

Regional School District No. 12
BRIDGEWATER - ROXBURY - WASHINGTON
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March 16, 2021

EDUCATION COMMITTEE
WEDNESDAY, MARCH 17, 2021, 10:00AM

HB 6618 An Act Concerning CERTAIN FUNDING ISSUES AFFECTING BOARDS OF EDUCATION

I am writing about the positive impacts this bill will have on regional school districts, and the opportunity that it presents to correct an inequity between municipal districts and regional districts.

For fiscal year 2019, a change was made that was met with enthusiasm by myself as well as school officials and districts across Connecticut. The threshold for the school districts to contribute to non-lapsing accounts was increased from 1% to 2% of the annual budget. This change allowed school districts to better manage potential unexpended funds at the end of our fiscal year, and to build much needed reserves for capital projects.

Soon after the bill was passed, I was both surprised and disappointed to learn that the language of the bill was such that regional school districts were excluded. I believe this was simply a scrivener's error. Unfortunately, this unintentional mistake has negatively impacted regional school districts for what is now approaching a third fiscal year. Because of this omission, regional school districts are not afforded the same opportunity as municipal districts to accrue necessary reserves. Reserves are crucial to the upkeep of the facilities that serve our children, and are an impactful means to avoid borrowing in order to control the annual cost of debt service. As the operating costs of personnel, benefits, supplies and services to support our students continue to increase year to year, capital projects are often delayed in an attempt to limit the increase to the regional budget which is subject to taxpayer approval at referendum.

For the fiscal year ended 2020, Region 12 will return over \$1,000,000 to our three towns. At the same time, we are actively seeking to bond \$3,000,000 for several necessary facilities projects. Some of these projects could have been paid for from accrued non-lapsing account funds. Had the prior bill included regional school districts, Region 12 would be in a position today to reduce the upcoming borrowing by more than twenty percent, and several of these projects would be complete and in place for the safety and welfare of our students and staff.

As this correction comes at no cost to the State, I am hopeful that you will pass bill 6618 and allow regional districts the same opportunity to establish needed reserves that was previously afforded to municipal school districts.

Thank you very much for your time and consideration of this request.

Respectfully,

Nicole E. Grant
Director of Finance