

Connecticut Municipal Budget Adoption Experiences

FY 2010-11

This is the twenty-first 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 October 20, 2010, all 169 municipalities and all 17 regional school districts have adopted their budgets for FY 2010-11. 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.

	Budget Adoption Body^A					Total Number of Votes^B			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Town Meeting	50	49	49	47	1 Vote	133 (79%)	131(78%)	149 (88%)	145(86%)
Referendum	73	68	72	77	2 Votes	12 (7%)	17 (10%)	14 (8%)	12 (7%)
Council	35	37	35	31	3 Votes	8 (5%)	12 (5%)	5 (3%)	8 (5%)
Rep. Town Meeting	6	6	6	4	4 Votes	11 (7%)	4 (2%)		3 (2%)
Other	5	6	6	10	5 Votes	2 (1%)	2 (1%)		1 (<1%)
					6 + Votes	3 (2%)			
NAAOP ¹		3	1		NAAOP ¹		3 (2%)	1 (<1%)	

A) Comment: The number of municipalities adopting their budgets by referendum, 77, continues the gradual increase in the number of towns adopting their budget by referendum. Although there was a slight decline during 2008-2009, the number is much larger a decade earlier, when only 48 adopted their budgets by referendum in 2000. That increase has been balanced in large part by a decline in the number of municipalities adopting their budget by town meeting, a number which has declined to 47, from 74 in 2000.

B) Comment: Of the 77 towns adopting budgets by referendum, only 56 were approved on the first vote. Considering multiple referenda in numerous towns, there has been a total of 111 municipal budget referenda held this year, 22 more than last year, but 49 less than the high of 160 referenda in 2007, when four fewer towns adopted budgets by referendum.

1. Not adopted as of publication of this report.

Dates of Adoption

Budget Year	Dates of Adoption							Not Adopted as of Publication
	Before June 1	June	July	August	Sept.	Oct.	Nov.	
1999-2000	143	22		4				0
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	0	1	2		

Comment: In 2010, 6 municipalities adopted their budgets after the start of the new fiscal year. This was an increase over 2009, when only 3 did so, but was lower than all other years since 2000.

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.

*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 period which had seen municipalities experience some apparent difficulty adopting budgets, especially in adopting budgets by July 1. In each year during 2001-2008, 11-23 municipalities adopted their budgets after July 1. In 2010, there were only six such towns and in 2009 there were only three. In 2010, furthermore, only twelve municipalities needed as many as three votes to adopt their budgets. While that was an increase over the five municipalities in 2009, it was less than all other recent years. 2009 was the first time since ACIR began tracking budgets that no municipality needed more than three votes. Four municipalities did in 2010. 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.

Previous editions of this report have stated that, when the national and regional economic indicators are good, municipalities generally seem to adopt their operating budgets with relative ease. Those reports have further said that when economic 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. The relative ease in which budgets were adopted in 2009 and 2010, a time when economic measures have not been good, suggests that the relationship is not so simple. One indication of the economic difficulties is that 30 municipalities chose to adopt a decreased budget in 2010 and 88 did so in 2009. Only five municipalities did in 2008.

Intervals Between Votes - 2010
(For budgets adopted after June 15*)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>			
Beacon Falls	2	6/2, 6/16	Franklin	2	6/4, 6/29
Griswold	2	5/11, 6/17	Madison	2	5/18, 7/27
Mansfield	1	6/22	Middlebury	4	6/1, 7/13, 9/14, 10/19
Montville	1	7/8	Preston	1	6/23
Scotland	3	5/20, 6/17, 7/22	Watertown	4	6/8, 7/13, 8/24, 10/12
Windham	5	5/11, 6/8, 6/22, 7/13, 9/14	Woodbury	2	5/27, 6/29

Comment: In 2010, only twelve municipalities adopted their budgets after June 15. Although that is two more than in 2009, it is eleven less than in 2008. 2009 had the fewest number of municipalities do so 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
Municipalities

Cumulative Adopted Budget Total - \$12,007,611,435, a 1.3% increase from the previous year.

Largest increase: 9.3% Lowest increase/largest decrease: (-5.3%)

0 Towns had budget increases of 10% or more	39 Towns had budget increases between 1 - 1.99%
1 Towns had budget increases between 9-9.99%	42 Towns had budget increases between 0 - 0.99%
1 Towns had budget increases between 8-8.99%	16 Towns had budget decreases between -0.01 - -0.99%
1 Towns had budget increases between 7-7.99%	5 Towns had budget decreases between -1 - -1.99%
0 Towns had budget increases between 6-6.99%	5 Towns had budget decreases between -2 - -2.99%
2 Town had a budget increase between 5-5.99%	1 Towns had budget decreases between -3 - -3.99%
7 Town had a budget increase between 4-4.99%	2 Towns had budget decreases between -4 - -4.99%
19 Towns had budget increases between 3-3.99%	1 Towns had budget decreases between -5 - -5.99%
27 Towns had budget increases between 2-2.99%	0 Town had a budget decrease of more than -6%

Regional School Districts

Cumulative Adopted Budget Total - \$461,540,964, a 1.7% increase from the previous year.

Highest increase: 3.2% Lowest increase/decrease: (-.1%)

0 Districts had budget increases between 6-7%	3 Districts had budget increases between 2-3%
0 Districts had budget increases between 5-6%	10 Districts had budget increases between 1-2%
0 Districts had budget increases between 4-5%	1 District had budget increases between 0-1%
1 District had budget increases between 3-4%	2 Districts had a budget decrease

Regional School District Responses

Budget Adoption Body

	<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>	<u>2010</u>
District Meeting	5	3	2	1					2	1
Referendum	12	13	14	16	17	17	17	17	15	16
Other										
Not Adopted as of Publication		1	1							

Number of Votes

	<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>	<u>2010</u>
1 Vote	11	12	9	11	9	15	14	11	15	16
2 Votes	1	5	3	5	1	2	1	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>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>	<u>2010</u>
Before June 1	12	12	12	13	12	15	16	12	16	17
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: As a group, the regional school districts were similar to the municipalities in the apparent ease with which they adopted budgets in very difficult economic times. No district started the fiscal year without a budget; in fact, all adopted budgets before June 1 and only one district required more than one vote to adopt its budget. Sixteen districts adopted their budgets by referendum, using a total of 17 referenda, nine less than last year. One budget was adopted at a district meeting, one fewer than last year, which had been the first time in five years that any was adopted by district meeting. The districts combined for a somewhat larger increase in their budgets than last year (1.7% vs. 0.9%), with four districts having an increase over 2%.