



# House of Representatives

**File No. 680**

General Assembly

February Session, 2010

**(Reprint of File No. 423)**

Substitute House Bill No. 5336  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 30, 2010

***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7 statutes is repealed and the following is substituted in lieu thereof  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, 2012, 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 agreement in accordance with section 10-158a to transport  
70 students to schools operated by the boards of education during the  
71 fiscal year ending June 30, 2011, and (B) such cooperative arrangement  
72 results in a savings, as determined by the commissioner, over the  
73 transportation costs incurred by the boards of education during the  
74 fiscal year ending June 30, 2010. This grant, which shall be returned to  
75 the municipalities in which the participating boards of education are  
76 located in accordance with the terms of the written cooperative  
77 arrangement, shall be equal to half of the difference in the amount the  
78 boards of education would have been reimbursed in the fiscal year  
79 ending June 30, 2012, for pupil transportation costs but for the savings  
80 realized in the fiscal year ending June 30, 2011, pursuant to the

81 cooperative arrangement.

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

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

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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 11 \$</b>	<b>FY 12 \$</b>
Education, Dept.	GF - Potential Savings	None	See Below

Note: GF=General Fund

#### **Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 11 \$</b>	<b>FY 12 \$</b>
Local and Regional School Districts	See Below	See Below	See Below

### **Explanation**

The bill results in a potential savings to local and regional school districts by providing an incentive to operate school transportation services in a cooperative manner. The bill would provide cooperating school districts with a bonus grant in FY 12 equal to one-half the difference between the grant(s) the districts would have received in the absence of an agreement and the grant(s) they receive after an agreement. Since school transportation grants are reimbursement in nature the savings achieved by the districts is passed on to the state but lessened by the provision of the grant described above.

House "A" (LCO 4350) eliminated the fiscal impact of the original bill and resulted in the impact described above.

### **The Out Years**

The savings for cooperating school districts would continue into the future subject to inflation.

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**OLR Bill Analysis****sHB 5336 (as amended by House "A")\******AN ACT ENCOURAGING SHARED SERVICE AGREEMENTS  
BETWEEN BOARDS OF EDUCATION.*****SUMMARY:**

This bill establishes a grant in FY 12 to any municipality whose board of education makes a cooperative arrangement with at least one other board of education to provide school transportation that results in a savings in FY 11. The grant is in addition to the reimbursements to school districts under current law for student transportation.

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

\*House Amendment "A" (1) makes the transportation incentive grant payable in FY 12, requires the State Department of Education (SDE) commissioner to determine the savings amount, and corrects a problem with the grant calculation in the original file and (2) deletes a provision that authorized regional educational service centers to perform construction management services.

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

**TRANSPORTATION SAVINGS INCENTIVE GRANT**

The bill establishes a one-time grant payable in FY 12 from SDE to municipalities whose boards of education enter a cooperative agreement for student transportation. The grant equals one-half of the

difference between the school transportation reimbursement the districts would have received in the absence of a cooperative agreement and the reimbursement after the cooperative agreement. Under current law, the state reimburses local and regional school districts for a percentage of the reasonable cost of transporting students. The percentage is based on the town's wealth ranking compared to that 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 grants payable exceed 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 arrangements 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).

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/22/2010)

Education Committee

Joint Favorable

Yea 28 Nay 0 (04/19/2010)