

# Connecticut Municipal Budget Adoption Experiences FY 2009-10

This is the twentieth 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. As of September 2009, 168 of 169 municipalities and all 17 regional school districts have adopted their budgets for FY 2009-10. The following is a summary of the responses from the municipalities and regional school districts.

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.

	<b>Budget Adoption Body<sup>A</sup></b>				<b>Total Number of Votes<sup>B</sup></b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	
Town Meeting	52	50	49	49	1 Vote	129 (76%)	133 (79%)	131(78%)	149 (88%)
Referendum <sup>1</sup>	70	73	68	72	2 Votes	18 (11%)	12 ( 7%)	17 (10%)	14 ( 8%)
Council	35	35	37	35	3 Votes	14 ( 8%)	8 ( 5%)	12 ( 5%)	5 ( 3%)
Rep. Town Meeting	6	6	6	6	4 Votes	6 ( 4%)	11 ( 7%)	4 ( 2%)	
Other	6	5	6	6	5 Votes	2 ( 1%)	2 ( 1%)	2 ( 1%)	
					6 + Votes		3 ( 2%)		
NAAOP <sup>2</sup>			3	1	NAAOP <sup>2</sup>		3 ( 2%)	1 (1%)	

**A) Comment:** The number of municipalities adopting their budgets by referendum, 72, continues the trend of the number of municipalities adopting by referenda. Since 2006, 68-73 municipalities adopted their budgets by referendum, while the number of those adopting by means of the town meeting has stayed in the 49-52 range.

**B) Comment:** Of the 72 towns adopting budgets by referendum, only 58 were approved on the first vote. Considering multiple referenda in numerous towns, there has been a total of 89 municipal budget referenda held this year, thirty-five less than last year and seventy-one less than a high of 160 referenda in 2007. The 2009 figure does not include the multiple referenda of Bozrah, which has not yet adopted its FY 2009-10 budget.

1. There are times when a town holds a referendum that fails, after which it adopts its budget by some other means. In 2009, this happened only once compared to eight times in 2008.

2. Not adopted as of publication of this report.

### Dates of Adoption

Adoption Year*	Before							Not Adopted as of Publication
	June 1	June	July	August	Sept.	Oct.	Nov.	
1997	132	25	7	3				2
1998	139	26	3					1
1999	143	22		4				0
2000	140	24	2	2				1
2001	131	27	5	4	1			1
2002	118	34	6	5	2			4**
2003	119	27	10	4	4			5***
2004	121	33	4	3	6			2
2005	126	29	8	1	1			4
2006	131	26	8		4			
2007	127	25	6	5	4	2		
2008	126	27	6	4	3			3
2009	144	22	1	1				1

**Comment:** By the time all the FY 2009-10 budgets are adopted; only 3 municipalities will have adopted their budgets after the start of the fiscal year. This is the lowest number since the years 1998-99 when there were four such towns. This compares to 16 towns in 2008 and 17 in 2007. Prior to 1998, the number of municipalities that adopted budgets after the start of the fiscal year ranged from 10 to a high of 24 in 1991.

**Note:** 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 this happens, those towns are included on the list of those not adopting their budgets at the time of publication.

\*Refers to the year in which the budget for the next ensuing fiscal year was adopted, i.e., 2009 is the date of adoption for the FY 2009-10 budget.

\*\*Bethany, Orange and Woodbridge make up Regional School District 5. Although each town had adopted its general government budget when this report was published in 2002, they are listed here because the school district had yet to adopt a budget.

\*\*\*Andover, Hebron and Marlborough make up Regional School District 8. Although each town had adopted its general government budget when this report was published in 2003, they are listed here because the school district had yet to adopt a budget.

The number of votes needed to adopt a budget is reported because it can be an indicator of division within the municipality. 2009 ended an eight year trend that had seen municipalities experience some difficulty adopting budgets, especially in adopting budgets by July 1. In every year since 2001, there have been between 11-23 municipalities that have adopted their budgets after July 1. In 2009 there have only been three such towns (including Bozrah which had not adopted its budget at the time of publication of this report). Furthermore, only five municipalities needed as many as three votes to adopt their budgets this year. This is the first time since ACIR began tracking budgets that no municipality needed more than three votes (not including Bozrah, which has had one vote going into September). Section 7-405 of the Connecticut General Statutes stipulates that if a municipality hasn't adopted a budget by July 1, it may make necessary expenditures for ninety days as authorized by the budget-making authority. If there is still no budget at the end of the 90-day period, municipalities may make necessary expenditures on a month-by-month basis, within the limits of appropriations specified in budgetary line items for the previous fiscal year. This does not include charter towns, which may adopt their own provisions.

Having collected data on municipal budget adoptions for the past twenty years, it is clear that when the national and regional economic indicators are good, municipalities generally seem to adopt their operating budgets with

relative ease. When those same indicators are not good, it is evidenced at the municipal level by more scrutiny of the budget, which means towns must work harder to adopt budgets. Another factor influencing the budget adoption process is the property tax and in a period where those taxes seemingly increase every year it has resulted in the formation of local taxpayer groups that have tried to force municipalities to lower their budgets (although in a very few cases the groups have moved to increase the budget). However, even in good economic times there are some towns that for specific internal factors, still have difficulty adopting budgets.

2009 has been a very unique year for municipalities. In a year when the General Assembly did not adopt a state budget until September because of extreme economic difficulties municipalities seemed to beat the odds and adopted budgets in a very efficient manner. Only three municipalities (including Bozrah) had not adopted budgets before the start of the fiscal year and only nine adopted after June 15<sup>th</sup>. Both of these numbers are record lows for the twenty years that ACIR has tracked these issues. One final indication of the economic difficulty municipalities found themselves in was that 88 municipalities adopted budget decreases from the previous year; only five municipalities did so in 2008.

**Intervals Between Votes - 2009**  
(For budgets adopted after June 15\*)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>		<u>Town</u>	<u>Votes</u>	<u>Dates</u>
Colebrook	2	5/20, 6/24		Middlebury	2	6/2, 6/16
Franklin	1	6/18		Middlefield	3	5/26, 6/9, 6/25
Lisbon	2	5/19, 6/18		Thomaston	2	4/28, 7/1
Mansfield	2	5/12, 6/14		Watertown	3	6/16, 7/28, 8/25
Marlborough	3	5/11, 6/1, 6/18				

**Comment:** By the time all municipalities have adopted budgets in 2009, ten will have adopted their budgets after June 15, thirteen less than in 2008 and the fewest number of municipalities since ACIR started tracking this information. The 2003 figure of 34 is the highest number ACIR has recorded since it started to keep track in 1990.

\* June 15 is considered the latest date a town can adopt its budget and still have time to get its tax bills out in a timely manner prior to the beginning of the fiscal year.

**FY 2009-2010 Budget Data**

The Commission collected the FY '10 adopted budget figures. ACIR anticipates that as this data is collected, the Commission will be able to do analysis on the increase/decrease in municipal budgets. The following is data collected this year from the 168 municipalities that have adopted budgets as of the publication of this report.

**Municipalities**

Cumulative Adopted Budget Total - \$11,839,103,634, a -.2% increase from the previous year.

Highest increase: Killingworth = 5.2%      Lowest increase/decrease: Franklin = (-8.4%)

- |  |  |
|--|--|
| 0 Towns had budget increases over 10%      | 10 Towns had budget increases between 2-3%     |
| 0 Towns had budget increases between 9-10% | 25 Towns had budget increases between 1-2%     |
| 0 Towns had budget increases between 8-9%  | 41 Towns had budget increases between 0-1%     |
| 0 Towns had budget increases between 7-8%  | 37 Towns had budget decreases between -0 - -1% |
| 0 Towns had budget increases between 6-7%  | 28 Towns had budget decreases between -1 - -2% |
| 1 Town had a budget increase between 5-6%  | 12 Towns had budget decreases between -2 - -3% |
| 1 Town had a budget increase between 4-5%  | 10 Towns had budget decreases between -3 - -5% |
| 2 Towns had budget increases between 3-4%  | 1 Town had a budget decrease over -8%          |

**Regional School Districts**

Cumulative Adopted Budget Total - \$454,537,728, a .9% increase from the previous year.

Highest increase: Region 9 = 2%      Lowest increase/decrease: Region 6 = (-.1%)

- |   |   |
|---|---|
| 0 Districts had budget increases between 6-7% | 0 Districts had budget increases between 2-3% |
| 0 Districts had budget increases between 5-6% | 7 Districts had budget increases between 1-2% |
| 0 Districts had budget increases between 4-5% | 9 Districts had budget increases between 0-1% |
| 0 Districts had budget increases between 3-4% | 1 District had a budget decrease              |

**Regional School District Responses**

**Budget Adoption Body**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
District Meeting	3	5	3	2	1					2
Referendum	14	12	13	14	16	17	17	17	17	15
Other Not Adopted as of Publication			1	1						

**Number of Votes**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
1 Vote	15	11	12	9	11	9	15	14	11	15
2 Votes	2	1		5	3	5	1	2	1	1
3 Votes		2	2	2	1	3	1		4	1
4 Votes		3	1		1				1	
5 Votes								1		
6 Votes					1					
7 Votes			1							
8 Votes										
9 Votes										
Not adopted as of Publication			1	1						

**Date of Adoption**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Before June 1	17	12	12	12	13	12	15	16	12	16
June		2	2	4	2	4	1		4	1
July		3	1		1	1	1		1	
August					1			1		
September			1							
Not Adopted as Of Publication			1	1						

**Comment:** Regional school districts mimicked municipalities in the ease with which they seemingly adopted budgets in very difficult economic times. They had slightly less difficulty adopting budgets this year in comparison to the past couple of years. Only two districts required more than one vote to adopt their budget, compared to six in 2008 and three in 2007. No district started the fiscal year without a budget. Fifteen districts adopted their budgets by referendum, using a total of 18 referenda, nine less than last year. Two budgets were adopted at a district meeting, the first time in five years that was done. All the districts combined for a much smaller increase in their budgets (.9%) with no district having an increase over 2%.