

Minimum Budget Requirement (MBR)

The statute that governed MBR expired on July 1, 2017, and was not renewed before the close of the legislative session because it is tied to the ongoing budget negotiations. As a result, there is no MBR for education in effect currently.

Therefore, towns and cities are able to adjust their education expenditures to offset reductions they may experience in education aid in anticipation of the Governor's Executive Order being implemented or once it is carried out. At this time, towns may allocate less money towards education in FY 18 than they did in FY 17.

The legislature is expected to include MBR language in the state budget when it is adopted. It is likely to be similar to last year's language, which allowed non-Alliance District towns to reduce its budgeted appropriation for education in an amount equal to the aid reduction (Sec. 127 (b)(1) of Senate Bill 502, Public Act 16-3).

Sec. 7-405. Expenditures by municipalities and regional school districts before adoption of budgets.

(a) When annual appropriations have not been made by a municipality before the beginning of any fiscal year, the disbursing officers may make necessary expenditures during the period of ninety days after the beginning of such year on proper warrants for purposes and in amounts authorized by the appropriating body or by the board of finance or other budget-making authority. When annual appropriations have not been made by such municipality before the end of such ninety-day period, the disbursing officers may make necessary expenditures during successive monthly periods in such year on proper warrants for purposes and in amounts authorized by the appropriating body or by the board of finance or other budget-making authority within the limits of appropriations specified in budgetary line items for the previous fiscal year. For this purpose, necessary borrowing may be authorized by resolution of the budget-making authority, provided all such borrowing shall mature and be payable not later than the end of the fiscal year for which such borrowings are made. Any notes so authorized may be issued and sold in the manner provided by such resolution. Such expenditures authorized by this section and interest costs and other expenses incidental to any such borrowing shall constitute the first charges against appropriations for the fiscal year in which they are made.