

Senate, April 6, 1998. The Committee on Education reported through SEN. GAFFEY, 13th DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING BUDGET LINE ITEM TRANSFERS BY LOCAL BOARDS OF EDUCATION.

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

1 Section 1. Subsection (a) of section 10-222  
2 of the general statutes is repealed and the  
3 following is substituted in lieu thereof:

4 (a) Each local board of education shall  
5 prepare an itemized estimate of the cost of  
6 maintenance of public schools for the ensuing year  
7 and shall submit such estimate to the board of  
8 finance in each town or city having a board of  
9 finance, to the board of selectmen in each town  
10 having no board of finance or otherwise to the  
11 authority making appropriations for the school  
12 district, not later than two months preceding the  
13 annual meeting at which appropriations are to be  
14 made. The money appropriated by any municipality  
15 for the maintenance of public schools shall be  
16 expended by and in the discretion of the board of  
17 education. [Any] EXCEPT AS PROVIDED IN THIS  
18 SUBSECTION, ANY such board may transfer any  
19 unexpended or uncontracted-for portion of any  
20 appropriation for school purposes to any other  
21 item of such itemized estimate. BY JANUARY 1,  
22 1999, EACH LOCAL AND REGIONAL BOARD OF EDUCATION

23 SHALL ADOPT POLICIES FOR SUCH TRANSFERS. SUCH  
24 POLICIES SHALL ESTABLISH A THRESHOLD FOR SUCH  
25 TRANSFERS WHICH WHEN EXCEEDED BY AN INDIVIDUAL  
26 TRANSFER OR BY THE CUMULATIVE TOTAL OF TRANSFERS  
27 FROM ANY INDIVIDUAL LINE ITEM IN A BUDGET SHALL  
28 REQUIRE THE BOARD'S APPROVAL PRIOR TO MAKING SUCH  
29 TRANSFER. ANY TRANSFER WHICH DOES NOT REQUIRE  
30 BOARD APPROVAL PURSUANT TO THIS SECTION SHALL BE  
31 DISCLOSED AT THE NEXT REGULARLY SCHEDULED MEETING  
32 OF THE BOARD. Expenditures by the board of  
33 education shall not exceed the appropriation made  
34 by the municipality, with such money as may be  
35 received from other sources for school purposes.  
36 If any occasion arises whereby additional funds  
37 are needed by such board, the chairman of such  
38 board shall notify the board of finance, board of  
39 selectmen or appropriating authority, as the case  
40 may be, and shall submit a request for additional  
41 funds in the same manner as is provided for  
42 departments, boards or agencies of the  
43 municipality and no additional funds shall be  
44 expended unless such supplemental appropriation  
45 shall be granted and no supplemental expenditures  
46 shall be made in excess of those granted through  
47 the appropriating authority. The annual report of  
48 the board of education shall, in accordance with  
49 section 10-224, include a summary showing (1) the  
50 total cost of the maintenance of schools, (2) the  
51 amount received from the state and other sources  
52 for the maintenance of schools, and (3) the net  
53 cost to the municipality of the maintenance of  
54 schools. FOR PURPOSES OF THIS SUBSECTION,  
55 "MEETING" MEANS A MEETING, AS DEFINED IN SECTION  
56 1-18a, AS AMENDED.  
57 Sec. 2. This act shall take effect July 1,  
58 1998.

59 ED COMMITTEE VOTE: YEA 31 NAY 0 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

\* \* \* \* \*

**FISCAL IMPACT STATEMENT - BILL NUMBER sSB 363**

STATE IMPACT                   None  
 MUNICIPAL IMPACT           None, see explanation below  
 STATE AGENCY(S)           None

EXPLANATION OF ESTIMATES:

MUNICIPAL IMPACT: It is expected that any policy on line item transfers set by a board of education would require approval only at regularly scheduled meetings and thus the bill has no fiscal impact.

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**OLR BILL ANALYSIS**

sSB 363

**AN ACT CONCERNING BUDGET LINE ITEM TRANSFERS BY LOCAL BOARDS OF EDUCATION**

**SUMMARY:** This bill requires each local and regional school board to adopt policies on line item budget transfers by January 1, 1999. In its policy, a board must set an amount which, before being exceeded by a single transfer or by the latest of several transfers from the same line item, requires its approval. The bill also requires a board to disclose smaller line item transfers after the fact at its next regularly scheduled public meeting.

EFFECTIVE DATE: July 1, 1998

**BACKGROUND**

**Authority Over School Funds**

By law, a school board must submit a budget for maintaining schools to its town fiscal authority every year. But once the fiscal authority appropriates a sum for education purposes, the board has discretion in how to spend it. A board may transfer unspent or uncontracted-for money from any part of its budget to any other part, as long as it does not exceed the total appropriated amount.

**COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute  
Yea 31      Nay 0