



Senate

General Assembly

File No. 552

February Session, 2006

Substitute Senate Bill No. 434

Senate, April 19, 2006

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE MINIMUM EXPENDITURE REQUIREMENT.

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

1 Section 1. Subsection (d) of section 10-262j of the 2006 supplement to
2 the general statutes is amended by adding subdivision (13) as follows
3 (*Effective July 1, 2006*):

4 (NEW) (13) For the fiscal year ending June 30, 2007, the regular
5 program expenditures of a town shall be no less than the sum of (A) its
6 minimum expenditure requirement for the fiscal year ending June 30,
7 2006, (B) its aid increase pursuant to subsection (b) of this section, and
8 (C) if the resident student count for October, 2005 is less than the
9 resident student count for October, 2004 the result obtained by
10 multiplying the difference between the town's resident student count
11 for October, 2005 using the data of record as of December 1, 2005, and
12 the town's resident student count for October, 2004 using the data of
13 record as of December 1, 2004, by one-half of the foundation.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

| Municipalities | Effect | FY 07 \$ | FY 08 \$ |
|--------------------|-----------|-----------|-----------|
| All Municipalities | See Below | See Below | See Below |

Explanation

This bill continues the existing minimum expenditure requirement (MER) for local education expenditures in to FY 07 and is anticipated to have no fiscal impact given the currently projected funding levels of ECS.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 434****AN ACT CONCERNING THE MINIMUM EXPENDITURE REQUIREMENT.****SUMMARY:**

This bill extends the minimum expenditure requirement (MER) for towns receiving the Education Cost Sharing (ECS) grant through FY 07. The MER requires towns to spend a minimum amount on regular education programs.

Under the bill, as for prior years, the FY 07 MER for each town is the sum of (1) its FY 06 MER; (2) any ECS grant increase it receives in FY 07; and (3) if its enrollment dropped between 2004 and 2005, an amount equal to the decrease multiplied by one-half of the ECS foundation amount. The ECS foundation amount for FY 07 is \$5,891 per pupil.

EFFECTIVE DATE: July 1, 2006

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference

Yea 15 Nay 14 (03/20/2006)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/04/2006)