

AMITY REGIONAL SCHOOL DISTRICT NO. 5
Bethany Orange Woodbridge
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EDUCATION COMMITTEE
WEDNESDAY, MARCH 17, 2021
10:00

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

I am writing about the changes proposed in this bill and the positive impact it will have on the local taxpayer and Regional School District #5's long-term debt. Allowing for this increase will very likely avoid bonding for smaller projects. The regional school district borrowed \$1.9 million dollars in 2017 to complete parking lot paving and HVAC replacements. We again borrowed funds to do a second phase of parking lot and HVAC replacements in 2020. The regional school district's capital plan identifies both roof and chiller projects of \$1.3 million in 2024. The 2017 borrowing could have been avoided if the district was able to put more funds aside from the operating surpluses. The 2024 borrowing can definitely be avoided if the cap is raised to two percent.

The regional school district has returned on average \$2,000,000 to the member towns at the end of the last few years. The regional school district is self-insured and experienced very low claim activity in 2017, 2018 and 2020. This along with the school shutdowns in the past and current fiscal year generated more savings. Savings can also be realized when the regional school district successfully returns outplaced special education students to the regional school district. The voters have already approved these funds for the regional school district and it is most beneficial to the taxpayer to be able to put away surplus funds to keep future budgets and borrowing at the lowest extent possible.

As a regional school district, we have long-term obligations of pension costs and OPEB contributions in our operating budget. Additionally the annual cost of medical and liability insurance are other large line items in our operating budget. Capital projects often are delayed to a later budget year to keep the immediate increase low.

Planning for the projects using funds that become available during a budget cycle from either unforeseen circumstances or cost effective measure is a better budgeting method than borrowing.

Please support increasing the amount a regional board of education can deposit into a non-lapsing account to two percent of the total budgeted appropriation for education in the prior fiscal year.

Respectfully,

Theresa Lumas

Theresa Lumas
Director of Finance & Administration, Regional School District #5