



OLR RESEARCH REPORT

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OLR BACKGROUNDER: ECS MINIMUM BUDGET REQUIREMENT FOR FY 12 AND FY 13

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This report explains the Education Cost Sharing (ECS) minimum budget requirement (MBR) for FYs 12 and 13, based on legislation enacted in the 2011 regular session and effective July, 1, 2011.

REQUIREMENTS FOR RECEIVING ECS GRANTS

Three requirements apply to towns receiving state ECS grants. The first is that they spend their entire ECS grant for education. The second is that they not use an increase in their ECS grant in any year to supplant local funding for education (the nonsupplant requirement). The third is the MBR. The MBR requires towns to budget at least a minimum amount for education in each fiscal year.

MBR FOR FYS 12 AND 13

Since 2005, the legislature has established new MBR provisions on a biennial basis, usually according to the amounts appropriated to towns for ECS grants (see OLR report [2010-R-0057](#) for a legislative history of the MBR). In the biennial budget for FY 12 and FY 13, the legislature maintained each town's ECS grant at its 2009-11 level (PA 11-6, § 37). As has been its pattern, it also imposed new MBR requirements for towns covering these two fiscal years (PA 11-48, § 190, as amended by PA 11-234).

MBR GENERALLY

For FY 12 and FY 13, unless their enrollment has fallen (see below), most towns must budget the same amount for education as they budgeted in the previous fiscal year. For FY 12, districts must budget at least the amount they budgeted in FY 11 plus any reduction made to offset federal money paid directly to their boards of education under the 2009 federal stimulus act. For FY 13, towns must budget the same amount for education as they do in FY 12.

DISTRICTS WITH FALLING ENROLLMENT

The new MBR law allows certain towns to reduce their MBRs within certain limits if their school district enrollment has fallen. These MBR reduction options do not apply to certain towns whose districts are identified as in need of improvement under the state education accountability law (see next section).

Districts with Falling Enrollment

Under the new MBR law, most towns whose school districts have fewer students enrolled than in the previous school year may reduce their MBRs for FY 12 or FY 13 by \$3,000 times the enrollment reduction. But, the total reduction in either year cannot exceed 0.5% of the prior year's budget appropriation.

To qualify to reduce its MBR for FY 12, a district must have fewer students in the 2011-12 school year than it had in 2010-11. An FY 13 MBR reduction may similarly reflect a drop in enrollment in 2012-13 compared to 2011-12. Thus, for example, if a district had 800 students enrolled in 2010-11 and 790 students in 2011-12, it could reduce its minimum FY 12 education appropriation by \$30,000 ($\$3,000 \times 10$) or 0.5% of its FY 11 appropriation, whichever is less, and still meet its MBR for FY 12.

Towns Without High Schools

Likewise, a town that (1) does not have its own high school, (2) pays tuition for its high-school-aged residents to attend high school in other districts, and (3) has fewer students attending high school in the 2011-12 or 2012-13 school year than it did the year before, may reduce its MBR by the difference in the number of students multiplied by the

annual per-student tuition. But, as with other towns whose enrollment has fallen, a town without a high school may not reduce its MBR by more than 0.5% of its prior year's budgeted appropriation for education.

Districts That Close Schools Because of Falling Enrollment

If a school district permanently closes one or more schools because of falling enrollment in FYs 11, 12, or 13, the new MBR law allows the education commissioner to permit the town to reduce its MBR for FY 12 or FY 13. But instead of the \$3,000 per student or 0.5% limits applicable to other situations, the new law requires the commissioner to determine the permissible reduction.

DISTRICTS IN NEED OF IMPROVEMENT

Even if its school district has falling enrollment, a town whose district has been identified as "in need of improvement" under the state education accountability law and that meets certain other criteria, may not reduce its MBR in FY 12 or FY 13.

Criteria for an "In Need of Improvement" Designation

Connecticut's education accountability law (CGS §10-223e) requires the State Board of Education to identify school districts as "in need of improvement" if they fail to make adequate yearly progress (AYP) towards proficiency in specified subjects as required under the federal No Child Left Behind Act (P.L. 107-110). AYP is measured for all students and for students in three subgroups (minority students, students with disabilities, and students with limited English proficiency (LEP)).

In order for a school district to make AYP, both of the following must happen each year:

1. all students, including those in each subgroup, must meet or exceed the state's measurable objectives and
2. at least 95% of both a district's total enrollment and the students in each subgroup must take the tests (with allowable accommodations and alternative assessments for certain LEP and disabled students).

A so-called "safe harbor" provision allows an exception to the first of these requirements. It provides that, if any of the subgroups does not meet the objectives, the school must still be considered to have made AYP for the year if (1) the percentage of students in the subgroup who did

not reach proficiency declined at least 10% from the year before and (2) the subgroup also made progress on one or more of the state's other non-test indicators.

A school district that fails to make AYP two years in a row must be designated as a district in need of improvement.

Districts In Need of Improvement for At Least Three Years

The new MBR law bars a town from reducing its MBR in FY 12 or FY 13, even in the face of falling enrollment, if its school district is in the third year or more of being identified as in need of improvement and has also:

1. failed, on the whole district level, to make AYP in reading or math or
2. achieved AYP in reading or math only through safe harbor.

Since a district is only identified as being in need of improvement for the first time when it has failed to make AYP for two years in a row, only districts that have failed to make AYP for at least five consecutive years are affected by this provision.

Poverty Rate Greater than 10% for School-Age Children

The new law also bars a town from reducing its MBR for FY 12 or FY 13 if its district:

1. is designated as in need of improvement (i.e., all students or any subgroup in the district have failed for two consecutive years to make AYP in a required subject) and
2. has a poverty rate greater than 10% for school-aged children.

The poverty rate is calculated by dividing the number of related children age five to 17 in the district who live in poor families by its total school-age population according to the Census Bureau's 2009 population estimate.

Districts Affected

Table 1 lists the towns that are barred from reducing their MBRs for FY 12.

Table 1: Districts in Need of Improvement By Category

<ul style="list-style-type: none"> • <i>Designated for at Least Three Years</i> • <i>Whole District Failed in Reading or Math</i> 	<ul style="list-style-type: none"> • <i>Designated for at Least Three Years</i> • <i>Safe Harbor in Reading or Math</i> 	<ul style="list-style-type: none"> • <i>Designated as In Need of Improvement</i> • <i>Poverty Rate Over 10%</i>
Ansonia	Bristol	Derby
Bridgeport	CT Technical High Schools	Groton
Danbury	Enfield	Killingly
East Hartford	Manchester	Putnam
Hamden	Middletown	
Hartford	West Hartford	
Meriden	Willington	
Naugatuck		
New Britain		
New Haven		
New London		
Norwalk		
Norwich		
Stamford		
Torrington		
Waterbury		
West Haven		
Windham		
Windsor		

Source: State Department of Education

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