

# Connecticut Municipal Budget Adoption Experiences

## FY 2015-2016

This is the twenty-sixth 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	2012					Total Number of Votes			
	2012	2013	2014	2015		2012	2013	2014	2015
<b>Town Meeting</b>	45	44	47	44	<b>1 Vote</b>	148 (88%)	142 (84%)	143 (84%)	149 (84%)
<b>Referendum</b>	75	75	73	76	<b>2 Votes</b>	10 ( 6%)	14 ( 8%)	13 ( 8%)	12 ( 8%)
<b>Town Council</b>	35	36	31	34	<b>3 Votes</b>	7 ( 4%)	9 ( 5%)	8 ( 5%)	6 ( 5%)
<b>Rep. Town Mtg.</b>	7	7	7	8	<b>4 Votes</b>	3 ( 2%)	3 ( 2%)	3 ( 2%)	1 ( 2%)
<b>Other</b>	7	7	11	7	<b>5 Votes</b>	1 (<1%)	1 (<1%)	2 ( 1%)	1 ( 1%)

The number of municipalities adopting their budgets by referendum, 76, is similar to the previous few years. Prior to that, there had been a steady increase in the number of towns adopting their budget by referendum with only 48 municipalities, for instance, adopting their budgets by referendum in 2000. That long-term increase was largely balanced by a decline in the number of municipalities adopting their budget by town meeting. That number was 44 this year, consistent with recent years but considerably less than the 74 municipalities that did so in 2000. For the first time this year, municipalities were asked if a town or council meeting had been adjourned to a referendum and at least 45 municipalities did so.

Of the 76 municipalities adopting their budget by referendum, 17 did not approve the budget with the first vote, which is 3 fewer than in 2014 and the same as in 2013. Considering the multiple referenda in numerous towns, there have been 104 municipal budget referenda this year, which is 13 fewer than in 2014 and 56 fewer 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 2015, 8 municipalities needed three or more votes to adopt a budget, which is five fewer than in 2013 and 2014. Only five municipalities needed as many as three votes in 2009 and 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.

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 six failing to do so in 2015, three fewer than in 2014 but similar to the the experiences of 2010 – 2013. 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.

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[http://www.ct.gov/opm/lib/opm/2015\\_Municipal\\_Budget\\_Adoption.pdf](http://www.ct.gov/opm/lib/opm/2015_Municipal_Budget_Adoption.pdf)

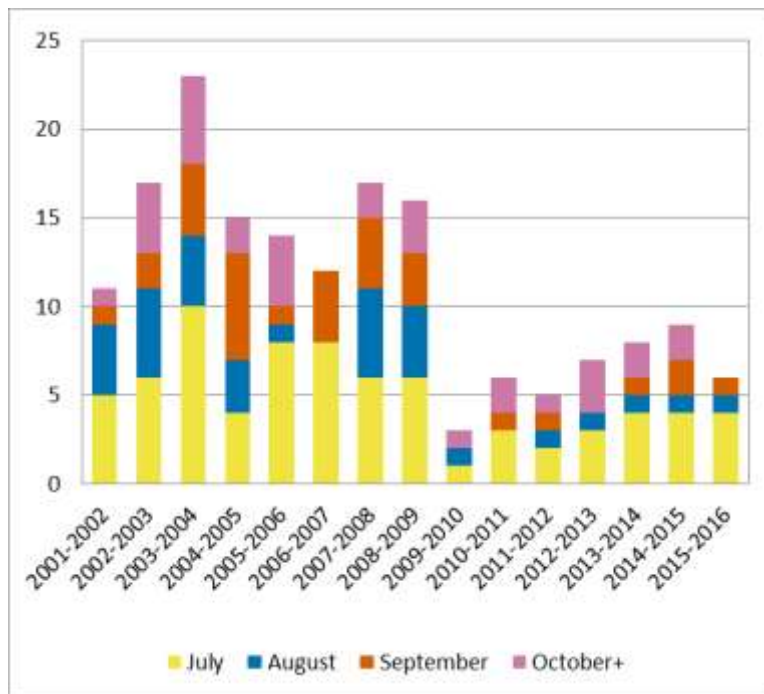
Prepared by the Connecticut Advisory Commission on Intergovernmental Relations

450 Capitol Ave., MS# 54ORG, Hartford, CT. 06106-1379 (860) 418-6323 [www.ct.gov/opm/acir](http://www.ct.gov/opm/acir)

**Intervals Between Votes - 2015**  
(For budgets adopted after June 15)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>			
Bozrah	1	7/15	Colchester	3	5/5, 5/28, 6/23
East Hampton	4	5/5, 6/2, 6/24, 7/22	Mansfield	3	5/12, 6/16, 6/22
Morris	1	6/17	Naugatuck	2	7/7, 9/22
North Haven	2	5/19, 6/16	Thompson	3	5/27, 6/16, 7/1
Windsor	5	5/123, 6/2, 6/23, 7/14, 8/4	Woodbury	2	5/28, 7/28

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



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. Ten municipalities adopted their budget after June 15 in 2015, which is eight fewer than in 2014 and four fewer than in 2013, but the same as in 2012. This year matches 2012 and 2009 in 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 and the the largest number to do so was 34, in 2003. Earlier editions of this report attempted to interpret the relationship between economic indicators and municipalities' timeliness in adopting their operating budgets, but the relationship is complicated.

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.	
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		
2015-2016	140	23	4	1	1			

1: For towns belonging to regional school districts, the adoption date listed here is the date the town adopts its own budget.

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

In 2015, 19 municipalities adopted a budget that was smaller than the previous year's. Only did so in 2014 and in 2013. While this year's 19 is a decrease from the 30 that did so in 2010 and the 88 that did in 2009, it is a sizable increase over the 5 and 8 that did so in 2008 and in 2007, respectively.

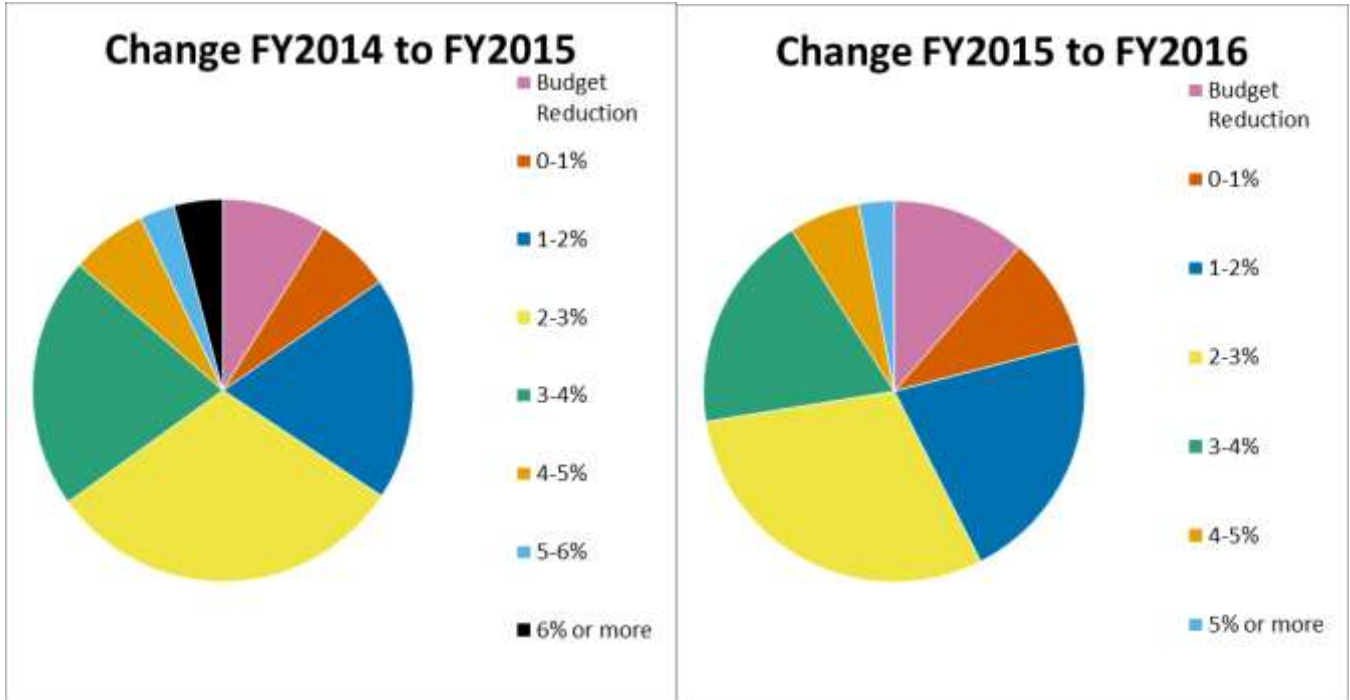
#### FY 2015-2016 Change in Municipality Budget

Municipalities:	Cumulative Adopted Budget Total - \$13,413,993,730	Average change: +1.9%	Median change: +2.2%
	Municipalities with change <2.5%: 99	Municipalities with change ≥2.5%: 70	
5 Towns had a budget increase above 5%		13 Towns had a budget reduction between -0.01 - -0.99%	
10 Towns had a budget increase between 4-4.99%		1 Town had a budget reduction between -1 - -1.99%	
31 Towns had a budget increase between 3-3.99%		3 Towns had a budget reduction between -2 - -2.99%	
50 Towns had a budget increase between 2-2.99%		1 Town had a budget reduction between -3 - -3.99%	
36 Towns had a budget increase between 1 - 1.99%		1 Town had a budget reduction above -4%	
16 Towns had a budget increase between 0 - 0.99%			

In 2015, 19 municipalities adopted a budget that was smaller than the previous year's. Only did so in 2014 and in 2013. While this year's 19 is a decrease from the 30 that did so in 2010 and the 88 that did in 2009, it is a sizable increase over the 5 and 8 that did so in 2008 and in 2007, respectively.

In the future, subsection 207(h) of PA 15-244 will reduce state funding to a municipality increasing general budget expenditures by more than the rate of inflation or by 2.5%, whichever is greater, from one year to the next. That calculation, however, excludes expenditures for debt service, special education, court orders or arbitration awards and certain other costs. That level of detail is beyond the scope of this report, but 70 of 169 municipalities increased general budget expenditures by 2.5% or more this year and half of the municipalities did so last year.

## 2015-2016 Municipal Budgets, by Amount of Increase



## Regional School District Responses

Regional school districts adopted their budgets with relative ease in 2015. All seventeen districts adopted their budgets by referendum, requiring a total of 19 referendums, which is only one more referendum than in 2014, when two fewer districts adopted their budget by referendum. It also is six fewer referendums than in 2013, when one district by itself accounted for seven referendums. No budgets were adopted at district meetings, which is a change from recent years, when one or two have been adopted by district meeting each year.

<b>Adoption Body</b>												
	<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>	<u>2014</u>
District Meeting	1					2	1	1	2	1	2	
Referendum	16	17	17	17	17	15	16	16	15	16	15	17
<b>Number of Votes</b>												
	<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>	<u>2015</u>
1 Vote	11	9	15	14	11	15	16	15	14	14	14	15
2 Votes	3	5	1	2	1	1		1	2	1	3	2
3 Votes	1	3	1		4	1		1	1	1		
4+ Votes	1			1	1					1		
<b>Date of Adoption</b>												
	<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>	<u>2015</u>
Before June 1	13	12	15	16	12	16	17	16	16	15	16	16
June	2	4	1		4	1		1	1	1	1	1
July	1	1	1		1							
August	1			1								
Sept. or later										1		

Collectively, the districts' budgets increased 2.2%, similar to the 2.2% and 2.1% increases of 2014 and 2013, respectively, but higher than the 1.4% and 1.7% of the previous two years. As in 2014, ten districts increased their budget by greater than 2% in 2015, a notable change from previous years when only five adopted a budget with an increase exceeding 2%. Also as in 2014, five districts increased their budgets by greater than 3% and no increase exceeded 4%.

### FY 2015-2016 Change in Regional School District Budget

Regional School Districts: Cumulative Adopted Budget Total - \$508,833.474	Average change: +2.2%	Median change: +2.1%
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%	1 District had a budget reduction	
4 Districts had a budget increase between 1-2%		

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

