



House of Representatives

General Assembly

File No. 899

January Session, 2009

Substitute House Bill No. 6688

House of Representatives, May 4, 2009

The Committee on Appropriations reported through REP. GERAGOSIAN of the 25th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING EDUCATION GRANTS.

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

1 Section 1. Subsection (c) of section 10-264~~l~~ of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2009*):

4 (c) (1) The maximum amount each interdistrict magnet school
5 program, except those described in subparagraphs (A) [and (B)] to (E),
6 inclusive, of subdivision (3) of this subsection, shall be eligible to
7 receive per enrolled student who is not a resident of the town
8 operating the magnet school shall be (A) six thousand sixteen dollars
9 for the fiscal year ending June 30, 2008, and (B) six thousand seven
10 hundred thirty dollars for the fiscal [year] years ending June 30, 2009,
11 [(C) seven thousand four hundred forty dollars for the fiscal year
12 ending June 30, 2010, and (D) eight thousand one hundred fifty-eight
13 dollars for the fiscal year ending June 30, 2011] to June 30, 2011,
14 inclusive. The per pupil grant for each enrolled student who is a

15 resident of the town operating the magnet school program shall be
16 three thousand dollars for the fiscal year ending June 30, 2008, and
17 each fiscal year thereafter.

18 (2) For the fiscal year ending June 30, 2003, and each fiscal year
19 thereafter, the commissioner may, within available appropriations,
20 provide supplemental grants for the purposes of enhancing
21 educational programs in such interdistrict magnet schools, as the
22 commissioner determines. Such grants shall be made after the
23 commissioner has reviewed and approved the total operating budget
24 for such schools, including all revenue and expenditure estimates.

25 (3) (A) Each interdistrict magnet school operated by a regional
26 educational service center that enrolls less than fifty-five per cent of the
27 school's students from a single town [, or a regional educational service
28 center that enrolls less than sixty per cent of its students from Hartford
29 pursuant to the 2008 stipulation and order for Milo Sheff, et al. v.
30 William A. O'Neill, et al.,] shall receive a per pupil grant in the amount
31 of (i) six thousand two hundred fifty dollars for the fiscal year ending
32 June 30, 2006, (ii) six thousand five hundred dollars for the fiscal year
33 ending June 30, 2007, (iii) seven thousand sixty dollars for the fiscal
34 year ending June 30, 2008, and (iv) seven thousand six hundred twenty
35 dollars for the fiscal year ending June 30, 2009, [(v) eight thousand one
36 hundred eighty dollars for the fiscal year ending June 30, 2010, and (vi)
37 eight thousand seven hundred forty-one dollars for the fiscal year
38 ending June 30, 2011] and each fiscal year thereafter.

39 (B) [Each] Except as otherwise provided in subparagraphs (C), (D)
40 and (E) of this subdivision, each interdistrict magnet school operated
41 by a regional educational service center that enrolls at least fifty-five
42 per cent of the school's students from a single town [, or a regional
43 educational service center that enrolls at least sixty per cent of its
44 students from Hartford pursuant to the 2008 stipulation and order for
45 Milo Sheff, et al. v. William A. O'Neill, et al.,] shall receive a per pupil
46 grant for each enrolled student who is not a resident of the district that
47 enrolls at least fifty-five per cent of the school's students in the amount

48 of (i) six thousand sixteen dollars for the fiscal year ending June 30,
49 2008, and (ii) six thousand seven hundred thirty dollars for the fiscal
50 year ending June 30, 2009, [(iii) seven thousand four hundred forty
51 dollars for the fiscal year ending June 30, 2010, and (iv) eight thousand
52 one hundred fifty-eight dollars for the fiscal year ending June 30, 2011]
53 and each fiscal year thereafter. The per pupil grant for each enrolled
54 student who is a resident of the district that enrolls at least fifty-five
55 per cent of the school's students shall be three thousand dollars.

56 (C) Each interdistrict magnet school operated by a regional
57 educational service center that began operations for the school year
58 commencing July 1, 1998, and that for the school year commencing
59 July 1, 2008, enrolled no more than seventy per cent of the school's
60 students from a single town shall receive a per pupil grant for each
61 enrolled student who is a resident of the district in the amount of four
62 thousand eight hundred thirty-five dollars, and a per pupil grant for
63 each enrolled student who is not a resident of the district in the
64 amount of six thousand seven hundred thirty dollars for the fiscal year
65 ending June 30, 2010, and each fiscal year thereafter.

66 (D) Each interdistrict magnet school operated by a regional
67 educational service center that enrolls less than sixty per cent of its
68 students from Hartford pursuant to the 2008 stipulation and order for
69 Milo Sheff, et al. v. William A. O'Neill, et al., shall receive a per pupil
70 grant in the amount of (i) ten thousand four hundred forty-three
71 dollars for the fiscal year ending June 30, 2010, and (ii) ten thousand
72 four hundred forty-three dollars for the fiscal year ending June 30,
73 2011.

74 (E) Each interdistrict magnet school located in the Sheff region that
75 enrolls at least sixty per cent of its students from Hartford pursuant to
76 the 2008 stipulation and order for Milo Sheff, et al. v. William A.
77 O'Neill, et al., shall receive a per pupil grant for each enrolled student
78 who is not a resident of the district that enrolls sixty per cent of the
79 school's students in the amount of (i) thirteen thousand fifty-four
80 dollars for the fiscal year ending June 30, 2010, and (ii) thirteen

81 thousand fifty-four dollars for the fiscal year ending June 30, 2011.

82 (4) The amounts of the grants determined pursuant to this
83 subsection shall be proportionately adjusted, if necessary, within
84 available appropriations, and in no case shall any grant pursuant to
85 this section exceed the reasonable operating budget of the interdistrict
86 magnet school program, less revenues from other sources. Any
87 interdistrict magnet school program operating less than full-time, but
88 at least half-time, shall be eligible to receive a grant equal to sixty-five
89 per cent of the grant amount determined pursuant to this subsection.

90 (5) Within available appropriations, the commissioner may make
91 grants to the following entities that operate an interdistrict magnet
92 school that assists the state in meeting the goals of the 2008 stipulation
93 and order for Milo Sheff, et al. v. William A. O'Neill, et al., as
94 determined by the commissioner and that provide academic support
95 programs and summer school educational programs approved by the
96 commissioner to students participating in such interdistrict magnet
97 school program: (A) Regional educational service centers, (B) local and
98 regional boards of education, (C) the Board of Trustees of the
99 Community-Technical Colleges on behalf of a regional community-
100 technical college, (D) the Board of Trustees of the Connecticut State
101 University System on behalf of a state university, (E) the Board of
102 Trustees for The University of Connecticut on behalf of the university,
103 (F) the board of governors for an independent college or university, as
104 defined in section 10a-37, or the equivalent of such a board, on behalf
105 of the independent college or university, (G) cooperative arrangements
106 pursuant to section 10-158a, and (H) any other third-party not-for-
107 profit corporation approved by the commissioner.

108 (6) Within available appropriations, the Commissioner of Education
109 may make grants, in an amount not to exceed seventy-five thousand
110 dollars, for start-up costs associated with the development of new
111 interdistrict magnet school programs that assist the state in meeting
112 the goals of the 2008 stipulation and order for Milo Sheff, et al. v.
113 William A. O'Neill, et al., as determined by the commissioner, to the

114 following entities that develop such a program: (A) Regional
115 educational service centers, (B) local and regional boards of education,
116 (C) the Board of Trustees of the Community-Technical Colleges on
117 behalf of a regional community-technical college, (D) the Board of
118 Trustees of the Connecticut State University System on behalf of a state
119 university, (E) the Board of Trustees for The University of Connecticut
120 on behalf of the university, (F) the board of governors for an
121 independent college or university, as defined in section 10a-37, or the
122 equivalent of such a board, on behalf of the independent college or
123 university, (G) cooperative arrangements pursuant to section 10-158a,
124 and (H) any other third-party not-for-profit corporation approved by
125 the commissioner.

126 Sec. 2. Subdivision (25) of section 10-262f of the general statutes is
127 repealed and the following is substituted in lieu thereof (*Effective July*
128 *1, 2009*):

129 (25) "Total need students" means the sum of (A) the number of
130 resident students of the town for the school year, [except that for the
131 fiscal year commencing July 1, 2008, such number shall be reduced by
132 one-quarter of the number resident students of the town for the school
133 year enrolled in full-time approved interdistrict magnet school
134 programs pursuant to section 10-264l,] (B) (i) for any school year
135 commencing prior to July 1, 1998, one-quarter the number of children
136 under the temporary family assistance program for the prior fiscal
137 year, and (ii) for the school years commencing July 1, 1998, to July 1,
138 2006, inclusive, one-quarter the number of children under the
139 temporary family assistance program for the fiscal year ending June
140 30, 1997, (C) for school years commencing July 1, 1995, to July 1, 2006,
141 inclusive, one-quarter of the mastery count for the school year, (D) for
142 school years commencing July 1, 1995, to July 1, 2006, inclusive, ten per
143 cent of the number of eligible children, as defined in subdivision (1) of
144 section 10-17e, for whom the board of education is not required to
145 provide a program pursuant to section 10-17f, (E) for the school year
146 commencing July 1, 2007, and each school year thereafter, fifteen per
147 cent of the number of eligible students, as defined in subdivision (1) of

148 section 10-17e, for whom the board of education is not required to
149 provide a program pursuant to section 10-17f, and (F) for the school
150 year commencing July 1, 2007, and each school year thereafter, thirty-
151 three per cent of the number of children below the level of poverty.

152 Sec. 3. Subsection (g) of section 10-266aa of the general statutes is
153 repealed and the following is substituted in lieu thereof (*Effective July*
154 *1, 2009*):

155 (g) (1) The Department of Education shall provide, within available
156 appropriations, an annual grant to the local or regional board of
157 education for each receiving district in an amount not to exceed two
158 thousand five hundred dollars for each out-of-district student who
159 attends school in the receiving district under the program, except as
160 provided for in subdivision (2) of this subsection.

161 (2) If, in any fiscal year, funds appropriated for the grant pursuant
162 to subdivision (1) of this subsection exceed the amount of funds
163 distributed pursuant to said subdivision (1), the Department of
164 Education shall distribute additional sums from such funds to any
165 local or regional board of education for a receiving district on a pro
166 rata basis for each additional out-of-district student attending schools
167 in such district in excess of the number of such students attending
168 schools in such district for the school year commencing July 1, 2008.

169 (3) Each town which receives funds pursuant to this subsection shall
170 make such funds available to its local or regional board of education in
171 supplement to any other local appropriation, other state or federal
172 grant or other revenue to which the local or regional board of
173 education is entitled.

174 Sec. 4. Subsection (c) of section 10-223e of the general statutes is
175 repealed and the following is substituted in lieu thereof (*Effective July*
176 *1, 2009*):

177 (c) (1) Any school or school district identified as in need of
178 improvement pursuant to subsection (a) of this section and requiring

179 corrective action pursuant to the requirements of the No Child Left
180 Behind Act, P.L. 107-110, shall be designated and listed as a low
181 achieving school or school district and shall be subject to intensified
182 supervision and direction by the State Board of Education.

183 (2) Notwithstanding any provision of this title or any regulation
184 adopted pursuant to said statutes, except as provided in subdivision
185 (3) of this subsection, in carrying out the provisions of subdivision (1)
186 of this subsection, the State Board of Education shall take any of the
187 following actions to improve student performance and remove the
188 school or district from the list of schools or districts designated and
189 listed as a low achieving school or district pursuant to said subdivision
190 (1), and to address other needs of the school or district: (A) Require an
191 operations audit to identify possible programmatic savings and an
192 instructional audit to identify any deficits in curriculum and
193 instruction or in the learning environment of the school or district; (B)
194 require the local or regional board of education for such school or
195 district to use state and federal funds for critical needs, as directed by
196 the State Board of Education; (C) provide incentives to attract highly
197 qualified teachers and principals; (D) direct the transfer and
198 assignment of teachers and principals; (E) require additional training
199 and technical assistance for parents and guardians of children
200 attending the school or a school in the district and for teachers,
201 principals, and central office staff members hired by the district; (F)
202 require the local or regional board of education for the school or
203 district to implement model curriculum, including, but not limited to,
204 recommended textbooks, materials and supplies approved by the
205 Department of Education; (G) identify schools for reconstitution, as
206 may be phased in by the commissioner, as state or local charter
207 schools, schools established pursuant to section 10-74g, or schools
208 based on other models for school improvement, or for management by
209 an entity other than the local or regional board of education for the
210 district in which the school is located; (H) direct the local or regional
211 board of education for the school or district to develop and implement
212 a plan addressing deficits in achievement and in the learning
213 environment as recommended in the instructional audit; (I) assign a

214 technical assistance team to the school or district to guide school or
215 district initiatives and report progress to the Commissioner of
216 Education; (J) establish instructional and learning environment
217 benchmarks for the school or district to meet as it progresses toward
218 removal from the list of low achieving schools or districts; (K) provide
219 funding to any proximate district to a district designated as a low
220 achieving school district so that students in a low achieving district
221 may attend public school in a neighboring district; (L) direct the
222 establishment of learning academies within schools that require
223 continuous monitoring of student performance by teacher groups; (M)
224 require local and regional boards of education to (i) undergo training
225 to improve their operational efficiency and effectiveness as leaders of
226 their districts' improvement plans, and (ii) submit an annual action
227 plan to the Commissioner of Education outlining how, when and in
228 what manner their effectiveness shall be monitored; or (N) any
229 combination of the actions described in this subdivision or similar,
230 closely related actions.

231 (3) If a directive of the State Board of Education pursuant to
232 subparagraph (C), (D), (E) or (L) of subdivision (2) of this subsection or
233 a directive to implement a plan pursuant to subparagraph (H) of said
234 subdivision affects working conditions, such directive shall be carried
235 out in accordance with the provisions of sections 10-153a to 10-153n,
236 inclusive.

237 (4) The Comptroller shall, pursuant to the provisions of section 10-
238 262i, as amended by this act, withhold any grant funds that a town is
239 otherwise required to appropriate to a local or regional board of
240 education due to low academic achievement in the school district
241 pursuant to section 10-262h, provided for any fiscal year in which such
242 town receives a grant pursuant to section 10-262h, the Comptroller
243 shall withhold an amount equal to the amount withheld in the prior
244 fiscal year or twenty per cent of the grant increase, whichever is
245 greater. Said funds shall be transferred to the Department of Education
246 and shall be expended by the department on behalf of the identified
247 school district. Said funds shall be used to implement the provisions of

248 subdivision (2) of this subsection and to offset such other local
249 education costs that the Commissioner of Education deems
250 appropriate to achieve school improvements. These funds shall be
251 awarded by the commissioner to the local or regional board of
252 education for such identified school district upon condition that said
253 funds shall be spent in accordance with the directives of the
254 commissioner.

255 Sec. 5. Section 10-66dd of the general statutes is repealed and the
256 following is substituted in lieu thereof (*Effective July 1, 2009*):

257 (a) For purposes of this section, "school professional" means any
258 school teacher, administrator or other personnel certified by the State
259 Board of Education pursuant to section 10-145b.

260 (b) (1) Subject to the provisions of this subsection and except as may
261 be waived pursuant to subsection (d) of section 10-66bb, charter
262 schools shall be subject to all federal and state laws governing public
263 schools.

264 (2) At least one-half of the persons providing instruction or pupil
265 services in a charter school shall possess the proper certificate other
266 than (A) a certificate issued pursuant to subdivision (1) of subsection
267 (c) of section 10-145b, or (B) a temporary certificate issued pursuant to
268 subsection (c) of section 10-145f on the day the school begins operation
269 and the remaining persons shall possess a certificate issued pursuant
270 to said subdivision (1) or such temporary certificate on such day.

271 (3) The commissioner may not waive the provisions of chapters 163c
272 and 169 and sections 10-15c, 10-153a to 10-153g, inclusive, 10-153i, 10-
273 153j, 10-153m and 10-292.

274 (4) The state charter school governing council shall act as a board of
275 education for purposes of collective bargaining. The school
276 professionals employed by a local charter school shall be members of
277 the appropriate bargaining unit for the local or regional school district
278 in which the local charter school is located and shall be subject to the

279 same collective bargaining agreement as the school professionals
280 employed by said district. A majority of those employed or to be
281 employed in the local charter school and a majority of the members of
282 the governing council of the local charter school may modify, in
283 writing, such collective bargaining agreement, consistent with the
284 terms and conditions of the approved charter, for purposes of
285 employment in the charter school.

286 (c) School professionals employed by a local or regional board of
287 education shall be entitled to a two-year leave of absence, without
288 compensation, in order to be employed in a charter school provided
289 such leave shall be extended upon request for an additional two years.
290 At any time during or upon the completion of such a leave of absence,
291 a school professional may return to work in the school district in the
292 position in which he was previously employed or a comparable
293 position. Such leave of absence shall not be deemed to be an
294 interruption of service for purposes of seniority and teachers'
295 retirement, except that time may not be accrued for purposes of
296 attaining tenure. A school professional who is not on such a leave of
297 absence and is employed for forty school months of full-time
298 continuous employment by the charter school and is subsequently
299 employed by a local or regional board of education shall attain tenure
300 after the completion of twenty school months of full-time continuous
301 employment by such board of education in accordance with section 10-
302 151.

303 (d) [An otherwise qualified school professional employed in a
304 charter school may] A person employed by a charter school that holds
305 a certificate or permit issued by the State Board of Education, as
306 described in subdivision (26) of section 10-183b, shall participate in the
307 state teacher retirement system under chapter 167a on the same basis
308 as if such professional were employed by a local or regional board of
309 education. The governing council of a charter school shall make the
310 contributions, as defined in subdivision (7) of section 10-183b for such
311 professional.

312 Sec. 6. Section 10-264i of the general statutes is repealed and the
313 following is substituted in lieu thereof (*Effective July 1, 2009*):

314 (a) (1) A local or regional board of education, (2) regional
315 educational service center, (3) the Board of Trustees of the
316 Community-Technical Colleges on behalf of Quinebaug Valley
317 Community College, (4) cooperative arrangement pursuant to section
318 10-158a, or (5) to assist the state in meeting the goals of the 2008
319 stipulation and order for Milo Sheff, et al. v. William A. O'Neill, et al.,
320 as determined by the Commissioner of Education, (A) the Board of
321 Trustees of the Community-Technical Colleges on behalf of a regional
322 community-technical college, (B) the Board of Trustees of the
323 Connecticut State University System on behalf of a state university, (C)
324 the Board of Trustees for The University of Connecticut on behalf of
325 the university, (D) the board of governors for an independent college
326 or university, as defined in section 10a-37, or the equivalent of such a
327 board, on behalf of the independent college or university, and (E) any
328 other third-party not-for-profit corporation approved by the
329 commissioner which transports a child to an interdistrict magnet
330 school program, as defined in section 10-264l, as amended by this act,
331 in a town other than the town in which the child resides shall be
332 eligible pursuant to section 10-264e to receive a grant for the cost of
333 transporting such child in accordance with this section. [The] For the
334 fiscal year ending June 30, 2010, the amount of such grant shall not
335 exceed an amount equal to the number of such children transported
336 multiplied by [one thousand three hundred dollars] two thousand five
337 hundred dollars. For the fiscal year ending June 30, 2011, the amount
338 of such grant shall not exceed an amount equal to the number of such
339 children transported multiplied by three thousand dollars. The
340 Department of Education shall provide such grants within available
341 appropriations. Nothing in this subsection shall be construed to
342 prevent a local or regional board of education, regional educational
343 service center or cooperative arrangement from receiving
344 reimbursement under section 10-266m for reasonable transportation
345 expenses for which such board, service center or cooperative
346 arrangement is not reimbursed pursuant to this section.

347 (b) Grants under this section shall be contingent on documented
348 costs of providing such transportation. Eligible local and regional
349 boards of education, regional educational service centers and
350 cooperative arrangements shall submit applications for grants under
351 this section to the Commissioner of Education in such form and at such
352 times as he prescribes. Grants pursuant to this section shall be paid as
353 follows: In October one-half of the estimated eligible transportation
354 costs and the balance of such costs in May.

355 (c) Each local and regional board of education, regional educational
356 service center and cooperative arrangement participating in the grant
357 program shall prepare a financial statement of expenditures which
358 shall be submitted to the Department of Education on or before
359 September first of the fiscal year immediately following each fiscal
360 year in which the school district, regional educational service center or
361 cooperative arrangement participates in the grant program. Based on
362 such statement, any underpayment or overpayment may be calculated
363 and adjusted by the Department of Education in the grant for any
364 subsequent year.

365 Sec. 7. Section 10-262i of the general statutes is repealed and the
366 following is substituted in lieu thereof (*Effective July 1, 2009*):

367 (a) For the fiscal year ending June 30, 1990, and for each fiscal year
368 thereafter, each town shall be paid a grant equal to the amount the
369 town is entitled to receive under the provisions of section 10-262h, as
370 calculated using the data of record as of the December first prior to the
371 fiscal year such grant is to be paid, adjusted for the difference between
372 the final entitlement for the prior fiscal year and the preliminary
373 entitlement for such fiscal year as calculated using the data of record as
374 of the December first prior to the fiscal year when such grant was paid.

375 (b) The amount due each town pursuant to the provisions of
376 subsection (a) of this section shall be paid by the Comptroller, upon
377 certification of the Commissioner of Education, to the treasurer of each
378 town entitled to such aid in installments during the fiscal year as
379 follows: Twenty-five per cent of the grant in October, twenty-five per

380 cent of the grant in January and the balance of the grant in April. The
381 balance of the grant due towns under the provisions of this subsection
382 shall be paid in March rather than April to any town which has not
383 adopted the uniform fiscal year and which would not otherwise
384 receive such final payment within the fiscal year of such town.

385 (c) All aid distributed to a town pursuant to the provisions of this
386 section shall be expended for educational purposes only and shall be
387 expended upon the authorization of the local or regional board of
388 education. For the fiscal year ending June 30, [1999] 2010, and each
389 fiscal year thereafter, if a town receives an increase in funds pursuant
390 to this section over the amount it received for the prior fiscal year such
391 increase shall not be used to supplant local funding for educational
392 purposes. The budgeted appropriation for education in any town
393 receiving an increase in funds pursuant to this section shall be not less
394 than the amount appropriated for education for the prior year plus
395 such increase in funds.

396 (d) Notwithstanding the provisions of subsection (c) of this section,
397 for the fiscal years ending June 30, 2008, and June 30, 2009, the
398 budgeted appropriation for education in any town receiving an
399 increase in funds pursuant to this section shall be not less than the
400 amount appropriated for education for the prior year plus the
401 percentage of such increase in funds as determined under subsection
402 (e) of this section.

403 *(e) The percentage of the increase in aid pursuant to this section
404 applicable under subsection (d) shall be the average of the results of (1)
405 (A) a town's current program expenditures per resident student
406 pursuant to subdivision (36) of section 10-262f, subtracted from the
407 highest current program expenditures per resident student in this
408 state, (B) divided by the difference between the highest current
409 program expenditures per resident student in this state and the lowest
410 current program expenditures per resident student in this state, (C)
411 multiplied by fifty per cent, (D) plus fifteen percentage points, (2) (A) a
412 town's wealth pursuant to subdivision (26) of section 10-262f,

413 subtracted from the wealth of the town with the highest wealth of all
414 towns in this state, (B) divided by the difference between the wealth of
415 the town with the highest wealth of all towns in this state and the
416 wealth of the town with the lowest wealth of all towns in this state, (C)
417 multiplied by fifty per cent, (D) plus fifteen percentage points, and (3)
418 (A) a town's grant mastery percentage pursuant to subdivision (12) of
419 section 10-262f, subtracted from one, subtracted from one minus the
420 grant mastery percentage of the town with the highest grant mastery
421 percentage in this state, (B) divided by the difference between one
422 minus the grant mastery percentage of the town with the highest grant
423 mastery percentage in this state and one minus the grant mastery
424 percentage of the town with the lowest grant mastery percentage in
425 this state, (C) multiplied by fifty per cent, (D) plus fifteen percentage
426 points. For any town whose school district is in its third year or more
427 of being identified as in need of improvement pursuant to section 10-
428 223e, as amended by this act, and has failed to make adequate yearly
429 progress in mathematics or reading at the whole district level, the
430 percentage determined pursuant to this subsection for such town shall
431 be increased by an additional twenty percentage points.
432 Notwithstanding any provision of the general statutes, charter, special
433 act or home rule ordinance, on or before September 15, 2007, for the
434 fiscal year ending June 30, 2008, a town may request the Commissioner
435 of Education to defer a portion of the town's increase in aid over the
436 prior fiscal year pursuant to this section to be expended in the
437 subsequent fiscal year. If the commissioner approves such request, the
438 deferred amount shall be credited to the increase in aid for the fiscal
439 year ending June 30, 2009, rather than the fiscal year ending June 30,
440 2008. Such funds shall be expended in the fiscal year ending June 30,
441 2009, in accordance with the provisions of this section. In no case shall
442 a town be allowed to defer increases in aid required to be spent for
443 education as a result of failure to make adequate yearly progress in
444 accordance with the provisions of this subdivision. Notwithstanding
445 the provisions of this section, for the fiscal years ending June 30, 2008,
446 and June 30, 2009, any town that (i) is a member of a regional school
447 district that serves only grades seven to twelve, inclusive, or grades

448 nine to twelve, inclusive, (ii) appropriates at least the minimum
449 percentage of increase in aid pursuant to the provisions of this section,
450 and (iii) has a reduced assessment from the previous fiscal year for
451 students enrolled in such regional school district, excluding debt
452 service for such students, shall be considered to be in compliance with
453 the provisions of this section.

454 (f) Upon a determination by the State Board of Education that a
455 town or kindergarten to grade twelve, inclusive, regional school
456 district failed in any fiscal year to meet the requirements pursuant to
457 subsection (c) or (d) of this section, the town or kindergarten to grade
458 twelve, inclusive, regional school district shall forfeit an amount equal
459 to two times the amount of the shortfall. The amount so forfeited shall
460 be withheld by the Department of Education from the grant payable to
461 the town in the second fiscal year immediately following such failure
462 by deducting such amount from the town's equalization aid grant
463 payment pursuant to this section, except that in the case of a
464 kindergarten to grade twelve, inclusive, regional school district, the
465 amount so forfeited shall be withheld by the Department of Education
466 from the grants payable pursuant to this section to the towns which
467 are members of such regional school district. The amounts deducted
468 from such grants to each member town shall be proportional to the
469 number of resident students in each member town. Notwithstanding
470 the provisions of this subsection, the State Board of Education may
471 waive such forfeiture upon agreement with the town or kindergarten
472 to grade twelve, inclusive, regional school district that the town or
473 kindergarten to grade twelve, inclusive, regional school district shall
474 increase its budgeted appropriation during the fiscal year in which the
475 forfeiture would occur by an amount not less than the amount of said
476 forfeiture or for other good cause shown. Any additional funds
477 expended pursuant to such an agreement shall not be included in a
478 district's expenditures for the purpose of establishing any future
479 minimum expenditure requirement.

480 Sec. 8. Section 13 of public act 08-170 is repealed. (*Effective from*
481 *passage*)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 10 \$ | FY 11 \$ |
|------------------|----------------------------|--------------|--------------|
| Education, Dept. | GF - Implements the Budget | 13.5 million | 27.6 million |

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 eliminates scheduled increases in magnet school per-student operating grants for FY 10 and FY 11 and maintains grants at the FY 09 level as follows:

Non-Sheff Magnets.

Host magnets = \$6,730 for each out-of-district student; \$3,000 for each host town student.

With one exception, RESC magnets enrolling 55% or more of students from a single town = \$6,730 for students from non-dominant town students; \$3,000 for students from dominant town.

For one existing RESC magnet schools, the bill increases the dominant-town threshold to allow the schools to receive higher per-student grants for all current students:

Wintergreen Magnet School, Hamden = 70%

RESC magnets enrolling less than 55% of students from a single district = \$7,620 per student

The elimination of the scheduled increases in reflected in sHB 6365

and results in a savings of approximately \$7.9 million in FY 10 and \$16.9 million in FY 11. The increase of the dominant town threshold for Wintergreen magnet school of \$750,000 in both FY 10 and FY 11 is included in sHB 6365.

Sheff Magnets.

The bill establishes separate per-student grants for magnet schools that help the state meet the Sheff desegregation order as follows:

RESC magnets enrolling less than 60% of students from Hartford = \$10,443 per student

Host and RESC magnets enrolling 60% or more of students from Hartford = \$13,054 for each student who is not a Hartford resident.

sHB 6365 contains \$15.1 million in FY 10 and \$28.6 million in FY 11 for this purpose.

Section 3 increases funding for new students who participate in the OPEN choice program. Participating districts will receive an incentive (above the current grant of \$2,500 per student) for any new student they accept. It is anticipated that approximately 660 new students will participate in the program in FY 10. sHB 6365 contains \$2.0 million in FY 10 and \$5.0 million in FY 11 for this purpose.

Section 6 increases state grants to entities operating Sheff magnet schools for transporting students to the magnet schools from a maximum of \$1,300 per student to \$2,500 per student for FY 10 and \$3,000 per-student for FY 11. sHB 6365 contains \$3.5 million in FY 10 and \$10.1 million in FY 11 for this purpose.

Sections 2, 4, 5, 7 and 8 make various changes that are not anticipated to result in an additional cost.

The Out Years

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

OLR Bill Analysis**sHB 6688*****AN ACT CONCERNING EDUCATION GRANTS.*****SUMMARY:**

This bill revises state per-student grants for interdistrict magnet schools and the Open Choice public school attendance program for FY 10 and FY 11. It also increases transportation grants for interdistrict magnet school operators who transport students to schools from outside the district where the schools are located.

Starting in FY 10, the bill restores the pre-July 1, 2008 minimum budget requirement (MBR) for districts receiving increases in annual Education Cost Sharing (ECS) grants. Under the bill, districts must use 100% of any increase for education and may not use an ECS grant increase to supplant local education funding.

The bill also (1) repeals a reduction in ECS student counts for students attending full-time interdistrict magnet schools and (2) sets the amount of the required state holdback of ECS funds for a district with low student achievement at (a) either 20% of any annual ECS grant increase the district receives or (b) the same dollar amount held back in the previous year, whichever is greater.

Finally, the bill requires that charter school teachers who qualify for membership in the Teachers' Retirement System (TRS) participate in, and make contributions to, TRS.

EFFECTIVE DATE: July 1, 2009, except for the provision repealing the law scheduled to take effect July 1, 2009, which is effective on passage.

§ 1 — MAGNET SCHOOL OPERATING GRANTS

For purposes of establishing per-student operating grants for interdistrict magnet schools, current law and this bill divide magnet schools into the two categories: (1) schools that are required to help the state meet the 2008 *Sheff v. O'Neill* desegregation stipulated agreement and court order (“Sheff magnets”), and (2) schools that are not required for the Sheff order (“non-Sheff magnets”). Within these categories are magnet schools operated by the local or regional board of education for the district where the school is located (“host magnets”), and magnet schools operated by regional education service centers (“RESC magnets”).

Non-Sheff Magnets

The bill eliminates scheduled increases in non-Sheff magnet school per-student operating grants for FY 10 and FY 11 and maintains future grants at FY 09 levels as follows:

1. for host magnets, \$3,000 for each student from the host district and \$6,730 for each out-of-district student;
2. with one exception (see # 3), for RESC magnets enrolling 55% or more of their students from a single town, \$6,730 for each student from a non-dominant town and \$3,000 for each student from the dominant town;
3. for a RESC magnet that began operating in the 1998-99 school year and that, for the 2008-09 school year, enrolled 70% or fewer of its students from a single town, \$6,730 for each student from a non-dominant town and \$4,835 for each student from the dominant town (this provision applies to the Wintergreen Magnet School in Hamden); and
4. for RESC magnets enrolling less than 55% of their students from a single town, \$7,620 per-student.

Sheff Magnets

For FY 10 and FY 11, the bill increases per-student grants for interdistrict magnet schools that help the state meet the *Sheff*

desegregation order.

Under current law, Sheff magnets operated by RESCs that enroll less than 60% of their students from Hartford are scheduled to receive state per-student grants of \$8,180 for FY 10 and \$8,741 for FY 11. The bill increases these grants to \$10,443 per student for each of the fiscal years.

Under current law, Sheff magnets operated by host districts or by RESCs that enroll 60% or more of their students from Hartford are scheduled to receive (1) for each student from outside Hartford, \$7,440 for FY 10 and \$8,180 for FY 11 and (2) for each Hartford student, \$3,000. The bill increases the grant for each non-Hartford student to \$13,054 for FY 10 and FY 11 and eliminates the grant for Hartford students. It applies only to magnet schools located in the Sheff region (see BACKGROUND).

§ 2 — ECS MAGNET SCHOOL REDUCTION

The bill eliminates a provision, applicable only for FY 09, reducing each town's student count for purposes of ECS grants by 25% of the number of the town's students attending full-time interdistrict magnet schools and for whom the state paid a magnet school operating grant.

§ 3 — OPEN CHOICE GRANTS

By law, the state pays an annual \$2,500 per-student grant to school districts that enroll students from outside the district under the state's Open Choice interdistrict school attendance program ("receiving districts"). Under this bill, if the state's appropriation in any year for these grants exceeds the amounts distributed for the \$2,500 per-student grants, the education commissioner must distribute the excess funds to receiving districts in proportion to the number of additional out-of-district students they enroll over the number they enrolled for the 2008-09 school year (see COMMENT).

§ 4 — ECS GRANT HOLDBACK FOR DISTRICTS IN NEED OF IMPROVEMENT

Under current law, if a district is in the third year or more of failing

to make adequate yearly progress in math or reading, 20% of any ECS grant increase it receives for the year is held back for the education commissioner to spend on the district's behalf. This bill sets the hold-back amount at the greater of 20% of the district's ECS grant increase or the same dollar amount withheld in the previous year.

§ 5 — CHARTER SCHOOL TEACHERS AND THE TEACHERS' RETIREMENT SYSTEM (TRS)

The bill requires charter school teachers who hold state teaching certificates or State Board of Education permits and meet other TRS membership requirements to participate in, and make contributions to, TRS. Under current law, charter school teachers' participation in TRS is voluntary.

§ 6 — TRANSPORTATION GRANTS FOR INTERDISTRICT MAGNET SCHOOLS

The bill increases state grants to entities operating interdistrict magnet schools for transporting students outside their home districts to the magnet schools. Under current law, the maximum transportation grant is \$1,300 per student. The bill increases it to \$2,500 per-student for FY 10 and \$3,000 per-student for FY 11.

§§ 7 & 8 — ECS MINIMUM BUDGET REQUIREMENT (MBR)

Starting with FY 10, the bill restores a requirement that a district spend 100% of any ECS increase it receives for education. For FYs 08 and 09, districts were required to spend from 15% to 65% of their ECS increases on education (MBR), with districts in need of improvement required to spend an additional 20%. Except for FY 08 and FY 09, the law bars districts from using ECS grant increases to supplant local funds for education. Thus, under the bill, if, in FY 10 or after, a town receives an increase in its ECS grant over the prior year, its budgeted appropriation for education must be at least the amount it appropriated for education in the prior year plus 100% of the increase.

The bill repeals a provision, scheduled to take effect on July 1, 2009, that would have increased the MBR percentages to 50% to 80% of any ECS increases, or 70% to 100% for low-achieving districts.

BACKGROUND
Sheff Region

Under the 2008 *Sheff* stipulation and order, the Sheff region towns are: Avon, Bloomfield, Canton, East Granby, East Hartford, East Windsor, Ellington, Farmington, Glastonbury, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Suffield, Vernon, West Hartford, Wethersfield, Windsor, and Windsor Locks.

COMMENT***Inconsistent Requirements for Distributing Excess Open Choice Funds***

The bill's requirements for distributing excess Open Choice funds is inconsistent with existing requirements, which the bill does not change, for distributing such excess funds. Existing law requires that, if the education commissioner determines as of October 15 of any year that total enrollment in the Open Choice program is below the number for which the state appropriated funds, the excess funds not lapse. Instead, the commissioner must distribute \$500,000 of the excess funds in bonus payments to receiving districts that enroll 10 or more out-of-district students in the same school. The maximum bonus payment is \$1,000 per student. Any remaining excess funds must be used for interdistrict cooperative grants (CGS § 10-266a (k)).

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference

Yea 22 Nay 8 (04/01/2009)

Appropriations Committee

Joint Favorable Substitute

Yea 44 Nay 9 (04/15/2009)