



# House of Representatives

General Assembly

**File No. 121**

February Session, 2018

Substitute House Bill No. 5167

*House of Representatives, March 29, 2018*

The Committee on Education reported through REP. FLEISCHMANN of the 18th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT INCREASING THE AMOUNT A TOWN MAY DEPOSIT INTO A NONLAPSING ACCOUNT FOR UNEXPENDED EDUCATION FUNDS.***

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

1 Section 1. Section 10-248a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2018*):

3 For the fiscal year ending June 30, [2011] 2019, and each fiscal year  
4 thereafter, notwithstanding any provision of the general statutes or  
5 any special act, municipal charter, home rule ordinance or other  
6 ordinance, the board of finance in each town having a board of finance,  
7 the board of selectman in each town having no board of finance or the  
8 authority making appropriations for the school district for each town  
9 may deposit into a nonlapsing account any unexpended funds from  
10 the prior fiscal year from the budgeted appropriation for education for  
11 the town, provided (1) such deposited amount does not exceed [one]  
12 two per cent of the total budgeted appropriation for education for such  
13 prior fiscal year, (2) each expenditure from such account shall be made

14 for educational purposes only, and (3) such expenditure shall be  
15 authorized by the local board of education for such town.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	10-248a

**Statement of Legislative Commissioners:**

Section 1 was rewritten for clarity.

**ED**      *Joint Favorable Subst.*

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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 19 - FY 20 \$
Various Municipalities	Potential Increased Carryforward	Up to 1% of a town's education appropriation

**Explanation**

The bill may result in increased carryforward funds, of up to an additional 1% of a town's education appropriation, for municipalities that have unspent education funds. The bill allows a school district to retain an additional 1% to be deposited into a nonlapsing account, and requires that the deposited funds be expended for education purposes. This could increase the carryforward funds available for a municipality, for education, from fiscal year to fiscal year.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of a town's education appropriation that is carried forward.

**OLR Bill Analysis**

**sHB 5167**

***AN ACT INCREASING THE AMOUNT A TOWN MAY DEPOSIT INTO A NONLAPSING ACCOUNT FOR UNEXPENDED EDUCATION FUNDS.***

**SUMMARY**

This bill increases the amount of unspent education funds that a town can deposit in a nonlapsing fund for later use from 1% to 2% of the town's budgeted appropriation for education for the prior fiscal year. Existing law, unchanged by the bill, permits this deposit by a town board of finance, board of selectmen in a town with no board of finance, or other appropriating authority for a school district notwithstanding any contrary statutes, special acts, local charters, and ordinances.

The bill also requires that the deposited funds be expended upon the authorization of the board of education and only for educational purposes.

EFFECTIVE DATE: July 1, 2018

**COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute

Yea 36 Nay 0 (03/14/2018)