

May 5, 2025

To: Chief Executive Officers
Chief Financial Officers

From: Martin L. Heft, Undersecretary Intergovernmental Policy and Planning Division

**Re: FISCAL YEAR 2025/2026 MUNICIPAL SPENDING CAP REPORT
DUE BY JULY 1st OR 30 DAYS AFTER BUDGET ADOPTION**

[Subsection \(f\) of Section 4-66I](#) of the Connecticut General Statutes as amended by [Public Act 25-3](#) requires each municipality to annually certify whether such municipality has exceeded the cap set forth in the legislation.

Pursuant to [Public Act 25-3](#), for the fiscal year ending June 30, 2026, the amount of the municipal revenue sharing grant payable to a municipality shall not be reduced in the case of a municipality whose adopted budget expenditures exceed the cap of 3.31%.

Chief Financial Officers are to report spending cap data under the [Fiscal Health Monitoring System](#) (FHMS). The spending cap report may be submitted after completion of the municipality Fiscal Year 2025/2026 adopted budget submission. Both reports utilize the original adopted budget for July 1, 2025. Upon FHMS log in at [CT FHMS - Sign In](#), you will first complete your budget reporting and then after acceptance, complete the spending cap report.

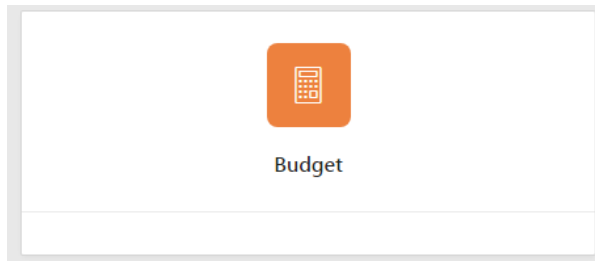
Primary contacts must log in and submit. If there is a new primary assigned by a municipality, complete [fhms-new-primary-contact-form.pdf](#).

The Submission of Municipal Spending Cap Budget Data job aid is attached. FHMS data will be pre-populated with Fiscal Year 2024/2025 data and Fiscal Year 2025/2026 adopted budget from your budget submission.

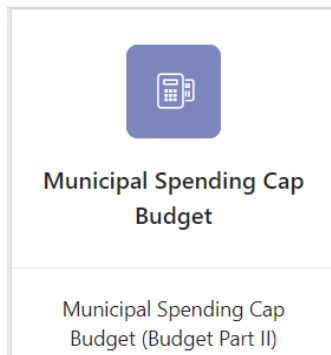
Please note that while the language in subsection (a) provides some very general guidance regarding what expenditures are considered outside of "municipal spending", it does not provide definitions or specific guidance. OPM believes that it is the intent of the law to exclude business-type activities from municipal spending (i.e. water pollution control authority). You will need to interpret the language in the statute and make those determinations for your municipality. Please be consistent across fiscal years when doing so.

Fiscal Health Monitoring System Municipal Spending Cap Budget Submission Job Aid

1. At the Main Menu – Select Budget Tile



2. Select Municipal Spending Cap Budget Tile



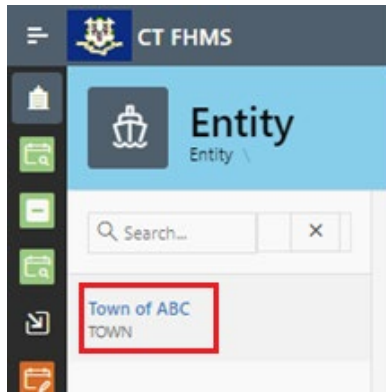
The Municipal Spending Cap Budget page displays

***Note:**

Beginning with the FY 2025 budget, municipalities will not be able to enter their spending cap information until they have entered and certified their information in the adopted budget tile and OPM has approved of the information.

Fiscal Health Monitoring System Municipal Spending Cap Budget Submission Job Aid

3. Select the Entity (Town or City) on the left side



The Create button will display (the create button will not display if your Adopted Budget Tile has not been approved by OPM)

4. Click on the top right of the page

The Municipal Spending Cap Budget Form for the current and past fiscal year will display.

Home \ Budget \ Municipal Spending Cap Budget \ Municipal Spending Cap Budget Edit


Municipal Spending Cap Budget Form

Enter data below based upon your Municipality's adopted budget and underlying financial records for conformance with subsection (f) of CGS 4-66L

Entity Type:	Entity Name:	Fiscal Year	Fiscal Year
TOWN	TOWN OF ABC	2026	2025

Expenditures

A	Original Adopted Budget Expenditures (not adjusted)	<input type="text"/>	\$2,160,000
Less expenditures for the following:			
B	Municipal business type entities (list each below, i.e.: water pollution control authority):		
B1	Description	Expenditure	
	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	

*Note: At any time, you may click the  button on the bottom right corner of the form to save your data

Fiscal Health Monitoring System Municipal Spending Cap Budget Submission Job Aid



5. Enter data based upon your Municipality's Adopted Budget and underlying financial records for conformance with subsection (f) of CGS 4-66I.

Expenditures	
A Original Adopted Budget Expenditures (not adjusted)	<input type="text"/>
Less expenditures for the following:	
B Municipal business type entities (list each below, i.e.: water pollution control authority):	
B1	<input type="text"/>
B2	<input type="text"/>
B3	<input type="text"/>
B4	<input type="text"/>
Total, B1-B4	<input type="text" value="\$0"/>
C Debt Service	<input type="text"/>
D Special education	<input type="text"/>
E Implementation of court orders or arbitration awards	<input type="text"/>
F Major disaster or emergency declaration by the President of the United States	<input type="text"/>
G Disaster emergency declaration issued by the Governor pursuant to chapter 517	<input type="text"/>

Line A will self-populate from your budget submission. If the expenditure amount is incorrect, you will need to email to OPM-FHMS@ct.gov and request that the Adopted Budget Tile be re-opened to make changes.

*Note: If you have any questions regarding the information to be entered into the tile, please contact Christine Goupil at Christine.Goupil@ct.gov.

6. Entity Certification:

Click the checkbox- "I certify that the information that I have entered in this form conforms with subsection (f) of CGS 4-66I and is accurate based upon the underlying records maintained by the municipality. I am in agreement with the Adjusted Adopted Budget Expenditures results presented on Line Q of this form."

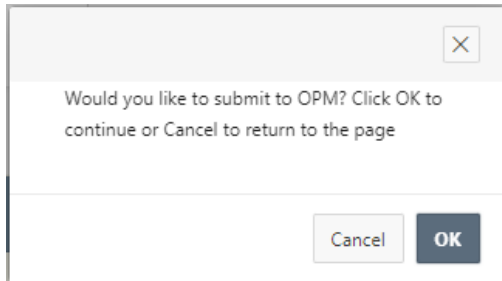
Entity Certification	
<input type="checkbox"/>	I certify that the information that I have entered in this form conforms with subsection (f) of CGS 4-66I and is accurate based upon the underlying records maintained by the municipality. I am in agreement with the Adjusted Adopted Budget Expenditures results presented on Line Q of this form.
<input type="button" value="Cancel"/>	<input type="button" value="Save"/>

Fiscal Health Monitoring System Municipal Spending Cap Budget Submission Job Aid



**Note:* Only the primary contact has the ability to certify the data. If you are not the primary, you can save the information and have your primary go into the system and certify the data.

A message will display – *Would you like to submit to OPM? Click OK to continue or Cancel to return to the page*



7. Click

The Municipal Spending Cap Budget page will display that will show you the status of your submission

Year ↓	Status	Entity Certification	OPM Acknowledgment
2026	Submitted	Yes	No

8. Email Notifications:

Emails will be sent to you from OPM-FHMS@ct.gov when your Municipal Spending Cap Budget is submitted and when OPM has Accepted or Denied your submission. Please retain this email notification for auditing purposes

End of Submission

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Fiscal Health Monitoring System Municipal Spending Cap Budget Submission Job Aid


To return to the Municipal Spending Cap Budget Edit page – Click Year

Year ↓	Status	Entity Certification	OPM Acknowledgment
2026	Submitted	Yes	No

The Municipal Spending Cap Budget Edit page will display

**Note:* If you have certified the form but corrections need to be made, you will need to email OPM-FHMS@ct.gov and ask OPM to reopen the submitted Municipal Spending Cap Budget. Once it is reopened, you will be able to return to the Municipal Spending Cap Budget Edit page, and make the necessary changes.

To get back to the main screen:

Click  at the top left corner of the page

The Main Menu will display