

Board of Education recommends the following changes to the Town Manager's Revised Budget Plan of August 2, 2017:

Recommendation	RBP 8-2-2017	Recommended change
1	(Section 3,5) Mentions reduction of \$600,000 as assumed to be coming from 50% of a <i>Special Education grant</i> , and \$393,340 from <i>unspent</i> FY16/17 BOE funds scheduled to go into the 1% fund.	Make a total reduction from the BOE budget. Do not connect it to the 1% fund, or any special education grant. Simply state the reduction as a "reduction of X."
2	(Section 5) The H&P budget contains \$1,400,000 from fund balance. It is recommended that \$1,006,660 come from the existing General Fund-fund balance and \$393,340 from unspent FY16/17 BOE funds that were scheduled to go into the BOE 1% fund.	Transfer the \$393,340 to the 1% Fund as permitted by Town Ordinance and Section 10-248a of the Connecticut General Statutes. Note: this amount has already been used as a reduction in the BOE budget.
3	(Section 3,5) Total reduction to the Board of Education Budget <i>below</i> the 0% increase of \$39,333,948 is \$993,340 (comprised of \$600,000 + 393,340).	Total reduction to the Board of Education budget below the 0% increase of \$39,333,948 is \$600,000.
4*	(Section 7) If the state budget, when approved, provides more revenue than anticipated the following is reimbursed in this order: <ol style="list-style-type: none"> 1. The money taken from the General Fund-fund balance shall be replenished. 2. The money that was requested to go to the BOE 1% reserve fund shall be funded. 3. Up to 50% of the remainder shall be set aside as reserved for tax relief in FY 18/19, 19/20, and 20/21 in equal amounts. 4. The remaining additional funds shall be allocated to the BOE and Town on an 80/20% basis capped at the BOE original request amount and the amount of expenditure reductions of the Town as recommended by the Town Manager. 	If the state budget, when approved, provides more revenue than anticipated the following is reimbursed in this order: <ol style="list-style-type: none"> 1. \$1,006,660 is returned to the fund balance. 2. The remaining additional funds shall be allocated to the BOE and Town on an 80/20% basis capped at the BOE original request amount and the amount of expenditure reductions of the Town as recommended by the Town Manager.
5*	(Section 8) If the State budget, when approved, provides us with less revenue than budgeted then the difference would come from decreased BOE and Town expenditures on an 80/20% basis.	If the State budget, when approved, provides us with less revenue than budgeted a joint TC/BOE meeting should be immediately planned and executed to determine funding sources in a collaborative and open process.
6	(Section 9) Should the General Fund-fund balance be utilized in any amount greater than \$200,000 and not be replenished by additional State dollars, any expenditure savings of the Town and BOE in future years shall be returned to the General Fund-fund balance and not placed in any other reserve accounts until such time that the funds are replenished. The goal shall be that the funds shall be replenished in no more than five years and a concerted effort will be made on the part of the BOE and Town to have end of the year savings to use for this purpose. Future use of fund balance as a revenue source shall revert back to our normal of between \$150,000-\$200,000.	If through the discretion of the Superintendent and/or BOE there are BOE funds available at the end of the fiscal year, they may be transferred over to the Town and the Town can use these funds for any purpose it so chooses. This is consistent with Section § 10-222 of the Connecticut General Statutes. While the TC is entitled to any "surplus" at the end of a fiscal year, according to Section § 10-222 of the Connecticut General Statutes the Town cannot dictate to the BOE how it spends the money it has been appropriated. The intention of the state law is to keep these processes separate.

*. "The BOE would prefer future contingencies be tabled because they would be better addressed when the State budget is approved through a joint TC/BOE process. Funding sources then would be determined in a collaborative and open process, in light of the exact circumstances at that time. The contingencies included in items 4 and 5 were only in reaction to the future planning the TC is already considering. We attempted to make this document as simple and straightforward as possible while still addressing each point in the proposal under consideration.