunan Arulampalam, Julian Freund, Lee Ann Rails, Dr. Andrae Townsel, and Caitlin Richard.

Staff in Attendance: Kimberly Kennison, James Caley, Kathy Dempsey, Martin Heft (arrived at 10:30am), John Mehr, Simon Jiang, Rachel Moser and Lori McLoughlin. TEAMS: Bill Plummer and Michael Reis.

I. Call to Order & Opening Remarks by Secretary Jeffrey Beckham

The Special Meeting was called to order at 10:09 a.m. Secretary Beckham noted that he was chairing the Special Subcommittee meeting in the interest of efficiency. As required by Public Act 25-174, Section 139, the City of Hartford is mandated to meet with the Secretary by October 1, 2025, to discuss actions being taken by the City to reduce reliance on Supplemental Grants-in-Aid funded by the State.

Secretary Beckham recognized Mr. White, who is stepping down from the MARB, by expressing his gratitude for Mr. White's service and acknowledging the valuable knowledge and experience he brought to the MARB.

Mr. White reflected on the knowledge, perspective, and renewed sense of purpose he gained through his service on the MARB, highlighting the board's collaborative, solutions-focused approach. He expressed his appreciation to the OPM staff for their patience and professionalism and extended his best wishes to all moving forward.

II. Approval of Meeting Minutes of May 1, 2025

Ms. Hammersley made a motion to approve the Minutes, with a second by Mr. White. The Minutes were approved, with Secretary Beckham abstaining.

III. Introduction of New Superintendent of Hartford Public Schools – Dr. Andrae Townsel

Secretary Beckham welcomed Dr. Townsel to the Hartford MARB Subcommittee asking him to introduce himself to the subcommittee and to provide his plans for the Hartford Public School System. Dr. Townsel gave a brief overview of his professional background and experience. He stated that his goal is to serve long-term as the Superintendent, to drive sustainable change, and to restructure for the future that will benefit educational opportunities and sport programs.

IV. Review and Discussion: Hartford Public Schools 5-Year Plan

Ms. Richard presented Hartford Public Schools' (HPS) revised 5-Year Budget Forecast FY 2026 to FY2031. Highlighting both structural challenges and potential strategic responses. The forecast was prepared using 10 years of historical data, with a weighted methodology emphasizing the most recent three years. The plan forecasts for continuing enrollment decline and flat revenue growth with decreases in the Magnet Operating Grant due to fewer students. Education Cost Sharing (ECS) funding is assumed to be flat post-FY26, while Federal grants show slight growth but face potential FY27 risks with the current Administration. Private and Medicaid billing revenues are expected to increase modestly. ESSER funds were excluded to avoid skewing trends. On the expenditures side, salaries and benefits are major cost components with contractual raises that could be offset by projected staffing reductions. Tuition paid to other school districts is rising approximately 6% annually and this accounts for 27% of the budget. Transportation expenses grow by 4.2% yearly, with a high percentage being for students attending schools outside the district and many requiring door-to-door service. Ms. Hammersley requested clarification on the estimated transportation expenses for students' exercising choice. Ms. Richard stated that 75% of the \$35 million is door-to-door transportation. Utilities costs increase by 8.42% yearly. The HPS overall vacancies rate dropped significantly for certified teachers to 4% from 13% last year. Special Education teachers' vacancies rate is currently at 9%, down from 25% last year.

HPS is projecting growing annual deficits over the next several years. The forecast reflects flat or declining revenue against steadily rising expenditures, particularly from tuition and transportation. The structural nature of the deficit mirrors a long-standing pattern, temporarily masked by federal relief (ESSER). The gap between revenue received for Hartford resident students attending non-HPS schools and the expenses to support those students (especially tuition and transportation) is a major contributor to the deficit that is estimated at \$30M in FY26, mirroring this year's budget gap. School consolidation is estimated to save \$1 million per school. The reduced special education teacher vacancy rate is a key strategic goal for HPS to retain more students in-district and to reduce the number of high-cost outplacements. The school choice funding model contributes significantly to the structural deficit. Despite receiving ECS funds for resident students, HPS incurs increasing tuition and transportation costs when students leave the district. District leadership expressed interest in collaborating with the State to explore policy changes that include revisiting how revenue follows students, introducing more equitable cost-sharing models, and investigating income-based special education support. Secretary Beckham mentions that the State acknowledged these concerns and noted ongoing efforts, including the State increasing resources for special education, developing standards and rate reforms for special education service providers, and continuing the post-Sheff transition process around school choice.

The Subcommittee engaged in discussions around structural financial challenges in education, particularly related to school choice, special education, and state-mandated costs.

Mr. White emphasized the importance of focusing on school choice and special education, noting concerns about decision-making processes that often exclude cost considerations. Questioning whether State mandates could be restructured to reduce the burden on cities. Exploring income-based models for

special education and potential reforms to the Sheff v. O’Neill settlement with legal or policy changes that the State might implement to create a more sustainable and equitable funding model.

Secretary Beckham acknowledged the concerns and emphasized the need for partnership between the State and municipalities, rather than an adversarial relationship. He noted recent efforts by the State to provide additional special education funding and improve cost transparency and standards. Regarding school choice, the Secretary acknowledged the complexity and political sensitivity of the issue but expressed openness to exploring innovative solutions and committed to having staff follow up on the discussion. The Secretary also highlighted the need to "lean into rightsizing" as a more immediately actionable strategy.

Dr. Townsel and his team welcomed the suggestion and expressed openness to exploring any approaches that promote sustainability and student-centered outcomes, adding that long-term solutions would require both internal restructuring and State partnership. Ms. Richard proposed a funding model where revenue follows the student, creating financial incentives for better local decision-making and cost control, rather than just increasing State aid.

Ms. Kennison acknowledged the Superintendent’s team for their progress in reducing special education staffing vacancies from 25% to 9%. She also noted that at a prior subcommittee meeting with the previous HPS administration, Mr. Hamilton, a MARB member, shared a special education model that he implemented in Norwalk suggesting that it could be beneficial for the HPS board to learn about this model and plan to build an in district special education model.

V. Review and Discussion: City and Board of Education 5-Year Plan

Mayor Arulampalam started by recognizing Mr. White service on the MARB and the potential Dr. Townsell brings to the Hartford School District. The Mayor discussed the City’s five-year financial plan that was recently approved by the MARB. The projected fund balance is expected to grow from \$10.7 million to \$12.7 million over the five-year horizon. The City recently had bond rating upgrades and no new financial reporting deficiencies in the past three years of financial audits. In addition to the Minimum Budget Requirement (MBR) of \$96.0 million, the City did provide an additional \$4.5 million from the surplus to the FY26 school budget and is considering additional long-term contributions.

The Mayor emphasized the three-way partnership between the State, City, and Board of Education. He talked about a Harvard fellow working for this City this summer will be exploring shared services between Hartford and East Hartford. The Mayor addressed the pension liability, that is 8.8% of the City budget and that a new task force is looking at retirees’ benefits and at structural reforms to improve long-term sustainability. Also, the City is working with USI Consulting Group to model financial scenarios. On the economic side, a major concern is downtown office vacancies. The City is collaborating with the State to convert some of those office buildings into residential space to boost tax revenue and to stabilize the grand list. The Internal Service Funds deficit is mainly due to Incurred-But-Not-Reported (IBNR) liabilities in the workers compensation and medical claims. Budgetary contributions to these funds are increasing to address long-term stability.

VI. Discussion: City and Board of Education Mitigation Plan

a. Plan to Mitigate Reliance on Future Supplemental Grant Funds

Secretary Beckham mentioned that according to Section 139 of P.A. 25-174 municipalities are required to meet with the Secretary of OPM about Supplemental Grants-in-Aid funding by the 1st of October.

Therefore, the City of Hartford is required to meet with Secretary Beckham by October 1st to discuss the \$8.0 million in Supplemental Grants-in-Aid funding before receiving it from the State. Mayor Arulampalam stated that the City plans to use the supplemental grant funds primarily for road-related capital improvements. The City has been deferring infrastructure investments and the longer the delay only increases the expense. The residents are seeing the impact of the lack of investment has on the streets. The Mayor mentioned this will be used to address immediate capital needs including the replacement of the 27 of the 29 City's trash trucks that are past their useful life and the police cars with rotted out floors that the officers can see the road below. In addition, the use of grant funds could delay the need for bonding.

Mayor Arulampalam stated that some Board of Education mitigation plans include school right sizing, keeping the students in the district by meeting classroom needs as well as sports, art or music activities, and addressing those special education costs that tend to rise precipitously. The Mayor and the Superintendent have had conversations about consolidation of back-end functions. This is something both want to do but be thoughtful to ensure that it is not done in a haphazard matter. The Mayor stated that this year the City and the Hartford Foundation are introducing the "Hartford Promise" for all those Hartford students that get a 3.0 GPA and have 93% attendance will get \$100,000 for college. This will help those families that are considering pulling their kids out of middle school or high school to reconsider the decision.

The Mayor mentions looking at shared services with the Town of East Hartford. A task force was created last year to come up with its first set of recommendations. Also, contemplating the potential of sharing of departments as an attempt at regionalization. He did talk about trying to reduce pension liability. With this being about 8.8% of the budget, the City has impaneled the Cost-of-Living Adjustment (COLA) Task Force, including some retirees, to look at the COLA in the pension and also look at the structural makeup of the plans.

The Mayor discussed economic development being important for the sustainability and the growth of the grand list that is essential to the future financial health of the City. A concern is with the large downtown office buildings that are probably between 40% to 43% vacant. Hartford is part of a task force studying office vacancy to come up with estimates of the cost of rightsizing office space and the option of converting to residential.

VII. Closing Remarks

There were no closing remarks.

VIII. Adjourn

Mr. Biller moved to adjourn the meeting, with a second by Mr. Falcigno. The meeting adjourned at 11:05 AM.

Set the bar. Meet the bar. Exceed the bar. Raise the bar!

FY27 BOE Budget: Itemized List of Expenditures



Dr. Andrae Townsel, Superintendent
Caitlin Richard, CFO
4/30/2026



Agenda



- Overview of Fiscal Context
- FY27 Itemized Estimate of Expenditures
- Next Steps

| Distribution Grade | State | Low-Poverty | High-Poverty | Funding Distribution: Advantage (+) / Disadvantage (-) in High-Poverty Districts |
|--------------------|----------------|-------------|--------------|--|
| A | Utah | \$11,775 | \$18,794 | 60% |
| | California | \$16,942 | \$24,087 | 42% |
| | Wyoming | \$18,388 | \$25,564 | 39% |
| | Minnesota | \$15,987 | \$21,709 | 36% |
| | New Mexico | \$14,629 | \$19,395 | 33% |
| | Maryland | \$17,432 | \$22,045 | 26% |
| | Alaska | \$15,343 | \$19,216 | 25% |
| | South Dakota | \$13,213 | \$16,529 | 25% |
| | Delaware | \$17,900 | \$21,950 | 23% |
| | Nebraska | \$15,968 | \$19,124 | 20% |
| B | Colorado | \$16,247 | \$18,861 | 16% |
| | Montana | \$13,594 | \$15,733 | 16% |
| | Ohio | \$16,378 | \$18,775 | 15% |
| C | Arkansas | \$12,336 | \$13,693 | 11% |
| | Georgia | \$15,461 | \$16,662 | 8% |
| | Massachusetts | \$18,025 | \$19,216 | 7% |
| | North Carolina | \$11,976 | \$12,588 | 5% |
| | Nevada | \$12,602 | \$13,228 | 5% |
| | Wisconsin | \$17,164 | \$18,014 | 5% |
| | New York | \$28,938 | \$30,301 | 5% |
| | Indiana | \$15,744 | \$16,377 | 4% |
| | Louisiana | \$15,182 | \$15,651 | 3% |
| | Kansas | \$16,709 | \$17,207 | 3% |
| D | Kentucky | \$16,390 | \$16,831 | 3% |
| | Virginia | \$15,880 | \$16,223 | 2% |
| | Mississippi | \$13,048 | \$13,265 | 2% |
| | Arizona | \$12,258 | \$12,424 | 1% |
| | Iowa | \$15,305 | \$15,472 | 1% |
| | New Jersey | \$23,465 | \$23,652 | 1% |
| | South Carolina | \$17,583 | \$17,691 | 1% |
| | Texas | \$13,708 | \$13,628 | -1% |
| | Oklahoma | \$12,576 | \$12,501 | -1% |
| | Rhode Island | \$19,414 | \$19,136 | -1% |
| E | Idaho | \$11,589 | \$11,119 | -4% |
| | Illinois | \$21,404 | \$20,517 | -4% |
| | Michigan | \$18,472 | \$17,589 | -5% |
| | Washington | \$18,083 | \$16,704 | -8% |
| | North Dakota | \$17,198 | \$15,850 | -8% |
| | West Virginia | \$16,799 | \$15,387 | -8% |
| | Pennsylvania | \$21,654 | \$19,576 | -10% |
| | Alabama | \$16,077 | \$14,270 | -11% |
| | Tennessee | \$14,476 | \$12,505 | -14% |
| | Maine | \$20,310 | \$17,321 | -15% |
| F | New Hampshire | \$21,676 | \$17,973 | -17% |
| | Oregon | \$18,210 | \$15,014 | -18% |
| | Missouri | \$16,727 | \$13,704 | -18% |
| | Florida | \$14,486 | \$11,821 | -18% |
| | Connecticut | \$23,767 | \$19,159 | -19% |



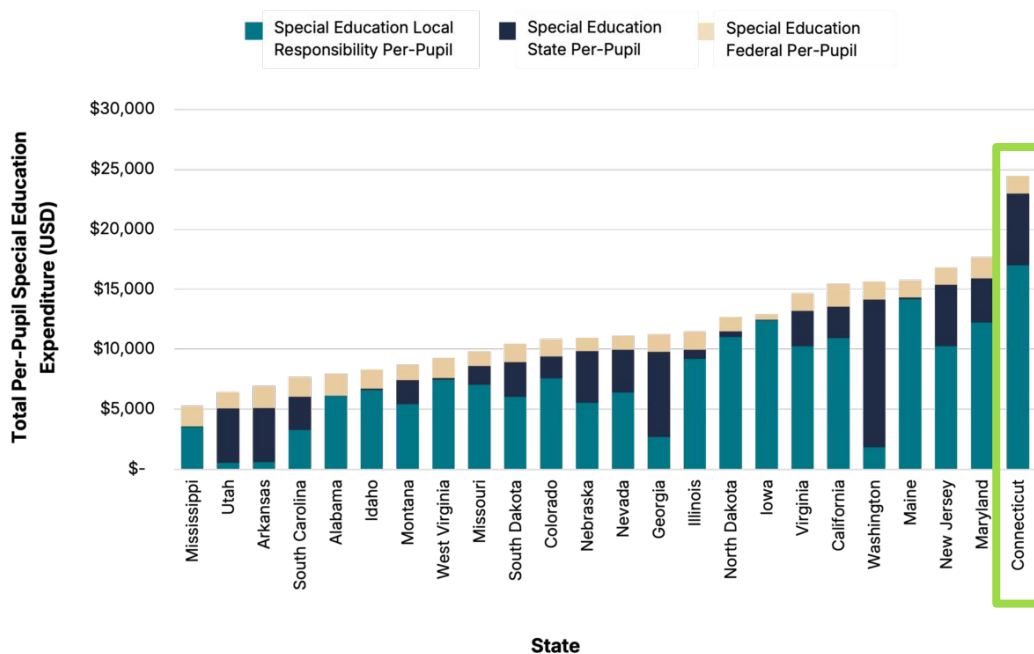
Connecticut has the most inequitable school funding system in the country

| State | Low-Poverty | High-Poverty | Funding Distribution: Advantage (+) / Disadvantage (-) in High-Poverty Districts |
|---------------|-------------|--------------|--|
| Washington | \$18,083 | \$16,704 | -8% |
| North Dakota | \$17,198 | \$15,850 | -8% |
| West Virginia | \$16,799 | \$15,387 | -8% |
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| Connecticut | \$23,767 | \$19,159 | -19% |



Connecticut also has some of the highest special education costs, with limited state funding support

Figure 3: Total (Local Responsibility, State, Federal) Per-Pupil K-12 Special Education Expenditure By State, Fiscal Year 2020



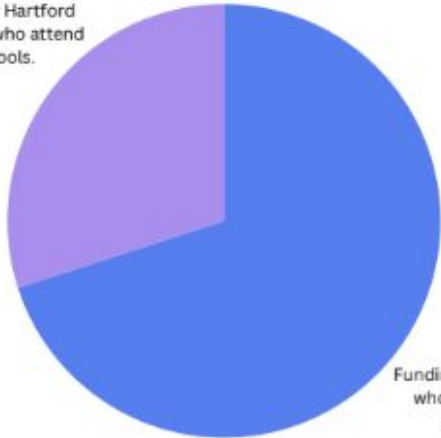
Source: National Center for Education Statistics Common Core of Data, FY20.

HPS Budget Overview



Hartford Public Schools' budget is made up of:

Tuition and specialized transportation for Hartford resident students who attend non-HPS schools.
30%



Funding for students who attend HPS schools
70%

(70%) Funding for students who attend HPS schools

(30%) Tuition and specialized transportation for Hartford resident students who attend non-HPS schools.

This includes:

- Non-HPS magnet schools (CREC)
- Open Choice schools
- Charter schools
- Private special education placements

Tuition



Two factors matter for tuition: Number of students and cost per student.

- Special education tuition has been increasing at the rate of 8% per year. There are currently no rates for special education tuition - we are charged different amounts by different providers
- In FY25, total tuition was **\$115M**

- **\$18M** in general education tuition

- We pay general education tuition for Hartford residents who attend non-HPS magnet schools. This was about \$4,000 per student for 4,300 students

- **\$97M** in special education tuition. We pay this for Hartford resident students who attend:

- Non-HPS magnet schools: **\$25M**. This is about \$22,000 per student for 1,100 students

- Open choice schools: **\$25M**. This is about \$44,000 per student for 570 students
 - Hartford students outplaced by open choice schools: additional **\$5M**. This is about \$115,000 per student for 45 students

- Private placement: **\$42M**. This is about \$130,000 per student for 310 students

Full ECS per student

Half ECS per student

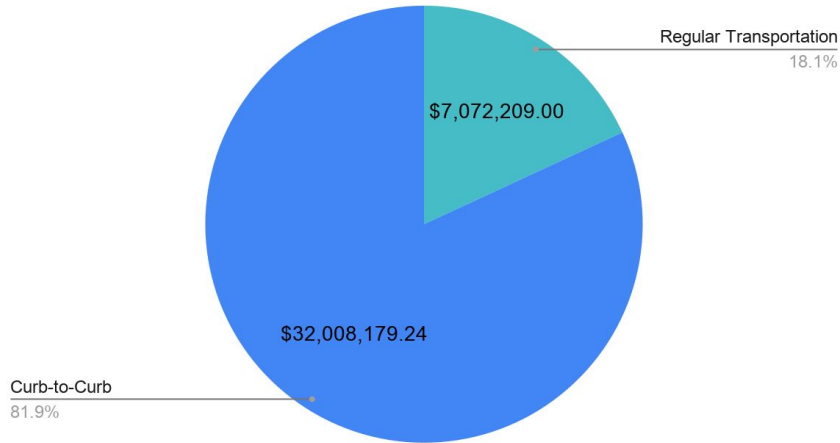
Full ECS per student

Transportation (projection)

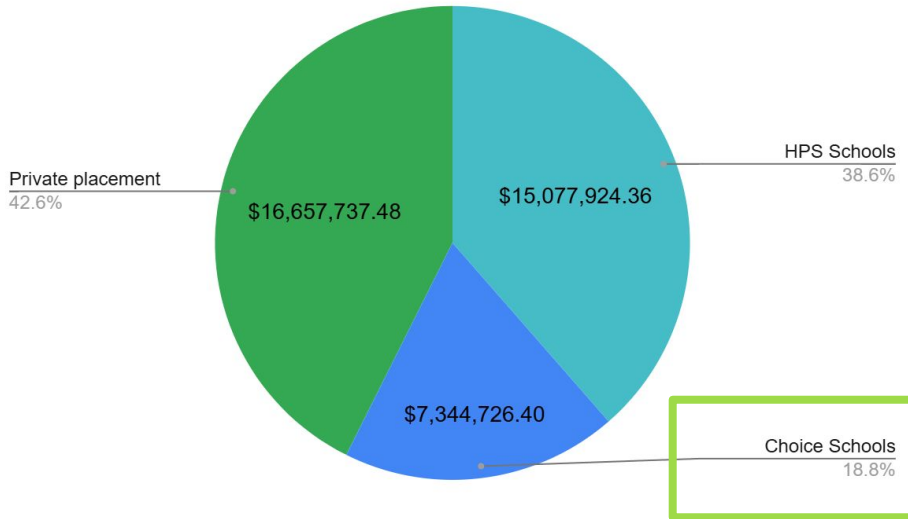


Most of our transportation budget is specialized transportation, \$7M of which is for choice schools

Transportation Costs by Type of Transportation



Transportation Costs by Type of School



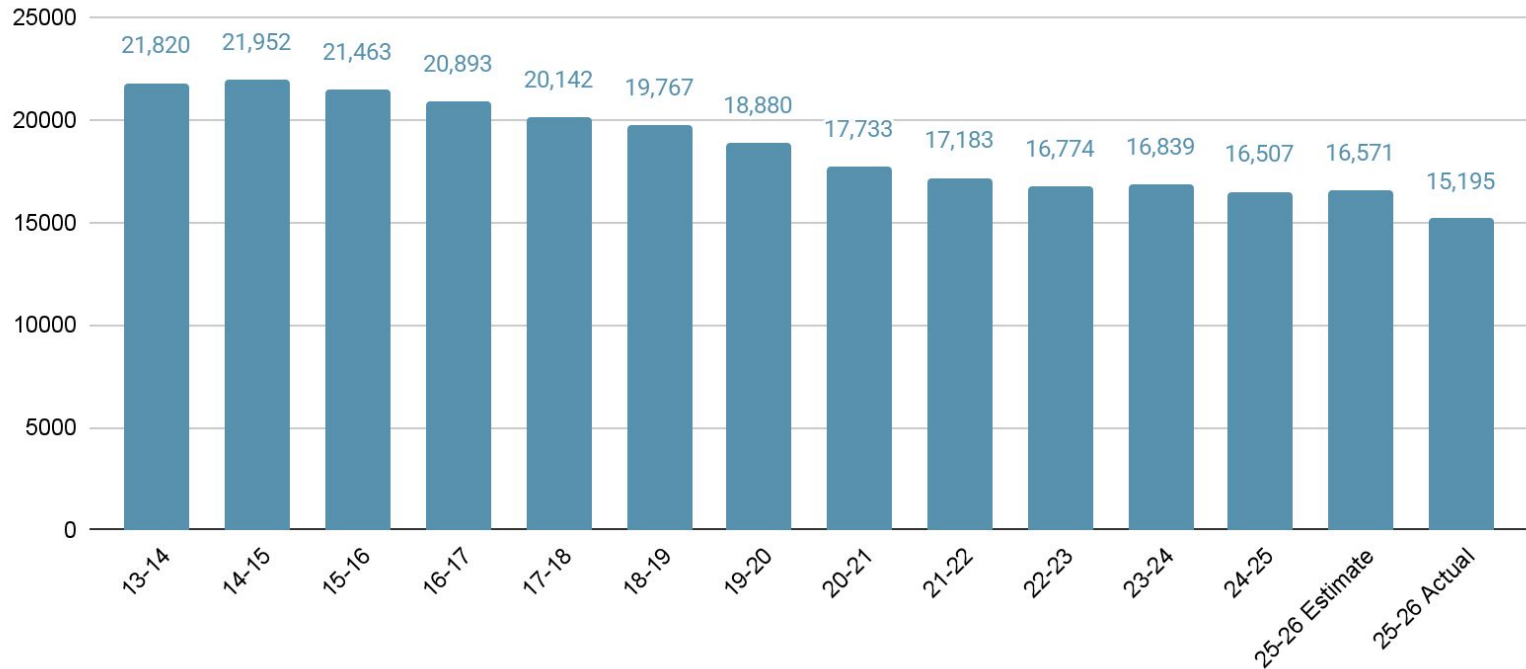


We pay for students who choose to leave the system, and we pay for students who choose to stay.

Enrollment Decline



This year's enrollment decrease is more substantial than anytime in the past decade - and more significant than other large, urban districts nationally



If enrollment is declining, why don't costs automatically go down?

- Students tend to leave HPS from across many different schools. Schools lose staff and dollars when they lose student enrollment.
- However, the enrollment loss in a given year may not be enough at one particular school and grade-level to change the number of teachers and other staff needed at that school.
- The students who choose to stay at that school often need a similar number of resources as before.

The district has made significant budget reductions in the past decade



Over the last 11 years, the district has mitigated almost \$200 million in costs and has eliminated 644 positions to adopt balanced budgets each year.

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21* | FY22* | FY23* | FY24* | FY25 | FY26 | TOTAL |
|--|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|---------|---------|
| Budget Mitigation Amounts | \$24.2 | \$30.2 | \$26.2 | \$24.8 | \$12.0 | – | – | – | \$10.2 | \$40.9 | \$19.1 | \$187.6 |
| Total Budget (not including COVID relief funds) | \$429.4 | \$422.3 | \$420.9 | \$415.8 | \$429.8 | \$426.9 | \$422.9 | \$422.7 | - | \$429.4 | \$452.1 | |
| % Mitigated | 5.6% | 7.2% | 6.2% | 6.0% | 2.8% | – | – | - | - | 9.5% | 4.2% | |
| Positions Eliminated/Added (including COVID relief funded positions in the FY22 column) | | | | | | | | | | | | |
| Schools | (65.5) | (215.4) | (57.5) | 1.7 | 36.0 | – | 218.6** | – | (12) | (309.9) | (54.9) | (458.9) |
| Central Office | (12.7) | (20.4) | (28.5) | (22.2) | (3.0) | – | 47.0** | – | (12.5) | (73.9)* | (58.5) | (184.7) |

* Fiscal years 2020-21 through 2023-2024 did not require extraordinary mitigation measures due to COVID relief funds and high vacancy rates during the pandemic.

** Positions were added to schools and central office using COVID relief funds over the course of FY21 through FY24, but for simplicity we included the maximum number of positions funded with COVID relief funds in the FY22 column.

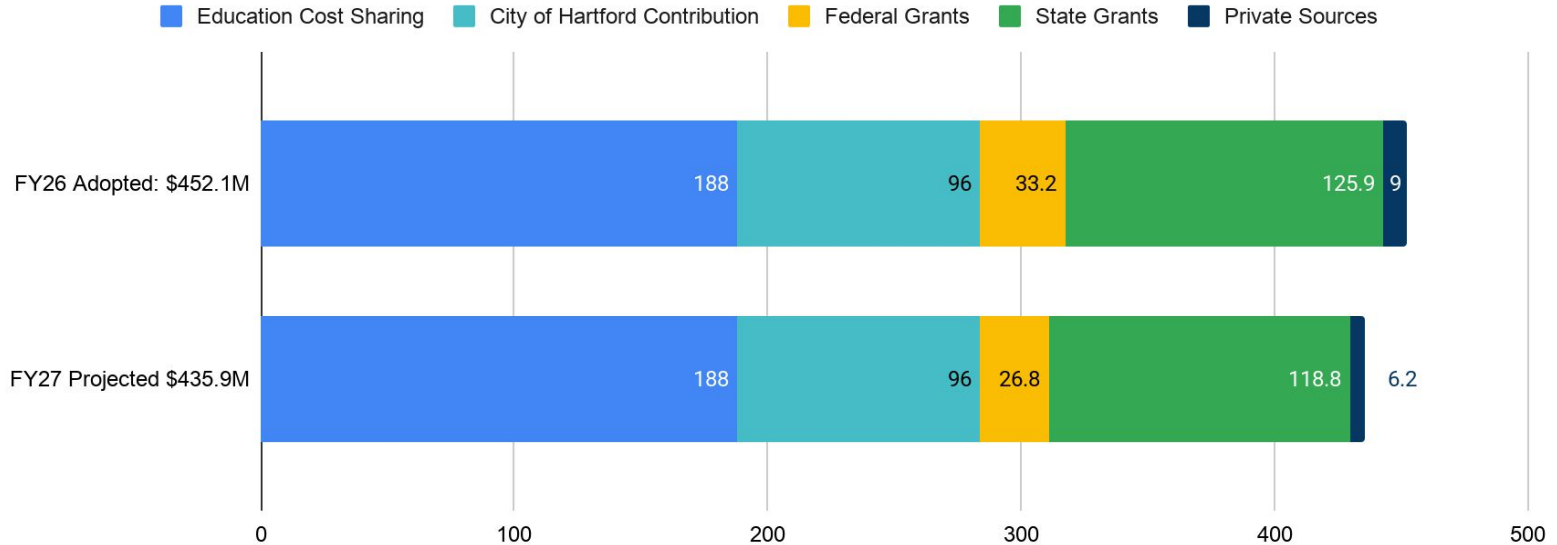


- **We are proposing what we need - not what we will cut - for FY27:**
 - We have cut significantly over the past decade
 - We are focused on specific legislative advocacy solutions to increase fiscal sustainability for HPS and address the structural issues
 - The only cuts we are proposing are due to 1) enrollment decline and 2) grant funds that are expiring. This is part of strong financial management
- Our deficit is structural and driven by **special education tuition** and **door-to-door transportation** for students who don't attend HPS (non-HPS magnets, open choice, special education private placements):
 - Our FY26 deficit is \$22M
 - Our FY27 deficit is \$52.5M

We are projecting a \$16.2M decline in revenue, driven by Federal and State grants



FY26 Adopted and FY27 Projected Revenue



What is driving the \$16.2M projected revenue decline?

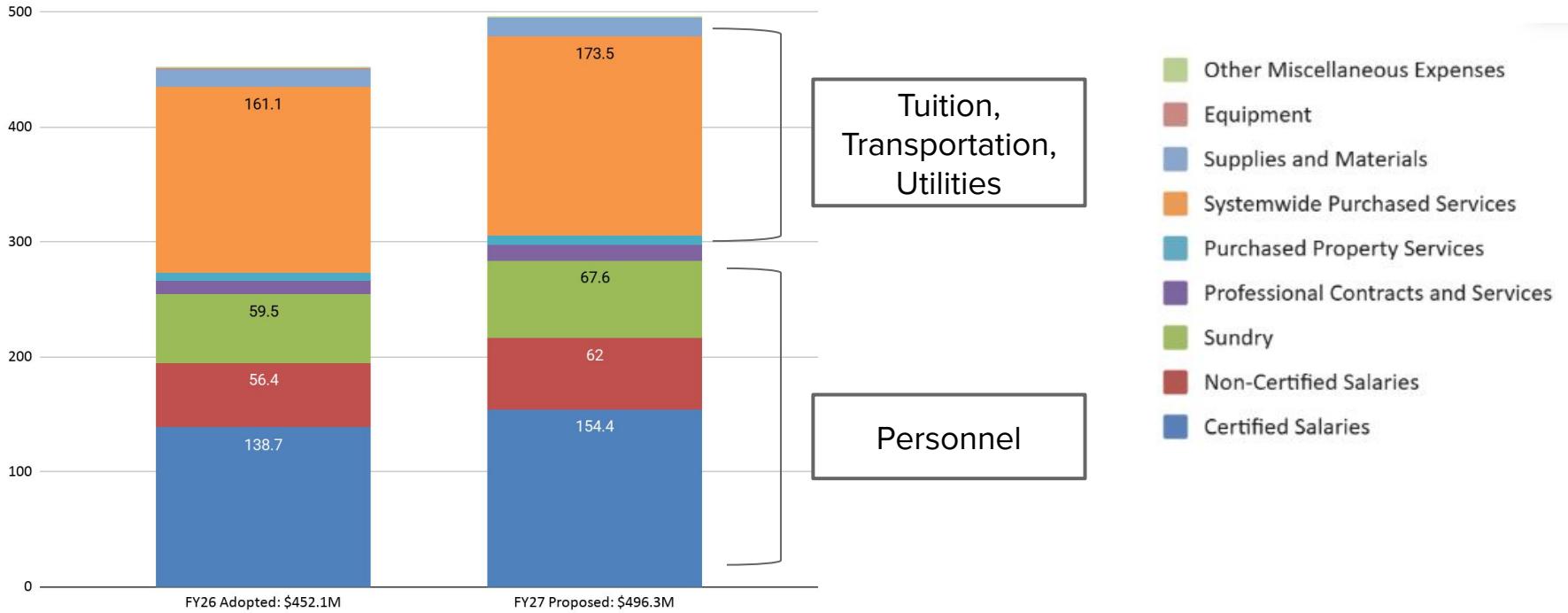


| Category | Drivers |
|--------------------------------|--|
| Federal Grants: -\$6.4M | <p>-\$4M: All carryover funds will be exhausted in FY26 as part of strong grants management</p> <p>-\$1.4M: North Hartford Ascends Pipeline grant ends in December 2026</p> <p>-\$0.7M: Decrease in Title grants due to enrollment decline</p> <p>-\$0.7M: Full Service Community Schools grant TBD until more info from state - no expenses included</p> <p><i>Partially offset by +0.4M in additional School Improvement Grants</i></p> |
| State Grants: -\$7M | <p>-\$6.2M: Match FY26 actuals for the Alliance grant, SEED grant, School Readiness grant, and Excess Cost grant</p> <p>-\$1.4M: End of CT Strong Connections, School Based Health Alliance, Alliance Educator Diversity, and Commissioner’s Network grants</p> <p>-\$0.6M: Family Resource Centers TBD until more info from state - no expenses included</p> <p><i>Partially offset by +\$1.2M in additional magnet/choice grants</i></p> |
| Private Sources -\$2.8M | <p>-\$3M: One-time FY26 contribution from city</p> <p><i>Partially offset by +\$0.2M in fee collections</i></p> |

Expenses are projected to increase by \$44.2M compared to the FY26 adopted budget



FY26 Adopted and FY27 Proposed Expenses



What is driving the \$44.2M projected expense increase?



| Category | Drivers |
|--|--|
| Salaries (cert and non-cert) | +\$21.3M: This accounts for the difference in vacancy assumption from FY26 to FY27 based on our actual vacancy rate (2.5%), contractual salary increases, and a proposed increase to in-house special education staff and elementary resource teachers . <i>Note: the vacancy assumption does not represent an increase from the FY26 actuals, just from the FY26 proposed budget.</i> |
| Benefits | +\$8.1M: Benefits are calculated as a percentage of salary. The increase in benefits accounts for the above increases to salary and the rising costs of health insurance. |
| Tuition | +\$9.7M: Accounts for an 8% increase in the rising rates of tuition and additional students attending school outside of HPS. <i>Note: tuition is captured in both the “tuition” line and the “professional services” line in FY27.</i> |
| Transportation | +\$4M: Accounts for a 11% increase, driven by contract rates and additional curb-to-curb transportation needs. |
| Buildings & Grounds Maintenance | +\$1.1M based on FY26 actuals |

How much more money will it take to meet our needs?



Revenue: \$435.9M

Expenses: \$496.3M

Additional dollars needed: \$60.4M

This represents the baseline \$52.5M projection plus:

- \$5M requested for expanded in-house special education programming
- \$3M for elementary literacy interventionists as required by Alliance statute

Summary of Position Changes



| Department | What's Included? | FY26 Adopted | FY27 Proposed | Change |
|---|--|--------------|----------------|---|
| Direct Service to Schools | Instructional coaching, health services, school psychologists, speech and language | 106.5 | 124.5 | +18, coding of Student Success Center positions; dental positions added for FY26 |
| Direct Support to Schools | Curriculum, school leadership, family engagement, security, transportation, special education, welcome center, buildings & grounds | 507 | 559.5 | +52.5, proposal to increase special ed para positions |
| Administration | Superintendent, BOE, Finance, Talent, Operations, Enrollment, Communications | 68.5 | 68 | -0.5 |
| Total Budgeted in Central Cost Centers | | 682 | 752 | +70 |
| General Education Teaching Positions | All teaching positions other than special education, bilingual resource, or TESOL | 919.5 | 901.5 | -18: -41 for enrollment decline and +23 proposal for elementary resource teachers |
| All Other School-Based Positions | Administration, clerical, counseling, social work, paraeducators (non-SPED) | 566.1 | 524.2 | -41.9, coding of Student Success Center positions; decrease in supplemental funds available to purchase positions |
| District Allocated Positions to Schools | Special education, bilingual, and TESOL teachers, security, nursing, custodial | 674.4 | 692.6 | +18.2, proposal to increase special ed teachers; additional security positions not reflected in FY26 |
| Total Budgeted in School Cost Centers | | 2,160 | 2,118.3 | -41.7 |
| Grand Total Positions | | 2,842 | 2,870.3 | +28.3 |

Proposal for expanding in-house special education programming



- We are requesting an additional \$5M to expand in-house special education programming. This includes investing in additional special education teachers, social workers, and paraprofessionals
- The goal of this is to:
 - Strengthen special education supports for students who attend HPS based on the CSDE special education inquiry and community feedback
 - Offer additional seats in specialized programs to retain and serve more students in-district, which will help lower outplacement costs
- There will be a competitive grant we can apply for in FY27 to help support

What is HPS doing to work towards fiscal sustainability?



- Advocacy to change the financial conditions in which we operate:
 - We are committed to offering the best education possible and advocating for the resources it takes to make that happen
- Budget reductions as part of strong fiscal management:
 - We are decreasing the total number of positions based on enrollment decline, as class size formulas allow
 - We are decreasing anything funded with one-time grant funds
 - We are working with the city on mitigation measures as identified in the 5 year plan
- Targeted increases with long term impact:
 - We are planning to increase in-house special education programming to keep students close to home and save on outplacement costs

What needs to change so that HPS can serve our students?



State legislative priorities

1. Inflation adjustment to ECS and elimination of general education tuition
2. Fulfillment of special education legislation from 2025: grant funding and rate-setting
3. Count open choice students fully in Hartford's ECS formula and pay for door-to-door transportation for choice students

Increased investment from the city

Budget Timeline



| Date | Milestone |
|---------|--|
| 3/4 | <ul style="list-style-type: none">• Testimony at capitol: ECS inflation adjustment• Budget meetings with city council members |
| 3/23 | <ul style="list-style-type: none">• Mayor's recommended budget released |
| 4/1 | <ul style="list-style-type: none">• First city public budget hearing |
| 4/8 | <ul style="list-style-type: none">• BOE budget community forum |
| 4/14 | <ul style="list-style-type: none">• Board workshop on itemized estimate of expenditures |
| 4/21 | <ul style="list-style-type: none">• BOE budget hearing at Board meeting |
| 4/22 | <ul style="list-style-type: none">• BOE budget presentation with city council |
| 4/28 | <ul style="list-style-type: none">• Final city public budget hearing |
| 5/6 | <ul style="list-style-type: none">• End of state legislative session |
| Mid-May | <ul style="list-style-type: none">• City budget hearing and city council vote• Final BOE budget vote |

**HPS Proposed FY26-27 Budget
To be Provided Separately**

City of Hartford

FY2027

Recommended Budget Report
to the Municipal Accountability
Review Board



Meeting date: April 30, 2026

City of Hartford
FY2027 Recommended Budget Report
to the Municipal Accountability Review Board

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FY2027 Recommended Budget
City of Hartford - General Fund Revenue & Expenditure Summary

| REVENUE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|----------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| 41 General Property Taxes | (306,821,636) | (303,256,569) | (303,256,569) | (187,634,231) | (304,756,569) | (309,066,918) |
| 42 Licenses & Permits | (9,114,832) | (7,281,648) | (7,281,648) | (3,350,170) | (7,781,648) | (7,862,794) |
| 43 Fines Forfeits & Penalties | (114,139) | (113,840) | (113,840) | (35,858) | (113,840) | (113,978) |
| 44 Revenue from Money & Property | (10,912,759) | (7,859,659) | (7,859,659) | (3,989,026) | (7,859,659) | (6,872,895) |
| 45 Intergovernmental Revenues | (347,211,747) | (297,942,749) | (297,942,749) | (148,733,662) | (298,493,820) | (300,045,944) |
| 46 Charges For Services | (4,261,256) | (3,725,602) | (3,725,602) | (1,824,627) | (3,725,602) | (3,757,062) |
| 47 Reimbursements | (73,280) | (111,448) | (111,448) | (34,163) | (111,448) | (512,563) |
| 48 Other Revenues | (6,413,382) | (164,273) | (164,273) | (374,115) | (164,273) | (165,915) |
| 53 Other Financing Sources | (7,774,970) | (5,865,200) | (5,865,200) | (1,166,808) | (5,865,200) | (4,814,600) |
| Total Revenues | (692,698,001) | (626,320,988) | (626,320,988) | (347,142,659) | (628,872,059) | (633,212,669) |

| EXPENDITURE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|------------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| Payroll | 131,781,918 | 141,809,901 | 142,028,138 | 63,894,701 | 142,799,542 | 150,346,878 |
| Benefits | 104,315,547 | 106,820,091 | 106,820,091 | 49,561,165 | 108,402,651 | 103,783,571 |
| Debt & Other Capital | 67,686,926 | 7,902,012 | 11,582,012 | 9,815,292 | 11,582,012 | 10,076,706 |
| Library | 9,512,786 | 9,997,627 | 9,997,627 | 4,998,813 | 9,997,627 | 10,426,903 |
| Metro Hartford Innovation Services | 5,555,019 | 5,956,521 | 5,956,521 | 2,978,292 | 5,956,521 | 6,013,394 |
| Utilities | 28,810,256 | 31,702,849 | 31,702,849 | 13,892,770 | 30,985,933 | 30,306,187 |
| Other Non-Personnel | 60,386,213 | 38,118,713 | 37,900,476 | 14,578,536 | 38,428,054 | 38,245,756 |
| Education | 284,013,274 | 284,013,274 | 284,013,274 | 95,012,915 | 284,013,274 | 284,013,274 |
| Total Expenditures | 692,061,940 | 626,320,988 | 630,000,988 | 254,732,483 | 632,165,614 | 633,212,669 |

Revenue Summary - Major Category

| REVENUE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|--|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| 41 TAXES | (306,821,636) | (303,256,569) | (303,256,569) | (187,634,231) | (304,756,569) | (309,066,918) |
| CURRENT YEAR TAX LEVY | (294,432,205) | (292,706,569) | (292,706,569) | (183,692,034) | (294,206,569) | (294,766,918) |
| INTEREST AND LIENS | (6,376,849) | (5,200,000) | (5,200,000) | (2,945,823) | (5,200,000) | (5,900,000) |
| PRIOR YEAR LEVIES | (5,693,706) | (5,150,000) | (5,150,000) | (610,741) | (5,150,000) | (8,200,000) |
| TAX LIEN SALES | (214,677) | 0 | 0 | (201,703) | 0 | 0 |
| OTHER | (104,199) | (200,000) | (200,000) | (183,930) | (200,000) | (200,000) |
| 42 LICENSES AND PERMITS | (9,114,832) | (7,281,648) | (7,281,648) | (3,350,170) | (7,781,648) | (7,862,794) |
| BUILDING PERMITS | (4,303,840) | (3,800,580) | (3,800,580) | (1,424,093) | (4,100,580) | (4,000,000) |
| ELECTRICAL PERMITS | (1,963,438) | (1,314,500) | (1,314,500) | (617,545) | (1,314,500) | (1,600,000) |
| FOOD & MILK DEALER LICENSES | (275,675) | (245,505) | (245,505) | (221,275) | (245,505) | (247,960) |
| MECHANICAL PERMITS | (779,786) | (841,280) | (841,280) | (506,905) | (1,041,280) | (849,693) |
| PLUMBING PERMITS | (607,595) | (462,704) | (462,704) | (254,279) | (462,704) | (550,000) |
| OTHER | (1,184,498) | (617,079) | (617,079) | (326,073) | (617,079) | (615,141) |
| 43 FINES FORFEITS AND PENALTIES | (114,139) | (113,840) | (113,840) | (35,858) | (113,840) | (113,978) |
| FALSE ALARM CITATIONS-POL&FIRE | (88,558) | (100,000) | (100,000) | (35,446) | (100,000) | (100,000) |
| LAPSED LICENSE/LATE FEE | (13,900) | (7,100) | (7,100) | (10,125) | (7,100) | (7,171) |
| OTHER | (11,681) | (6,740) | (6,740) | 9,713 | (6,740) | (6,807) |
| 44 INTEREST AND RENTAL INCOME | (10,912,759) | (7,859,659) | (7,859,659) | (3,989,026) | (7,859,659) | (6,872,895) |
| BILLINGS FORGE | (23,642) | (20,428) | (20,428) | (11,911) | (20,428) | (20,428) |
| CT CENTER FOR PERFORM ART | (70,833) | (50,000) | (50,000) | (20,833) | (50,000) | (50,000) |
| INTEREST | (9,855,713) | (7,000,000) | (7,000,000) | (3,643,288) | (7,000,000) | (6,000,000) |
| RENT OF PROP-ALL OTHER | (102,995) | (100,600) | (100,600) | (51,775) | (100,600) | (101,244) |
| RENTAL OF PARK PROPERTY | (36,236) | (38,500) | (38,500) | (19,176) | (38,500) | (38,885) |
| RENTAL OF PARKING LOTS | (28,710) | 0 | 0 | 0 | 0 | 0 |
| RENTAL OF PROP-FLOOD COMM | (114,240) | (99,360) | (99,360) | (34,800) | (99,360) | (99,360) |
| RENTS FROM TENANTS | (188,237) | (191,280) | (191,280) | (80,400) | (191,280) | (191,280) |
| SHEPHERD PARK | (142,723) | (124,207) | (124,207) | 0 | (124,207) | (136,414) |
| THE RICHARDSON BUILDING | (205,744) | (199,140) | (199,140) | (108,770) | (199,140) | (199,140) |
| UNDERWOOD TOWER PILOT | (36,144) | (36,144) | (36,144) | (18,072) | (36,144) | (36,144) |
| OTHER | (107,542) | 0 | 0 | 0 | 0 | 0 |

| REVENUE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|---|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| 45 INTERGOVERNMENTAL | (347,211,747) | (297,942,749) | (297,942,749) | (148,733,662) | (298,493,820) | (300,045,944) |
| MUNICIPAL AID | (295,529,674) | (294,124,257) | (294,124,257) | (147,442,174) | (294,675,328) | (296,309,929) |
| EDUCATION COST SHARING | (187,851,212) | (187,974,890) | (187,974,890) | (46,993,723) | (187,974,890) | (187,974,890) |
| MASHANTUCKET PEQUOT FUND | (6,136,523) | (6,136,523) | (6,136,523) | (2,045,508) | (6,136,523) | (6,136,523) |
| MOTOR VEHICLE REIMBURSEMENT | (22,770,460) | (21,447,475) | (21,447,475) | (21,447,475) | (21,447,475) | (21,610,644) |
| MUNICIPAL GRANTS-IN-AID | (1,419,161) | (1,419,161) | (1,419,161) | 0 | (1,419,161) | (1,419,161) |
| PILOT | (60,397,596) | (60,191,487) | (60,191,487) | (60,369,358) | (60,369,358) | (61,840,790) |
| SUPPLEMENTAL REVENUE SHARING | (15,792,632) | (15,792,632) | (15,792,632) | (15,818,466) | (15,792,632) | (15,792,632) |
| TOWN AID ROAD | (1,162,089) | (1,162,089) | (1,162,089) | (767,645) | (1,535,289) | (1,535,289) |
| OTHER MUNICIPAL AID | (46,518,776) | 0 | 0 | 0 | 0 | 0 |
| STATE CONTRACT ASSISTANCE | (46,518,776) | 0 | 0 | 0 | 0 | 0 |
| OTHER STATE REVENUES | (97,495) | (87,045) | (87,045) | (68,307) | (87,045) | (108,339) |
| DISTRESSED MUNICIPALITIES | 0 | 0 | 0 | (8,213) | 0 | 0 |
| JUDICIAL BRANCH REV DISTRIB. | (84,084) | (66,947) | (66,947) | (47,476) | (66,947) | (88,241) |
| VETERANS EXEMPTIONS | (13,412) | (20,098) | (20,098) | (12,618) | (20,098) | (20,098) |
| PILOTS, MIRA & OTHER INTERGOVERNMENTAL | (5,052,752) | (3,723,447) | (3,723,447) | (1,215,556) | (3,723,447) | (3,619,676) |
| DISABIL EXEMPT-SOC SEC | (6,435) | (7,262) | (7,262) | (7,382) | (7,262) | (7,335) |
| GR REC TAX-PARI MUTUEL | (133,805) | (165,714) | (165,714) | (66,789) | (165,714) | (130,000) |
| HEALTH&WELFARE-PRIV SCH | (52,344) | (54,629) | (54,629) | 0 | (54,629) | (55,175) |
| MATERIALS INNOVATION RECYCLING | (1,500,000) | 0 | 0 | 0 | 0 | 0 |
| PHONE ACCESS LN TAX SH | (605,870) | (778,518) | (778,518) | 0 | (778,518) | (605,870) |
| PILOT-CHURCH HOMES INC | (126,512) | (126,588) | (126,588) | (63,256) | (126,588) | (126,511) |
| PILOT-DUTCH POINT | (27,050) | 0 | 0 | 0 | 0 | (27,050) |
| PILOT-FOR CT CTR FOR PERF | (337,221) | (418,761) | (418,761) | 0 | (418,761) | (418,760) |
| PILOT-FOR HARTFORD 21 | (500,000) | (500,000) | (500,000) | (250,000) | (500,000) | (500,000) |
| PILOT-HARTFORD HILTON | (357,795) | (390,000) | (390,000) | (235,904) | (390,000) | (425,000) |
| PILOT-HARTFORD MARRIOTT | (714,142) | (700,000) | (700,000) | (391,098) | (700,000) | (750,000) |
| PILOT-NELTON | (20,000) | 0 | 0 | 0 | 0 | (20,000) |
| PILOT-PARK AND MAIN | (34,099) | (136,000) | (136,000) | (54,652) | (136,000) | (108,000) |
| PILOT-PENNANT N CROSSING | (612,480) | (420,975) | (420,975) | (146,475) | (420,975) | (420,975) |
| PILOT-TRINITY COLLEGE | (25,000) | (25,000) | (25,000) | 0 | (25,000) | (25,000) |
| OTHER | (13,050) | (8,000) | (8,000) | (7,625) | (8,000) | (8,000) |
| STATE REIMBURSEMENTS | (13,050) | (8,000) | (8,000) | (7,625) | (8,000) | (8,000) |
| 46 CHARGES FOR SERVICES | (4,261,256) | (3,725,602) | (3,725,602) | (1,824,627) | (3,725,602) | (3,757,062) |
| CONVEYANCE TAX | (1,715,198) | (1,600,000) | (1,600,000) | (822,521) | (1,600,000) | (1,616,000) |
| FILING RECORD-CERTIF FEES | (307,278) | (300,000) | (300,000) | (141,562) | (300,000) | (303,000) |
| TRANSCRIPT OF RECORDS | (718,736) | (598,226) | (598,226) | (296,422) | (598,226) | (608,100) |
| OTHER | (1,520,044) | (1,227,376) | (1,227,376) | (564,122) | (1,227,376) | (1,229,962) |
| 47 REIMBURSEMENTS | (73,280) | (111,448) | (111,448) | (34,163) | (111,448) | (512,563) |
| ADVERTISING LOST DOGS | (260) | (453) | (453) | (40) | (453) | (458) |
| DOG ACCT-SALARY OF WARDEN | (7,389) | (2,105) | (2,105) | 0 | (2,105) | (2,126) |
| OTHER REIMBURSEMENTS | 0 | 0 | 0 | 0 | 0 | (400,000) |
| SECTION 8 MONITORING | (65,481) | (108,890) | (108,890) | (33,823) | (108,890) | (109,979) |
| OTHER | (150) | 0 | 0 | (300) | 0 | 0 |
| 48 OTHER REVENUES | (6,413,382) | (164,273) | (164,273) | (374,115) | (164,273) | (165,915) |
| MISCELLANEOUS REVENUE | (5,730,491) | (148,941) | (148,941) | (201,870) | (148,941) | (150,430) |
| OVER & SHORT ACCOUNT | (440) | 0 | 0 | (7) | 0 | 0 |
| SALE OF DOGS | (6,153) | (6,849) | (6,849) | (2,548) | (6,849) | (6,917) |
| SETTLEMENTS - OTHER | (342) | (3,000) | (3,000) | 0 | (3,000) | (3,030) |
| OTHER | (675,956) | (5,483) | (5,483) | (169,690) | (5,483) | (5,538) |
| 53 OTHER FINANCING SOURCES | (7,774,970) | (5,865,200) | (5,865,200) | (1,166,808) | (5,865,200) | (4,814,600) |
| DOWNTOWN NORTH (DONO) | (994,782) | (912,500) | (912,500) | (165,458) | (912,500) | (912,500) |
| REVENUE FROM HTFD PKG AUTHY | (2,301,472) | (2,002,700) | (2,002,700) | (1,001,350) | (2,002,700) | (952,100) |
| SPECIAL POLICE SERVICES | (2,239,732) | (2,950,000) | (2,950,000) | 0 | (2,950,000) | (2,950,000) |
| OTHER | (2,238,984) | 0 | 0 | 0 | 0 | 0 |
| Grand Total | (692,698,001) | (626,320,988) | (626,320,988) | (347,142,659) | (628,872,059) | (633,212,669) |

General Property Taxes - FY2027 Projection

| REVENUE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|--|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| Current Year Tax Levy ¹ | (294,432,205) | (292,706,569) | (292,706,569) | (183,692,034) | (294,206,569) | (294,766,918) |
| Interest and Liens ² | (6,376,849) | (5,200,000) | (5,200,000) | (2,945,823) | (5,200,000) | (5,900,000) |
| Prior Year Levies ³ | (5,693,706) | (5,150,000) | (5,150,000) | (610,741) | (5,150,000) | (8,200,000) |
| Tax Lien Sales | (214,677) | 0 | 0 | (201,703) | 0 | 0 |
| Other | (104,199) | (200,000) | (200,000) | (183,930) | (200,000) | (200,000) |
| Total General Fund Property Taxes | (306,821,636) | (303,256,569) | (303,256,569) | (187,634,231) | (304,756,569) | (309,066,918) |

Footnotes

¹ Cumulative through FY2026 Period 6 (December 2025), current year tax levy revenue actuals are 6.34% or \$10.96M higher than FY2025 Period 6. As of FY2026 Period 8 (February 2026), current year tax levy revenues are projected to exceed their FY2026 Adopted Budget amount by \$1.50M.

² Interest and liens collections actuals are \$0.17M higher through FY2026 Period 6 compared to FY2025 Period 6 and as of FY2026 Period 8 are projected to meet their FY2026 Adopted Budget amount. Projections for FY2027 are based on 5-year averages.

³ Prior Year Levy collections actuals through December 2026 are \$1.01M more favorable than FY2025 collections were through December 2025. These actuals are less than the FY2026 Adopted Budget and reflect credit adjustments due to tax appeals and court stipulations; as of FY2026 Period 8, however, these revenues are projected to reach their FY2026 Adopted Budget amount. Projections for FY2027 are based on 5-year averages.

General Property Taxes - FY2027 Projection

| DESCRIPTION | FY2025 ADOPTED BUDGET | FY2026 ADOPTED BUDGET | FY2027 RECOMMENDED BUDGET |
|---|-----------------------------|-----------------------------|---------------------------------|
| Gross Tax Levy | 332,062,631 | 330,605,435 | 332,141,398 |
| Deletions: | | | |
| Tax Abatements | 5,450,000 | 4,990,000 | 5,057,000 |
| Deletions based on Assessor's Grand List Appeals | 1,250,000 | 1,250,000 | 1,250,000 |
| Assessment Court Appeals | 6,525,000 | 3,373,000 | 3,373,000 |
| Motor Vehicle Mill Rate Cap Adjustment | 18,434,945 | 18,317,980 | 19,013,404 |
| Elderly Tax Adjustments | 937,000 | 700,000 | 1,030,000 |
| Total Deletions | 32,596,945 | 28,630,980 | 29,723,404 |
| Additions: | | | |
| Pro-Rated Additions | 150,000 | 150,000 | 150,000 |
| Supplemental Motor Vehicle | 2,511,000 | 2,673,000 | 3,260,000 |
| Estimated Income and Expense Penalties | 1,830,000 | 1,830,000 | 2,280,000 |
| Total Additions | 4,491,000 | 4,653,000 | 5,690,000 |
| Net Tax Adjustments | (28,105,945) | (23,977,980) | (24,033,404) |
| Adjusted Tax Levy | 303,956,686 | 306,627,455 | 308,107,994 |
| Tax Collection Rate - net of tax lien sale effect | 95.78% | 95.46% | 95.67% |
| Current Year Taxes | 291,129,713 | 292,706,569 | 294,766,918 |
| Other Tax revenue | 8,304,128 | 10,550,000 | 14,300,000 |
| Total Tax Revenues | 299,433,841 | 303,256,569 | 309,066,918 |
| Non-Tax Revenues | 324,399,126 | 323,064,419 | 324,145,751 |
| TOTAL BUDGET | 623,832,967 | 626,320,988 | 633,212,669 |
| Net Grand List | 4,815,991,741 | 4,794,857,654 | 4,817,134,121 |
| Mill Rate | 68.95 | 68.95 | 68.95 |
| Value of 1 Mill (adjusted for estimated collection rate) | 4,612,757 | 4,577,171 | 4,608,552 |

Municipal Aid - FY2027 Projection

| REVENUE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|--|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| PILOT: Colleges and Hospitals | (60,397,596) | (60,191,487) | (60,191,487) | (60,369,358) | (60,369,358) | (61,840,790) |
| Mashantucket Pequot and Mohegan Fund Grant | (6,136,523) | (6,136,523) | (6,136,523) | (2,045,508) | (6,136,523) | (6,136,523) |
| Town Aid Road Grant | (1,162,089) | (1,162,089) | (1,162,089) | (767,645) | (1,535,289) | (1,535,289) |
| Municipal Grants-In-Aid | (1,419,161) | (1,419,161) | (1,419,161) | 0 | (1,419,161) | (1,419,161) |
| Supplemental Revenue Sharing | (15,792,632) | (15,792,632) | (15,792,632) | (15,818,466) | (15,792,632) | (15,792,632) |
| Motor Vehicle Reimbursement | (22,770,460) | (21,447,475) | (21,447,475) | (21,447,475) | (21,447,475) | (21,610,644) |
| Education Cost Sharing | (187,851,212) | (187,974,890) | (187,974,890) | (46,993,723) | (187,974,890) | (187,974,890) |
| Total Municipal Aid | (295,529,674) | (294,124,257) | (294,124,257) | (147,442,174) | (294,675,328) | (296,309,929) |

FY2027 Recommended Budget Amounts by Major Expenditure Category

| EXPENDITURE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|---------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| PAYROLL | 131,781,918 | 141,809,901 | 142,028,138 | 63,894,701 | 142,799,542 | 150,346,878 |
| FT | 103,814,800 | 118,294,672 | 118,520,252 | 50,055,077 | 114,078,258 | 125,005,470 |
| HOL | 2,649,604 | 2,790,686 | 2,790,686 | 1,127,339 | 2,935,395 | 2,998,411 |
| OT | 22,636,940 | 18,247,166 | 18,247,166 | 11,198,589 | 22,967,089 | 19,590,246 |
| PT | 2,680,574 | 2,477,377 | 2,470,034 | 1,513,696 | 2,818,801 | 2,752,751 |
| BENEFITS | 104,315,547 | 106,820,091 | 106,820,091 | 49,561,165 | 108,402,651 | 103,783,571 |
| HEALTH | 35,996,427 | 39,017,286 | 39,017,286 | 14,640,278 | 39,017,286 | 39,281,359 |
| MITIGATION | 0 | (2,490,000) | (2,490,000) | 0 | 0 | (6,886,360) |
| PENSION | 54,827,728 | 52,759,068 | 52,759,068 | 26,232,601 | 52,759,068 | 53,060,239 |
| 3PEN | 32,650 | 10,000 | 10,000 | 2,000 | 10,000 | 10,000 |
| 3PEN-CMERS | 2,882,748 | 2,934,124 | 2,934,124 | 1,624,342 | 2,934,124 | 3,035,592 |
| 3PEN-MERF | 49,740,899 | 47,082,000 | 47,082,000 | 23,537,406 | 47,082,000 | 47,438,000 |
| 3PEN-OTHER | 478,890 | 595,946 | 595,946 | 266,416 | 595,946 | 644,143 |
| 3PEN-PAYOUT | 1,692,542 | 2,136,998 | 2,136,998 | 802,437 | 2,136,998 | 1,932,504 |
| INSURANCE | 5,210,687 | 6,126,570 | 6,126,570 | 4,179,586 | 6,126,570 | 6,762,375 |
| FRINGE REIMBURSEMENTS | (2,484,076) | (2,947,953) | (2,947,953) | (1,107,809) | (2,947,953) | (2,947,953) |
| LIFE INSURANCE | 232,876 | 241,455 | 241,455 | 114,021 | 241,455 | 263,352 |
| OTHER BENEFITS | 5,395,580 | 6,165,000 | 6,165,000 | 2,901,550 | 6,415,000 | 6,874,983 |
| OTHER | 0 | 1,000,000 | 1,000,000 | 0 | 1,000,000 | 1,000,000 |
| SOC SEC | 5,236,034 | 4,895,000 | 4,895,000 | 2,824,669 | 5,145,000 | 5,654,983 |
| TUITION REIMBURSEMENT | 19,990 | 20,000 | 20,000 | 9,500 | 20,000 | 20,000 |
| UNEMPLOY COMP | 139,556 | 250,000 | 250,000 | 67,381 | 250,000 | 200,000 |
| WAGE | 0 | 2,746,790 | 2,746,790 | 0 | 1,589,350 | 2,098,701 |
| WORKERS COMP | 5,136,325 | 5,201,875 | 5,201,875 | 2,600,937 | 5,201,875 | 5,276,875 |
| DEBT | 67,686,926 | 7,902,012 | 11,582,012 | 9,815,292 | 11,582,012 | 10,076,706 |
| DEBT | 67,686,926 | 7,902,012 | 11,582,012 | 9,815,292 | 11,582,012 | 10,076,706 |
| ARPA | 4,787,714 | 0 | 0 | 0 | 0 | 0 |
| CLEAN WATER | 115,583 | 115,584 | 115,584 | 57,792 | 115,584 | 115,584 |
| DONO | 4,644,725 | 4,643,750 | 4,643,750 | 3,154,950 | 4,643,750 | 4,640,994 |
| GILOT | 220,128 | 220,128 | 220,128 | 0 | 220,128 | 220,128 |
| GO BONDS - 2026 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| PAY GO CAPEX | 11,400,000 | 2,922,550 | 6,602,550 | 6,602,550 | 6,602,550 | 2,600,000 |
| STATE CONTRACT ASSISTANCE | 46,518,776 | 0 | 0 | 0 | 0 | 0 |
| LIBRARY | 9,512,786 | 9,997,627 | 9,997,627 | 4,998,813 | 9,997,627 | 10,426,903 |
| MHIS | 5,555,019 | 5,956,521 | 5,956,521 | 2,978,292 | 5,956,521 | 6,013,394 |
| UTILITY | 28,810,256 | 31,702,849 | 31,702,849 | 13,892,770 | 30,985,933 | 30,306,187 |
| OTHER | 60,386,213 | 38,118,713 | 37,900,476 | 14,578,536 | 38,428,054 | 38,245,756 |
| EDUCATION | 284,013,274 | 284,013,274 | 284,013,274 | 95,012,915 | 284,013,274 | 284,013,274 |
| Grand Total | 692,061,940 | 626,320,988 | 630,000,988 | 254,732,483 | 632,165,614 | 633,212,669 |

FY2027 Recommended Budget Amounts by Department

| EXPENDITURE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|--------------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| 00111 MAYOR'S OFFICE | 845,943 | 904,391 | 904,391 | 429,063 | 919,088 | 904,058 |
| 00112 COURT OF COMMON COUNCIL | 759,237 | 883,308 | 883,308 | 408,878 | 852,368 | 892,720 |
| 00113 TREASURER | 406,849 | 582,913 | 582,913 | 208,998 | 565,754 | 606,637 |
| 00114 REGISTRARS OF VOTERS | 809,028 | 605,994 | 739,447 | 390,154 | 753,300 | 615,185 |
| 00116 CORPORATION COUNSEL | 1,484,268 | 1,779,637 | 1,779,637 | 601,554 | 1,586,043 | 1,734,491 |
| 00117 TOWN & CITY CLERK | 933,481 | 1,121,331 | 1,121,331 | 423,209 | 1,010,163 | 1,147,042 |
| 00118 INTERNAL AUDIT | 525,681 | 569,483 | 569,483 | 207,415 | 518,451 | 578,895 |
| 00119 CHIEF OPERATING OFFICER | 1,259,583 | 1,956,341 | 1,956,341 | 835,335 | 2,023,157 | 2,136,048 |
| 00122 METRO HARTFORD INNOVATION SERV | 5,555,019 | 5,956,521 | 5,956,521 | 2,978,292 | 5,956,521 | 6,013,394 |
| 00123 FINANCE | 4,272,140 | 4,727,189 | 4,727,189 | 1,819,635 | 4,315,247 | 4,842,061 |
| 00125 HUMAN RESOURCES | 1,861,258 | 2,221,397 | 2,221,397 | 945,555 | 2,072,460 | 2,244,520 |
| 00128 OFFICE OF MANAGEMENT & BUDGET | 1,442,694 | 1,674,846 | 1,674,846 | 722,379 | 1,671,080 | 1,707,885 |
| 00132 CHILDREN FAMILY RECREATION | 2,683,398 | 3,590,337 | 3,590,337 | 1,594,877 | 3,455,954 | 3,564,934 |
| 00142 SPORTS AND RECREATION | 2,248,463 | 2,361,089 | 2,361,089 | 1,282,687 | 2,765,224 | 2,944,777 |
| 00211 FIRE | 42,581,664 | 43,026,309 | 43,026,309 | 19,647,097 | 44,871,082 | 47,807,449 |
| 00212 POLICE | 50,983,678 | 55,014,467 | 55,014,467 | 24,572,166 | 53,680,417 | 55,522,386 |
| 00213 EMERGENCY SERVICES & TELECOMMU | 5,061,579 | 5,328,576 | 5,328,576 | 2,573,611 | 5,611,184 | 5,497,795 |
| 00311 PUBLIC WORKS | 22,033,492 | 23,030,323 | 23,030,323 | 10,782,486 | 24,152,558 | 25,093,086 |
| 00420 DEVELOPMENT SERVICES | 6,451,666 | 6,900,920 | 6,900,920 | 2,805,587 | 6,729,059 | 7,297,150 |
| 00520 HEALTH AND HUMAN SERVICES | 5,835,088 | 6,929,271 | 6,929,271 | 2,905,986 | 6,560,391 | 6,977,496 |
| 00711 EDUCATION | 284,013,274 | 284,013,274 | 284,013,274 | 95,012,915 | 284,013,274 | 284,013,274 |
| 00721 HARTFORD PUBLIC LIBRARY | 9,512,786 | 9,997,627 | 9,997,627 | 4,998,813 | 9,997,627 | 10,426,903 |
| 00820 BENEFITS & INSURANCES | 104,315,547 | 106,820,091 | 106,820,091 | 49,561,165 | 108,402,651 | 103,783,571 |
| 00821 DEBT SERVICE | 67,686,926 | 7,902,012 | 11,582,012 | 9,815,292 | 11,582,012 | 10,076,706 |
| 00822 NON OP DEPT EXPENDITURES | 68,499,197 | 48,423,341 | 48,289,888 | 19,209,334 | 48,100,550 | 46,784,206 |
| Grand Total | 692,061,940 | 626,320,988 | 630,000,988 | 254,732,483 | 632,165,614 | 633,212,669 |

FY2027 Recommended Budget Amounts by Non-Operating

| EXPENDITURE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|---|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------------|---------------------------|
| 00822 NON OP DEPT EXPENDITURES | 68,499,197 | 48,423,341 | 48,289,888 | 19,209,334 | 48,100,550 | 46,784,206 |
| 822002 PAYMENT FOR COMMUNITY IMPACT | 17,038,213 | 639,371 | 639,371 | 89,323 | 637,371 | 519,371 |
| 534098 OTHER TECH & PROF SERVICE | 101,232 | 160,000 | 160,000 | 0 | 160,000 | 160,000 |
| 535028 HONORARIUM | 1,000 | 5,000 | 5,000 | 0 | 3,000 | 5,000 |
| 589232 PUBLIC TV AND MEDIA | 124,371 | 124,371 | 124,371 | 62,186 | 124,371 | 124,371 |
| 589271 CIVIC ENGAGEMENT | 6,610 | 25,000 | 25,000 | 7,137 | 25,000 | 25,000 |
| 589272 HARTFORD NEXT | 105,000 | 105,000 | 105,000 | 0 | 105,000 | 105,000 |
| 589273 UNIVERSAL REPRESENTATION NHLS | 100,000 | 100,000 | 100,000 | 0 | 100,000 | 100,000 |
| 589274 HARTFORD DECIDES | 100,000 | 100,000 | 100,000 | 0 | 100,000 | 0 |
| 589275 KENEY FRIENDS CITY PADDLE | 0 | 20,000 | 20,000 | 20,000 | 20,000 | 0 |
| 599300 OPERATING TRANSFER OUT | 16,500,000 | 0 | 0 | 0 | 0 | 0 |
| 822003 VEHICLES AND EQUIPMENT & TECH | 5,093,328 | 3,070,185 | 3,070,185 | 1,342,428 | 3,200,185 | 2,095,185 |
| 573038 BODY CAMERAS - CEW'S | 541,737 | 541,738 | 541,738 | 541,732 | 541,738 | 541,738 |
| 573040 IN-CAR CAMERAS | 308,446 | 308,447 | 308,447 | 308,446 | 308,447 | 308,447 |
| 573044 CAMERA MAINTENANCE | 304,932 | 190,000 | 190,000 | 124,367 | 320,000 | 215,000 |
| 577321 NEW LEASES AND PURCHASES | 763,526 | 2,030,000 | 626,187 | 191,133 | 626,187 | 1,030,000 |
| 599300 OPERATING TRANSFER OUT | 3,174,687 | 0 | 1,403,813 | 176,750 | 1,403,813 | 0 |
| 822004 PAYMENT TO GOVT AGENCY | 194,719 | 205,697 | 205,697 | 65,747 | 212,697 | 207,919 |
| 589228 GRT HTFD TRANSIT DISTRICT | 23,000 | 23,001 | 23,001 | 23,000 | 23,001 | 24,289 |
| 589229 PROBATE COURT | 61,620 | 58,000 | 58,000 | 32,344 | 65,000 | 58,000 |
| 589230 PAYMENT TO GOVTL AGENCIES | 0 | 4,000 | 3,697 | 0 | 3,697 | 4,000 |
| 589246 NATL LEAGUE OF CITIES | 0 | 10,597 | 10,597 | 0 | 10,597 | 10,915 |
| 589248 US CONFERENCE OF MAYORS | 10,099 | 10,099 | 10,402 | 10,402 | 10,402 | 10,715 |
| 589250 BUSINESS IMPROVEMENT DISTRICT | 100,000 | 100,000 | 100,000 | 0 | 100,000 | 100,000 |
| 822005 LEASE PAYMENTS | 2,593,663 | 1,871,402 | 1,871,402 | 997,761 | 1,864,202 | 1,949,704 |
| 543000 REPAIRS AND MAINTENANCE | 877,414 | 0 | 0 | 0 | 0 | 0 |
| 544003 RENTAL 250 & 260 CONSTITUTION | 1,419,056 | 1,470,097 | 1,470,097 | 833,862 | 1,470,097 | 1,521,474 |
| 544004 RENTAL OF OFFICES | 134,203 | 222,305 | 222,305 | 102,310 | 215,105 | 231,230 |
| 544024 COPIER MACHINE | 162,990 | 179,000 | 179,000 | 61,589 | 179,000 | 197,000 |
| 822006 PAY OUTSIDE AGENCIES & OTHERS | 2,147,330 | 5,544,008 | 5,410,555 | 848,456 | 5,449,333 | 6,025,982 |
| 534028 STAFF TRAINING SERVICES | 50,067 | 120,000 | 120,000 | 25,796 | 120,000 | 120,000 |
| 534070 CONTRACT CONSULTANT SERV | 0 | 500,000 | 500,000 | 0 | 500,000 | 500,000 |
| 534098 OTHER TECH & PROF SERVICE | 0 | 200,000 | 200,000 | 95 | 200,000 | 200,000 |
| 535206 BANK CHARGES | 0 | 0 | 0 | 0 | 0 | 24,000 |
| 543000 REPAIRS AND MAINTENANCE | 540,771 | 555,000 | 555,000 | 257,283 | 586,000 | 575,000 |
| 544202 ELECTIONS EXPENSES | 0 | 346,926 | 213,473 | 0 | 213,473 | 331,982 |
| 554000 ADVERTISING | 0 | 30,000 | 30,000 | 0 | 30,000 | 30,000 |
| 581057 BUSINESS MEETING EXPENSES | (80) | 0 | 0 | 0 | 0 | 0 |
| 588999 CONTINGENCY FUND | 881,998 | 3,197,082 | 3,197,082 | 133,507 | 3,197,082 | 3,650,000 |
| 589254 SINGLE AUDIT FIN SVCS | 187,830 | 185,000 | 185,000 | 269,000 | 210,000 | 185,000 |
| 589256 TENS | 386,744 | 410,000 | 410,000 | 162,775 | 392,778 | 410,000 |
| 599060 GOLF ENTERPRISE | 100,000 | 0 | 0 | 0 | 0 | 0 |
| 822007 CLIENT SERVER TECHNOLOGY | 422,723 | 450,158 | 450,158 | 35,943 | 450,158 | 709,187 |
| 534098 OTHER TECH & PROF SERVICE | 422,723 | 450,158 | 450,158 | 35,943 | 450,158 | 709,187 |

| EXPENDITURE CATEGORY | FY2025 AUDITED ACTUAL | FY2026 ADOPTED BUDGET | FY2026 REVISED BUDGET | FY2026 ACTUAL (DECEMBER) | FY2026 PROJECTED (FEBRUARY) | FY2027 RECOMMENDED BUDGET |
|--|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------------------|
| 822008 FUEL UTILITY & TIP FEE PMT | 28,810,256 | 31,702,849 | 31,702,849 | 13,892,770 | 30,985,933 | 30,306,187 |
| 534031 OPERATIONS & MANAGEMENT | 133,693 | 67,955 | 70,133 | 0 | 70,133 | 72,587 |
| 534070 CONTRACT CONSULTANT SERV | 150,422 | 282,000 | 282,000 | 125,031 | 282,000 | 282,000 |
| 534098 OTHER TECH & PROF SERVICE | 424,389 | 598,000 | 595,822 | 275,086 | 598,000 | 598,000 |
| 562000 ELECTRICITY | 3,882,030 | 5,055,100 | 5,011,294 | 1,704,334 | 4,490,000 | 4,637,000 |
| 562024 PIPED HEAT & A/C | 896,637 | 1,022,000 | 1,022,000 | 264,880 | 984,000 | 1,022,000 |
| 562028 FUEL OIL HEATING | 1,991 | 3,000 | 3,000 | 758 | 3,000 | 3,000 |
| 562600 PIPED GAS | 913,754 | 898,300 | 898,300 | 315,324 | 1,192,000 | 1,038,000 |
| 562625 GASOLINE | 1,176,632 | 1,307,000 | 1,307,000 | 475,317 | 1,097,000 | 1,165,000 |
| 562627 DIESEL FUEL | 466,385 | 559,000 | 559,000 | 254,841 | 596,000 | 587,000 |
| 562923 WATER | 1,450,165 | 1,898,500 | 1,898,500 | 589,340 | 1,698,000 | 1,791,000 |
| 566263 FUEL CELL LEASE | 273,000 | 273,000 | 273,000 | 136,500 | 273,000 | 273,000 |
| 589226 METROPOLITAN DISTRICT | 13,730,276 | 13,861,694 | 13,905,500 | 6,952,750 | 13,905,500 | 13,038,400 |
| 590050 OTHER DISPOSAL FEES | 2,030,651 | 2,306,300 | 2,306,300 | 1,077,924 | 2,306,300 | 2,281,800 |
| 590053 TIPPING FEES (CRRA) | 3,280,231 | 3,571,000 | 3,571,000 | 1,720,684 | 3,491,000 | 3,517,400 |
| 822009 LEGAL EXPENSES AND SETTLEMNTS | 11,977,445 | 4,659,000 | 4,659,000 | 1,754,569 | 5,020,000 | 4,690,000 |
| 534010 LEGAL SERVICES | 1,316,678 | 2,239,000 | 2,239,000 | 386,248 | 1,530,000 | 1,750,000 |
| 589371 SETTLEMENTS | 3,300,984 | 1,500,000 | 1,500,000 | 788,283 | 2,550,000 | 2,000,000 |
| 589372 TAX APPEAL | 7,300,000 | 0 | 0 | 0 | 0 | 0 |
| 589373 PY TAX REFUNDS | 0 | 850,000 | 850,000 | 546,468 | 850,000 | 850,000 |
| 590040 FEES-CRT RECORD LICEN INS | 59,783 | 70,000 | 70,000 | 33,568 | 90,000 | 90,000 |
| 822013 ADVOCACY | 221,521 | 280,671 | 280,671 | 182,338 | 280,671 | 280,671 |
| 589227 CAP REG COUN OF GOVERN | 85,922 | 85,922 | 85,922 | 85,922 | 85,922 | 85,922 |
| 589245 CCM | 84,749 | 84,749 | 84,749 | 84,749 | 84,749 | 84,749 |
| 589252 LEGISLATIVE SVCS | 50,850 | 110,000 | 110,000 | 11,667 | 110,000 | 110,000 |
| Grand Total | 68,499,197 | 48,423,341 | 48,289,888 | 19,209,334 | 48,100,550 | 46,784,206 |

**Hartford FY27 Recommended Budget
To be Provided Separately**

City of Hartford

FY2027-FY2031 Five-Year Plan to the Municipal Accountability Review Board



Meeting date: April 30, 2026

City of Hartford
FY2027-FY2031 Five-Year Plan
to the Municipal Accountability Review Board

| | |
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CITY OF HARTFORD
FIVE-YEAR FINANCIAL PLAN FY2027 – FY2031

The City’s updated Five-Year Financial Plan covers the fiscal years 2027 through 2031. As the table below illustrates, a modest deficit is projected in FY2028, followed by opportunities in fiscal years 2029 through 2031 for increasing Fund Balance, reducing the mill rate, or making targeted investments in Education or other initiatives.

| FIVE-YEAR OUTLOOK | FY2027 RECOMM | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|
| Revenues | 633,212,669 | 638,828,196 | 685,262,197 | 691,765,318 | 698,119,949 |
| Expenditures | 633,212,669 | 643,147,173 | 662,165,904 | 673,021,243 | 683,118,194 |
| Surplus / (Deficit) | 0 | (4,318,977) | 23,096,293 | 18,744,075 | 15,001,755 |
| Budget Mitigation | 0 | 4,318,977 | 0 | 0 | 0 |
| Available for Surplus, Mill Rate Reduction, or Investment in Education and Other Initiatives | 0 | 0 | 23,096,293 | 18,744,075 | 15,001,755 |

The projections in this Five-Year Plan are centered around the municipal portion of the budget and are built on current levels of local funding for Education. A complementary Education Five-Year Plan is being developed to chart a path and identify strategies for closing the structural gap in the all-funds budget of Hartford Public Schools (HPS). The final outcome of that plan may result in changes to this municipal Five-Year Plan that require adjustments to the contribution to the Education budget from local sources and corresponding adjustments to revenues raised for that purpose.

Major Initiatives and Mitigation Measures

The following are among major initiatives underway that are expected to have a significant favorable impact on City finances.

Education Finance

Hartford City and Board of Education leaders along with officials from the State of Connecticut are developing a multi-year plan to close the structural deficit in the Hartford Public Schools budget.

That plan will include recommendations for solving the primary drivers of cost escalation in the HPS budget, particularly Special Education tuition costs and Special Education transportation. Solutions to HPS budget challenges will entail a mix of administrative, legislative and financial fixes and will likely require more than one fiscal cycle to fully resolve. As part of the plan, HPS will be seeking short-term fiscal assistance which may come with requirements for additional oversight. The City may provide a portion of that fiscal assistance through a mill rate adjustment before the FY2027 budget is finalized.

In addition to the comprehensive financial plan for HPS currently in development, the City and HPS have collaborated to identify several short-term budget mitigation measures that could provide some degree of budgetary relief within the next one to two years. These short-term measures are described in an appendix to this Five-Year Plan for informational purposes, as they would not have a direct impact on the projections of municipal revenues and expenditures.

Economic Development

The City's ability to sustainably and adequately fund municipal operations will rely in part on growing its tax base and attracting new residents with quality housing opportunities. Expanding the supply of market rate and workforce housing has been one of the City's major economic development strategies to attract workers and families. At the same time, the City continues to rehabilitate existing affordable housing and create new affordable housing. While most development agreements entered into by the City involve a period of tax abatement, these projects provide additional income through PILOT payments to the City during the abatement period.

Thirteen development agreements are currently at various stages of finalization or construction. In total, these projects are projected to result in more than 1,000 new housing units. While the benefit to the taxable Grand List will not be fully realized until after the tax abatement period, in the near term, these projects will add approximately \$645,000 in new PILOT payments to the City beginning in FY2028, increasing to \$1.57 million by the final year of the five-year planning horizon. These revenues have been incorporated into the five-year projections.

Long-Term Pension Liability Reduction

Annual contributions to the City of Hartford Municipal Employees' Retirement Fund (Fund), inclusive of HPS and the Public Library, represent 8.9% of the total General Fund budget in FY2026. Given its relative share of the budget, pension expense represents an area of significant potential to manage General Fund expenditures. To this end, the Mayor convened a Pension Task Force to explore options for reducing the long-term liability of the Pension Fund as well as the feasibility of providing COLA increases to pensioners.

The task force has developed a list of potential measures for reducing the long-term liability and has requested an analysis of each from the City's pension actuarial firm. The measures to be analyzed by the actuarial firm include:

- Potential for Lump Sum Buyout: Options for offering a voluntary lump sum payout in lieu of future monthly pension distributions
- Transition to CT MERS Program: Currently, one of the City's bargaining units participates in the State MERS plan. This option would evaluate the impact of transitioning more City groups to the State MERS plan.
- Pension Obligation Bonds: Evaluate the feasibility and impact of issuing pension obligation bonds to fully fund the pension liability.

Shared Services with Town of East Hartford

Beginning in late calendar year 2024, the City of Hartford and Town of East Hartford, with the support of CRCOG and the State's Regional Performance Incentive Program (RPIP), have jointly explored opportunities for centralized or consolidated services. A task force of three committees has been reviewing and evaluating operations across all functional areas to identify opportunities for operational efficiencies, service quality enhancements, or cost savings. A report with recommendations for specific shared services, projected savings, and an implementation plan for a pilot phase is scheduled to be finalized by the end of this fiscal year. The long-term initiative will require establishing a governance structure, institutionalization of data tracking and performance measurement, and plans for sustainability.

Energy Initiatives

The City has numerous sustainability initiatives ongoing, many of which are centered on energy efficiency or renewable energy and have a direct net positive financial impact. These include:

- Energy Savings Performance Contracting: The City is participating in the Connecticut Conference of Municipality's Energy Savings Performance Contracting program. The goals of the program include reducing operating costs of City and school facilities, improving the maintenance and operation of the facilities, and improving facility environmental conditions. Upgrades will be financed with the energy savings resulting from projects. Once capital costs have been covered, the full energy savings accrue to the City. An RFP was issued for the energy audit which will determine the scope of energy efficiency measures to implement and the Energy Services Company that will oversee the projects. The RFP has closed and a review committee is currently evaluating proposals from energy firms.
- Virtual Net Metering: Through the State's Virtual Net Metering Program, the City has partnered to support large-scale solar installations that benefit Hartford. Under the State's Non-Residential Renewable Energy Solutions (NRES) program, the City has recently been awarded additional solar projects that are expected to generate solar energy as an offset to the City's electricity consumption. A total of 17 NRES projects are anticipated to come online by the end of FY2027 generating more than \$500,000 in savings per year.
- Expanding Solar on City Owned Property: The City is currently working with a developer to implement a 4MW solar array on the former North Meadows landfill. In addition, the City has received an NRES award to support installation of solar on the roof of Weaver High School and is pursuing similar projects at other school locations. The Weaver High School and landfill projects alone are projected to generate savings of more than \$200,000 per year.

Tax Deed Sale

A tax deed sale valued at a total of \$5.6 million is in the planning stages. A portion of the proceeds from the tax deed sale could be earmarked for potential budget mitigation. One quarter, or \$1.4 million, of the total tax deed sale amount is assumed to be available for budget mitigation.

Bond Premium

The most recent projections from the underwriter of the City's proposed bond sale indicated a total bond premium of approximately \$2.4 million. Net of issuance costs and other expenses, approximately \$1.8 million may be available to pay down debt service requirements.

Health Reserve Contingency

The City's assigned fund balance currently includes \$3.4 million as reserve for future health claims. A portion of this amount could be used to partially offset the General Fund contribution to health claims expense.

Attrition Factor

Over the last five years, the City has included an attrition factor of approximately 5% to 8% of full-time salaries as an offset to expenditures in the General Fund budget. The City's actual attrition rate during this period has ranged from a low of 10.6% to 14.6%. The FY2027 Recommended Budget increases the attrition factor to 10.6%. Based on historical actuals, the City could potentially increase the attrition factor in FY2028 as a measure to help close a projected deficit. Increasing the attrition factor would require more intensive monitoring and potentially the need to temporarily freeze select vacant positions.

Revenue and Expenditure Assumptions

The Five-Year Financial Plan for the City of Hartford (City) spans fiscal years (FY) 2027 to 2031. The purpose of the Forecast is to help make informed budgetary and operational decisions by anticipating the future of the City's General Fund revenues and expenditures and highlighting anticipated fiscal risks and opportunities. The Forecast surfaces major known fiscal conditions and projected future conditions to support informed long-term planning and decision-making regarding operational and capital improvement resources. As such, this Forecast should be used as a management and planning tool and be amended annually. It is also important to note that the Court of Common Council is mandated by Charter to adopt a balanced budget. Therefore, any out-year projections indicating a budget deficit will require adjustments prior to budget adoption.

Revenue Assumptions

General Property Taxes are a major source of revenue for the City. The tax revenue projection for the FY2027-FY2031 budget contains the following assumptions:

- Mill rate of 68.95 for all property types, except for Motor Vehicles, which are at the statutorily capped rate of 32.46 mills forecasted through FY2031.
- FY2027 Tax Collections are based on the October 2025 Grand List and reflect the recently authorized local option for motor vehicle value depreciation schedule.

- The Grand List is assumed to increase in the range of 1.5% to 1.6% per year during the FY2028-FY2031 period for real estate, personal property and motor vehicles, with the exception of real estate in FY2029. Real estate values in FY2029 will be based on the next revaluation, which is planned to take place in October 2027 instead of October 2026. If conducted in October 2027, the next revaluation will take place six years after the previous revaluation. Recent sales data analyzed by the City Assessor indicates a 26.63% increase in real estate property value compared to the previous revaluation. Projections for FY2029 taxes assume a 26.63% increase in real estate values, less \$290 million contingency for tax appeals.
- Tax collection rate of 95.67% based on the average of the three previous fiscal years (95.07% in FY2023, 95.22% in FY2024, and 96.73% in FY2025) from the City's ACFR - Annual Comprehensive Financial Report.

Licenses and Permits revenues in the FY2027 Recommended Budget reflect a 8.0% increase above FY2026 Adopted Budget amounts, with a steady stream of income from housing, licenses, inspections, land use, and other fees through FY2031. With various property developments in progress, it is assumed that the amount of revenue from this revenue category will increase by 1.0% annually during the FY2028-FY2031 period.

Fines, Forfeits and Penalties, primarily comprised of False Alarm Fine revenue, are expected to remain level in the FY2027 Recommended Budget but increase 1.0% annually from FY2028 through FY2031.

Revenue from the Use of Money and Property primarily consists of rental/lease and short-term investment income. The FY2027 Recommended Budget for this category includes a 12.6% decrease in revenues, compared to the FY2026 Adopted Budget, due to 14.3% lower interest income. It is projected that category revenues will remain nearly flat in the FY2028-FY2031 period, increasing by only 0.1% annually.

Intergovernmental Revenue consists primarily of State Aid to the City and is a major source of revenue for the City. In FY2027, Intergovernmental Revenue accounts for 47.4% of total General Fund revenue (the State Aid component represents 46.8% of total General Fund revenue). FY2027 State Aid is based on the Governor's Recommended Budget and it is assumed that no increases in State Aid will occur during the FY2028-FY2031 period.

Charges for Services include revenue from conveyance tax, filing of legal documents and all other charges for general government services. The City's FY2027 Recommended Budget reflects a 0.8% increase from the FY2026 Adopted Budget, as higher revenues from conveyance tax are anticipated. Category revenue is projected to increase at a 1.0% annual rate during the FY2028-FY2031 period.

Reimbursements include miscellaneous reimbursement amounts and prior-year expenditure refunds. Reimbursements are expected to generate 359.9% more revenue in the FY2027 Recommended Budget due to higher revenues from Medicaid reimbursement. During the FY2028-FY2031 period, revenues are projected to grow by 1.0% per year.

Other Revenues include the sale of development properties and other miscellaneous revenues. The City does not budget for asset sales as an operating revenue. Revenues for this category are 1.0% higher in the FY2027 Recommended Budget than in the FY2026 Adopted Budget and are assumed to increase at a 1.0% annual rate from FY2028 to FY2031. This category includes the value of several anticipated tax agreements for development projects based on information

provided by Development Services. These agreements are projected to generate approximately \$645,000 in FY2028, increasing to approximately \$1.57 million by FY2031.

Other Financing Sources include transfers from other funds. For this category, the FY2027 Recommended Budget is 17.9% lower than for the FY2026 Adopted Budget due to a projected 52.5% decrease in revenue from the Hartford Parking Authority, which passes its net operating income to the General Fund. Category revenue is projected to increase at a 1.0% annual rate in the FY2028-FY2031 period.

Expenditure Assumptions

Payroll/Personnel Services

Payroll is a broad expenditure line item that includes salary expenses for full-time, part-time, and seasonal workers, as well as other associated costs including, but not limited to, overtime, holiday pay, and shift differential. For the FY2027 to FY2031 period, Payroll/Personnel Services in operating departments is projected to increase annually by 3.3% on average. The FY2027 Recommended Budget includes a headcount of 1,544; expenditures in the Forecast are based on an assumed level headcount. Historical attrition and vacancy rates have been factored into the Five-Year Forecast.

Benefits and Insurances

In the FY2027 Recommended Budget, expenses in Benefits & Insurances, which includes health insurance, pension, property and liability insurances, workers' compensation and other benefits, are projected to decrease by 2.8% due to budgeted attrition, wage reserve and cashouts, offset by increases mainly in social security insurance premiums, health insurance waivers, CMERS and healthcare claims. This category also includes the attrition factor for non-Public Safety departments for the five-year planning period. Attrition is based on historical vacancy savings.

Health

The City has a self-insured health model, and the Health Benefits budget reflects the net medical, pharmacy and dental costs after employee contributions for approximately 2,495 active members and 1,410 retirees. Full-time City employees, in accordance with bargaining agreements, have moved from a Preferred Provider Organization Plan (PPO) to a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) and a partially employer-funded deductible. Annual escalation in healthcare claim expenses is assumed to be 7% from FY2028 through FY2031.

Pension

In total, the City's pension budget increased by 0.6% from the FY2026 Adopted to the FY2027 Recommended Budget. As of the publication of the Recommended Budget, the City has not yet received the ADEC for FY2027. The City's projected employer contribution of \$47.44 million for FY2027 is for the City's Police, Fire and Municipal employees and is based on projections provided by the City's actuarial firm. The Library and the Board of Education fund their respective employer contributions.

The FY2028-FY2031 Forecast funds the projected municipal portion of the ADEC, with projections beyond FY2027 based on the most recent long-term projections provided by the City's actuarial firm. The total annual amounts for the municipal portion of the ADEC are \$47.55 million, \$45.86 million, \$44.68 million, and \$44.16 million during the four fiscal years from FY2028 to FY2031.

The City's Connecticut Municipal Employees Retirement System (CMERS) plan for the Local 1716 bargaining unit is funded at \$2.95 million in the FY2027 Recommended Budget with 3.0% escalation in the out-years.

Debt Service and Other Capital

Under the contract assistance agreement between the City and the State of Connecticut, principal and interest payments for existing acquired and restructured general obligation (GO) bonds will be paid by the State of Connecticut. The FY2027-FY2031 Forecast does not include the debt service for the City's existing general obligation bonded debt. The City will continue to service the Hartford Stadium Authority Revenue Bonds and therefore this debt service is appropriately budgeted within the debt service line item at \$4.6 million annually. The debt service line item also includes the GILLOT (Grant in Lieu of Taxes) debt service related to a past CBRA (Connecticut Brownfields Redevelopment Authority) project with the University of Hartford.

For the first time since FY2016, the Debt Service and Other Capital line item includes funding for new debt issuance. This debt will be used to supplement funding for CIP projects and to lease or purchase vehicles, equipment, and technology. It is assumed that \$25 million of general obligation debt will be issued for critical infrastructure and amortized over a 20-year period, with an issue date of July 1, 2026 and an assumed interest rate of 5%. In addition, approximately \$25 million of lease purchase agreements will be used to replace aged Public Works heavy equipment and Fire apparatus, and for critical IT infrastructure upgrades.

Education

The City's education contribution to the Hartford Public Schools is projected to be flat in the Forecast's out-years. The Hartford Public School System continues to receive additional funding directly through the Alliance Grants and other State and federal grants.

Hartford Public Library

After a 4.3% increase in the FY2027 Recommended Budget, compared to the FY2026 Adopted Budget and primarily due to expenses associated with salaries and benefits, the Forecast's out-years assume the City contribution to the Hartford Public Library to have a 1.8% annual escalation rate.

Utilities

The City uses data from multiple sources in projecting future utilities expenses. Expenses incurred in the current and prior fiscal years are analyzed and provided to an energy consultant for its reference in developing expense projections for specific accounts including electricity and piped gas. Energy pricing data from the U.S. Energy Information Administration (EIA) Web site, and specifically the organization's Short-Term Energy Outlook report and data that were

exported on January 21, 2026, are reviewed and used to estimate escalation in utility costs. Estimated changes in consumption and existing contracts are among the additional information considered when projecting expenses.

Especially given the substantial price swings in some fuels and utilities over the past five years, rather than attempt to project this volatility from year to year, moderate and constant annual escalation rates were applied when projecting utility expenses during the FY2028-FY2031 period. Assumptions made for certain utilities accounts in developing the Five-Year Forecast are summarized below.

- **Electricity:** For FY2027, the Recommended Budget reflects an 8.3% decrease from the FY2026 Adopted Budget and a 6.1% increase above currently projected FY2026 expenses. The annual escalation rate used for the FY2028-FY2031 period was 3.0%.
- **Piped Heat and A/C:** The FY2027 Recommended Budget for heated and chilled water supplied by Hartford Steam Company (HSC) matches the FY2026 Adopted Budget and is 16.2% higher than projected FY2026 expenses. A 3.0% annual escalation rate was used for the FY2028-FY2031 period.
- **Piped Gas:** The FY2027 Recommended Budget is 15.6% higher than the FY2026 Adopted Budget and is 5.6% lower than projected FY2026 expenses. A 3.5% annual escalation rate was used for the FY2028-FY2031 period.
- **Gasoline:** For FY2027, the Recommended Budget for gasoline includes a 10.9% decrease from the FY2026 Adopted Budget and a 13.0% increase from projected FY2026 expenses. An annual escalation rate of 3.0% was applied to the FY2028-FY2031 period.
- **Diesel Fuel:** The FY2027 Recommended Budget for diesel fuel is 5.0% higher than the FY2026 Adopted Budget and 7.2% higher than projected FY2026 expenses. The same average annual escalation rate of 3.0% that was applied to gasoline was also applied to diesel fuel in the FY2028-FY2031 period.
- **Water:** This account funds potable water supply and fire hydrant maintenance by the MDC (Metropolitan District Commission). The FY2027 Recommended Budget is 5.7% less than the FY2026 Adopted Budget and is 12.2% higher than projected FY2026 expenses. A 5.0% annual escalation rate was assumed for the FY2028-FY2031 period.
- **Metropolitan District:** This account funds payment of the tax on Hartford as a member municipality for sewer services. MDC allocations are developed on a calendar year basis and are based on the estimated property tax revenues for a 3-year period that are received by member municipalities. The FY2027 Recommended Budget is 5.9% lower than the FY2026 Adopted Budget amount and 6.2% less than projected FY2026 expenses. An average annual escalation rate of 4.0% was assumed during the FY2028-FY2031 period.

FY2027 Recommended Budget and FY2028-FY2031 Forecast Amounts

City of Hartford - General Fund Revenue and Expenditure Summary

| REVENUE CATEGORY | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|-------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| 41 TAXES | (309,066,918) | (313,820,244) | (359,964,110) | (365,701,562) | (371,525,074) |
| 42 LICENSES & PERMITS | (7,862,794) | (7,941,422) | (8,020,836) | (8,101,045) | (8,182,055) |
| 43 FINES FORFEITS PENAL | (113,978) | (115,118) | (116,269) | (117,432) | (118,606) |
| 44 INT & RENTAL INCOME | (6,872,895) | (6,881,624) | (6,890,440) | (6,899,345) | (6,908,338) |
| 45 INTERGOVERNMENTAL | (300,045,944) | (300,082,141) | (300,118,699) | (300,155,624) | (300,192,917) |
| 46 CHARGES FOR SERVICES | (3,757,062) | (3,794,633) | (3,832,579) | (3,870,905) | (3,909,614) |
| 47 REIMBURSEMENTS | (512,563) | (517,689) | (522,866) | (528,094) | (533,375) |
| 48 OTHER REVENUE | (165,915) | (812,580) | (885,024) | (1,430,826) | (1,739,877) |
| 53 OTHER FINANCING SCRS | (4,814,600) | (4,862,746) | (4,911,373) | (4,960,487) | (5,010,092) |
| Grand Total | (633,212,669) | (638,828,196) | (685,262,197) | (691,765,318) | (698,119,949) |

| EXPENSE CATEGORY | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|
| PAYROLL | 150,346,878 | 156,053,807 | 161,698,045 | 167,171,682 | 171,789,515 |
| BENEFITS | 103,783,571 | 104,285,506 | 107,993,229 | 110,432,206 | 113,759,017 |
| DEBT | 10,076,706 | 12,743,879 | 18,876,637 | 19,703,630 | 19,654,033 |
| LIBRARY | 10,426,903 | 10,612,550 | 10,804,017 | 11,001,581 | 11,205,536 |
| MHIS | 6,013,394 | 6,099,546 | 6,187,136 | 6,276,191 | 6,366,738 |
| UTILITY | 30,306,187 | 31,599,007 | 32,956,342 | 34,381,921 | 35,879,720 |
| OTHER | 38,245,756 | 37,739,604 | 39,637,224 | 40,040,758 | 40,450,362 |
| EDUC | 284,013,274 | 284,013,274 | 284,013,274 | 284,013,274 | 284,013,274 |
| Grand Total | 633,212,669 | 643,147,173 | 662,165,904 | 673,021,243 | 683,118,194 |

| | | | | | |
|--------------------------------|---|-------------|--------------|--------------|--------------|
| Revenues and Expenditures, Net | - | 4,318,977 | (23,096,293) | (18,744,075) | (15,001,755) |
| Surplus / (Deficit) | - | (4,318,977) | 23,096,293 | 18,744,075 | 15,001,755 |

Mitigation Measures:

| | | | | | |
|--|-------|---------------------|---|---|---|
| Tax Deed Sale | up to | (1,400,000) | - | - | - |
| Net Bond Premium | up to | (1,800,000) | - | - | - |
| Health Reserve Contingency | up to | (3,400,000) | - | - | - |
| Attrition Factor | up to | (500,000) | - | - | - |
| Budgeted Contingency | | (3,750,000) | - | - | - |
| Total Mitigation Measures Available | up to | (10,850,000) | - | - | - |

| | | | | | |
|---|---|---|-------------------|-------------------|-------------------|
| Projected Surplus / (Deficit) After Mitigation | - | - | 23,096,293 | 18,744,075 | 15,001,755 |
|---|---|---|-------------------|-------------------|-------------------|

FY2027 Recommended Budget and FY2028-FY2031 Forecast Amounts by Revenue Category

| REVENUE CATEGORY | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|
| 41 TAXES | (309,066,918) | (313,820,244) | (359,964,110) | (365,701,562) | (371,525,074) |
| CURRENT YEAR TAX LEVY | (294,766,918) | (299,307,244) | (345,234,915) | (350,752,929) | (356,353,712) |
| INTEREST AND LIENS | (5,900,000) | (5,988,500) | (6,078,328) | (6,169,502) | (6,262,045) |
| PRIOR YEAR LEVIES | (8,200,000) | (8,323,000) | (8,447,845) | (8,574,563) | (8,703,181) |
| OTHER | (200,000) | (201,500) | (203,023) | (204,568) | (206,136) |
| 42 LICENSES AND PERMITS | (7,862,794) | (7,941,422) | (8,020,836) | (8,101,045) | (8,182,055) |
| BUILDING PERMITS | (4,000,000) | (4,040,000) | (4,080,400) | (4,121,204) | (4,162,416) |
| ELECTRICAL PERMITS | (1,600,000) | (1,616,000) | (1,632,160) | (1,648,482) | (1,664,966) |
| FOOD & MILK DEALER LICENSES | (247,960) | (250,440) | (252,944) | (255,473) | (258,028) |
| MECHANICAL PERMITS | (849,693) | (858,190) | (866,772) | (875,440) | (884,194) |
| PLUMBING PERMITS | (550,000) | (555,500) | (561,055) | (566,666) | (572,332) |
| OTHER | (615,141) | (621,292) | (627,505) | (633,780) | (640,118) |
| 43 FINES FORFEITS AND PENALTIES | (113,978) | (115,118) | (116,269) | (117,432) | (118,606) |
| FALSE ALARM CITATIONS-POL&FIRE | (100,000) | (101,000) | (102,010) | (103,030) | (104,060) |
| LAPSED LICENSE/LATE FEE | (7,171) | (7,243) | (7,315) | (7,388) | (7,462) |
| OTHER | (6,807) | (6,875) | (6,944) | (7,013) | (7,083) |
| 44 INTEREST AND RENTAL INCOME | (6,872,895) | (6,881,624) | (6,890,440) | (6,899,345) | (6,908,338) |
| BILLINGS FORGE | (20,428) | (20,632) | (20,839) | (21,047) | (21,257) |
| CT CENTER FOR PERFORM ART | (50,000) | (50,500) | (51,005) | (51,515) | (52,030) |
| INTEREST | (6,000,000) | (6,000,000) | (6,000,000) | (6,000,000) | (6,000,000) |
| RENT OF PROP-ALL OTHER | (101,244) | (102,256) | (103,279) | (104,312) | (105,355) |
| RENTAL OF PARK PROPERTY | (38,885) | (39,274) | (39,667) | (40,063) | (40,464) |
| RENTAL OF PROP-FLOOD COMM | (99,360) | (100,354) | (101,357) | (102,371) | (103,394) |
| RENTS FROM TENANTS | (191,280) | (193,193) | (195,125) | (197,076) | (199,047) |
| SHEPHERD PARK | (136,414) | (137,778) | (139,156) | (140,547) | (141,953) |
| THE RICHARDSON BUILDING | (199,140) | (201,131) | (203,143) | (205,174) | (207,226) |
| UNDERWOOD TOWER PILOT | (36,144) | (36,505) | (36,870) | (37,239) | (37,612) |

| REVENUE CATEGORY | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| 45 INTERGOVERNMENTAL | (300,045,944) | (300,082,141) | (300,118,699) | (300,155,624) | (300,192,917) |
| MUNICIPAL AID | (296,309,929) | (296,309,929) | (296,309,929) | (296,309,929) | (296,309,929) |
| EDUCATION COST SHARING | (187,974,890) | (187,974,890) | (187,974,890) | (187,974,890) | (187,974,890) |
| MASHANTUCKET PEQUOT FUND | (6,136,523) | (6,136,523) | (6,136,523) | (6,136,523) | (6,136,523) |
| MOTOR VEHICLE REIMBURSEMENT | (21,610,644) | (21,610,644) | (21,610,644) | (21,610,644) | (21,610,644) |
| MUNICIPAL GRANTS-IN-AID | (1,419,161) | (1,419,161) | (1,419,161) | (1,419,161) | (1,419,161) |
| PILOT | (61,840,790) | (61,840,790) | (61,840,790) | (61,840,790) | (61,840,790) |
| SUPPLEMENTAL REVENUE SHARING | (15,792,632) | (15,792,632) | (15,792,632) | (15,792,632) | (15,792,632) |
| TOWN AID ROAD | (1,535,289) | (1,535,289) | (1,535,289) | (1,535,289) | (1,535,289) |
| OTHER STATE REVENUES | (108,339) | (108,339) | (108,339) | (108,339) | (108,339) |
| JUDICIAL BRANCH REV DISTRIB. | (88,241) | (88,241) | (88,241) | (88,241) | (88,241) |
| VETERANS EXEMPTIONS | (20,098) | (20,098) | (20,098) | (20,098) | (20,098) |
| PILOTS, MIRA & OTHER INTERGOVERNMENTAL | (3,619,676) | (3,655,873) | (3,692,431) | (3,729,356) | (3,766,649) |
| DISABIL EXEMPT-SOC SEC | (7,335) | (7,408) | (7,482) | (7,557) | (7,633) |
| GR REC TAX-PARI MUTUEL | (130,000) | (131,300) | (132,613) | (133,939) | (135,279) |
| HEALTH&WELFARE-PRIV SCH | (55,175) | (55,727) | (56,284) | (56,847) | (57,415) |
| PHONE ACCESS LN TAX SH | (605,870) | (611,929) | (618,048) | (624,228) | (630,471) |
| PILOT-CHURCH HOMES INC | (126,511) | (127,776) | (129,054) | (130,344) | (131,648) |
| PILOT-DUTCH POINT | (27,050) | (27,321) | (27,594) | (27,870) | (28,148) |
| PILOT-FOR CT CTR FOR PERF | (418,760) | (422,948) | (427,177) | (431,449) | (435,763) |
| PILOT-FOR HARTFORD 21 | (500,000) | (505,000) | (510,050) | (515,151) | (520,302) |
| PILOT-HARTFORD HILTON | (425,000) | (429,250) | (433,543) | (437,878) | (442,257) |
| PILOT-HARTFORD MARRIOTT | (750,000) | (757,500) | (765,075) | (772,726) | (780,453) |
| PILOT-NELTON | (20,000) | (20,200) | (20,402) | (20,606) | (20,812) |
| PILOT-PARK AND MAIN | (108,000) | (109,080) | (110,171) | (111,273) | (112,385) |
| PILOT-PENNANT N CROSSING | (420,975) | (425,185) | (429,437) | (433,731) | (438,068) |
| PILOT-TRINITY COLLEGE | (25,000) | (25,250) | (25,503) | (25,758) | (26,015) |
| OTHER | (8,000) | (8,000) | (8,000) | (8,000) | (8,000) |
| STATE REIMBURSEMENTS | (8,000) | (8,000) | (8,000) | (8,000) | (8,000) |
| 46 CHARGES FOR SERVICES | (3,757,062) | (3,794,633) | (3,832,579) | (3,870,905) | (3,909,614) |
| CONVEYANCE TAX | (1,616,000) | (1,632,160) | (1,648,482) | (1,664,966) | (1,681,616) |
| FILING RECORD-CERTIF FEES | (303,000) | (306,030) | (309,090) | (312,181) | (315,303) |
| TRANSCRIPT OF RECORDS | (608,100) | (614,181) | (620,323) | (626,526) | (632,791) |
| OTHER | (1,229,962) | (1,242,262) | (1,254,684) | (1,267,231) | (1,279,903) |
| 47 REIMBURSEMENTS | (512,563) | (517,689) | (522,866) | (528,094) | (533,375) |
| ADVERTISING LOST DOGS | (458) | (463) | (467) | (472) | (477) |
| DOG ACCT-SALARY OF WARDEN | (2,126) | (2,147) | (2,169) | (2,190) | (2,212) |
| REIMB FOR MEDICAID SERVICES | (400,000) | (404,000) | (408,040) | (412,120) | (416,242) |
| SECTION 8 MONITORING | (109,979) | (111,079) | (112,190) | (113,311) | (114,445) |
| 48 OTHER REVENUES | (165,915) | (812,580) | (885,024) | (1,430,826) | (1,739,877) |
| MISCELLANEOUS REVENUE | (150,430) | (151,934) | (153,454) | (154,988) | (156,538) |
| SALE OF DOGS | (6,917) | (6,986) | (7,056) | (7,127) | (7,198) |
| SETTLEMENTS - OTHER | (3,030) | (3,060) | (3,091) | (3,122) | (3,153) |
| OTHER | (5,538) | (650,599) | (721,424) | (1,265,589) | (1,572,988) |
| 53 OTHER FINANCING SOURCES | (4,814,600) | (4,862,746) | (4,911,373) | (4,960,487) | (5,010,092) |
| DOWNTOWN NORTH (DONO) | (912,500) | (921,625) | (930,841) | (940,150) | (949,551) |
| REVENUE FROM HTFD PKG AUTHY | (952,100) | (961,621) | (971,237) | (980,950) | (990,759) |
| SPECIAL POLICE SERVICES | (2,950,000) | (2,979,500) | (3,009,295) | (3,039,388) | (3,069,782) |
| Grand Total | (633,212,669) | (638,828,196) | (685,262,197) | (691,765,318) | (698,119,949) |

FY2027 Recommended Budget and FY2028-FY2031 Forecast Amounts by Major Category

| EXPENSE CATEGORY | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|------------------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|
| PAYROLL | 150,346,878 | 156,053,807 | 161,698,045 | 167,171,682 | 171,789,515 |
| FT | 125,005,470 | 130,188,290 | 134,868,743 | 139,423,557 | 143,318,630 |
| HOL | 2,998,411 | 3,093,890 | 3,243,877 | 3,382,611 | 3,477,343 |
| OT | 19,590,246 | 19,991,350 | 20,777,344 | 21,529,352 | 22,129,018 |
| PT | 2,752,751 | 2,780,279 | 2,808,081 | 2,836,162 | 2,864,524 |
| BENEFITS | 103,783,571 | 104,285,506 | 107,993,229 | 110,432,206 | 113,759,017 |
| 1HEALTH | 39,281,359 | 42,008,330 | 44,925,508 | 48,046,185 | 51,384,587 |
| 2MITIG | (6,886,360) | (7,483,976) | (5,483,976) | (5,483,976) | (5,483,976) |
| 3PEN | 53,060,239 | 53,320,863 | 51,778,899 | 50,756,479 | 50,395,738 |
| 3PEN | 10,000 | 10,300 | 10,609 | 10,927 | 11,255 |
| 3PEN-CMERS | 3,035,592 | 3,124,941 | 3,216,954 | 3,311,709 | 3,409,290 |
| 3PEN-MERF | 47,438,000 | 47,551,000 | 45,857,000 | 44,678,000 | 44,156,000 |
| 3PEN-OTHER | 644,143 | 644,143 | 644,143 | 644,143 | 644,143 |
| 3PEN-PAYOUT | 1,932,504 | 1,990,479 | 2,050,193 | 2,111,699 | 2,175,050 |
| 4INSUR | 6,762,375 | 6,897,623 | 7,035,575 | 7,176,286 | 7,319,812 |
| FRINGE REIMBURSEMENTS | (2,947,953) | (3,115,212) | (3,169,549) | (3,224,833) | (3,281,083) |
| LIFE INSURANCE | 263,352 | 271,253 | 279,390 | 287,772 | 296,405 |
| OTHER BENEFITS | 6,874,983 | 7,051,232 | 7,232,769 | 7,419,753 | 7,612,345 |
| OTHER | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| SOC SEC | 5,654,983 | 5,824,632 | 5,999,371 | 6,179,353 | 6,364,733 |
| TUITION REIMBURSEMENT | 20,000 | 20,600 | 21,218 | 21,855 | 22,510 |
| UNEMPLOY COMP | 200,000 | 206,000 | 212,180 | 218,545 | 225,102 |
| WAGE | 2,098,701 | 0 | 0 | 0 | 0 |
| WORKERS COMP | 5,276,875 | 5,335,394 | 5,394,613 | 5,454,541 | 5,515,188 |
| DEBT | 10,076,706 | 12,743,879 | 18,876,637 | 19,703,630 | 19,654,033 |
| DEBT | 10,076,706 | 12,743,879 | 18,876,637 | 19,703,630 | 19,654,033 |
| CLEAN WATER | 115,584 | 0 | 0 | 0 | 0 |
| DONO | 4,640,994 | 4,646,631 | 4,646,494 | 4,640,500 | 4,648,731 |
| GILOT | 220,128 | 224,531 | 229,021 | 233,602 | 238,274 |
| GO BONDS - 2026 | 2,500,000 | 2,500,000 | 2,437,500 | 2,375,000 | 2,312,500 |
| LEASE PURCHASE | 0 | 2,672,717 | 3,563,622 | 4,454,528 | 4,454,528 |
| PAY GO CAPEX | 2,600,000 | 2,700,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| STATE CONTRACT ASSISTANCE | 0 | 0 | 0 | 0 | 0 |
| LIBRARY | 10,426,903 | 10,612,550 | 10,804,017 | 11,001,581 | 11,205,536 |
| MHIS | 6,013,394 | 6,099,546 | 6,187,136 | 6,276,191 | 6,366,738 |
| UTILITY | 30,306,187 | 31,599,007 | 32,956,342 | 34,381,921 | 35,879,720 |
| OTHER | 38,245,756 | 37,739,604 | 39,637,224 | 40,040,758 | 40,450,362 |
| EDUC | 284,013,274 | 284,013,274 | 284,013,274 | 284,013,274 | 284,013,274 |
| Grand Total | 633,212,669 | 643,147,173 | 662,165,904 | 673,021,243 | 683,118,194 |

FY2027 Recommended Budget and FY2028-FY2031 Forecast Amounts by Department

| DEPARTMENT | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|--------------------------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|
| 00111 MAYOR'S OFFICE | 904,058 | 917,305 | 930,749 | 944,393 | 958,239 |
| 00112 COURT OF COMMON COUNCIL | 892,720 | 902,991 | 913,401 | 923,951 | 934,643 |
| 00113 TREASURER | 606,637 | 622,417 | 635,880 | 649,679 | 663,822 |
| 00114 REGISTRARS OF VOTERS | 615,185 | 627,253 | 635,984 | 644,852 | 653,858 |
| 00116 CORPORATION COUNSEL | 1,734,491 | 1,760,514 | 1,786,931 | 1,813,749 | 1,840,974 |
| 00117 TOWN & CITY CLERK | 1,147,042 | 1,184,610 | 1,208,687 | 1,233,304 | 1,258,472 |
| 00118 INTERNAL AUDIT | 578,895 | 592,508 | 606,450 | 620,729 | 635,354 |
| 00119 CHIEF OPERATING OFFICER | 2,136,048 | 2,175,541 | 2,208,500 | 2,241,983 | 2,275,999 |
| 00122 METRO HARTFORD INNOVATION SERV | 6,013,394 | 6,099,546 | 6,187,136 | 6,276,191 | 6,366,738 |
| 00123 FINANCE | 4,842,061 | 4,995,363 | 5,120,275 | 5,248,426 | 5,379,900 |
| 00125 HUMAN RESOURCES | 2,244,520 | 2,276,397 | 2,306,180 | 2,336,415 | 2,367,108 |
| 00128 OFFICE OF MANAGEMENT & BUDGET | 1,707,885 | 1,735,671 | 1,760,934 | 1,786,640 | 1,812,798 |
| 00132 CHILDREN FAMILY RECREATION | 3,564,934 | 3,615,750 | 3,654,805 | 3,694,528 | 3,734,932 |
| 00142 SPORTS AND RECREATION | 2,944,777 | 2,991,665 | 3,031,328 | 3,071,656 | 3,112,661 |
| 00211 FIRE | 47,807,449 | 49,541,490 | 52,251,550 | 54,713,255 | 56,239,315 |
| 00212 POLICE | 55,522,386 | 57,698,563 | 59,465,135 | 61,281,462 | 63,148,948 |
| 00213 EMERGENCY SERVICES & TELECOMMU | 5,497,795 | 5,711,601 | 5,838,730 | 5,968,858 | 6,102,056 |
| 00311 PUBLIC WORKS | 25,093,086 | 25,948,777 | 26,437,310 | 26,936,804 | 27,447,516 |
| 00420 DEVELOPMENT SERVICES | 7,297,150 | 7,545,952 | 7,733,751 | 7,926,413 | 8,124,064 |
| 00520 HEALTH AND HUMAN SERVICES | 6,977,496 | 7,130,106 | 7,246,872 | 7,366,575 | 7,489,297 |
| 00711 EDUCATION | 284,013,274 | 284,013,274 | 284,013,274 | 284,013,274 | 284,013,274 |
| 00721 HARTFORD PUBLIC LIBRARY | 10,426,903 | 10,612,550 | 10,804,017 | 11,001,581 | 11,205,536 |
| 00820 BENEFITS & INSURANCES | 103,783,571 | 104,285,506 | 107,993,229 | 110,432,206 | 113,759,017 |
| 00821 DEBT SERVICE | 10,076,706 | 12,743,879 | 18,876,637 | 19,703,630 | 19,654,033 |
| 00822 NON OP DEPT EXPENDITURES | 46,784,206 | 47,417,942 | 50,518,156 | 52,190,689 | 53,939,641 |
| Grand Total | 633,212,669 | 643,147,173 | 662,165,904 | 673,021,243 | 683,118,194 |

FY2027 Recommended Budget and FY2028-FY2031 Forecast Amounts by Non-Operating Department

| PROGRAM AND OBJECT (ACCOUNT) | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|
| 822002 PAYMENT FOR COMMUNITY IMPACT | 519,371 | 520,196 | 521,025 | 521,858 | 522,696 |
| 534098 OTHER TECH & PROF SERVICE | 160,000 | 160,800 | 161,604 | 162,412 | 163,224 |
| 535028 HONORARIUM | 5,000 | 5,025 | 5,050 | 5,075 | 5,101 |
| 589232 PUBLIC TV AND MEDIA | 124,371 | 124,371 | 124,371 | 124,371 | 124,371 |
| 589271 CIVIC ENGAGEMENT | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 589272 HARTFORD NEXT | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| 589273 UNIVERSAL REPRESENTATION NHL'S | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 822003 VEHICLES AND EQUIPMENT & TECH | 2,095,185 | 1,595,185 | 3,095,185 | 3,095,185 | 3,095,185 |
| 573038 BODY CAMERAS - CEW'S | 541,738 | 541,738 | 541,738 | 541,738 | 541,738 |
| 573040 IN-CAR CAMERAS | 308,447 | 308,447 | 308,447 | 308,447 | 308,447 |
| 573044 CAMERA MAINTENANCE | 215,000 | 215,000 | 215,000 | 215,000 | 215,000 |
| 577321 NEW LEASES AND PURCHASES | 1,030,000 | 530,000 | 2,030,000 | 2,030,000 | 2,030,000 |
| 822004 PAYMENT TO GOVT AGENCY | 207,919 | 207,919 | 207,919 | 207,919 | 207,919 |
| 589228 GRT HTFD TRANSIT DISTRICT | 24,289 | 24,289 | 24,289 | 24,289 | 24,289 |
| 589229 PROBATE COURT | 58,000 | 58,000 | 58,000 | 58,000 | 58,000 |
| 589230 PAYMENT TO GOVTL AGENCIES | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| 589246 NATL LEAGUE OF CITIES | 10,915 | 10,915 | 10,915 | 10,915 | 10,915 |
| 589248 US CONFERENCE OF MAYORS | 10,715 | 10,715 | 10,715 | 10,715 | 10,715 |
| 589250 BUSINESS IMPROVEMENT DISTRICT | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 822005 LEASE PAYMENTS | 1,949,704 | 2,008,565 | 2,069,388 | 2,132,238 | 2,197,187 |
| 544003 RENTAL 250 & 260 CONSTITUTION | 1,521,474 | 1,574,726 | 1,629,841 | 1,686,885 | 1,745,926 |
| 544004 RENTAL OF OFFICES | 231,230 | 235,855 | 240,572 | 245,383 | 250,291 |
| 544024 COPIER MACHINE | 197,000 | 197,985 | 198,975 | 199,970 | 200,970 |
| 822006 PAY OUTSIDE AGENCIES & OTHERS | 6,025,982 | 6,151,167 | 6,276,755 | 6,402,756 | 6,529,175 |
| 534028 STAFF TRAINING SERVICES | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| 534070 CONTRACT CONSULTANT SERV | 500,000 | 502,500 | 505,013 | 507,538 | 510,075 |
| 534098 OTHER TECH & PROF SERVICE | 200,000 | 201,000 | 202,005 | 203,015 | 204,030 |
| 535206 BANK CHARGES | 24,000 | 24,120 | 24,241 | 24,362 | 24,484 |
| 543000 REPAIRS AND MAINTENANCE | 575,000 | 577,875 | 580,764 | 583,668 | 586,587 |
| 544202 ELECTIONS EXPENSES | 331,982 | 338,622 | 345,394 | 352,302 | 359,348 |
| 554000 ADVERTISING | 30,000 | 30,150 | 30,301 | 30,452 | 30,605 |
| 588999 CONTINGENCY FUND | 3,650,000 | 3,750,000 | 3,850,000 | 3,950,000 | 4,050,000 |
| 589254 SINGLE AUDIT FIN SVCS | 185,000 | 188,700 | 192,474 | 196,323 | 200,250 |
| 589256 TENS | 410,000 | 418,200 | 426,564 | 435,095 | 443,797 |
| 822007 CLIENT SERVER TECHNOLOGY | 709,187 | 312,733 | 314,297 | 315,868 | 317,447 |
| 534098 OTHER TECH & PROF SERVICE | 709,187 | 312,733 | 314,297 | 315,868 | 317,447 |

| PROGRAM AND OBJECT (ACCOUNT) | FY2027 RECOMMENDED | FY2028 FORECAST | FY2029 FORECAST | FY2030 FORECAST | FY2031 FORECAST |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|
| 822008 FUEL UTILITY & TIP FEE PMT | 30,306,187 | 31,599,007 | 32,956,342 | 34,381,921 | 35,879,720 |
| 534031 OPERATIONS & MANAGEMENT | 72,587 | 74,765 | 77,008 | 79,318 | 81,697 |
| 534070 CONTRACT CONSULTANT SERV | 282,000 | 283,410 | 284,827 | 286,251 | 287,682 |
| 534098 OTHER TECH & PROF SERVICE | 598,000 | 600,990 | 603,995 | 607,015 | 610,050 |
| 562000 ELECTRICITY | 4,637,000 | 4,776,110 | 4,919,393 | 5,066,975 | 5,218,984 |
| 562024 PIPED HEAT & A/C | 1,022,000 | 1,052,660 | 1,084,240 | 1,116,767 | 1,150,270 |
| 562028 FUEL OIL HEATING | 3,000 | 3,090 | 3,183 | 3,278 | 3,377 |
| 562600 PIPED GAS | 1,038,000 | 1,074,330 | 1,111,932 | 1,150,849 | 1,191,129 |
| 562625 GASOLINE | 1,165,000 | 1,199,950 | 1,235,949 | 1,273,027 | 1,311,218 |
| 562627 DIESEL FUEL | 587,000 | 604,610 | 622,748 | 641,431 | 660,674 |
| 562923 WATER | 1,791,000 | 1,880,550 | 1,974,578 | 2,073,306 | 2,176,972 |
| 566263 FUEL CELL LEASE | 273,000 | 273,000 | 273,000 | 273,000 | 273,000 |
| 589226 METROPOLITAN DISTRICT | 13,038,400 | 13,559,936 | 14,102,333 | 14,666,427 | 15,253,084 |
| 590050 OTHER DISPOSAL FEES | 2,281,800 | 2,487,162 | 2,711,007 | 2,954,997 | 3,220,947 |
| 590053 TIPPING FEES (CRRA) | 3,517,400 | 3,728,444 | 3,952,151 | 4,189,280 | 4,440,636 |
| 822009 LEGAL EXPENSES AND SETTLEMNTS | 4,690,000 | 4,742,500 | 4,796,575 | 4,852,272 | 4,909,640 |
| 534010 LEGAL SERVICES | 1,750,000 | 1,802,500 | 1,856,575 | 1,912,272 | 1,969,640 |
| 589371 SETTLEMENTS | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 589373 PY TAX REFUNDS | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| 590040 FEES-CRT RECORD LICEN INS | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| 822013 ADVOCACY | 280,671 | 280,671 | 280,671 | 280,671 | 280,671 |
| 589227 CAP REG COUN OF GOVERN | 85,922 | 85,922 | 85,922 | 85,922 | 85,922 |
| 589245 CCM | 84,749 | 84,749 | 84,749 | 84,749 | 84,749 |
| 589252 LEGISLATIVE SVCS | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Grand Total | 46,784,206 | 47,417,942 | 50,518,156 | 52,190,689 | 53,939,641 |

APPENDIX

Hartford Public Schools

Short-Term Budget Mitigation Measures

The Hartford Public Schools' plan for addressing its structural deficit includes direct funding from the City and State as well as administrative and formula-setting measures that would provide budgetary relief. For the most part, these measures may take one or more years to implement and execute. In addition to the long-term structural issues outlined in the HPS plan, the district and the City have collaborated to identify several budget mitigation measures that can be pursued in the near term. While more modest in financial impact compared to the structural measures in the HPS plan, these near-term measures may generate budgetary favorability within the next fiscal year.

School Transportation:

Rising school transportation costs are projected to reach \$40M in FY2027. Much of the increase in recent years has been driven by the cost of providing transportation to students attending out-of-district schools through Open Choice, and especially for door-to-door transportation to students with special needs. Strategies for moderating transportation costs will be explored, including:

- RFP for Transportation Services: Currently, one vendor provides both general student transportation services as well as transportation for students requiring door-to-door services. An RFP will be issued for transportation services that allows for the possibility of engaging separate vendors if it is determined to be more cost efficient.
- Transportation Waiver/Stipend: An analysis will be conducted to determine if offering a stipend to parents/guardians who waive transportation services would generate savings.

School Facilities Analysis:

An analysis is currently underway to provide an in-depth assessment of the current and projected operational and service demands and capacity of HPS schools. The assessment will consider the age, condition, capacity and utilization rates of each school, safety and security measures, land use, utilities, and technology. An inventory of classroom size, cafeteria capacity, common meeting areas, and the like will also be included. The study will make determinations regarding the feasibility and likely savings from potential school consolidations and/or reallocation of resources.

Medical Billing:

A consultant analysis determined that the City could generate additional revenues by implementing a more systematic process to bill for reimbursement of eligible health care services provided through the Department of Health & Human Services. The City has funded resources to build a medical billing infrastructure and included an estimated \$400,000 per year in revenues from that initiative.

The consultant making the recommendation indicated that expanding on current medical billing efforts by HPS could also generate additional revenue. While HPS has had a structure and system for claiming Medicaid reimbursements for many years, reimbursement for eligible transportation services for students with disabilities has not been sought. Further analysis will be conducted to determine the extent to which eligible transportation services are being provided and any procedural adjustments that may be needed in order to begin billing for those services. The potential cost recovery was conservatively estimated to be between \$285,000 to \$1,400,000 annually by the consultant.

Special Education Tuition Billing:

HPS currently bills for special education services to the sending districts of non-Hartford resident students who attend HPS magnet or open choice schools. This currently generates \$5M per year in revenue. HPS will explore the current special education tuition rates, to see if they are commensurate with surrounding school operators, and the feasibility of increasing rates to generate additional revenue.

Grant Prospecting/Application Support:

The City Office of Central Grants Administration will collaborate with the HPS Office of the CFO to identify grant opportunities, particularly those that may provide some relief to the HPS operating budget.

Salary Assumptions:

The vast majority of salaries in HPS are tied to years of experience. HPS will conduct an analysis of the current and future projected workforce by years of experience to analyze the changes in projected salaries over time and inform upcoming union negotiations related to salary increases.