



CONNECTICUT STATE DEPARTMENT OF EDUCATION

Minimum Budget Requirement

**Regional School District No. 8
Andover, Hebron, Marlborough**

November 7, 2019

What is the Minimum Budget Requirement (MBR)?

- CT General Statutes (CGS) Section 10-262j, as amended, requires districts to meet the MBR on an annual basis.
- The General Assembly reauthorizes the MBR language at the start of each new biennium.
- To meet the MBR, a district's budgeted appropriation must be at least equal to its budgeted appropriation in the previous fiscal year plus any increase in Education Cost Sharing (ECS) grant funds.
- For Non-Alliance Districts, there are certain circumstances in which districts may reduce their budgeted appropriation. Alliance Districts must maintain their MBR year over year.



Under What Circumstances Can a District Reduce Its MBR?

A Reduction in State Aid:

If a town's ECS grant for FY2020 is less than its ECS grant for FY2019, the difference is considered the "aid reduction". Towns may reduce the district's appropriated budget in an amount equal to the "aid reduction".



Declining Enrollment:

- A decline in enrollment as follows:
 - If a district experienced a net reduction in its resident student count during any of the previous five fiscal years, such district may reduce its budgeted appropriation for education in an amount equal to the number of such net reduction multiplied by 50% of the net current expenditures per resident student of such district.
 - For the purposes of determining the reduction for a district's FY2020 budget, the look back period would be between the resident student enrollment filed with the Department on October 1, 2018 and October 1, 2014.
 - A district may not use the resident student count for any fiscal year where such student count was previously used to reduce its MBR.
- For any district that does not maintain a high school and pays tuition to another school district for resident students to attend high school in such other district, the MBR may be reduced in an amount equal to the decline in enrollment multiplied by the amount of tuition paid per student.



Savings Through Increased Efficiencies:

- New and documentable savings through increased efficiencies as approved by the Commissioner. Eligible savings may not exceed one half of one percent of the district's budgeted appropriation for the prior fiscal year. Such efficiencies may include, but are not limited to:
 - Transportation services, school district administration or contracts that are not the result of collective bargaining or other labor agreements.
 - An agreement to provide medical or health care benefits.
 - A cooperative agreement relating to the performance of administrative and central office functions, such as business manager functions, for the municipality and the school district.
 - The purchasing or joint purchasing of property insurance, following consultation with the legislative body of the municipality of such district.
 - The purchasing of payroll processing or accounts payable software systems, following the consultation with the legislative body of the municipality of such district to determine whether such systems may be purchased or shared on a regional basis.
 - Consolidation of information technology services.
 - The care and maintenance of athletic fields.



Other Circumstances:

- The termination of operations and closure of a school or schools due to declining enrollment. A reduction under this provision requires approval of the Commissioner.
- Districts in the top 10 percent of school districts based on the accountability index are exempt from the MBR.
- If a district has elected to act as a self-insurer, pursuant to CGS Section 10-236, and must increase its budgeted appropriation in the prior fiscal year as a result of one or more catastrophic events, as declared by a nationally recognized catastrophe loss index provider, such increase shall not be included in its MBR calculation for the following fiscal year.



Questions?

