



General Assembly

February Session, 2006

Raised Bill No.

629

LCO No. 3008



Referred to Committee on

Introduced by:

(ED)

**EDUCATION**

**AN ACT CONCERNING REGIONAL SCHOOL DISTRICT RESERVE FUNDS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 10-51 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (d) [Upon] (1) Prior to the effective date of this section, upon the  
5 recommendation and the approval of a majority of members on the  
6 board, a regional board of education may create a reserve fund to  
7 finance a specific capital improvement or the acquisition of any  
8 specific piece of equipment. Such fund shall thereafter be termed  
9 "reserve fund for specific capital improvements or equipment  
10 purchases". No annual appropriation to such fund shall exceed one per  
11 cent of the annual district budget. Appropriations to such fund shall be  
12 included in the share of net expenses to be paid by each member town  
13 until the fund established pursuant to this subdivision is discontinued.  
14 The board shall annually submit a complete and detailed report of the  
15 condition of such fund to the member towns. Such fund may be  
16 discontinued, after recommendation by the board and approval by the

17 board, and any amounts held in the fund shall be transferred to the  
18 general fund of the district.

19 (2) On and after the effective date of this section, a regional board of  
20 education, by a majority vote of its members, may create a reserve  
21 fund for capital and nonrecurring expenditures. Such fund shall  
22 thereafter be termed "reserve fund for capital and nonrecurring  
23 expenditures". The aggregate amount of annual and supplemental  
24 appropriations by a district to such fund shall not exceed one per cent  
25 of the annual district budget for such fiscal year. Annual  
26 appropriations to such fund shall be included in the share of net  
27 expenses to be paid by each member town. Supplemental  
28 appropriations to such fund may be made from estimated fiscal year  
29 end surplus in operating funds. Interest and investment earnings  
30 received with respect to amounts held in the fund shall be credited to  
31 such fund. The board shall annually submit a complete and detailed  
32 report of the condition of such fund to the member towns. Upon the  
33 recommendation and approval by the regional board of education, any  
34 part or the whole of such fund may be used for capital and  
35 nonrecurring expenditures, but such use shall be restricted to the  
36 financing of all or part of the planning, construction, reconstruction or  
37 acquisition of any specific capital improvement or the acquisition of  
38 any specific item of equipment. Upon the approval of any such  
39 expenditure an appropriation shall be set up, plainly designated for  
40 the project or acquisition for which it has been authorized, and such  
41 unexpended appropriation may be continued until such project or  
42 acquisition is completed. Any unexpended portion of such  
43 appropriation remaining after such completion shall revert to said  
44 fund. If any authorized appropriation is set up pursuant to the  
45 provisions of this subsection and through unforeseen circumstances  
46 the completion of the project or acquisition for which such  
47 appropriation has been designated is impossible to attain the board, by  
48 a majority vote of its members, may terminate such appropriation  
49 which then shall no longer be in effect. Such fund may be  
50 discontinued, after the recommendation and approval by the regional

51 board of education, and any amounts held in the fund shall be  
52 transferred to the general fund of the district.

53 Sec. 2. (NEW) (Effective from passage) A regional board of education,  
54 by a majority vote of its members, may create a reserve fund for  
55 accrued liabilities for employee sick leave and severance benefits. Such  
56 fund shall thereafter be termed "reserve fund for employee sick leave  
57 and severance benefits". The aggregate amount of annual and  
58 supplemental appropriations by a district to such fund in any one  
59 fiscal year shall not exceed \_\_\_ per cent of the annual district budget  
60 for such fiscal year. No payments shall be made to the fund which will  
61 cause the amount of such fund to exceed the accrued liability for such  
62 employee benefits as determined by \_\_\_, except for the addition of  
63 interest and investment earnings with respect to amounts held in the  
64 fund. Annual appropriations to such fund shall be included in the  
65 share of net expenses to be paid by each member town. Supplemental  
66 appropriations to such fund may be made from estimated fiscal year  
67 end surplus in operating funds. Interest and investment earnings  
68 received with respect to amounts held in the fund shall be credited to  
69 such fund. The board shall annually submit a complete and detailed  
70 report of the condition of such fund to the member towns. Upon the  
71 approval of the board, by a majority vote of its members, any part or  
72 the whole of such fund may be used for the payment of employee sick  
73 leave and severance benefits without further appropriation. Such fund  
74 may be discontinued, after recommendation by the board and  
75 approval by the board, and any amounts held in the fund shall be  
76 transferred to the general fund of the district.

This act shall take effect as follows and shall amend the following sections:		
Section 1	from passage	10-51(d)
Sec. 2	from passage	New section

**Statement of Purpose:**

To permit regional school districts to have reserve funds for capital and nonrecurring expenditures and for accrued liabilities for employee sick leave and severance benefits.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*