



For Immediate Release:

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State Board Approves Winchester School Finance Agreement

Settles dispute between school board and town

(HARTFORD, CT)— State Board of Education members today unanimously approved an agreement between the town of Winchester, the Winchester Board of Education and the Commissioner of Education to settle a long-standing dispute over school finances.

The agreement is the culmination of a process initiated by the State Board of Education in October under section 10-4b of state statutes based on concerns raised by Winchester Superintendent Thomas M. Danehy.

A 10-4b complaint alleges the failure or inability of a local or regional school district's board of education to implement the educational interests of the state in accordance with section 10-4a of state law. The educational interests of the state, as identified in section 10-4a, include a minimum budget requirement to finance educational programs so each child has an equal opportunity to receive a suitable education.

A state investigation found that the town underfunded the \$19.9 million 2012-13 school budget by \$1.6 million in violation of the minimum budget requirement provision of state law. Although town officials later corrected this, school officials remained concerned that cash flow problems would continue.

The settlement approved today provides the legal framework for the town and the school board to resolve their issues and refocus on the important task of providing quality educational opportunities for children in the district.

"We thank both parties for working together to reach this resolution. We hope this agreement enables the Winchester community to move forward constructively and collaboratively," State Department of Education Commissioner Stefan Pryor said.

"Winchester town and school leaders no doubt faced extraordinarily difficult fiscal circumstances," State Board of Education Chairman Allan Taylor said. "I commend the two parties for coming together to fulfill their legal obligations and resolve this issue amicably. I am grateful to our Commissioner, Department of Legal Affairs and fellow State Board of Education members for helping to achieve this outcome. This agreement provides the stability and control the school district needs now and in the future."

Winchester Town Manager Dale L. Martin and Winchester Board of Education Chair Susan B. Hoffnagle had until March 7 to update the State Board of Education's hearing panel on the status of the settlement discussions.

Among other things, the agreement specifies the following:

1. The town acknowledges and agrees that the board is the sole authority regarding the spending of funds appropriated for education, and that the board's budget shall be expended by and in the discretion of the board.
2. Accordingly, the town acknowledges and agrees that it cannot interfere with the board's payment of invoices.

3. The town acknowledges and agrees that it must make appropriated funds available to the board as the board requires them to pay bills incurred by it. The board can spend its entire appropriation as it sees fit without interference from town officials.
4. The town acknowledges and agrees it is responsible (at a minimum) for appropriating, providing and making available to the board the full amount of the minimum budget requirement. Such monies must be appropriated annually in each town budget, such budgeted monies must be made available to the board so it may expend them, and the town must make those monies available to the board even if it will not receive reimbursement of those monies (via, among other things, Education Cost Sharing, and other grants) until later in any fiscal year.
5. The town acknowledges and agrees that it cannot prevent or restrict the board's expenditure of its appropriation due to, *inter alia*, concern over future cash flow or balance. The town and the board agree to cooperate with each other to promptly answer any questions or supply any documents requested by the other to ensure both parties can appropriately monitor their financial position and cash flow.
6. To ensure the funds are available to the board and to ensure the town's cash flow is sufficient to meet all town invoices the parties agree to the following minimum schedule of payments by the town to the board:
 - July: \$1,300,000
 - August: \$1,500,000
 - September through May (per month): \$1,750,000
 - June: \$1,408,149
7. The town acknowledges that the MBR for both 2011-2012 and 2012-2013 was \$19,958,149.

The agreement also includes future protections for the school district as it conducts its business with the town.

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