



General Assembly

February Session, 2006

Raised Bill No. 629

LCO No. 3008

03008_____ED_

Referred to Committee on Education

Introduced by:
(ED)

AN ACT CONCERNING REGIONAL SCHOOL DISTRICT RESERVE FUNDS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 10-51 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (d) [Upon] (1) Prior to the effective date of this section, upon the
5 recommendation and the approval of a majority of members on the
6 board, a regional board of education may create a reserve fund to
7 finance a specific capital improvement or the acquisition of any
8 specific piece of equipment. Such fund shall thereafter be termed
9 "reserve fund for specific capital improvements or equipment
10 purchases". No annual appropriation to such fund shall exceed one per
11 cent of the annual district budget. Appropriations to such fund shall be
12 included in the share of net expenses to be paid by each member town
13 until the fund established pursuant to this subdivision is discontinued.
14 The board shall annually submit a complete and detailed report of the
15 condition of such fund to the member towns. Such fund may be
16 discontinued, after recommendation by the board and approval by the

17 board, and any amounts held in the fund shall be transferred to the
18 general fund of the district.

19 (2) On and after the effective date of this section, a regional board of
20 education, by a majority vote of its members, may create a reserve
21 fund for capital and nonrecurring expenditures. Such fund shall
22 thereafter be termed "reserve fund for capital and nonrecurring
23 expenditures". The aggregate amount of annual and supplemental
24 appropriations by a district to such fund shall not exceed one per cent
25 of the annual district budget for such fiscal year. Annual
26 appropriations to such fund shall be included in the share of net
27 expenses to be paid by each member town. Supplemental
28 appropriations to such fund may be made from estimated fiscal year
29 end surplus in operating funds. Interest and investment earnings
30 received with respect to amounts held in the fund shall be credited to
31 such fund. The board shall annually submit a complete and detailed
32 report of the condition of such fund to the member towns. Upon the
33 recommendation and approval by the regional board of education, any
34 part or the whole of such fund may be used for capital and
35 nonrecurring expenditures, but such use shall be restricted to the
36 financing of all or part of the planning, construction, reconstruction or
37 acquisition of any specific capital improvement or the acquisition of
38 any specific item of equipment. Upon the approval of any such
39 expenditure an appropriation shall be set up, plainly designated for
40 the project or acquisition for which it has been authorized, and such
41 unexpended appropriation may be continued until such project or
42 acquisition is completed. Any unexpended portion of such
43 appropriation remaining after such completion shall revert to said
44 fund. If any authorized appropriation is set up pursuant to the
45 provisions of this subsection and through unforeseen circumstances
46 the completion of the project or acquisition for which such
47 appropriation has been designated is impossible to attain the board, by
48 a majority vote of its members, may terminate such appropriation
49 which then shall no longer be in effect. Such fund may be
50 discontinued, after the recommendation and approval by the regional

51 board of education, and any amounts held in the fund shall be
52 transferred to the general fund of the district.

53 Sec. 2. (NEW) (*Effective from passage*) A regional board of education,
54 by a majority vote of its members, may create a reserve fund for
55 accrued liabilities for employee sick leave and severance benefits. Such
56 fund shall thereafter be termed "reserve fund for employee sick leave
57 and severance benefits". The aggregate amount of annual and
58 supplemental appropriations by a district to such fund in any one
59 fiscal year shall not exceed ____ per cent of the annual district budget
60 for such fiscal year. No payments shall be made to the fund which will
61 cause the amount of such fund to exceed the accrued liability for such
62 employee benefits as determined by ____, except for the addition of
63 interest and investment earnings with respect to amounts held in the
64 fund. Annual appropriations to such fund shall be included in the
65 share of net expenses to be paid by each member town. Supplemental
66 appropriations to such fund may be made from estimated fiscal year
67 end surplus in operating funds. Interest and investment earnings
68 received with respect to amounts held in the fund shall be credited to
69 such fund. The board shall annually submit a complete and detailed
70 report of the condition of such fund to the member towns. Upon the
71 approval of the board, by a majority vote of its members, any part or
72 the whole of such fund may be used for the payment of employee sick
73 leave and severance benefits without further appropriation. Such fund
74 may be discontinued, after recommendation by the board and
75 approval by the board, and any amounts held in the fund shall be
76 transferred to the general fund of the district.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10-51(d)
Sec. 2	<i>from passage</i>	New section

Statement of Purpose:

To permit regional school districts to have reserve funds for capital and nonrecurring expenditures and for accrued liabilities for employee sick leave and severance benefits.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]