

**GRANBY PUBLIC SCHOOLS**  
**BUSINESS OFFICE**  
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To: Cheri Burke, Superintendent of Schools

From: Nickie Stevenson, Director of Finance & Operations

Re: Non-Lapsing Education Fund/Policy

Date: July 18, 2024

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Please accept this memo requesting the establishment of a non-lapsing education fund for the Granby Board of Education (BOE), per Section 7 of Public Act 24-25. The establishment of this fund allows local boards of education to deposit unspent education funds, up to 2% of the previous fiscal year's budget appropriation for education, into a non-lapsing account.

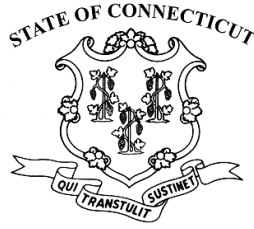
**History**

The creation of this type of fund is not recent however, previous law allowed a town board of finance, board of selectman or other appropriating authority for a school district to deposit the unspent funds into a non-lapsing account. Beginning in FY24, the act instead allows the local board of education to make this deposit for education purposes only, repealing language that limited fund expenditures to certain capital projects and equipment purchases.

**Expenditures**

Per policy, expenditures will be authorized solely by the BOE and will be for educational purposes only. Intended expenditures will be largely one-time non-recurring expenditures, typically not budgeted for, being extraordinary or emergency in nature. Examples of such expenditures could be significant overages in special education due to this particular budget being volatile in nature, consulting services required in an effort to create future efficiencies, creation of new programs, emergency services or improvements due to various unforeseen circumstances, etc. With the budget building process commencing approximately nine months prior to approval/appropriation, it is to be expected unknown needs may arise over the course of a school year which may not be feasible for the general fund and/or grant funds to absorb. Additionally, it is not expected for this fund to have expenditures every year, just as the requested deposit amount will also fluctuate year-to-year.

This fund will provide the BOE with some financial flexibility, but more importantly will further enhance Granby's commitment to public education, while simultaneously expanding our commitment to fiscal responsibility.



**Substitute House Bill No. 5437**

**Public Act No. 24-45**

**AN ACT CONCERNING EDUCATION MANDATE RELIEF, SCHOOL DISCIPLINE AND DISCONNECTED YOUTH.**

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

Section 1. (NEW) (*Effective July 1, 2024*) (a) There is established the Education Mandate Review Advisory Council. The council shall advise and provide annual reports to the joint standing committee of the General Assembly having cognizance of matters relating to education on the cost and implementation of existing education mandates on local and regional boards of education, as well as the impact of any proposals relating to additions or revisions to such education mandates. Such annual reports may include, but need not be limited to, (1) a review of education mandates on local and regional boards of education in the general statutes and the regulations of Connecticut state agencies for the purpose of identifying those mandates that may be burdensome or have the effect of limiting or restricting the provision of instruction or services to students, including a detailed analysis of each such mandate so identified, the specific statutory or regulation citation for such mandate and how such mandate is imposed on a board of education, and (2) any recommendations regarding the repeal of or amendment to any such sections of the general statutes or regulations of Connecticut state agencies.

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source-separated organic material composting facility that has available capacity and that will accept such source-separated organic material. For the purposes of this section "institution" means any establishment engaged in providing hospitality, entertainment or rehabilitation and health care services, and any hospital, public or [private educational] independent institution of higher education building or facility or correctional facility.

(5) On and after July 1, 2026, each public or nonpublic school building or educational facility in which students in grades kindergarten to twelve, inclusive, or any combination thereof, are enrolled, that is located not more than twenty miles from either an authorized source-separated organic material composting facility and that generates an average projected volume of not less than twenty-six tons per year of source-separated organic materials shall: (A) Separate such source-separated organic materials from other solid waste; and (B) ensure that such source-separated organic materials are recycled at any authorized source-separated organic material composting facility that has available capacity and that will accept such source-separated organic material.

Sec. 7. Section 10-248a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

For the fiscal year ending June 30, [2020] 2024, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, [the board of finance in each town having a board of finance, the board of selectmen in each town having no board of finance or the authority making appropriations for the school district for each town] a local board of education may deposit into a nonlapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education, [for the town,] provided (1) such deposited amount does not exceed two per cent of the total budgeted appropriation for education for such prior fiscal year, (2) each

**Substitute House Bill No. 5437**

expenditure from such account shall be made only for educational purposes, and (3) each such expenditure shall be authorized by the local board of education for such town.

Sec. 8. Subdivision (2) of subsection (d) of section 10-51 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(2) [On and after June 7, 2006] For the fiscal year ending June 30, 2024, and each fiscal year thereafter, a regional board of education, by a majority vote of its members, may create a reserve fund for [capital and nonrecurring] educational expenditures. Such fund shall thereafter be termed ["reserve fund for capital and nonrecurring expenditures"] "reserve fund for educational expenditures". The aggregate amount of annual and supplemental appropriations by a district to such fund shall not exceed two per cent of the annual district budget for such fiscal year. Annual appropriations to such fund shall be included in the share of net expenses to be paid by each member town. Supplemental appropriations to such fund may be made from estimated fiscal year end surplus in operating funds. Interest and investment earnings received with respect to amounts held in the fund shall be credited to such fund. The board shall annually submit a complete and detailed report of the condition of such fund to the member towns. Upon the recommendation and approval by the regional board of education, any part or the whole of such fund may be used for [capital and nonrecurring] educational expenditures, [ but such use shall be restricted to the funding of all or part of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of any specific item of equipment.] Upon the approval of any such expenditure an appropriation shall be set up, plainly designated for the [project or acquisition] educational expenditure for which it has been authorized. [ and such unexpended appropriation may be continued until such project or acquisition is completed.] Any

**Business**

**Non-Lapsing Education Fund**

The Superintendent may request the Board of Education (Board) to approve a deposit into a non-lapsing account (named “Fund for Educational Expenditures”) of some portion of any unexpended funds from the Board’s prior fiscal year general operating budget, provided such deposited amount does not exceed two percent (2%) of the total budget appropriation for education for such prior fiscal year.

Any expenditure from the Fund for Educational Expenditures shall be authorized solely by the Board of Education. Expenditures from the Fund shall be made only for educational purposes, generally on one-time non-recurring expenditures, such as capital expenditures, extraordinary expenditures, or emergency expenditures, which may be necessary, but not otherwise budgeted for.

The Board shall create the Fund for Educational Expenditures and be responsible for the accounting of the funds in accordance with Governmental Accounting Standards and Generally Accepted Principles (GAAP). The Fund shall be subject to annual audit as required by State statute. The Board shall review the fund balance on an annual basis.

Legal References: Connecticut General Statutes

[10-222](#) Appropriations and budget

[10-248a](#) Unexpended education funds accounts (as amended by PA 24-45 Section 7)

**Policy adopted:**

**GRANBY PUBLIC SCHOOLS**

**Granby, Connecticut**