

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**Bethany Orange Woodbridge**  
**25 Newton Road, Woodbridge, Connecticut 06525**



May 8, 2022

Dear Amity Community:

With the failure of the 2022-2023 Amity Regional School District Budget to pass referendum, this is opportunity to address some of the most common concerns, misunderstandings, and questions that have been received in the last month. While not every individual issue might be addressed, by responding to the most common topics, clarification may be provided around many of the concerns that have been expressed about the proposed budget.

This letter to the community is the second sent to the community between now and when the next date of referendum is set. The purpose of this letter is to address the budgeting process, historic budgets, and the Amity surplus.

A Regional School District is bound by state statutes and regulations in the development and use of a budget. Most obviously, a Regional School District has its own budget – independent from the towns it serves. This is why a Regional School District operates its own Annual Meeting, Public Budget Hearing, and Referendum. In that regard, a Regional School District budget is similar to a town budget. However, there are some significant differences between a Regional School District budget, a local school district budget, and a town budget, such as:

- A Regional School District– by statute – cannot maintain a fund balance. To put it simply, towns can have money in a “savings,” or fund balance account, but a Regional School District is not allowed to create a fund balance or “savings”. As such, towns can draw on the fund balance for needed items and unanticipated expenses, whereas a Regional School District only has access to the money that was budgeted for that year.
- Within a fiscal year, a Regional School District cannot run out of money and if a Regional School District does go “in the red”, a budget referendum must be held to continue operations. A town can adjust expenditures across multiple town departments or draw on the fund balance if a local school district underbudgets or over expends.
- Similar to a fund balance, a Regional School District cannot “carry over” money from year to year. At the end of a fiscal year, the budget must return to zero either through spending all the money that was in the budget or returning the money to the towns served by the regional school district.

The Amity Regional School District Board of Education has a goal of “Enhance the efficient and effective use of resources.” A strong culture of cost savings and efficiency exists in Amity. Staff look for multiple ways to save funds by doing more with less, seeking most the advantageous pricing through multiple quotes and/or bids, and developing innovative ways to deliver curriculum cost effectively. Staff spend their funds judiciously during the year. Staff does not encumber all funds immediately on July 1<sup>st</sup>, nor do they exhaust all funds every fiscal year simply for the sake of spending. This responsible fiscal culture is a source of pride and one which we want to continue to maintain.

Budgeting for a school year begins 11 months prior to the first day of school. The budget process for the 2022-2023 school year started in October 2021. Developing the budget entails forecasting prices and circumstances 12 – 18 months into the future. The school district must develop a budget that covers unforeseen events. For example, when the current budget for 2021-2022 was developed in October 2020, we had no idea that a war in Ukraine would begin, driving up costs of fuel, heating, shipping, and travel reimbursements. You personally are feeling the effects of the conflict when you get gas or buy heating fuel – this is magnified when operating a school district budget. Yet these are the very circumstances we have to plan for when developing a budget. As such, there are years when we spend close to the budgeted amount and years when we spend less than the budgeted amount (because we can never over expend). For example –

- In 2020-2021, we budgeted for a full school year, yet operated in a hybrid model for most of the year due to the COVID pandemic. Teachers aligned purchases with the hybrid model and many accounts saw a decrease in spending as classes did not operate on a full scale. Fall and winter sports were not at full operation, reducing costs for transportation, officials, and supplies. Unexpected revenues were received when the federal government approved multiple rounds of ESSER funding and when the special education grant funding was higher than expected. ***The monies in the budget that were not spent were returned to the towns.***
- In 2019-2020, we budgeted for a full school year, and closed our doors in March 2020. Athletics and field trips were cancelled, supplies were not purchased, substitutes were not needed, and salaries, payroll taxes, and the medical account were all significantly under budget as notal school operations ceased. ***The monies in the budget that were not spent were returned to the towns.***
- In 2018-2019, the establishment of suitable programs for students with disabilities within the Amity Regional School District allowed a return of students from more expensive outplacements, resulting in a savings to the budget. Higher revenues were realized from favorable interest rates and a higher special education grant reimbursement. ***The monies in the budget that were not spent were returned to the towns.***

***The District, over the past five years, has returned 80% of the unspent funds to the towns.***

All school districts (local and regional) can maintain a Capital Non-Recurring (CNR) Account. Governed by statute, monies in this account can only be used for capital improvements to the buildings and grounds owned by the Regional School District. At the end of a fiscal year, the Board may designate up to 2% of the remaining operating budget to the CNR Account. In the past 2 years, Amity has designated 1% of the remaining budget to provide funds for needed building repairs and to make those repairs without needing to borrow money to do so.