

# Connecticut Municipal Budget Adoption Experiences

## FY 2013-2014

This is the twenty-fourth 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 December 31, 2013, all 169 municipalities and all 17 regional school districts have adopted their budgets for FY 2013-2014, although one municipality's budget is subject to a referendum to be held after the conclusion of the fiscal year.

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					Total Number of Votes			
	2010	2011	2012	2013		2010	2011	2012	2013
<b>Town Meeting</b>	47	47	45	44	<b>1 Vote</b>	145 (86%)	150 (89%)	148 (88%)	142 (84%)
<b>Referendum</b>	77	75	75	75	<b>2 Votes</b>	12 ( 7%)	9 ( 5%)	10 ( 6%)	14 ( 8%)
<b>Town Council</b>	31	34	35	36	<b>3 Votes</b>	8 ( 5%)	10 ( 6%)	7 ( 4%)	9 ( 5%)
<b>Rep. Town Mtg.</b>	4	6	7	7	<b>4 Votes</b>	3 ( 2%)		3 ( 2%)	3 ( 2%)
<b>Other</b>	10	7	7	7	<b>5 Votes</b>	1 (<1%)		1 (<1%)	1 (<1%)
					<b>6+ Votes</b>				

The number of municipalities adopting their budgets by referendum, 75, is similar to 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 44 this year which, while only a slight decrease from recent years, is a considerable decrease from the 74 municipalities that adopted their budget by town meeting in 2000.

Of the 75 towns adopting their budgets by referendum, 56 approved their budget on the first vote. Considering the multiple referenda in numerous towns, there have been 118 municipal budget referenda this year, 12 more than in 2011, but 42 less than the high of 160 referenda in 2007, when only seven more towns adopted budgets by referendum.

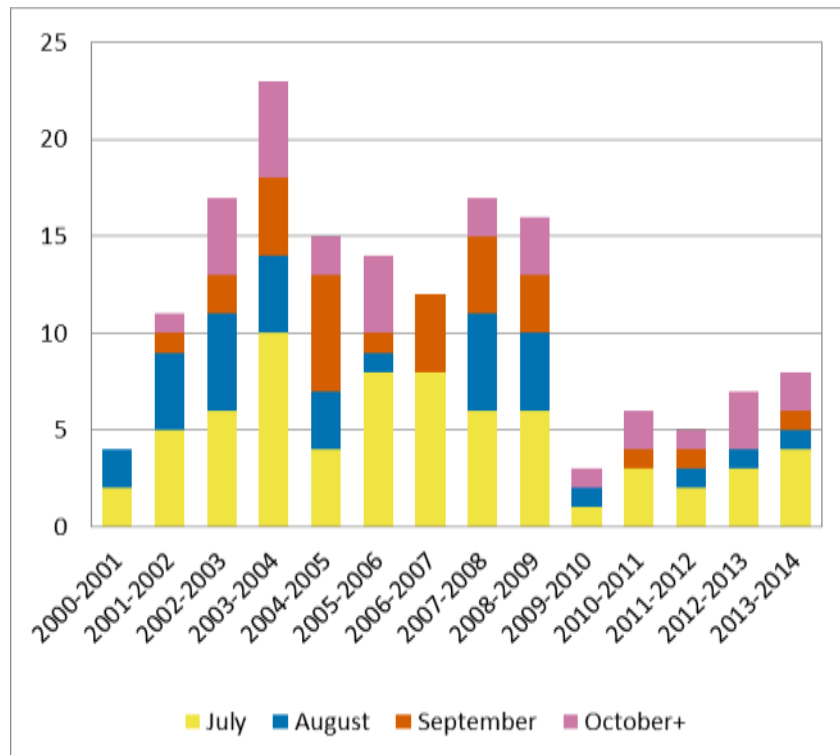
Whether adopted by referendum, town meeting or other budget adoption body, the number of votes needed to adopt a budget might be an indicator of division within a municipality. In 2013, thirteen municipalities needed three or more votes to adopt a budget, an increase of one from 2012. Only five municipalities needed as many as three votes in 2009. 2009 and 2011 are the only years since ACIR began tracking budgets that no municipality needed more than three votes.

**Intervals Between Votes - 2013**  
(For budgets adopted after June 15)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>			
Beacon Falls	2	6/6, 6/26	Bethel	1	7/1
Canterbury	5	5/30, 6/20, 7/31, 9/24, 11/12	East Haddam	2	5/21, 6/27
Hampton	4	5/23, 7/30, 9/4, 10/15	Killingly	3	5/14, 6/11, 6/25
Mansfield	2	5/14, 6/19	New London	3	5/21, 8/6, 9/16
Sterling	1	6/18	Thomaston	1	6/19
Watertown	2	5/21, 7/2	Windsor	4	5/14, 6/4, 6/25, 7/16
Windsor Locks	3	6/4, 6/18, 7/2	Woodbury	4	5/30, 6/27, 7/25, 8/22

In the previous five years, only a relatively small number of municipalities have failed to adopt their budgets prior to the July 1 start of the fiscal year. In each year during 2001-2008, no fewer than eleven and as many as 23 municipalities adopted their budgets after July 1. Only three did so in 2009, followed by six in 2010, five in 2011, seven in 2012 and eight this year. The change in the last few years is too small to be definitive, but might signal a return to more difficult budgeting.

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



### Dates of Adoption

Budget Year	Before							Not Adopted as of Publication
	June 1	June	July	Aug.	Sept.	Oct.	Nov.	
2000-2001	140	24	2	2				1
2001-2002	131	27	5	4	1			1
2002-2003	118	34	6	5	2			4
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	

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

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. Fourteen municipalities adopted their budget after June 15 in 2013, which is four more than in 2012 and one more than in 2011. 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 2013-2014 Budget Data

Municipalities: Cumulative Adopted Budget Total - \$12,819,561,108 (overall increase of 2.3%)

Median increase: 2.0%	Largest increase: 8.9%*	Lowest increase/largest reduction: (-3.5%)
2 Towns had a budget increase above 8%	46 Towns had a budget increase between 1 - 1.99%	
0 Towns had a budget increase between 7-7.99%	23 Towns had a budget increase between 0 - 0.99%	
2 Towns had a budget increase between 6-6.99%	7 Towns had a budget reduction between -0.01 - -0.99%	
7 Towns had a budget increase between 5-5.99%	3 Towns had a budget reduction between -1 - -1.99%	
14 Towns had a budget increase between 4-4.99%	2 Towns had a budget reduction between -2 - -2.99%	
22 Towns had a budget increase between 3-3.99%	3 Towns had a budget reduction between -3 - -3.99%	
38 Towns had a budget increase between 2-2.99%		

\* - not including a larger increase inflated by a large capital expenditure

Regional School Districts: Cumulative Adopted Budget Total - \$486212747 (overall increase of 2.1%)

Largest increase: 4.9%	Lowest increase/largest decrease: -1.34%
1 Districts had a budget increase between 4-5%	9 Districts had a budget increase between 1-2%
2 Districts had a budget increase between 3-4%	2 Districts had a budget increase between 0-1%
2 Districts had a budget increase between 2-3%	1 District had a budget reduction

**ACIR Special Report: Vol. 24, No. 1 February 2014**

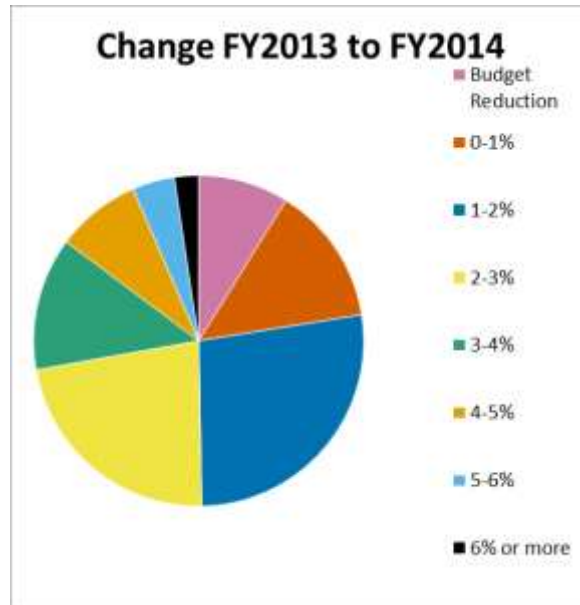
[http://www.ct.gov/opm/lib/opm/2013\\_Municipal\\_Budget\\_Adoption.pdf](http://www.ct.gov/opm/lib/opm/2013_Municipal_Budget_Adoption.pdf)

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)

The number of municipalities adopting a reduced budget continues to decline, with only 15 doing so, a decline from 19 last year, 24 in 2011, 30 in 2010 and 88 in 2009. However, it is important to note that even the 15 budget reductions of 2012 represents a sizable increase over the 5 and 8 municipalities that reduced their budgets in 2008 and 2007, respectively. As noted last year, it is difficult to repeatedly reduce budgets.

### 2012-2013 Municipal Budgets, by Amount of Increase



### Regional School District Responses

Most regional school districts adopted their budgets with relative ease but, unlike recent years, one district began the fiscal year without a budget. Sixteen districts adopted their budgets by referendum, using a total of 25 referendums, which was six more than last year, but five fewer than 2008. It must be noted that one district by itself accounted for seven referendums. Only one budget was adopted at a district meeting, a decline of one since 2012 but consistent with previous years. Combined, the districts’ budgets increased 2.1%, higher than the 1.4% and 1.7% of the previous two years although, as in those years, only five districts adopted an increase exceeding 2%. One district, the one having having seven referendums, reduced its budget by 1.34% relative to the previous year. As has been noted previously, there was a clustering of increases just below 2%, with no corresponding increases just above that threshold. Three districts had increases of 1.94% to 1.98%.

**Adoption Body**

	<u>2002<sup>a</sup></u>	<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>2012</u>
District Meeting	3	2	1					2	1	1	2	1
Referendum	13	14	16	17	17	17	17	15	16	16	15	16

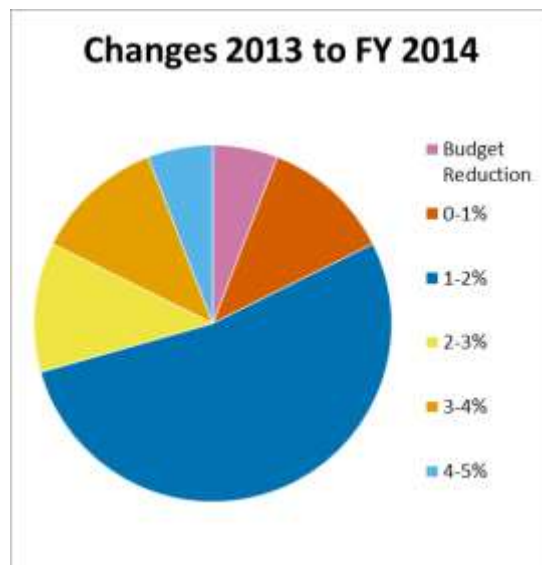
**Number of Votes**

	<u>2002<sup>a</sup></u>	<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>
1 Vote	12	9	11	9	15	14	11	15	16	15	14	14
2 Votes	1	5	3	5	1	2	1	1		1	2	1
3 Votes	2	2	1	3	1		4	1		1	1	1
4 Votes	1	1				1						
5 Votes							1					
6 Votes			1									
7 Votes	1											1

**Date of Adoption**

	<u>2002</u>	<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>
Before June 1	12	12	13	12	15	16	12	16	17	16	16	15
June	2	4	2	4	1		4	1		1	1	1
July	1		1	1	1		1					
August			1			1						
Sept. or later	2	1										1

**2012-2013 Regional School District Budgets, by Amount of Increase**



ACIR Special Report: Vol. 24, No. 1 February 2014

[http://www.ct.gov/opm/lib/opm/2013\\_Municipal\\_Budget\\_Adoption.pdf](http://www.ct.gov/opm/lib/opm/2013_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)