

# IX.A.

## CONNECTICUT STATE BOARD OF EDUCATION Hartford

### **TO BE PROPOSED:** **March 6, 2019**

**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 fourth of five repayments 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, 2019, and directs the Commissioner to take the necessary action.

Approved by a vote of \_\_\_\_\_, this sixth day of March, Two Thousand Nineteen.

Signed:

\_\_\_\_\_  
Dr. Dianna R. Wentzell, Secretary  
State Board of Education

**CONNECTICUT STATE BOARD OF EDUCATION**  
**Hartford**

**TO:** State Board of Education

**FROM:** Dr. Dianna R. Wentzell, Interim Commissioner of Education

**DATE:** March 6, 2019

**SUBJECT:** Town of Winchester's Application for Waiver of 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 payment of \$144,173 due, in accordance with the repayment agreement, on or before April 30, 2019. The SBE previously supported the Town's waiver applications in 2016, 2017 and 2018, forgiving the \$144,173 payments that were due on or before April 30 of each of the last three 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.”

The term of the receivership concluded, and control of the school district has returned to the Winchester Board of Education. In August 2017, Melody Brady-Shanley assumed the position of Superintendent of Schools. Under Ms. Brady-Shanley’s 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, 2019, which is the fourth of five annual repayments 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 2019 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, 2019.

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

Reviewed by: Louis B. Todisco, Attorney  
Legal and Governmental Affairs

Reviewed by: Laura Stefon, Chief of Staff  
Acting Legal Director



**TOWN OF WINCHESTER – CITY OF WINSTED**

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

**OFFICE OF THE TOWN MANAGER**

February 13, 2019

Ms. Kathleen Demsey, Chief Financial Officer  
Connecticut State Department of Education  
165 Capitol Avenue  
Hartford, CT 06106

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 April 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

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