



House of Representatives

General Assembly

File No. 423

February Session, 2010

Substitute House Bill No. 5336

House of Representatives, April 8, 2010

The Committee on Planning and Development reported through REP. SHARKEY of the 88th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT ENCOURAGING SHARED SERVICE AGREEMENTS
BETWEEN BOARDS OF EDUCATION.***

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

1 Section 1. (NEW) (*Effective October 1, 2010*) Any two or more boards
2 of education may, in writing, agree to establish shared service
3 agreements between such boards of education or between such boards
4 of education and the municipalities in which such boards of education
5 are located.

6 Sec. 2. Section 10-266m of the 2010 supplement to the general
7 statutes is repealed and the following is substituted in lieu thereof
8 (*Effective from passage*):

9 (a) A local or regional board of education providing transportation
10 in accordance with the provisions of sections 10-54, 10-66ee, 10-97, 10-
11 158a, 10-273a, 10-277 and 10-281 shall be reimbursed for a percentage
12 of such transportation costs as follows:

13 (1) The percentage of pupil transportation costs reimbursed to a
14 local board of education shall be determined by (A) ranking each town
15 in the state in descending order from one to one hundred sixty-nine
16 according to such town's adjusted equalized net grand list per capita,
17 as defined in section 10-261; (B) based upon such ranking, and
18 notwithstanding the provisions of section 2-32a, (i) except as otherwise
19 provided in this subparagraph, a percentage of zero shall be assigned
20 to towns ranked from one to thirteen and a percentage of not less than
21 zero nor more than sixty shall be determined for the towns ranked
22 from fourteen to one hundred sixty-nine on a continuous scale, except
23 that any such percentage shall be increased by twenty percentage
24 points in accordance with section 10-97, where applicable, and (ii) for
25 the fiscal year ending June 30, 1997, and for each fiscal year thereafter,
26 a percentage of zero shall be assigned to towns ranked from one to
27 seventeen and a percentage of not less than zero nor more than sixty
28 shall be determined for the towns ranked from eighteen to one
29 hundred sixty-nine on a continuous scale.

30 (2) The percentage of pupil transportation costs reimbursed to a
31 regional board of education shall be determined by its ranking. Such
32 ranking shall be determined by (A) multiplying the total population, as
33 defined in section 10-261, of each town in the district by such town's
34 ranking, as determined in subdivision (1) of this section, (B) adding
35 together the figures determined under subparagraph (A) of this
36 subdivision, and (C) dividing the total computed under subparagraph
37 (B) of this subdivision by the total population of all towns in the
38 district. The ranking of each regional board of education shall be
39 rounded to the next higher whole number and each such board shall
40 receive the same reimbursement percentage as would a town with the
41 same rank, provided such percentage shall be increased in the case of a
42 secondary regional school district by an additional five percentage
43 points and, in the case of any other regional school district by an
44 additional ten percentage points.

45 (3) Notwithstanding the provisions of subdivisions (1) and (2) of
46 this section, for the fiscal year ending June 30, 1997, and for each fiscal

47 year thereafter, no local or regional board of education shall receive a
48 grant of less than one thousand dollars.

49 (4) Notwithstanding the provisions of this section, for the fiscal
50 years ending June 30, 2004, to June 30, 2011, inclusive, the amount of
51 transportation grants payable to local or regional boards of education
52 shall be reduced proportionately if the total of such grants in such year
53 exceeds the amount appropriated for such grants for such year.

54 (5) Notwithstanding the provisions of this section, the
55 Commissioner of Education may provide grants, within available
56 appropriations, in an amount not to exceed two thousand dollars per
57 pupil, to local and regional boards of education and regional
58 educational service centers that transport (A) out-of-district students to
59 technical high schools located in Hartford, or (B) Hartford students
60 attending a technical high school or a regional agricultural science and
61 technology education center outside of the district, to assist the state in
62 meeting the goals of the 2008 stipulation and order for Milo Sheff, et al.
63 v. William A. O'Neill, et al., as determined by the commissioner, for
64 the costs associated with such transportation.

65 (6) For the fiscal year ending June 30, 2011, in addition to the
66 reimbursements and grants payable under subdivisions (1) to (5),
67 inclusive, of this subsection, the Commissioner of Education shall
68 provide a grant when (A) two or more boards of education enter into a
69 cooperative arrangement in accordance with section 10-158a to
70 transport students to schools operated by the boards of education
71 during the fiscal year ending June 30, 2011, and (B) such cooperative
72 arrangement results in a savings over the transportation costs incurred
73 by the boards of education during the fiscal year ending June 30, 2010.
74 This grant, which shall be returned to the municipalities in which the
75 participating boards of education are located in accordance with the
76 terms of the written cooperative arrangement, shall be equal to half of
77 the difference in pupil transportation costs reimbursed to such boards
78 of education in the fiscal years ending June 30, 2010, and June 30, 2011,
79 pursuant to this subsection.

80 (b) A cooperative arrangement established pursuant to section 10-
81 158a which provides transportation in accordance with said section
82 shall be reimbursed for a percentage of such transportation costs in
83 accordance with its ranking pursuant to this subsection. The ranking
84 shall be determined by (1) multiplying the total population, as defined
85 in section 10-261, of each town in the cooperative arrangement by such
86 town's ranking as determined pursuant to subsection (a) of this
87 section, (2) adding such products, and (3) dividing such sum by the
88 total population of all towns in the cooperative arrangement. The
89 ranking of each cooperative arrangement shall be rounded to the next
90 higher whole number and each cooperative arrangement shall receive
91 the same reimbursement percentage as a town with the same rank.

92 Sec. 3. Subsection (a) of section 10-66c of the general statutes is
93 repealed and the following is substituted in lieu thereof (*Effective July*
94 *1, 2010*):

95 (a) A regional educational service center shall be a body corporate
96 and politic. The board of a regional educational service center shall be
97 a public educational authority acting on behalf of the state of
98 Connecticut and shall have the power to sue and be sued, to receive
99 and disburse private funds and such prepaid and reimbursed federal,
100 state and local funds as each member board of education may
101 authorize on its own behalf, to employ personnel, to enter into
102 contracts, to perform construction management services, to purchase,
103 receive, hold and convey real and personal property and otherwise to
104 provide the programs, services and activities agreed upon by the
105 member boards of education. The board of a regional educational
106 service center shall have authority, within the limits prescribed by this
107 part and as specified by the written agreement of the member boards,
108 to establish policies for the regional educational service center, to
109 determine the programs and services to be provided, to employ staff
110 including a director of the center, to prepare and expend the budget
111 and, within the limits authorized under this section, to provide for the
112 financing of the programs and projects of the regional educational
113 service center.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	New section
Sec. 2	<i>from passage</i>	10-266m
Sec. 3	<i>July 1, 2010</i>	10-66c(a)

Statement of Legislative Commissioners:

The language in section 1, concerning shared service agreements, was made a new section for clarity.

PD *Joint Favorable Subst.*

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 11 \$	FY 12 \$
Education, Dept.	GF - See Below	See Below	See Below
Education, Dept.	GO Bonds - Savings	Potential	Potential

Note: GF=General Fund; GO Bonds=General Obligation Bonds

Municipal Impact:

Municipalities	Effect	FY 11 \$	FY 12 \$
Local and Regional School Districts	See Below	See Below	See Below
Local and Regional School Districts	Savings	Potential	Potential

Explanation

Section 1 of the bill permits two or more boards of education to enter into shared service agreements. This is not anticipated to result in a fiscal impact as current law permits municipalities to jointly perform any function that each has authority to perform separately.

Section 2 of the bill establishes a one-time grant for FY 11 from the State Department of Education (SDE), through the Transportation of School Children grant account, to municipalities whose boards of education enter an agreement for student transportation. The one-time grant is not anticipated to result in a fiscal impact to the state, as the Transportation of School Children grant account is capped for FY 11 (based on the Appropriations Committee FY 11 Revised Budget, the Transportation of School Children grant account is capped at approximately \$28.6 million). It is anticipated that there would not be a fiscal impact for municipalities, as the difference between the boards' FY 10 and FY 11 reimbursements could not be determined until after September 2011, after the close of FY 11 and past the deadline for the

grant payment under the bill.

Section 3 of the bill gives regional educational service centers (RESCs) the authority to perform construction management services. This could result in a savings to local and regional school districts as lowered school construction for RESCs could be passed on to the local school districts. Additionally, this could result in a savings to the state through lower school construction reimbursements and fewer change orders.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the provisions contained in **Section 2**, which are one-time in nature.

OLR Bill Analysis

sHB 5336

***AN ACT ENCOURAGING SHARED SERVICE AGREEMENTS
BETWEEN BOARDS OF EDUCATION.***

SUMMARY:

This bill establishes a grant in FY 11 to municipalities whose boards of education make a cooperative arrangement with at least one other board of education to provide school transportation that results in a savings over the prior year. The grant is in addition to the reimbursements to school districts under current law for student transportation. Under the bill, the grant is half the difference between each board's reimbursements for school transportation costs that it received in FY 10 and FY 11.

In addition to cooperative arrangements that boards of education may enter under current law (see BACKGROUND), the bill permits two or more boards to establish shared service agreements.

The bill also gives regional educational service centers (RESCs) the authority to perform construction management services, in addition to their current power to hire personnel; enter contracts; buy, own, and sell property; and provide educational programs, services, and activities to member boards of education.

EFFECTIVE DATE: Upon passage, for the school transportation incentive program; July 1, 2010, for the RESC provision; and October 1, 2010, for the shared services agreement provision.

COOPERATIVE ARRANGEMENT GRANT

The bill establishes a one-time grant for FY 11 from the state Department of Education (SDE) to municipalities whose boards of education enter an agreement for student transportation. The grant

equals one half of the difference in the boards' reimbursements for transportation costs between FY 10 and FY 11. But SDE does not calculate and pay reimbursements by the end of the fiscal year and would not be able to determine the difference in reimbursements for FYs 10 and 11 by June 30, 2011 as required by the bill (see COMMENT).

Under current law, the state reimburses local and regional school districts for a part of the reasonable cost of transporting students. The exact percentage reimbursement is based on the district's wealth ranking compared to those of other towns. The normal state school transportation reimbursement is zero to 60%. But current law caps reimbursements (and presumably, this grant) by requiring a proportional reduction to transportation grants through FY 11 if the total exceeds the amount appropriated for that purpose for the year (CGS § 10-266m, as amended by PA 09-6, September Special Session).

BACKGROUND

Cooperative Arrangements

Two or more boards of education can establish cooperative arrangements to provide school accommodations services, programs or activities, special education services or health care services to enable boards to carry out their duties. Such an agreement must be in writing and meet specific requirements to be dissolved. Committees formed to supervise cooperative arrangements have broad power, including authority to receive and disburse funds, hire personnel, and hold title to property (CGS § 10-158a).

COMMENT

Grant Distribution

Boards of education submit their student transportation cost data to SDE for purposes of their transportation reimbursement grant in September of the fiscal year following the fiscal year for which they receive reimbursements. The department pays transportation grants in March following the fiscal year designated for the payment. The difference between boards' FY 10 and FY 11 reimbursements could not

be determined until after September 2011, after the close of the 2011 fiscal year and past the deadline for the grant payable under the bill.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/22/2010)