

Regional School District 17 - The Capital Fund

Submitted by Shawna Goldfarb, RSD17 Board of Education

An important job of the Board of Education (BoE) is to review the annual school district budget, and subsequently present a final version to the community for a referendum vote. The 2020-2021 Superintendent's Budget was presented to the BoE and the Boards of Selectmen and Finance for Haddam and Killingworth. The budget can be found under "Budget Information" on the RSD17.org website or at <http://f.rsd17.org/district2b.shtml>.

In Connecticut, Regional School Districts own the school buildings, and decisions on their maintenance are the responsibility of the BoE. Conversely, in municipal or local school districts, the town government owns and maintains the school buildings. State Statute dictates that a *Regional* School District can put a maximum of 1% of the annual district budget into the Capital Fund. The Board is required to submit an annual report to each town detailing the condition of the fund.

The Capital Fund is used for large renovation projects, maintaining buildings, and purchasing large maintenance, technology or other equipment. The Capital Fund can maintain a balance over years. In contrast, the Operating Fund covers regular, annual expenses such as salaries, special education, educational programming and any annual surplus must be returned to the towns.

With aging infrastructure, careful planning is necessary to manage the Capital Fund and plan for future expenditures on capital assets. The Finance and Facilities committees conduct site tours with each principal and lead maintenance personnel to gather information on the needs at each building. Together with administrators, the BoE also evaluates the status of state funding levels, the volume of current approved capital projects, and an analysis of enrollments and capacities.

The summary of this work is captured in the District's Capital Plan which runs through the 2024-2025 fiscal year. The process includes planning for the next ten years. The Board approves items that get added or deleted to the plan and then approves expenditures to complete the items.

The RSD 17 Capital Fund has been used to complete many recent projects including: replacement of the auto shop floor at HKHS, cafeteria tables at BES, and paving district-wide, just to name a few. The newly approved High School field house renovation will be funded out of the Capital Fund. In the next few fiscal years, the BoE will be considering such items as the replacement of the HKHS cafeteria floor, paving of the parking lot at Burr, tile and carpeting at KES, painting at HKMS, and the purchase of a new field maintenance tractor.

When a capital project exceeds the balance of the Capital Fund the BOE may choose, with

the communities' approval, to use financing such as bonding. This option was used for the HKHS Energy Project when projected expenses were nearly four times the Capital Fund balance.

This year the District had two expenditures that were moved up on the capital plan – the replacement of portions of the KES roof and carpet at Burr. With this in mind, the Board attempts to maintain a fund balance to keep a comfortable level of protection against unexpected repairs.

On June 2, 2020, the Board of Education will vote to adopt its 2020-2021 Budget. Through workshops and valuable input from the community and town leadership, the Board will carefully consider the most fiscally appropriate needs for the district before finalizing the budget.