



General Assembly

**Substitute Bill No. 434**

February Session, 2006

\* SB00434ED\_FIN032106 \*

**AN ACT CONCERNING FUNDING FOR EQUAL EDUCATIONAL OPPORTUNITY AND THE MINIMUM EXPENDITURE REQUIREMENT.**

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

1 Section 1. Subdivision (2) of section 10-262f of the 2006 supplement  
2 to the general statutes is repealed and the following is substituted in  
3 lieu thereof (*Effective July 1, 2006*):

4 (2) "Base aid ratio" means one minus the ratio of a town's wealth to  
5 the state guaranteed wealth level, provided (1) no town's aid ratio shall  
6 be less than [six one-hundredths] zero, and (2) no town's aid ratio shall  
7 be less than six one-hundredths if such town's school district is a  
8 priority district pursuant to subsection (a) of section 10-266p of the  
9 2006 supplement to the general statutes.

10 Sec. 2. (NEW) (*Effective July 1, 2006*) There is established an equal  
11 educational opportunity account which shall be a separate nonlapsing  
12 account within the General Fund administered by the State Treasurer.  
13 The account shall contain any moneys required by law to be deposited  
14 in the account. Investment earnings credited to the assets of the  
15 account shall become part of the assets of the account. All moneys in  
16 the account shall be used for the purposes of section 4 of this act.

17 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) For purposes of subsection  
18 (b) of this section, "net current expenditures per student" means the net

19 current expenditures of a town, as described in subdivision (3) of  
20 subsection (a) of section 10-261 of the general statutes, divided by the  
21 number of resident students of a town, as described in subdivision (22)  
22 of section 10-262f of the 2006 supplement to the general statutes.

23 (b) If the net current expenditures per student of a town, as  
24 described in subsection (a) of this section, is greater than the average of  
25 the net current expenditures per student of all towns, and if such  
26 town's school tax rate, as described in subdivision (9) of subsection (a)  
27 of section 10-261 of the general statutes, is less than fifty per cent of the  
28 average of the school tax rates of all towns, then the total amount of  
29 state grants to such town shall be reduced in accordance with section 5  
30 of this act, by an amount equal to fifty per cent of the product obtained  
31 by multiplying (1) the number of resident students of the town  
32 described in subdivision (22) of section 10-262f of the 2006 supplement  
33 to the general statutes, by (2) the difference between the town's net  
34 current expenditures per student and the average of the net current  
35 expenditures per student of all towns. All such funds shall be  
36 deposited by the Secretary of the Office of Policy and Management  
37 into the equal educational opportunity account established pursuant to  
38 section 2 of this act. If a town owes more money pursuant to this  
39 section than the total of the town's grants, the secretary shall seek  
40 payment of the difference from the town.

41 Sec. 4. (NEW) (*Effective July 1, 2006*) (a) For purposes of subsection  
42 (b) of this section, "weighted resident students" means the product  
43 obtained by multiplying (1) the number of resident students of the  
44 town described in subdivision (22) of section 10-262f of the 2006  
45 supplement to the general statutes, and (2) by the ratio of the school  
46 tax rate of a town, as described in subdivision (9) of subsection (a) of  
47 section 10-261 of the general statutes, to the average of the school tax  
48 rates of all towns.

49 (b) Each town that has a school tax rate, as described in subdivision  
50 (9) of subsection (a) of section 10-261 of the general statutes, that is  
51 greater than the average of the school tax rates of all towns shall be

52 entitled to an annual grant determined pursuant to this section. Grants  
53 shall be in the amount of the product obtained by multiplying (1) the  
54 amount of the assets of the account established pursuant to section 2 of  
55 this act, by (2) the quotient obtained by dividing (A) the town's  
56 weighted resident students, as described in subsection (a) of this  
57 section, by (B) the sum of all towns' weighted resident students.

58 (c) The Secretary of the Office of Policy and Management shall  
59 determine the amount payable to each town from the equal  
60 educational opportunity account established pursuant to section 2 of  
61 this act. Said secretary shall certify to the Comptroller four payments  
62 in each fiscal year, each of which shall equal twenty-five per cent of the  
63 total amount of the grant to which each town is entitled. The  
64 Comptroller shall draw an order on the Treasurer on or before the fifth  
65 business day following the date on which said secretary certifies each  
66 such payment and the Treasurer shall pay the amount thereof to such  
67 town not later than the last day of the month during which the  
68 Comptroller's order is drawn. For the fiscal year commencing July 1,  
69 2007, and each fiscal year thereafter, said secretary shall certify such  
70 payments to the Comptroller on or before the fifteenth day of  
71 September, the fifteenth day of October, the fifteenth day of March and  
72 the fifteenth day of April.

73 Sec. 5. (NEW) (*Effective July 1, 2006*) Each town shall submit any data  
74 the Secretary of the Office of Policy and Management may require for  
75 the purpose of determining the amount of town grant reductions to be  
76 made in accordance with section 3 of this act and the amount of grants  
77 in accordance with section 4 of this act in such form and manner as the  
78 secretary prescribes. Upon receipt of a request from the secretary, a  
79 town shall provide any additional information the secretary may  
80 require with respect to the data submitted. The secretary may revise  
81 the amount of a town's grant pursuant to section 4 of this act, or the  
82 amount of the reduction of a town's grants pursuant to section 3 of this  
83 act, upon finding that such amounts were determined on the basis of  
84 inaccurate data or an incorrect calculation. Any addition or reduction  
85 to a town's grant or grants due to any such a revision shall be reflected

86 in any remaining payments the secretary certifies in the fiscal year  
87 during which the grant is revised or in the fiscal year next following.

88 Sec. 6. Subsection (d) of section 10-262j of the 2006 supplement to  
89 the general statutes is amended by adding subdivision (13) as follows  
90 (*Effective July 1, 2006*):

91 (NEW) (13) For the fiscal year ending June 30, 2007, the regular  
92 program expenditures of a town shall be no less than the sum of (A) its  
93 minimum expenditure requirement for the fiscal year ending June 30,  
94 2006, (B) its aid increase pursuant to subsection (b) of this section, and  
95 (C) if the resident student count for October, 2005 is less than the  
96 resident student count for October, 2004 the result obtained by  
97 multiplying the difference between the town's resident student count  
98 for October, 2005 using the data of record as of December 1, 2005, and  
99 the town's resident student count for October, 2004 using the data of  
100 record as of December 1, 2004, by one-half of the foundation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006</i>	10-262f(2)
Sec. 2	<i>July 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	New section
Sec. 5	<i>July 1, 2006</i>	New section
Sec. 6	<i>July 1, 2006</i>	10-262j(d)

**ED**

**Joint Favorable Subst. C/R**

**FIN**