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 Section 10-262j of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) Except as otherwise provided under the provisions of subsections (c) to [(e)] (g), inclusive, of this section, for the fiscal year ending June 30, [2018] 2020, the budgeted appropriation for education shall be not less than the budgeted appropriation for education for the fiscal year ending June 30, [2017] 2019, 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, [2018] 2020, by one or more of the following:

(1) If a town experiences an aid reduction, as described in subsection (d) of section 10-262i, as amended by this act, such town may reduce its budgeted appropriation for education in an amount equal to the aid reduction;

[(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 equal to or greater than twenty per cent, and (B) a resident student count for October 1, 2016, using the data of record as of January 31, 2017, that is lower than such district's resident student count for October 1, 2015, using the data of record as of January 31, 2017, 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, 2017, 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;

(3) 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, 2016, using the data of
record as of January 31, 2017, that is lower than such district's resident
student count for October 1, 2015, using the data of record as of
January 31, 2017, 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, 2017, 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;

(2) If a district experiences a net reduction in its resident student
count during a period of up to the previous five fiscal years, such
district may reduce its budgeted appropriation for education in an
amount equal to the number of such net reduction multiplied by fifty
per cent of the net current expenditures per resident student of such
district, provided no district may use the resident student count for
any fiscal year that was previously used to reduce its budgeted appropriation for education in any calculation of a net reduction of resident students for purposes of reducing its budgeted appropriation for education pursuant to this subdivision in any subsequent fiscal year.

[(4)] (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, [2016] 2018, using the data of record as of January 31, [2017] 2019, is lower than such district's number of resident students attending high school for October 1, [2015] 2017, using the data of record as of January 31, [2017] 2019, 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

[(5)] (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, [2017] 2019.

(b) Except as otherwise provided under the provisions of subsections (c) to [(f)] (g), inclusive, of this section, for the fiscal year ending June 30, [2019] 2021, a town's budgeted appropriation for education shall be not less than the budgeted appropriation for education for the fiscal year ending June 30, [2018], prior to any reductions made by such town to its budgeted appropriation for education because of withholdings or reductions made to its
equalization aid grant pursuant to section 13 or 14 of public act 17-2 of the June special session or subsection (d) of section 12-170f [2020], 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, [2019] 2021, by one or more of the following:

(1) If a town experiences an aid reduction, as described in subsection (d) of section 10-262i, as amended by this act, such town may reduce its budgeted appropriation for education in an amount equal to the aid reduction;

(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 equal to or greater than twenty per cent, and (B) a resident student count for October 1, 2017, using the data of record as of January 31, 2018, that is lower than such district's resident student count for October 1, 2016, using the data of record as of January 31, 2018, 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, 2018, 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;

(3) 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, 2017, using the data of record as of January 31, 2018, that is lower than such district's resident
student count for October 1, 2016, using the data of record as of January 31, 2018, 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, 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, 2018, 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.

(2) If a district experiences a net reduction in its resident student count during a period of up to the previous five fiscal years, such district may reduce its budgeted appropriation for education in an amount equal to the number of such net reduction multiplied by fifty per cent of the net current expenditures per resident student of such district, provided no district may use the resident student count for any fiscal year that was previously used to reduce its budgeted appropriation for education in any calculation of a net reduction of resident students for purposes of reducing its budgeted appropriation for education pursuant to this subdivision in any subsequent fiscal year.

[(4)] (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, [2017] 2019, using the data of record as of January 31, [2018] 2020, is lower than such district's number of resident students attending high school for October 1, [2016] 2018, using the data of record as of January 31, [2018] 2020, 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

[(5)] (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, [2017] 2020.

(c) For the fiscal years ending June 30, [2018] 2020, and June 30, [2019] 2021, 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, [2018] 2020, inclusive.

(d) For the fiscal years ending June 30, [2018] 2020, and June 30, [2019] 2021, a town designated as an alliance district, as defined in section 10-262u, shall not reduce its budgeted appropriation for education pursuant to this section.

(e) For the fiscal years ending June 30, [2018] 2020, and June 30, [2019] 2021, 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 accountability index, as defined in section 10-223e.

(f) For the fiscal years ending June 30, [2018] 2020, and June 30, [2019] 2021, the provisions of this section shall not apply to the member towns of a regional school district during the first full fiscal year following the establishment of the regional school district, provided the budgeted appropriation for education for member towns
of such regional school district for each subsequent fiscal year shall be
determined in accordance with this section.

(g) For the fiscal years ending June 30, 2020, and June 30, 2021, any
district that has (1) elected to act as a self-insurer, pursuant to section
10-236, (2) experienced a loss incurred as a result of one or more
catastrophic events, as declared by a nationally recognized catastrophe
loss index provider, during the prior fiscal year, and (3) increased its
budgeted appropriation for education during said prior fiscal year as a
result of such loss, shall not be required to include the amount of such
increase in the calculation of such district's budgeted appropriation for
education for the subsequent fiscal year.

Sec. 2. Subsection (d) of section 10-262i of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2019):

(d) (1) For the fiscal year ending June 30, [2018] 2020, (A) if the
amount of the equalization aid grant a town is entitled to pursuant to
section 10-262h is greater than [its base grant amount] such town's
equalization aid grant amount for the previous fiscal year, the
difference between the amount of such town's equalization aid grant
for the fiscal year ending June 30, 2020, and such town's [base grant
amount] equalization aid grant amount for the previous fiscal year
shall be the aid increase for such town for the fiscal year ending June
30, [2018] 2020, and (B) if the amount of the equalization aid grant a
town is entitled to pursuant to section 10-262h is less than [its base
grant amount] such town's equalization aid grant amount for the
previous fiscal year, the difference between such town's [base grant
amount] equalization aid grant amount for the previous fiscal year and
the amount of such town's equalization aid grant for the fiscal year
ending June 30, 2020, shall be the aid reduction for such town for the

(2) For the fiscal year ending June 30, [2019] 2021, (A) if the amount
of the equalization aid grant a town is entitled to pursuant to section
10-262h is greater than such town's equalization aid grant amount for
the previous fiscal year, the difference between the amount of such
town's equalization aid grant for the fiscal year ending June 30, [2019]
2021, and such town's equalization aid grant amount for the previous
fiscal year shall be the aid increase for such town for the fiscal year
ending June 30, [2019] 2021, and (B) if the amount of the equalization
aid grant a town is entitled to pursuant to section 10-262h is less than
such town's equalization aid grant amount for the previous fiscal year,
the difference between such town's equalization aid grant amount for
the previous fiscal year and the amount of such town's equalization aid
grant for the fiscal year ending June 30, [2019] 2021, shall be the aid
reduction for such town for the fiscal year ending June 30, [2019] 2021.
For purposes of this subdivision, "equalization aid grant amount for
the previous fiscal year" means the equalization aid grant amount a
town was entitled to pursuant to section 10-262h for the fiscal year
ending June 30, 2018, prior to any reductions made to such town's
equalization aid grant during the fiscal year ending June 30, 2018, as a
result of reductions in allotments pursuant to section 13 or 14 of public
act 17-2 of the June special session or withholding or reductions of
state financial assistance pursuant to subsection (d) of section 12-170f.

This act shall take effect as follows and shall amend the following
sections:

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<tr>
<th>Section</th>
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<tbody>
<tr>
<td>Section 1</td>
<td>July 1, 2019</td>
<td>10-262j</td>
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<tr>
<td>Sec. 2</td>
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<td>10-262i(d)</td>
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