

Connecticut Municipal Budget Adoption Experiences FY 2012-2013

This is the twenty-third 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 November 15, 2012, all 169 municipalities and all 17 regional school districts have adopted their budgets for FY 2011-12, 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			
	2009	2010	2011	2012		2009	2010	2011	2012
Town Meeting	49	47	47	45	1 Vote	152 (90%)	145 (86%)	150 (89%)	148 (88%)
Referendum	72	77	75	75	2 Votes	5 (3%)	12 (7%)	9 (5%)	10 (6%)
Council	35	31	34	35	3 Votes	8 (5%)	8 (5%)	10 (6%)	7 (4%)
Rep. Town Mtg.	6	4	6	7	4 Votes	3 (2%)	3 (2%)		3 (2%)
Other	6	10	7	7	5 Votes	1 (<1%)	1 (<1%)		1 (<1%)
					6+ Votes				
NAAOP^c	1				NAAOP^a	1 (<1%)			

a) NAAOP = Not adopted as of publication of this report

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 45 this year, 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, 59 approved their budget on the first vote. Considering the multiple referenda in numerous towns, there have been 106 municipal budget referenda this year, 10 more than in 2011, but 54 less than the high of 160 referenda in 2007, when only five 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 2012, twelve municipalities needed three or more votes to adopt a budget, an increase from the seven that did so in 2011 and the same number as in 2010. 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.

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http://www.ct.gov/opm/lib/opm/2012_Municipal_Budget_Adoption.pdf

Prepared by the Connecticut Advisory Commission on Intergovernmental Relations

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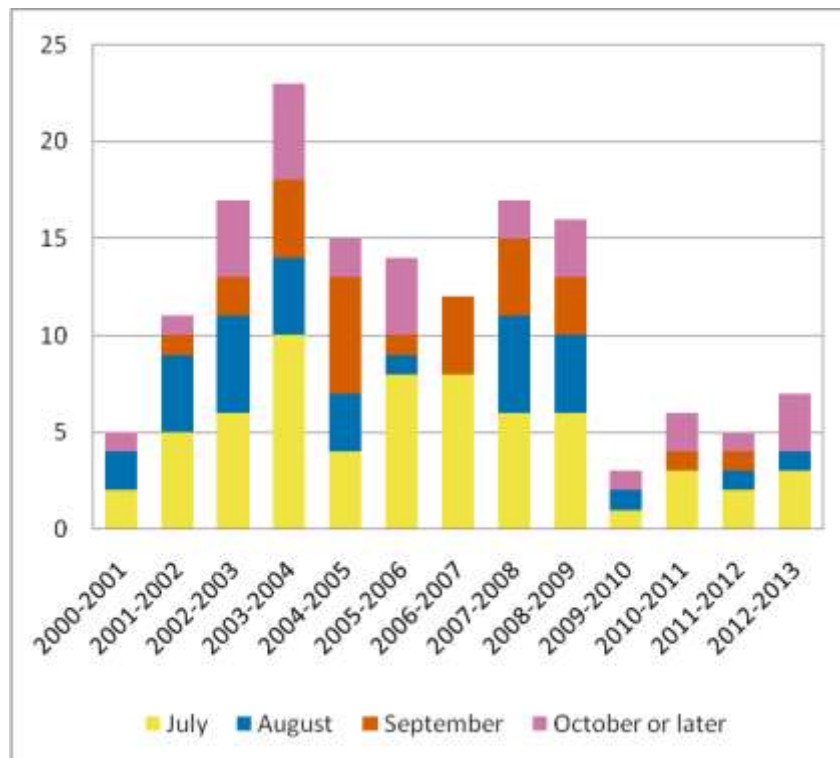
Intervals Between Votes - 2012
(For budgets adopted after June 15)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>			
Canterbury	3	5/31, 7/10, 8/1	Colchester	3	5/8, 6/12, 6/28
Hampton	3	5/24, 7/10, 8/9	Montville	1	7/9
New London	5	5/29, 6/19, 9/18, 10/9, 11/2013 ^a	Newtown	5	4/21, 5/15, 6/5, 6/26, 7/12
North Stonington	1	10/22	Sherman	2	5/19, 6/16
Thomaston	2	5/23, 6/20	Winchester	4	6/2, 7/21, 9/8, 7/27

^a The town will schedule another referendum after the completion of the fiscal year.

In the last four 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 and seven this year. The increasing trend since 2009 might not be significant on its own, but the fact that 3 municipalities did not adopt their budget until October this year and that one of those will hold a referendum after the conclusion of the fiscal year might signal a return to more difficult budgeting in the future.

Number of Budgets Adopted after Beginning of Fiscal Year



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Dates of Adoption

Budget Year	Before	Dates of Adoption						Not Adopted as of Publication
	June 1	June	July	August	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	0	3		

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.

Previous editions of this report have interpreted the relationship between economic indicators and municipalities' ease at adopting their operating budgets, but the relationship is complicated. Only 10 municipalities adopted their budgets after June 15 in 2012, which is 3 less than in 2011 and ties 2009 for the fewest since ACIR started tracking this information 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. 23 municipalities had adopted their budget after June 15 as recently as 2008 and the the largest number to do so has been 34, in 2003.

FY 2011-2012 Budget Data

Municipalities: Cumulative Adopted Budget Total - \$12,524,657,126 (overall increase of 2.3%)

Median increase: 2.0%	Largest increase: 7.4%	Lowest increase/largest reduction: (-3.6%)
0 Towns had a budget increase between 9-9.99%	42 Towns had a budget increase between 1 - 1.99%	
0 Towns had a budget increase between 8-8.99%	20 Towns had a budget increase between 0 - 0.99%	
1 Towns had a budget increase between 7-7.99%	10 Towns had a budget reduction between -0.01 - -0.99%	
2 Towns had a budget increase between 6-6.99%	5 Towns had a budget reduction between -1 - -1.99%	
6 Towns had a budget increase between 5-5.99%	3 Towns had a budget reduction between -2 - -2.99%	
15 Towns had a budget increase between 4-4.99%	1 Town had a budget reduction between -3 - -3.99%	
30 Towns had a budget increase between 3-3.99%	0 Towns had a budget reduction between -4 - -4.99%	
34 Towns had a budget increase between 2-2.99%	0 Towns had a budget reduction between -5 - -5.99%	

Regional School Districts: Cumulative Adopted Budget Total - \$475,960,488 (overall increase of 1.4%)

Largest increase: 3.6%	Lowest increase/largest decrease: 0.0%
0 Districts had a budget increase between 6-7%	2 Districts had a budget increase between 2-3%
0 Districts had a budget increase between 5-6%	6 Districts had a budget increase between 1-2%
0 Districts had a budget increase between 4-5%	6 Districts had a budget increase between 0-1%
3 Districts had a budget increase between 3-4%	0 Districts had a budget reduction

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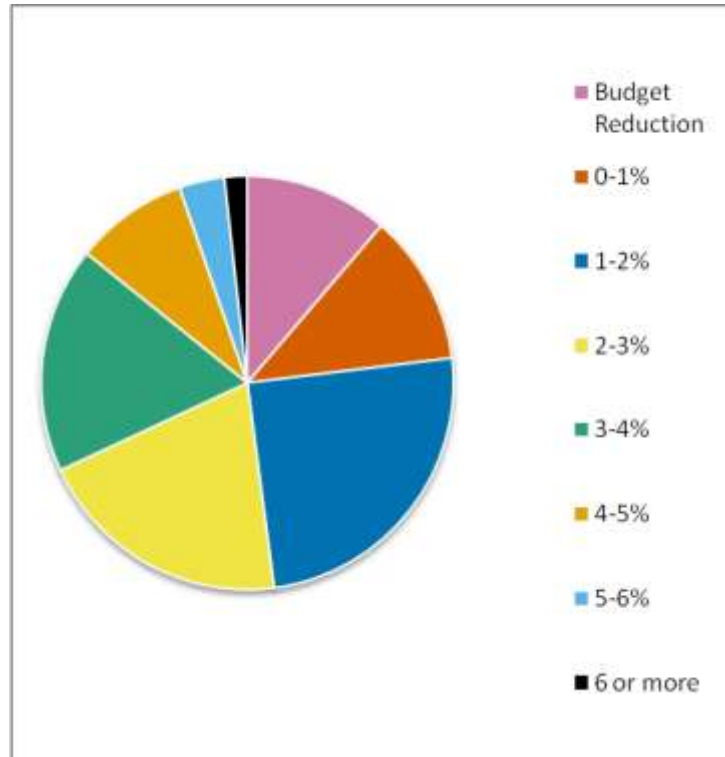
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The number of municipalities adopting a reduced budget continues to decline, with only 19 municipalities doing so this year, after 24 municipalities did last year, 30 municipalities did in 2010 and 88 did in 2009. However, it is important to note that even the 19 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 will be increasingly difficult to reduce budgets as budgets become leaner.

2012-2013 Municipal Budgets, by Amount of Increase



Regional School District Responses

As a group, the regional school districts adopted their budgets with relative ease. Like in 2011, no district started the 2012-2013 fiscal year without a budget and only one adopted its budget after May. However, there was an increase in the number of districts requiring more than one vote to adopt a budget. Fifteen districts adopted their budgets by referendum, using a total of 21 referenda, two more than last year, but nine fewer than 2008. Two budgets were adopted at a district meeting, an increase of 1 over last year. Combined, the districts' budgets increased 1.4%, less than the 1.7% of the previous two years, and, like in 2011, only five districts having an increase over 2%. Unlike last year, when four districts had increases of 1.96% - 1.99%, suggesting that they were trying to avoid reaching a 2.00% threshold, only one district was in that range this year.

Budget Adoption Body

	<u>2002^a</u>	<u>2003^a</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>
District Meeting	3	2	1					2	1	1	2
Referendum	13	14	16	17	17	17	17	15	16	16	15

Number of Votes

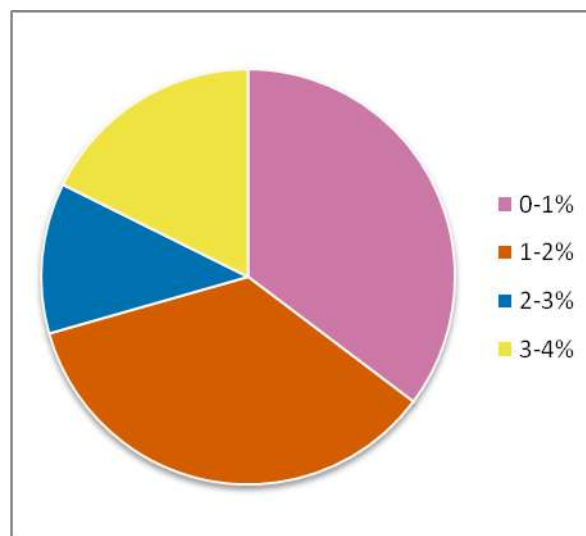
	<u>2002^a</u>	<u>2003^a</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1 Vote	12	9	11	9	15	14	11	15	16	15	14
2 Votes	1	5	3	5	1	2	1	1		1	2
3 Votes	2	2	1	3	1		4	1		1	1
4 Votes	1	1				1					
5 Votes							1				
6 Votes			1								
7 Votes	1										

Date of Adoption

	<u>2002^a</u>	<u>2003^a</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>
Before June 1	12	12	13	12	15	16	12	16	17	16	16
June	2	4	2	4	1		4	1		1	1
July	1		1	1	1		1				
August			1			1					
September	1										

a) One regional school district budget not yet adopted as of the date of publication of the reports in 2002 and 2003

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



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