

IX.A.

**CONNECTICUT STATE BOARD OF EDUCATION
Hartford**

TO BE PROPOSED:

March 4, 2020

WHEREAS, the Town of Winchester, pursuant to Section 304(b) of Public Act 15-5 of the June Special Session, has applied for a waiver of the final repayment of \$144,173 required to be made annually by April 30 under the repayment agreement required under Section 304(a) of Public Act 15-5 of the June Special Session for reimbursement of overpayments made by the State pursuant to Section 10-76g of the General Statutes during the fiscal years ending June 30, 2013, to June 30, 2014, inclusive; and

WHEREAS, the Town of Winchester has demonstrated significant improvement in the fiscal and financial practices of its school district, has demonstrated that structural changes have been implemented to ensure the school district is properly handling taxpayer funds, and has satisfied other criteria required by the Commissioner; now therefore be it,

RESOLVED, That the State Board of Education approves the waiver application submitted by the Town of Winchester pursuant to Section 304(b) of Public Act 15-5 of the June Special Session for the payment to be made by April 30, 2020, and directs the Commissioner to take the necessary action.

Approved by a vote of _____, this fourth day of March, Two Thousand Twenty.

Signed:

Dr. Miguel A. Cardona, Secretary
State Board of Education

CONNECTICUT STATE BOARD OF EDUCATION
Hartford

TO: State Board of Education

FROM: Dr. Miguel A. Cardona, Commissioner of Education

DATE: March 4, 2020

SUBJECT: Town of Winchester’s Application for Waiver of Final Repayment pursuant to Section 304 of Public Act 15-5 of the June Special Session

Executive Summary

Background

The Department determined through an audit conducted by the Office of Internal Audit that, during the 2012-2013 and 2013-2014 school years, due to the filing of improperly documented claims, the State made overpayments to the Winchester school district for special education excess cost reimbursement under Connecticut General Statutes (“C.G.S.”) § 10-76g in the amount of \$720,865. During the 2015 June Special Session (“JSS”), the General Assembly passed legislation specific to the Winchester school district regarding this issue. The legislation established a State-appointed Receiver for the Winchester school district and addressed the issue of repayment of the amount owed to the State. In particular, Section 304 of Public Act 15-5 (JSS) requires the Commissioner and the Town of Winchester (the “Town”), or the school district for the Town, as applicable, to enter into a repayment agreement for reimbursement of the overpayments providing for the first payment (or reduction) to be made by April 30, 2016, and the last payment on or before April 30, 2020. Under the repayment agreement that was entered, the payments are due annually for five years, beginning in 2016.

The General Assembly also enacted a specific provision in the law authorizing the State Board of Education (SBE) to waive repayment by the Winchester school district under certain circumstances. Specifically, § 304(b) of Public Act 15-5 (JSS) authorizes the Town to apply for waiver of repayment “if the town demonstrates significant improvement in the fiscal and financial practices of its school district, that structural changes have been implemented to ensure the school district is properly handling taxpayer funds, and satisfies such other criteria as required by the commissioner.” This waiver may be approved by majority vote of the SBE upon recommendation of the Commissioner.

The Town of Winchester has now applied for waiver of the final payment of \$144,173 due, in accordance with the repayment agreement, on or before April 30, 2020.

The SBE previously supported the Town's waiver applications in 2016, 2017, 2018 and 2019, forgiving the \$144,173 payments that were due on or before April 30 in each of those years. In granting these waivers previously, the SBE found that the Town of Winchester in fact had "demonstrated significant improvement in the fiscal and financial practices of the school district, has demonstrated that structural changes have been implemented to ensure the school district is properly handling taxpayer funds, and has satisfied other criteria required by the commissioner." In August 2017, Melony Brady-Shanley assumed the position of Superintendent of Schools. Under Ms. Brady-Shanley's continued leadership, the school district stands on firm financial footing and offers a sound educational program for students.

Recommendation

The Town has applied for waiver of repayment of the payment due by April 30, 2020, which is the final annual repayment to be made to the Department pursuant to the repayment agreement that is required by under Section 304(a) of Public Act 15-5 (JSS). Based on the Department's review of the school district's current policies and practices, it is my assessment that the Town has satisfied the conditions for receiving a waiver of its 2020 repayment to the Department. For these reasons, I recommend that the SBE approve the Town's application for a waiver of the \$144,173 payment due April 30, 2020.

Recommended by: Kathy Demsey, Chief Financial Officer
Finance and Internal Operations

Reviewed by: Jessa Mirtle, Director
Legal and Governmental Affairs



TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

OFFICE OF THE TOWN MANAGER

February 5, 2020

Ms. Kathleen Demsey, Chief Financial Officer
Connecticut State Department of Education
450 Columbus Boulevard
Hartford, CT 06103

Dear Ms. Demsey:

The Town of Winchester is requesting waiver of repayment for special education excess cost funds for fiscal year 2013 and fiscal year 2014 required under Section 304(b) of Public Act 15-5. We respectfully request consideration at the March meeting of the State Board of Education. The amount requested for waiver is \$144,173.

Thank you for your understanding and for the assistance of the State Receiver in having successfully addressed these processes and procedures.

Sincerely,

Robert Geiger
Town Manager

c: M. Brady-Shanley