

# Connecticut Municipal Budget Adoption Experiences FY 2014-2015

This is the twenty-fifth year that the ACIR surveyed all 169 Connecticut municipalities and 17 regional school districts for their experiences in adopting their operating budgets. This information is compared with data from previous years to identify trends and establish a context.

Municipal budget-making authorities generally begin to hold meetings on local budgets as early as January or February. This schedule provides a period of four to five months for the budget adoption process before the beginning of the new fiscal year. This report includes two ways of measuring whether a municipality has had difficulty adopting its budget: 1) the date of adoption and 2) the number of votes necessary to adopt that budget. If the budget is not adopted by June 30, then the municipality has to start the new year without an updated financial plan in place. Summaries of the responses from municipalities and regional school districts follow.

Budget Adoption Body	Budget Adoption Body					Total Number of Votes			
	2011	2012	2013	2014		2011	2012	2013	2014
<b>Town Meeting</b>	47	45	44	47	<b>1 Vote</b>	150 (89%)	148 (88%)	142 (84%)	143 (84%)
<b>Referendum</b>	75	75	75	73	<b>2 Votes</b>	9 ( 5%)	10 ( 6%)	14 ( 8%)	13 ( 8%)
<b>Town Council</b>	34	35	36	31	<b>3 Votes</b>	10 ( 6%)	7 ( 4%)	9 ( 5%)	8 ( 5%)
<b>Rep. Town Mtg.</b>	6	7	7	7	<b>4 Votes</b>		3 ( 2%)	3 ( 2%)	3 ( 2%)
<b>Other</b>	7	7	7	11	<b>5 Votes</b>		1 (<1%)	1 (<1%)	2 ( 1%)
					<b>6+ Votes</b>				

The number of municipalities adopting their budgets by referendum, 73, is a slight decline from the previous few years, following what had been a steady increase in the number of towns adopting their budget by referendum. Only 48 municipalities, for instance, adopted their budgets by referendum in 2000. The long-term increase in referendums is balanced in large part by a decline in the number of municipalities adopting their budget by town meeting. That number was 47 this year, consistent with recent years but considerably less than the 74 municipalities that adopted their budget by town meeting in 2000.

Of the 73 municipalities adopting their budget by referendum, 20 did not approve the budget with the first vote, which is 3 more than in 2013, when 2 more towns adopted their budget by referendum. Considering the multiple referenda in numerous towns, there have been 117 municipal budget referenda this year, 2 more than in 2014, but 43 less than the high of 160 referenda in 2007.

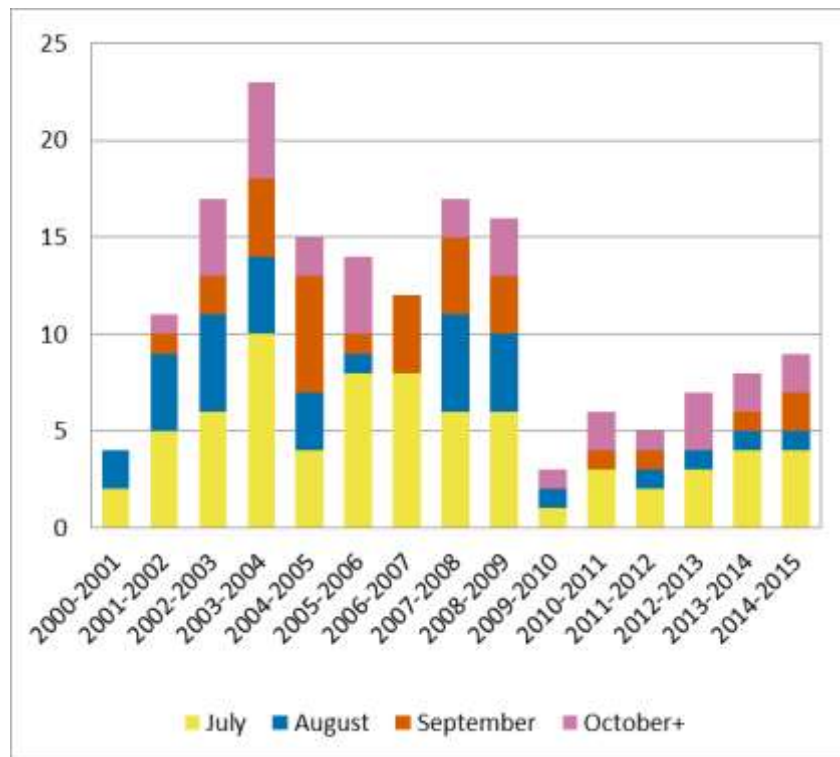
Whether adopted by referendum, town meeting or other budget adoption body, the number of votes needed to adopt a budget might be an indicator of division within a municipality. In 2014, 13 municipalities needed three or more votes to adopt a budget, the same number as in 2013. Only five municipalities needed as many as three votes in 2009. No municipality required more than three votes to adopt its budget in 2009 and 2011, the only years that occurred during the time the ACIR has been tracking budgets.

**Intervals Between Votes - 2014**  
(For budgets adopted after June 15)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>			
Bethany	2	6/2, 6/23	Bethel	4	5/15, 6/12, 6/26, 7/17
East Haddam	2	5/20, 6/19	East Hampton	3	5/6, 6/3, 6/26
Griswold	5	5/13, 6/4, 6/24, 7/22, 9/16	Hampton	2	5/22, 6/26
Killingly	4	5/13, 6/10, 6/24, 7/8	Morris	1	6/26
Naugatuck	3	7/29, 10/14, 10/28	North Haven	1	6/21
North Stonington	1	6/16	Stafford	5	5/14, 6/4, 6/18, 9/3, 10/8
Sterling	2	6/5, 7/15	Thompson	2	5/28, 6/24
Watertown	3	5/31, 6/24, 8/5	West Haven	1	6/18
Windham	4	5/13, 6/17, 7/15, 9/23	Woodbury	3	5/29, 6/26, 7/23

In recent years, only a small number of municipalities have failed to adopt their budgets prior to the July 1 start of the fiscal year, with nine failing to do so in 2014. During 2001-2008, no fewer than eleven and as many as 23 municipalities adopted their budgets after July 1 each year. Only three did so in 2009, followed by six in 2010, five in 2011, seven in 2012 and eight in 2013. The generally increasing trend of the last few years might be too small to be definitive, but could signal a return to more difficult budgeting.

**Number of Budgets Adopted after Beginning of Fiscal Year**



Budget Year	Dates of Adoption <sup>1</sup>							Not Adopted as of Publication <sup>2</sup>
	Before June 1	June	July	Aug.	Sept.	Oct.	Nov.	
2003-2004	119	27	10	4	4			5
2004-2005	121	33	4	3	6			2
2005-2006	126	29	8	1	1			4
2006-2007	131	26	8		4			
2007-2008	127	25	6	5	4	2		
2008-2009	126	27	6	4	3			3
2009-2010	144	22	1	1				1
2010-2011	132	31	3		1	2		
2011-2012	134	29	2	1	1	1		
2012-2013	138	24	3	1		3		
2013-2014	133	28	4	1	1	1	1	
2014-2015	134	26	4	1	2	2		

1: For towns belonging to regional school districts, the adoption date listed here is the date the town adopts its general government budget, except when the regional school budget is not adopted at the time of publication. When that happens, those towns are included on the list of those not adopting their budgets at the time of publication.

2: As of the 2010-2011 report, the data collection period is extended as necessary to accommodate later-adopted budgets.

June 15 is considered the latest date a town can adopt its budget and still have time to issue its tax bills in a timely manner prior to the beginning of the fiscal year. Eighteen municipalities adopted their budget after June 15 in 2014, which is four more than in 2013 and eight more than in 2012. However, 2012 had tied with 2009 for having the fewest municipalities adopt their budget so late since ACIR started tracking this in 1990. As recently as 2008, 23 municipalities adopted their budget after June 15 as recently as 2008, and the the largest number to do so was 34, in 2003. Previous editions of this report have attempted to interpret the relationship between economic indicators and municipalities' timeliness in adopting their operating budgets, but the relationship is complicated.

### FY 2014-2015 Budget Data

Municipalities: Cumulative Adopted Budget Total - \$13,324,945,625

Average change: +3.8%      Median change: +2.5%

1 Town had a budget increase above 8%	32 Towns had a budget increase between 1 - 1.99%
2 Towns had a budget increase between 7-7.99%	11 Towns had a budget increase between 0 - 0.99%
4 Towns had a budget increase between 6-6.99%	7 Towns had a budget reduction between -0.01 - -0.99%
5 Towns had a budget increase between 5-5.99%	1 Town had a budget reduction between -1 - -1.99%
11 Towns had a budget increase between 4-4.99%	1 Towns had a budget reduction between -2 - -2.99%
36 Towns had a budget increase between 3-3.99%	1 Town had a budget reduction between -3 - -3.99%
52 Towns had a budget increase between 2-2.99%	5 Towns had a budget reduction above -4%

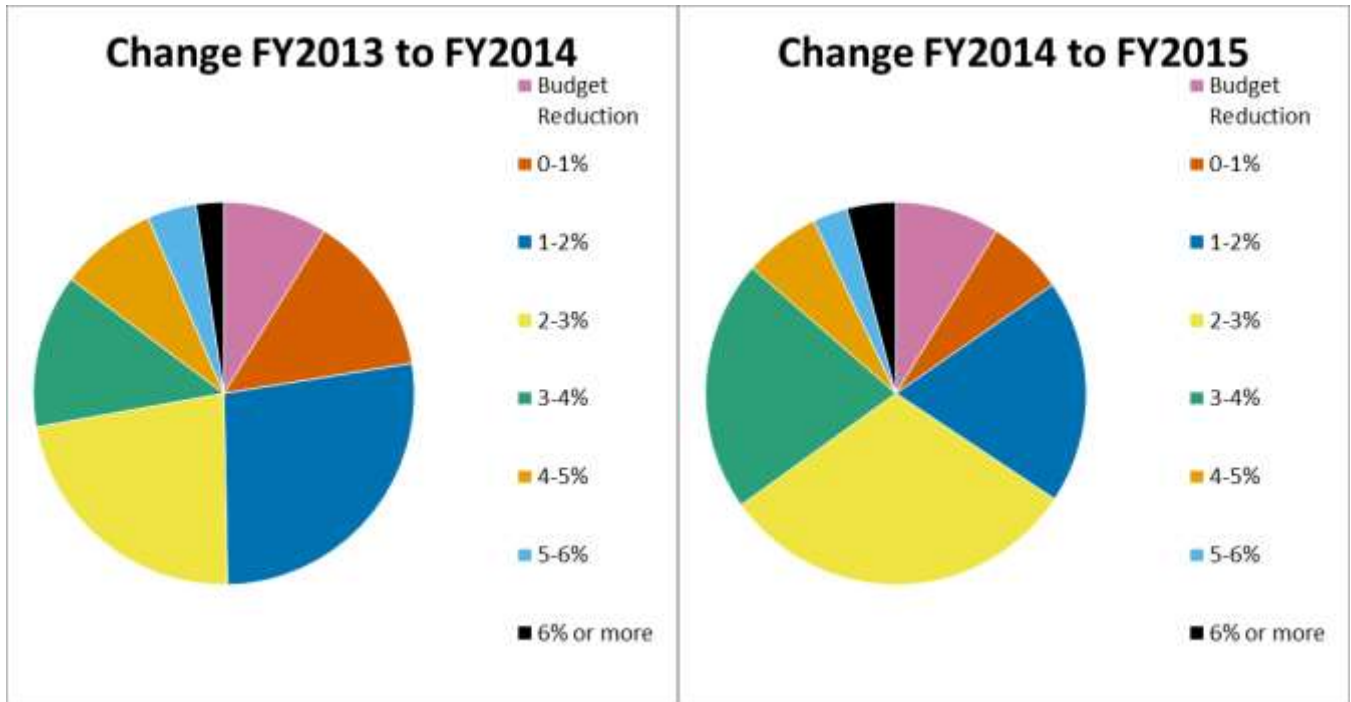
Regional School Districts: Cumulative Adopted Budget Total - \$496,939,459 (overall increase of 2.2%)

Average change: +2.2%      Median change: +2.4%

5 Districts had a budget increase between 3-4%	2 Districts had a budget increase between 0-1%
5 Districts had a budget increase between 2-3%	2 District had a budget reduction
3 Districts had a budget increase between 1-2%	

The number of municipalities adopting a reduced budget held steady in 2014, with 15 doing so, the same as the previous year. However, there had been 19 in 2012, 24 in 2011, 30 in 2010 and 88 in 2009. On the other hand, even the 15 budget reductions of each of the past two years represents a sizable increase over the 5 and 8 municipalities that reduced their budgets in 2008 and 2007, respectively. As the ACIR has noted in recent years, it is difficult to repeatedly reduce budgets. Nevertheless, the ACIR notes that the proportion of municipalities adopting a budget increase of less than 2% has declined from approximately one-half in 2013 to one-third in 2014

### 2014-2015 Municipal Budgets, by Amount of Increase



### Regional School District Responses

Most regional school districts adopted their budgets with relative ease in 2014. Fifteen districts adopted their budgets by referendum, using a total of 18 referendums, which was seven fewer referendums than last year, when one district by itself accounted for seven referendums. Two budgets were adopted at district meetings, which is consistent with recent years, when one or two have been each year. Combined, the districts' budgets increased 2.2%, slightly higher than the 2.1 % increase of 2013 but also higher than the 1.4% and 1.7% of the previous two years. Ten districts increased their budget by greater than 2% a notable change from recent years when only five adopted a budget with an increase exceeding 2%. Five districts increased their budgets by greater than 3%, two more than in 2013, although no increase exceeded 4%. Unlike in recent years, there was no clustering of increases just below 2%. In 2013, for example, three districts had increases of 1.94% to 1.98%.

**Adoption Body**

	<u>2003<sup>a</sup></u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
District Meeting	2	1					2	1	1	2	1	2
Referendum	14	16	17	17	17	17	15	16	16	15	16	15

**Number of Votes**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1 Vote	9	11	9	15	14	11	15	16	15	14	14	14
2 Votes	5	3	5	1	2	1	1		1	2	1	3
3 Votes	2	1	3	1		4	1		1	1	1	
4+ Votes	1	1			1	1					1	

**Date of Adoption**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Before June 1	12	13	12	15	16	12	16	17	16	16	15	16
June	4	2	4	1		4	1		1	1	1	1
July		1	1	1		1						
August		1			1							
Sept. or later	1										1	

**2014-2015 Regional School District Budgets, by Amount of Increase**

