



Substitute House Bill No. 5490

Public Act No. 10-151

**AN ACT CONCERNING THE MINIMUM BUDGET REQUIREMENT
AND VARIOUS EDUCATION GRANTS.**

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

Section 1. Section 10-262i of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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

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

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

(d) For the fiscal years ending June 30, 2010, and June 30, 2011, the budgeted appropriation for education shall be no less than the budgeted appropriation for education for the fiscal year ending June 30, 2009, minus any reductions made pursuant to section 19 of public act 09-1 of the June 19 special session, except that for the fiscal year ending June 30, 2010, those districts whose number of resident students for the school year commencing July 1, 2009, is lower than such district's number of resident students for the school year commencing July 1, 2008, may reduce such district's budgeted appropriation for education by the difference in number of resident students for such school years multiplied by three thousand.

(e) Notwithstanding the provisions of subsection (c) of this section, for the fiscal years ending June 30, 2008, and June 30, 2009, the budgeted appropriation for education in any town receiving an increase in funds pursuant to this section shall be not less than the

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amount appropriated for education for the prior year plus the percentage of such increase in funds as determined under subsection (f) of this section.

(f) (1) Except as provided for in subdivisions (2), (3) and (4) of this subsection, the percentage of the increase in aid pursuant to this section applicable under subsection (e) shall be the average of the results of (A) (i) a town's current program expenditures per resident student pursuant to subdivision (36) of section 10-262f, subtracted from the highest current program expenditures per resident student in this state, (ii) divided by the difference between the highest current program expenditures per resident student in this state and the lowest current program expenditures per resident student in this state, (iii) multiplied by thirty per cent, (iv) plus fifty percentage points, (B) (i) a town's wealth pursuant to subdivision (26) of section 10-262f, subtracted from the wealth of the town with the highest wealth of all towns in this state, (ii) divided by the difference between the wealth of the town with the highest wealth of all towns in this state and the wealth of the town with the lowest wealth of all towns in this state, (iii) multiplied by thirty per cent, (iv) plus fifty percentage points, and (C) (i) a town's grant mastery percentage pursuant to subdivision (12) of section 10-262f, subtracted from one, subtracted from one minus the grant mastery percentage of the town with the highest grant mastery percentage in this state, (ii) divided by the difference between one minus the grant mastery percentage of the town with the highest grant mastery percentage in this state and one minus the grant mastery percentage of the town with the lowest grant mastery percentage in this state, (iii) multiplied by thirty per cent, (iv) plus fifty percentage points.

(2) For the fiscal year ending June 30, 2009, any town whose school district is in its third year or more of being identified as in need of improvement pursuant to section 10-223e, and has failed to make

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adequate yearly progress in mathematics or reading at the whole district level, the percentage determined pursuant to subdivision (1) of this subsection for such town shall be increased by an additional twenty percentage points.

(3) For the fiscal year ending June 30, 2010, any town whose school district is in its third year or more of being identified as in need of improvement pursuant to section 10-223e, and has failed to make adequate yearly progress in mathematics or reading at the whole district level, the percentage of the increase in aid pursuant to this section applicable under subsection (e) of this section shall be the percentage of the increase determined under subdivision (1) of this section for such town, plus twenty percentage points, or eighty per cent, whichever is greater.

(4) Notwithstanding the provisions of this section, for the fiscal year ending June 30, 2008, and each fiscal year thereafter, any town that (A) is a member of a regional school district that serves only grades seven to twelve, inclusive, or grades nine to twelve, inclusive, (B) appropriates at least the minimum percentage of increase in aid pursuant to the provisions of this section, and (C) has a reduced assessment from the previous fiscal year for students enrolled in such regional school district, excluding debt service for such students, shall be considered to be in compliance with the provisions of this section.

(5) Notwithstanding any provision of the general statutes, charter, special act or home rule ordinance, on or before September 15, 2007, for the fiscal year ending June 30, 2008, a town may request the Commissioner of Education to defer a portion of the town's increase in aid over the prior fiscal year pursuant to this section to be expended in the subsequent fiscal year. If the commissioner approves such request, the deferred amount shall be credited to the increase in aid for the fiscal year ending June 30, 2009, rather than the fiscal year ending June 30, 2008. Such funds shall be expended in the fiscal year ending June

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30, 2009, in accordance with the provisions of this section. In no case shall a town be allowed to defer increases in aid required to be spent for education as a result of failure to make adequate yearly progress in accordance with the provisions of subdivisions (2) and (3) of this subsection.

(g) Upon a determination by the State Board of Education that a town or kindergarten to grade twelve, inclusive, regional school district failed in any fiscal year to meet the requirements pursuant to subsection (c), (d) or (e) of this section, the town or kindergarten to grade twelve, inclusive, regional school district shall forfeit an amount equal to two times the amount of the shortfall. The amount so forfeited shall be withheld by the Department of Education from the grant payable to the town in the second fiscal year immediately following such failure by deducting such amount from the town's equalization aid grant payment pursuant to this section, except that in the case of a kindergarten to grade twelve, inclusive, regional school district, the amount so forfeited shall be withheld by the Department of Education from the grants payable pursuant to this section to the towns which are members of such regional school district. The amounts deducted from such grants to each member town shall be proportional to the number of resident students in each member town. Notwithstanding the provisions of this subsection, the State Board of Education may waive such forfeiture upon agreement with the town or kindergarten to grade twelve, inclusive, regional school district that the town or kindergarten to grade twelve, inclusive, regional school district shall increase its budgeted appropriation for education during the fiscal year in which the forfeiture would occur by an amount not less than the amount of said forfeiture or for other good cause shown. Any additional funds budgeted pursuant to such an agreement shall not be included in a district's budgeted appropriation for education for the purpose of establishing any future minimum budget requirement.

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Sec. 2. Subdivision (3) of subsection (c) of section 10-262h of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(3) The town of East Hartford shall not receive less than its fixed entitlement [pursuant to this subsection] for the fiscal year ending June 30, 2009.

Sec. 3. Subdivision (4) of subsection (a) of section 10-264i of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) For the fiscal [year] years ending June 30, 2009, and June 30, 2010, in addition to the grants otherwise provided pursuant to this section, the Commissioner of Education may provide supplemental transportation grants to regional educational service centers for the purposes of transportation to interdistrict magnet schools. Any such grant shall be provided within available appropriations and after the commissioner has reviewed and approved the total interdistrict magnet school transportation budget for a regional education service center, including all revenue and expenditure estimates.

Sec. 4. Section 10-16p of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) As used in sections 10-16o to 10-16s, inclusive, 10-16u, 17b-749a and 17b-749c:

(1) "School readiness program" means a nonsectarian program that (A) meets the standards set by the department pursuant to subsection (b) of this section and the requirements of section 10-16q, and (B) provides a developmentally appropriate learning experience of not less than four hundred fifty hours and one hundred eighty days for eligible children, except as provided in subsection (d) of section 10-16q;

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(2) "Eligible children" means children three and four years of age and children five years of age who are not eligible to enroll in school pursuant to section 10-15c, or who are eligible to enroll in school and will attend a school readiness program pursuant to section 10-16t;

(3) "Priority school" means a school in which forty per cent or more of the lunches served are served to students who are eligible for free or reduced price lunches pursuant to federal law and regulations, excluding such a school located in a priority school district pursuant to section 10-266p or in a former priority school district receiving a grant pursuant to subsection (c) of this section and, on and after July 1, 2001, excluding such a school in a transitional school district receiving a grant pursuant to section 10-16u;

(4) "Severe need school" means a school in a priority school district pursuant to section 10-266p or in a former priority school district in which forty per cent or more of the lunches served are served to students who are eligible for free or reduced price lunches;

(5) "Accredited" means accredited by the National Association for the Education of Young Children, a Head Start on-site program review instrument or a successor instrument pursuant to federal regulations, or otherwise meeting such criteria as may be established by the commissioner, in consultation with the Commissioner of Social Services, unless the context otherwise requires;

(6) "Year-round" means fifty weeks per year, except as provided in subsection (d) of section 10-16q;

(7) "Commissioner" means the Commissioner of Education; and

(8) "Department" means the Department of Education.

(b) The Department of Education shall be the lead agency for school readiness. For purposes of this section and section 10-16u, school

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readiness program providers eligible for funding from the Department of Education shall include local and regional boards of education, regional educational service centers, family resource centers and providers of child day care centers, as defined in section 19a-77, Head Start programs, preschool programs and other programs that meet such standards established by the Commissioner of Education. The department shall establish standards for school readiness programs. The standards may include, but need not be limited to, guidelines for staff-child interactions, curriculum content, including preliteracy development, lesson plans, parent involvement, staff qualifications and training, transition to school and administration. The department shall develop age-appropriate developmental skills and goals for children attending such programs. The commissioner, in consultation with the Commissioners of Higher Education and Social Services and other appropriate entities, shall develop a continuing education training program for the staff of school readiness programs. For purposes of this section, prior to July 1, 2015, "staff qualifications" means there is in each classroom an individual who has at least the following: (1) A credential issued by an organization approved by the Commissioner of Education and nine credits or more, and on and after July 1, 2005, twelve credits or more, in early childhood education or child development from an institution of higher education accredited by the Board of Governors of Higher Education or regionally accredited; (2) an associate's degree with nine credits or more, and on and after July 1, 2005, twelve credits or more, in early childhood education or child development from such an institution; (3) a four-year degree with nine credits or more, and on and after July 1, 2005, twelve credits or more, in early childhood education or child development from such an institution; or (4) certification pursuant to section 10-145b with an endorsement in early childhood education or special education, and on and after July 1, 2015, "staff qualifications" means there is in each classroom an individual who has at least the following: (A) A bachelor's degree in early childhood education or

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childhood development, or in a related field approved by the Commissioner of Education from an institution of higher education accredited by the Board of Governors of Higher Education or regionally accredited; or (B) certification pursuant to section 10-145b with an endorsement in early childhood education or special education.

(c) The Commissioner of Education, in consultation with the Commissioner of Social Services, shall establish a grant program to provide spaces in accredited school readiness programs for eligible children who reside in priority school districts pursuant to section 10-266p or in former priority school districts as provided in this subsection. Under the program, the grant shall be provided, in accordance with this section, to the town in which such priority school district or former priority school district is located. Eligibility shall be determined for a five-year period based on an applicant's designation as a priority school district for the initial year of application, except that if a school district that receives a grant pursuant to this subsection is no longer designated as a priority school district at the end of such five-year period, such former priority school district shall continue to be eligible to receive a grant pursuant to this subsection. Grant awards shall be made annually contingent upon available funding and a satisfactory annual evaluation. The chief elected official of such town and the superintendent of schools for such priority school district or former priority school district shall submit a plan for the expenditure of grant funds and responses to the local request for proposal process to the Departments of Education and Social Services. The departments shall jointly review such plans and shall each approve the portion of such plan within its jurisdiction for funding. The plan shall: (1) Be developed in consultation with the local or regional school readiness council established pursuant to section 10-16r; (2) be based on a needs and resource assessment; (3) provide for the issuance of requests for proposals for providers of accredited school readiness programs,

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provided, after the initial requests for proposals, facilities that have been approved to operate a child care program financed through the Connecticut Health and Education Facilities Authority and have received a commitment for debt service from the Department of Social Services pursuant to section 17b-749i, are exempt from the requirement for issuance of annual requests for proposals; and (4) identify the need for funding pursuant to section 17b-749a in order to extend the hours and days of operation of school readiness programs in order to provide child day care services for children attending such programs.

(d) (1) The Commissioner of Education, in consultation with the Commissioner of Social Services, shall establish a competitive grant program to provide spaces in accredited school readiness programs for eligible children who reside (A) in an area served by a priority school or a former priority school as provided for in subdivision (2) of this subsection, (B) in a town ranked one to fifty when all towns are ranked in ascending order according to town wealth, as defined in subdivision (26) of section 10-262f, whose school district is not a priority school district pursuant to section 10-266p, or (C) in a town formerly a town described in subparagraph (B) of this subdivision, as provided for in said subdivision (2). A town in which a priority school is located, a regional school readiness council, pursuant to subsection (c) of section 10-16r, for a region in which such a school is located or a town described in subparagraph (B) of this subdivision may apply for such a grant in an amount not to exceed one hundred seven thousand dollars per priority school or town. Eligibility shall be determined for a five-year period based on an applicant's designation as having a priority school or being a town described in subparagraph (B) of this subdivision for the initial year of application. Grant awards shall be made annually contingent upon available funding and a satisfactory annual evaluation. The chief elected official of such town and the superintendent of schools of the school district or the regional school readiness council shall submit a plan, as described in subsection (c) of

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this section, for the expenditure of such grant funds to the Department of Education. In awarding grants pursuant to this subsection, the commissioner shall give preference to applications submitted by regional school readiness councils and may, within available appropriations, provide a grant in excess of one hundred seven thousand dollars to towns with two or more priority schools in such district. A town or regional school readiness council awarded a grant pursuant to this subsection shall use the funds to purchase spaces for such children from providers of accredited school readiness programs.

(2) (A) [Commencing] Except as provided in subparagraph (C) of this subdivision, commencing with the fiscal year ending June 30, 2005, if a town received a grant pursuant to subdivision (1) of this subsection and is no longer eligible to receive such a grant, the town may receive a phase-out grant for each of the three fiscal years following the fiscal year such town received its final grant pursuant to subdivision (1) of this subsection.

(B) The amount of such phase-out grants shall be determined as follows: (i) For the first fiscal year following the fiscal year such town received its final grant pursuant to subdivision (1) of this subsection, in an amount that does not exceed seventy-five per cent of the grant amount such town received for the town or school's final year of eligibility pursuant to subdivision (1) of this subsection; (ii) for the second fiscal year following the fiscal year such town received its final grant pursuant to subdivision (1) of this subsection, in an amount that does not exceed fifty per cent of the grant amount such town received for the town's or school's final year of eligibility pursuant to subdivision (1) of this subsection; (iii) for the third fiscal year following the fiscal year such town received its final grant pursuant to subdivision (1) of this subsection, in an amount that does not exceed twenty-five per cent of the grant amount such town received for the town's or school's final year of eligibility pursuant to subdivision (1) of

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this subsection.

(C) For the fiscal year ending June 30, 2011, and each fiscal year thereafter, any town that received a grant pursuant to subparagraph (B) of subdivision (1) of this subsection for the fiscal year ending June 30, 2010, shall continue to receive a grant under this subsection even if the town no longer meets the criteria for such grant pursuant to subparagraph (B) of subdivision (1) of this subsection.

(e) (1) For the fiscal year ending June 30, 2009, and each fiscal year thereafter, priority school districts and former priority school districts shall receive grants based on the sum of the products obtained by (A) multiplying the district's number of contracted slots on March thirtieth of the fiscal year prior to the fiscal year in which the grant is to be paid, by the per child cost pursuant to subdivision (2) of subsection (b) of section 10-16q, except that such per child cost shall be reduced for slots that are less than year-round, and (B) multiplying the number of additional or decreased slots the districts have requested for the fiscal year in which the grant is to be paid by the per child cost pursuant to subdivision (2) of subsection (b) of said section 10-16q, except such per child cost shall be reduced for slots that are less than year-round. If said sum exceeds the available appropriation, such number of requested additional slots shall be reduced, as determined by the Commissioner of Education, to stay within the available appropriation.

(2) (A) If funds appropriated for the purposes of subsection (c) of this section are not expended, the Commissioner of Education may deposit such unexpended funds in the account established under section 5 of this act and use such unexpended funds in accordance with the provisions of said section 5.

[(2)] (B) If funds appropriated for the purposes of subsection (c) of this section are not expended pursuant to said subsection (c) or deposited pursuant to subparagraph (A) of this subdivision, the

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Commissioner of Education may use such unexpended funds to support local school readiness programs. The commissioner may use such funds for purposes including, but not limited to, [(A)] (i) assisting local school readiness programs in meeting and maintaining accreditation requirements, [(B)] (ii) providing training in implementing the preschool assessment and curriculum frameworks, including training to enhance literacy teaching skills, [(C)] (iii) developing a state-wide preschool curriculum, [(D)] (iv) developing student assessments for students in grades kindergarten to two, inclusive, [(E)] (v) developing and implementing best practices for parents in supporting preschool and kindergarten student learning, [(F)] (vi) developing and implementing strategies for children to transition from preschool to kindergarten, [(G)] (vii) providing for professional development, including assisting in career ladder advancement, for school readiness staff, and [(H)] (viii) providing supplemental grants to other towns that are eligible for grants pursuant to subsection (c) of this section.

(3) Notwithstanding subdivision (2) of this subsection, for the fiscal years ending June 30, 2008, to June 30, 2011, inclusive, the Department of Education may retain up to one hundred ninety-eight thousand two hundred dollars of the amount appropriated for purposes of this section for coordination, program evaluation and administration.

(f) Any school readiness program that receives funds pursuant to this section or section 10-16u shall not discriminate on the basis of race, color, national origin, gender, religion or disability. For purposes of this section, a nonsectarian program means any public or private school readiness program that is not violative of the Establishment Clause of the Constitution of the State of Connecticut or the Establishment Clause of the Constitution of the United States of America.

(g) Subject to the provisions of this subsection, no funds received by

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a town pursuant to subsection (c) or (d) of this section or section 10-16u shall be used to supplant federal, state or local funding received by such town for early childhood education, provided a town may use an amount determined in accordance with this subsection for coordination, program evaluation and administration. Such amount shall be at least twenty-five thousand dollars but not more than seventy-five thousand dollars and shall be determined by the Department of Education, in consultation with the Department of Social Services, based on the school readiness grant award allocated to the town pursuant to subsection (c) or (d) of this section or section 10-16u and the number of operating sites for coordination, program evaluation and administration. Such amount shall be increased by an amount equal to local funding provided for early childhood education coordination, program evaluation and administration, not to exceed twenty-five thousand dollars. Each town that receives a grant pursuant to said subsection (c) or (d) or section 10-16u shall designate a person to be responsible for such coordination, program evaluation and administration and to act as a liaison between the town and the Departments of Education and Social Services. Each school readiness program that receives funds pursuant to this section or section 10-16u shall provide information to the department or the school readiness council, as requested, that is necessary for purposes of any school readiness program evaluation.

(h) For the first three years a town receives grants pursuant to this section, such grants may be used, with the approval of the commissioner, to prepare a facility or staff for operating a school readiness program and shall be adjusted based on the number of days of operation of a school readiness program if a shorter term of operation is approved by the commissioner.

(i) A town may use grant funds to purchase spaces for eligible children who reside in such town at an accredited school readiness

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program located in another town. A regional school readiness council may use grant funds to purchase spaces for eligible children who reside in the region covered by the council at an accredited school readiness program located outside such region.

(j) Children enrolled in school readiness programs funded pursuant to this section shall not be counted (1) as resident students for purposes of subdivision (22) of section 10-262f, or (2) in the determination of average daily membership pursuant to subdivision (2) of subsection (a) of section 10-261.

(k) Up to two per cent of the amount of the appropriation for this section may be allocated to the competitive grant program pursuant to subsection (d) of this section. The determination of the amount of such allocation shall be made on or before August first.

Sec. 5. (NEW) (*Effective July 1, 2010*) There is established an account to be known as the competitive district grant account which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Commissioner of Education for the purposes of providing grants to competitive school districts to make slots available in preschool school readiness programs. For purposes of this section, "competitive school district" means a school district described in subdivision (1) of subsection (d) of section 10-16p of the general statutes, as amended by this act, that has more than nine thousand students enrolled in schools in the district.

Approved June 8, 2010