



**Substitute House Bill No. 7019**

**Public Act No. 15-99**

**AN ACT CONCERNING THE MINIMUM BUDGET REQUIREMENT.**

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

Section 1. Section 10-262j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

[(a) For the fiscal years ending June 30, 1990, June 30, 1991, June 30, 1992, and June 30, 1993, the regular program expenditures of a town shall be not less than the greater of (1) the product of (A) the target foundation multiplied by the number of total need students of the town for the prior school year, and (B) the ratio of the town's grant entitlement for such year pursuant to section 10-262h divided by the town's target grant, or (2) an amount equal to the sum of (A) the regular program expenditures for the town for the prior fiscal year, and (B) the amount of the aid increase paid to the town as calculated pursuant to subsection (b) of this section.

(b) For the purposes of subsection (a) of this section, the amount of the aid increase paid to a town shall be (1) for the fiscal year ending June 30, 1990, the amount of aid to be paid to the town for the fiscal year ending June 30, 1990, pursuant to section 10-262i, less the base aid for the town, (2) for the fiscal year ending June 30, 1991, the amount of aid paid to the town for the fiscal year ending June 30, 1991, pursuant

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to said section, less the amount of aid paid to the town for the fiscal year ending June 30, 1990, pursuant to said section, (3) for the fiscal year ending June 30, 1992, the amount of aid paid to the town for the fiscal year ending June 30, 1992, pursuant to said section, less the amount of aid paid to the town for the fiscal year ending June 30, 1991, pursuant to said section, (4) for the fiscal year ending June 30, 1993, the amount of aid paid to the town for the fiscal year ending June 30, 1993, less the amount of aid paid to the town for the fiscal year ending June 30, 1992, pursuant to said section, (5) for the fiscal years ending June 30, 1994, and June 30, 1995, the amount of aid paid to the town for the fiscal year pursuant to said section, less the amount of aid paid to the town for the prior fiscal year pursuant to said section, (6) for the fiscal year ending June 30, 1996, the amount paid to the town for the fiscal year ending June 30, 1996, pursuant to said section less base revenue for the fiscal year ending June 30, 1995, (7) for the fiscal year ending June 30, 1997, the amount paid to the town for the fiscal year ending June 30, 1997, less the amount paid to the town for the fiscal year ending June 30, 1996, pursuant to said section, (8) for the fiscal year ending June 30, 1998, the amount paid to the town for the fiscal year ending June 30, 1998, less the amount paid to the town for the fiscal year ending June 30, 1997, pursuant to said section, (9) for the fiscal year ending June 30, 1999, the amount paid to the town for the fiscal year ending June 30, 1999, less the amount paid to the town for the fiscal year ending June 30, 1998, pursuant to said section, and (10) for the fiscal year ending June 30, 2000, and each fiscal year thereafter, the amount paid to the town for said fiscal year, less the amount paid to the town for the year prior to said fiscal year, provided any amounts paid pursuant to section 7 of public act 99-217 shall be included in the determination of the aid increase paid to the town.

(c) Notwithstanding the provisions of subsection (a) of this section, for the years ending June 30, 1990, June 30, 1991, June 30, 1992, and June 30, 1993, no town shall be required to spend more on regular

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program expenditures than an amount equal to the product of the foundation for such year and the total need students of the town for the prior school year.

(d) (1) For the year ending June 30, 1994, the regular program expenditures of a town shall be not less than the greater of the foundation for such year multiplied by the total need students of the town for the prior school year or an amount equal to the sum of (A) the regular program expenditures for the town for the prior fiscal year, and (B) the amount of the aid increase paid to the town as calculated pursuant to subsection (b) of this section, except that no town shall be required to spend more on regular program expenditures than one hundred five per cent of the product of the foundation for such year and the total need students of the town for the prior school year.

(2) For the fiscal year ending June 30, 1995, the regular program expenditures of a town shall be not less than the greater of the foundation for such year multiplied by the total need students of the town for the prior school year or an amount equal to the sum of (A) the regular program expenditures for the town for the prior fiscal year, and (B) the amount of the aid increase paid to the town as calculated pursuant to subsection (b) of this section, except that no town shall be required to spend more on regular program expenditures than one hundred ten per cent of the product of the foundation for such year and the total need students of the town for the prior school year.

(3) For the fiscal years ending June 30, 1996, and June 30, 1997, the regular program expenditures of a town shall not be less than the lesser of (A) the sum of the regular program expenditures for the town for the prior fiscal year, and the amount of the aid increase paid to a town pursuant to subsection (b) of this section, or (B) the sum of the town's minimum expenditure requirement cap as determined by the Department of Education for the fiscal year ending June 30, 1995, and the sum of any aid increases paid to a town pursuant to subsection (b)

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of this section after the fiscal year ending June 30, 1995.

(4) For the fiscal year ending June 30, 1998, the regular program expenditures of a town shall be the lesser of the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 1997, (B) its aid increase pursuant to subsection (b) of this section, and (C) the result obtained by multiplying the difference between the town's resident student count for October 1996, using the data of record as of December 1, 1996, and its final audited resident student count for October 1993, by one-half of the foundation, or the sum of (i) its minimum expenditure requirement for the fiscal year ending June 30, 1997, and (ii) its aid increase pursuant to subsection (b) of this section.

(5) For the fiscal year ending June 30, 1999, the regular program expenditures of a town shall be the lesser of the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 1998, (B) its aid increase pursuant to subsection (b) of this section, and (C) the result obtained by multiplying the difference between the town's resident student count for October 1997, using the data of record as of December 1, 1997, and the town's resident student count for October 1996, using the data of record as of December 1, 1996, by one-half of the foundation, or the sum of (i) its minimum expenditure requirement for the fiscal year ending June 30, 1998, and (ii) its aid increase pursuant to subsection (b) of this section.

(6) For the fiscal year ending June 30, 2000, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 1999, (B) its aid increase pursuant to subsection (b) of this section, and (C) the result obtained by multiplying the difference between the town's resident student count for October 1998, using the data of record as of December 1, 1998, and the town's resident student count for October 1997, using the data of record as of December 1, 1997, by

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one-half of the foundation.

(7) For the fiscal year ending June 30, 2001, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2000, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October 1999, is less than the resident student count for October 1998, the result obtained by multiplying the difference between the town's resident student count for October 1999, using the data of record as of December 1, 1999, and the town's resident student count for October 1998, using the data of record as of December 1, 1998, by one-half of the foundation.

(8) For the fiscal year ending June 30, 2002, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2001, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October 2000, is less than the resident student count for October 1999, the result obtained by multiplying the difference between the town's resident student count for October 2000, using the data of record as of December 1, 2000, and the town's resident student count for October 1999, using the data of record as of December 1, 1999, by one-half of the foundation.

(9) For the fiscal year ending June 30, 2003, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2002, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October 2001, is less than the resident student count for October 2000, the result obtained by multiplying the difference between the town's resident student count for October 2001, using the data of record as of December 1, 2001, and the town's resident student count for October 2000, using the data of record as of December 1, 2000, by one-half of the foundation.

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(10) For the fiscal year ending June 30, 2004, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2003, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October 2002, is less than the resident student count for October 2001, the result obtained by multiplying the difference between the town's resident student count for October 2002, using the data of record as of December 1, 2002, and the town's resident student count for October 2001, using the data of record as of December 1, 2001, by one-half of the foundation.

(11) For the fiscal year ending June 30, 2005, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2004, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October 2003, is less than the resident student count for October 2002, the result obtained by multiplying the difference between the town's resident student count for October 2003, using the data of record as of December 1, 2003, and the town's resident student count for October 2002, using the data of record as of December 1, 2002, by one-half of the foundation.

(12) For the fiscal year ending June 30, 2006, the regular program expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2005, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October 2004, is less than the resident student count for October 2003, the result obtained by multiplying the difference between the town's resident student count for October 2004, using the data of record as of December 1, 2004, and the town's resident student count for October 2003, using the data of record as of December 1, 2003, by one-half of the foundation.

(13) For the fiscal year ending June 30, 2007, the regular program

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expenditures of a town shall be no less than the sum of (A) its minimum expenditure requirement for the fiscal year ending June 30, 2006, (B) its aid increase pursuant to subsection (b) of this section, and (C) if the resident student count for October, 2005 is less than the resident student count for October, 2004 the result obtained by multiplying the difference between the town's resident student count for October, 2005 using the data of record as of December 1, 2005, and the town's resident student count for October, 2004 using the data of record as of December 1, 2004, by one-half of the foundation.

(e) (1) Notwithstanding the provisions of subsections (a), (b) and (c) of this section: (A) For the fiscal years ending June 30, 1990, June 30, 1991, June 30, 1992, and June 30, 1993, the regular program expenditures of a kindergarten to grade twelve, inclusive, regional school district shall not be less than the greater of (i) the product of (I) the target foundation multiplied by the sum of the number of total need students in the member towns in the regional school district for the prior school year, and (II) the ratio of the sum of the member towns' grant entitlements for such year pursuant to section 10-262h divided by the sum of the member towns' target grants, or (ii) an amount equal to the sum of (I) the regular program expenditures for the regional school district for the prior fiscal year, and (II) the amount of the sum of the aid increases paid to the member towns as calculated pursuant to subsection (b) of this section, provided no kindergarten to grade twelve, inclusive, regional school district shall be required to spend more on regular program expenditures than an amount equal to the product of the foundation for such year and the sum of the total need students in the member towns of the regional school district for the prior school year; and (B) for the year ending June 30, 1993, and for each fiscal year thereafter, the regular program expenditures of a kindergarten to grade twelve, inclusive, regional school district shall be not less than the foundation for such year multiplied by the sum of the total need students of all member towns for the prior school year.

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(2) Notwithstanding the provisions of subdivision (3) of subsection (d) of this section, for the fiscal years ending June 30, 1996, and June 30, 1997, the regular program expenditures of a kindergarten to twelve, inclusive, regional school district shall not be less than the lesser of (A) the sum of the regular program expenditures for the regional school district for the prior fiscal year, and the sum of the member towns' aid increases pursuant to subsection (b) of this section, or (B) the sum of the member towns' minimum expenditure requirement caps as determined by the Department of Education for the fiscal year ending June 30, 1995, and the sum of the member towns' aid increases paid pursuant to subsection (b) of this section after the fiscal year ending June 30, 1995.

(f) For the purposes of this section "total need students" means total need students as calculated using the data of record as of December first of such data year.]

(a) Except as otherwise provided under the provisions of subsections (c) to (e), inclusive, of this section, for the fiscal year ending June 30, 2016, the budgeted appropriation for education shall be not less than the budgeted appropriation for education for the fiscal year ending June 30, 2015, plus any aid increase described in subsection (d) of section 10-262i, as amended by this act, except that a town may reduce its budgeted appropriation for education for the fiscal year ending June 30, 2016, by one or more of the following:

(1) Any district with (A) a resident student population in which the number of students who are eligible for free or reduced price lunches pursuant to federal law and regulations is equal to or greater than twenty per cent, and (B) a resident student count for October 1, 2014, using the data of record as of January 31, 2015, that is lower than such district's resident student count for October 1, 2013, using the data of record as of January 31, 2015, may reduce such district's budgeted appropriation for education by the difference in the number of resident

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students for such years multiplied by fifty per cent of the net current expenditures per resident student of such district, provided such reduction shall not exceed one and one-half per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2015, except that the Commissioner of Education may, following a review of a town's proposed reductions to its budgeted appropriation for education, permit a town to reduce its budgeted appropriation for education in an amount greater than one and one-half per cent if the board of education for such town has approved, by vote at a meeting duly called, such proposed reductions;

(2) Any district with (A) a resident student population in which the number of students who are eligible for free or reduced price lunches pursuant to federal law and regulations is less than twenty per cent, and (B) a resident student count for October 1, 2014, using the data of record as of January 31, 2015, that is lower than such district's resident student count for October 1, 2013, using the data of record as of January 31, 2015, may reduce such district's budgeted appropriation for education by the difference in the number of resident students for such years multiplied by fifty per cent of the net current expenditures per resident student of such district, provided such reduction shall not exceed three per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2015, except that the Commissioner of Education may, following a review of a town's proposed reductions to its budgeted appropriation for education, permit a town to reduce its budgeted appropriation for education in an amount greater than three per cent if the board of education for such town has approved, by vote at a meeting duly called, such proposed reductions;

(3) Any district (A) that does not maintain a high school and pays tuition to another school district pursuant to section 10-33 for resident students to attend high school in another district, and (B) in which the

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number of resident students attending high school for such district for October 1, 2014, using the data of record as of January 31, 2015, is lower than such district's number of resident students attending high school for October 1, 2013, using the data of record as of January 31, 2015, may reduce such district's budgeted appropriation for education by the difference in the number of resident students attending high school for such years multiplied by the amount of tuition paid per student pursuant to section 10-33; or

(4) Any district that realizes new and documentable savings through increased district efficiencies approved by the Commissioner of Education or through regional collaboration or cooperative arrangements pursuant to section 10-158a may reduce such district's budgeted appropriation for education in an amount equal to half of the amount of savings experienced as a result of such district efficiencies, regional collaboration or cooperative arrangement, provided such reduction shall not exceed one-half of one per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2015.

(b) Except as otherwise provided under the provisions of subsections (c) to (e), inclusive, of this section, for the fiscal year ending June 30, 2017, the budgeted appropriation for education shall be not less than the budgeted appropriation for education for the fiscal year ending June 30, 2016, plus any aid increase received pursuant to subsection (d) of section 10-262i, as amended by this act, except that a town may reduce its budgeted appropriation for education for the fiscal year ending June 30, 2017, by one or more of the following:

(1) Any district with (A) a resident student population in which the number of students who are eligible for free or reduced price lunches pursuant to federal law and regulations is equal to or greater than twenty per cent, and (B) a resident student count for October 1, 2015, using the data of record as of January 31, 2016, that is lower than such

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district's resident student count for October 1, 2014, using the data of record as of January 31, 2016, may reduce such district's budgeted appropriation for education by the difference in the number of resident students for such years multiplied by fifty per cent of the net current expenditures per resident student of such district, provided such reduction shall not exceed one and one-half per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2016, except that the Commissioner of Education may, following a review of a town's proposed reductions to its budgeted appropriation for education, permit a town to reduce its budgeted appropriation for education in an amount greater than one and one-half per cent if the board of education for such town has approved, by vote at a meeting duly called, such proposed reductions;

(2) Any district with (A) a resident student population in which the number of students who are eligible for free or reduced price lunches pursuant to federal law and regulations is less than twenty per cent, and (B) a resident student count for October 1, 2015, using the data of record as of January 31, 2016, that is lower than such district's resident student count for October 1, 2014, using the data of record as of January 31, 2016, may reduce such district's budgeted appropriation for education by the difference in the number of resident students for such years multiplied by fifty per cent of the net current expenditures per resident student, as defined in subdivision (45) of section 10-262f, as amended by this act, of such district, provided such reduction shall not exceed three per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2016, except that the Commissioner of Education may, following a review of a town's proposed reductions to its budgeted appropriation for education, permit a town to reduce its budgeted appropriation for education in an amount greater than three per cent if the board of education for such town has approved, by vote at a meeting duly called, such proposed reductions;

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(3) Any district (A) that does not maintain a high school and pays tuition to another school district pursuant to section 10-33 for resident students to attend high school in another district, and (B) in which the number of resident students attending high school for such district for October 1, 2015, using the data of record as of January 31, 2016, is lower than such district's number of resident students attending high school for October 1, 2014, using the data of record as of January 31, 2016, may reduce such district's budgeted appropriation for education by the difference in the number of resident students attending high school for such years multiplied by the amount of tuition paid per student pursuant to section 10-33; or

(4) Any district that realizes new and documentable savings through increased district efficiencies approved by the Commissioner of Education or through regional collaboration or cooperative arrangements pursuant to section 10-158a may reduce such district's budgeted appropriation for education in an amount equal to half of the amount of savings experienced as a result of such district efficiencies, regional collaboration or cooperative arrangement, provided such reduction shall not exceed one-half of one per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2015.

(c) For the fiscal years ending June 30, 2016, and June 30, 2017, the Commissioner of Education may permit a town to reduce its budgeted appropriation for education in an amount determined by the commissioner if the school district in such town has permanently ceased operations and closed one or more schools in the school district due to declining enrollment at such closed school or schools in the fiscal years ending June 30, 2013, to June 30, 2016, inclusive.

(d) For the fiscal years ending June 30, 2016, and June 30, 2017, a town designated as an alliance district, as defined in section 10-262u, shall not reduce its budgeted appropriation for education pursuant to

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this section.

(e) For the fiscal years ending June 30, 2016, and June 30, 2017, the provisions of this section shall not apply to any district that is in the top ten per cent of school districts based on the district performance index, as defined in section 10-262u.

Sec. 2. Section 10-262f of the general statutes is amended by adding subdivision (45) as follows (*Effective July 1, 2015*):

(NEW) (45) "Net current expenditures per resident student" means, in any school year, the net current expenditures, as defined in section 10-261, for such school year divided by the number of resident students in the town for such school year.

Sec. 3. Section 10-262i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(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. Such grant, excluding any amounts paid to a town pursuant to subdivision (1) of subsection (c) and subdivision (1) of subsection (d) of section 10-66ee, shall be 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) (1) Except as provided in subdivisions (2) and (3) of this subsection, 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

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follows: Twenty-five per cent of the grant in October, twenty-five per 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.

(2) Any amount due to a town pursuant to subdivision (1) of subsection (c) and subdivision (1) of subsection (d) of section 10-66ee shall be paid by the Comptroller, upon certification of the Commissioner of Education, to the treasurer of each town entitled to such amount pursuant to the schedule established in section 10-66ee.

(3) For the fiscal years ending June 30, 2015, and June 30, 2016, the amount due to the town of Winchester 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 the town of Winchester in installments during said fiscal years as follows: Fifty per cent of the grant in October, twenty-five per cent of the grant in January and twenty-five per cent of the grant in April.

(c) All aid distributed to a town pursuant to the provisions of this section and section 10-262u shall be expended for educational purposes only and shall be expended upon the authorization of the local or regional board of education and in accordance with the provisions of section 10-262u. 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.

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[(d) (1) Except as otherwise provided under the provisions of subdivisions (3) and (4) of this subsection, for the fiscal year ending June 30, 2014, the budgeted appropriation for education shall be not less than the budgeted appropriation for education for the fiscal year ending June 30, 2013, plus any aid increase described in subsection (e) of this section, except that a town may reduce its budgeted appropriation for education for the fiscal year ending June 30, 2014, by one of the following: (A) Any district with a resident student count for October 1, 2012, using the data of record as of January 31, 2013, that is lower than such district's resident student count for October 1, 2011, using the data of record as of January 31, 2013, may reduce such district's budgeted appropriation for education by the difference in number of resident students for such years multiplied by three thousand, provided such reduction shall not exceed one-half of one per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2013, (B) any district that (i) does not maintain a high school and pays tuition to another school district pursuant to section 10-33 for resident students to attend high school in another district, and (ii) the number of resident students attending high school for such district for October 1, 2012, using the data of record as of January 31, 2013, is lower than such district's number of resident students attending high school for October 1, 2011, using the data of record as of January 31, 2013, may reduce such district's budgeted appropriation for education by the difference in number of resident students attending high school for such years multiplied by the tuition paid per student pursuant to section 10-33, or (C) any district that realizes new and documentable savings through increased intradistrict efficiencies approved by the Commissioner of Education or through regional collaboration or cooperative arrangements pursuant to section 10-158a may reduce such district's budgeted appropriation for education in an amount equal to half of the savings experienced as a result of such intradistrict efficiencies, regional collaboration or cooperative arrangement, provided such reduction

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shall not exceed one-half of one per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2013.

(2) Except as otherwise provided under the provisions of subdivisions (3) and (5) of this subsection, for the fiscal year ending June 30, 2015, the budgeted appropriation for education shall be not less than the budgeted appropriation for education for the fiscal year ending June 30, 2014, plus any aid increase received pursuant to subsection (e) of this section, except that a town may reduce its budgeted appropriation for education for the fiscal year ending June 30, 2015, by one of the following: (A) Any district with a resident student count for October 1, 2013, using the data of record as of January 31, 2014, that is lower than such district's resident student count for October 1, 2012, using the data of record as of January 31, 2014, may reduce such district's budgeted appropriation for education by the difference in number of resident students for such years multiplied by three thousand, provided such reduction shall not exceed one-half of one per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2014, (B) any district that (i) does not maintain a high school and pays tuition to another school district pursuant to section 10-33 for resident students to attend high school in another district, and (ii) the number of resident students attending high school for such district for October 1, 2013, using the data of record as of January 31, 2014, is lower than such district's number of resident students attending high school for October 1, 2012, using the data of record as of January 31, 2014, may reduce such district's budgeted appropriation for education by the difference in number of resident students attending high school for such years multiplied by the tuition paid per student pursuant to section 10-33, or (C) any district that realizes new and documentable savings through increased intradistrict efficiencies approved by the Commissioner of Education or through regional collaboration or cooperative arrangements pursuant to section 10-158a may reduce such district's

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budgeted appropriation for education in an amount equal to half of the savings experienced as a result of such intradistrict efficiencies, regional collaboration or cooperative arrangement, provided such reduction shall not exceed one-half of one per cent of the district's budgeted appropriation for education for the fiscal year ending June 30, 2013.

(3) The Commissioner of Education may permit a district to reduce its budgeted appropriation for education for the fiscal years ending June 30, 2014, and June 30, 2015, inclusive, in an amount determined by the commissioner if such district has permanently ceased operations and closed one or more schools in the district due to declining enrollment at such closed school or schools in the fiscal year ending June 30, 2011, June 30, 2012, or June 30, 2013.

(4) For the fiscal year ending June 30, 2014, the budgeted appropriation for a town designated as an alliance district, as defined in section 10-262u, shall be not less than the sum of (A) the budgeted appropriation for the fiscal year ending June 30, 2013, and (B) the amount necessary to meet the minimum local funding percentage, as defined in subdivision (39) of section 10-262f, except the commissioner may permit a town designated as an alliance district to reduce its budgeted appropriation for education if such town can demonstrate that its local contribution for the fiscal year ending June 30, 2014, has increased when compared to the local contribution used in determining its local funding percentage, as defined in subdivision (38) of section 10-262f.

(5) For the fiscal year ending June 30, 2015, the budgeted appropriation for a town designated as an alliance district, as defined in section 10-262u, shall be not less than the sum of (A) the budgeted appropriation for the fiscal year ending June 30, 2014, and (B) the amount necessary to meet the minimum local funding percentage, as defined in section 10-262f, except the commissioner may permit a town

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designated as an alliance district to reduce its budgeted appropriation for education if such town can demonstrate that its local contribution for the fiscal year ending June 30, 2015, has increased when compared to the local contribution used in determining its local funding percentage, as defined in section 10-262f.]

[(e)] (d) For the fiscal year ending June 30, 2014, and each fiscal year thereafter, the amount paid to a town pursuant to subsection (a) of this section minus the amount paid to such town under said subsection for the prior fiscal year shall be the aid increase for such town for such fiscal year.

[(f)] (e) 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) [.] or (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

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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.

Sec. 4. Section 10-4a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

For purposes of sections 10-4, 10-4b, as amended by this act, and 10-220, the educational interests of the state shall include, but not be limited to, the concern of the state that (1) each child shall have for the period prescribed in the general statutes equal opportunity to receive a suitable program of educational experiences; (2) each school district shall finance at a reasonable level at least equal to the minimum budget requirement pursuant to the provisions of section [10-262i] 10-262j, as amended by this act, an educational program designed to achieve this end; (3) in order to reduce racial, ethnic and economic isolation, each school district shall provide educational opportunities for its students to interact with students and teachers from other racial, ethnic, and economic backgrounds and may provide such opportunities with students from other communities; and (4) the mandates in the general statutes pertaining to education within the jurisdiction of the State Board of Education be implemented.

Sec. 5. Subsection (b) of section 10-4b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(b) If, after conducting an inquiry in accordance with subsection (a) of this section, the state board finds that a local or regional board of education has failed or is unable to implement the educational interests of the state in accordance with section 10-4a, as amended by this act, the state board shall (1) require the local or regional board of

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education to engage in a remedial process whereby such local or regional board of education shall develop and implement a plan of action through which compliance may be attained, or (2) order the local or regional board of education to take reasonable steps where such local or regional board has failed to comply with subdivision (3) of section 10-4a, as amended by this act. Where a local or regional board of education is required to implement a remedial process pursuant to subdivision (1) of this subsection, upon request of such local or regional board, the state board shall make available to such local or regional board materials and advice to assist in such remedial process. If the state board finds that a local governmental body or its agent is responsible for such failure or inability, the state board may order such governmental body or agent to take reasonable steps to comply with the requirements of section 10-4a, as amended by this act. The state board may not order an increase in the budgeted appropriations for education of such local or regional board of education if such budgeted appropriations are in an amount at least equal to the minimum budget requirement in accordance with section [10-262i] 10-262j, as amended by this act. If the state board finds that the state is responsible for such failure, the state board shall so notify the Governor and the General Assembly.

Approved June 22, 2015