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## OLR Bill Analysis

### sHB 6618

## **AN ACT CONCERNING FUNDING ISSUES RELATED TO PUBLIC EDUCATION IN CONNECTICUT.**

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## BACKGROUND

### **§ 1 — ALLIANCE DISTRICT FUNDS**

*Allows a board of education, with state approval, to spend up to 10% of any increase in alliance district funds in a way that was not included in the district's alliance district plan, provided certain conditions are met*

Current law requires an alliance school district to spend the portion of its education cost sharing (ECS) funds that are part of the alliance program as specified in the district's State Department of Education (SDE)-approved plan. Alliance districts are the 33 lowest performing school districts based on each district's accountability index (AI) score (see BACKGROUND).

The bill authorizes the education commissioner to allow a local or regional board of education to spend a certain amount of funds in ways that were not included in its alliance district plan. Specifically, a board may spend up to 10% of any increase in alliance district funds over the prior fiscal year in other ways, as long as the board:

1. spends it for educational purposes only and does not supplant local education funding and
2. increases the local appropriation for education for that fiscal year by the same amount.

Increasing the local education share would increase a town's minimum budget requirement (MBR) by the same amount as the increase. Under the MBR law, a town must appropriate at least an equal amount of education funds for the upcoming year as for the previous year. An increase in one year creates a new minimum for the following year with some exceptions (see below).

EFFECTIVE DATE: July 1, 2021

### **§ 2 — FEDERAL COVID-19 FUNDS CARRYOVER**

*Allows the balance of any unspent federal funds that boards of education received for COVID-related expenditures (including funds from the federal CARES Act and the CRRSA) to carry forward to the next fiscal year*

For FYs 21 to 23, the bill requires that the balance of any remaining federal funds that a local or regional board of education receives to cover COVID-19 related expenditures not lapse and instead be carried forward for the board to use in the next fiscal year.

The federal funds include, but are not limited to, those received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (P.L. 116-260).

EFFECTIVE DATE: Upon passage

**§ 3 — REGIONAL BOARDS OF EDUCATION CAPITAL RESERVE FUND**

*Increases the amount that a regional board of education can put into its capital reserve fund from 1% to 2% of the annual district budget for a fiscal year*

The bill increases the amount that a regional board of education can put into its reserve fund for capital and nonrecurring expenditures from 1% to 2% of the annual district budget for a fiscal year. By law and unchanged by the bill, a fund may be created by a majority vote of the regional board of education members and annual appropriations to the fund are included in each member town's share of net expenses to be paid to the district.

EFFECTIVE DATE: July 1, 2021

**§§ 4 & 5 — MINIMUM BUDGET REQUIREMENT (MBR)**

*Renews the MBR with all the current waivers or flexibilities (such as for a decrease in student population or in ECS funding); adds additional MBR exclusions for federal funds and for state school security grants; makes the MBR law permanent by removing the sunset date; renews and makes permanent the method to determine whether a town's education aid has decreased or increased compared to the prior year*

The bill makes permanent the current prohibition against a town budgeting less for education than it did in the previous fiscal year (i.e., the MBR). Under current law, all MBR provisions will expire on June 30, 2021.

The bill (1) continues to exempt certain high-performing school districts from the MBR; (2) renews several MBR options in current law

that allow a town to reduce its MBR in some circumstances; and (3) adds additional MBR exclusions for federal funds and for state school security grants for all school districts, including alliance districts. (Generally, alliance districts are barred from MBR reductions.)

The bill also makes conforming and technical changes.

### ***MBR Exemptions***

The bill renews and makes permanent MBR exemptions for the following: (1) any school district among the top 10% of districts as measured by the SDE's AI score (see BACKGROUND) index and (2) member towns of a newly formed regional school district during the first full fiscal year following its establishment.

### ***New or Modified MBR Exclusions***

By law for FYs 20 and 21, a school district can exclude from its MBR calculation for the next fiscal year local supplemental appropriations or federal funds they received to cover costs associated with COVID-19. The law explicitly allows alliance districts to exclude these expenditures from their calculation, as well.

Local supplemental appropriations include those from the town's (1) board of finance, (2) board of selectmen for a town having no board of finance, or (3) authority making appropriations for the school district. Districts must use these local supplemental appropriations for COVID-19 expenditures that the school district's budgeted education appropriation for that fiscal year could not cover. This also applies to federal funds received under the CARES Act.

The bill extends this MBR exclusion to FYs 22 and 23 and, in addition to the CARES Act, specifically excludes the CRRSA Act funds from MBR.

The bill also adds a new MBR exclusion for FYs 22 and 23 for any school security infrastructure competitive grant received in the prior year. Under the bill, this grant does not have to be included in the school district's MBR calculation for the following fiscal year. Alliance districts are eligible for this exclusion.

**Permitted MBR Reductions Renewed**

The bill makes permanent the current allowances for MBR reductions under the circumstances described below.

**Reductions in Enrollment.** A school district may reduce its MBR if it has reduced student enrollment during any of the five years immediately prior to the fiscal year for which the MBR is being calculated. The district can reduce its MBR by 50% of the net current expenditure per resident student, multiplied by the net reduction in the number of enrolled students, provided any year may only be used once in this calculation. By law, resident students are the number of students a school district must educate at the town's expense.

**No High School.** A town without a high school that pays tuition to other towns for its resident students to attend there and is paying for fewer students than it did in the previous year can reduce its MBR by the full amount of its lowered tuition payments.

**School Closures.** A town may reduce its MBR if it has permanently closed a school due to declining enrollment at the school in the seven FYs immediately prior to the FY for which the MBR is being calculated.

**Cost Savings.** A town can reduce its MBR to reflect half of any new and documented savings from (a) increased efficiencies within its school district, as long as the education commissioner approves the savings, or (b) a regional collaboration or cooperative arrangement with at least one other district. This reduction is limited to a maximum of 0.5% of the budgeted appropriation for the prior year.

**Catastrophic Events.** When a self-insured school district experiences a loss due to one or more catastrophic events during the prior year and must increase the following year's education budget as a result, the increase due to the loss is not required to be counted for the following year's MBR. The catastrophic event must be declared as such by a nationally recognized catastrophe loss index provider.

**ECS Reduction.** A town that has a reduction in ECS aid (see below)

when compared to the previous year can reduce its MBR by an amount that equals the amount of the reduction.

***Determining Aid Gains or Losses***

Under current law, school districts must determine whether they have an FY 21 ECS aid increase or decrease in order to determine their MBR. The bill makes this requirement permanent. As with current law, the bill requires districts to compare the ECS aid a town is entitled to with the amount the town received the prior year. If the current amount is greater than the prior year's amount, the difference between the two is the aid increase. Likewise, if the amount the town is entitled to is less than the amount the town received in the prior year, then the difference is the aid decrease.

EFFECTIVE DATE: July 1, 2021

**§ 6 — CT GROWN FOR CT KIDS GRANT**

*Requires the Department of Agriculture (DoAg) to administer a new CT Grown for CT Kids Grant Program to assist boards of education in developing farm-to-school programs; specifies what groups can apply for a grant; requires DoAg to convene an advisory committee to assist the agency in awarding grants*

The bill requires DoAg, in consultation with an advisory committee the bill also creates, to administer the new CT Grown for CT Kids Grant Program. The bill requires the program to assist local and regional boards of education in developing farm-to-school programs that will:

1. increase the availability of local foods in child nutrition programs,
2. allow educators to use hands-on techniques to teach students about nutrition and farm-to-school connections,
3. sustain relationships with local farmers and producers,
4. enrich the educational experience of students,
5. improve the health of Connecticut children, and
6. enhance the state's economy.

### ***Eligible Applicants***

The bill allows a local or regional board of education, regional educational service center, cooperative education arrangement, child care center, group child care home, family child care home, or any organization or entity administering or assisting in the development of a farm-to-school program, to apply for a grant. The agriculture commissioner must prescribe the grant application form and process.

The grant must be used to develop or implement a school-to-farm program, including:

1. purchasing equipment, resources, or materials, such as local food products, gardening supplies, field trips to farms, gleaning on farms (collecting leftover crops after the commercial harvest is completed), and stipends to visiting farmers;
2. providing professional development and skills training for educators, school nutrition professionals, parents, caregivers, child care providers, and employees and volunteers of organizations administering or assisting in the development and implementation of farm-to-school programs; and
3. piloting new purchasing systems and programs.

### ***Advisory Committee***

The bill requires DoAg to convene an advisory committee consisting of the education commissioner, or his designee, and representatives of stakeholder groups the agriculture commissioner selects who reflect the state's demographic and geographic diversity.

The advisory committee must (1) help the department review applications and award these grants and (2) provide technical assistance to grant recipients to develop and implement farm-to-school programs.

### ***Grant Awarding Priority***

The bill requires the department to prioritize grants to applicants (1) located in alliance districts or who are providers of school readiness

programs and (2) who demonstrate broad commitment from school administrators, school nutrition professionals, educators, and community stakeholders.

**Grant Limits**

The bill prohibits DoAg from awarding a grant that is more than 10% of the total grant amount available for the fiscal year.

**Donations and Gifts**

The bill authorizes DoAg to accept gifts, grants, and donations, including in-kind donations, to administer the CT Grown for CT Kids Grant Program and implement the bill’s provisions.

**Reporting Requirement**

Beginning by January 1, 2023, DoAg must annually submit a report on the program to the Education Committee. The report must include an accounting of the funds appropriated and received by the department, including descriptions of each grant awarded, how the recipient used the grant, and an evaluation of the program and the success of local farm-to-school programs that received grants through the program.

EFFECTIVE DATE: July 1, 2021

**§ 7 — SUPPLEMENTAL TRANSPORTATION GRANT FOR MAGNET SCHOOLS**

*Changes the payment schedule and number of payments for a supplemental transportation grant for Sheff magnet schools*

The bill changes the payment schedule and frequency for supplemental transportation grants for magnet schools that help the state meet its obligations under the *Sheff v. O’Neill* desegregation court decision.

Under current law’s payment schedule, (1) up to 70% of the grant may be paid on or before June 30 and (2) the remainder must be paid by September 1 of the following fiscal year upon completion of a comprehensive financial review.

Starting with FY21, and for each fiscal year thereafter, the bill presumably requires these grants be paid as follows:

1. any unpaid balance of documented, eligible transportation costs (including vendor bills) incurred on or before December 31 must be paid on or before February 1;
2. any unpaid balance of documented, eligible transportation costs incurred on or before March 31 must be paid on or before May 1; and
3. the balance of the grant must be paid on or before September 1 of the following fiscal year after a comprehensive financial review.

EFFECTIVE DATE: July 1, 2021

#### **§ 8 — CHARTER SCHOOL PER-STUDENT GRANT INCREASE**

*Increases the per-pupil grant for state charter schools from \$11,250 to \$11,525*

Beginning in FY 22 and for each following year, the bill increases the per-pupil grant for state charter schools from \$11,250 to \$11,525.

EFFECTIVE DATE: July 1, 2021

#### **§§ 9-15 — PROGRAM GRANT CAPS**

*Extends to FYs 22 and 23 the current grant caps for seven programs; renews the bilingual education grant for FYs 22 and 23*

The bill caps education grants to local or regional boards of education for FYs 22 and 23. The caps, which are currently set to expire on June 30, 2021, require that grants be proportionately reduced if the state budget appropriations do not fund the full amounts required by the respective statutory formulas. The caps apply to grants for the following programs:

1. bilingual education (CGS § 10-17g);
2. school districts' special education costs for public agency-placed students under an order of temporary custody (CGS § 10-76d);

3. school districts' excess special education costs (CGS § 10-76g);
4. excess regular education costs for state-placed children educated by private residential facilities (CGS § 10-253);
5. health grants for private nonprofit schools (CGS § 10-217a);
6. regional educational services centers (RESCs) (CGS § 10-66j);  
and
7. adult education programs (CGS § 10-71).

The bill also renews the bilingual education grant for the FYs 22 and 23.

EFFECTIVE DATE: July 1, 2021

#### **§ 16 — OPEN CHOICE PROGRAM**

*Expands the Open Choice Program to Danbury and Norwalk for the 2022-23 school year*

The bill provides \$275,000 in FY 22 and \$900,000 in FY 23 to pilot an expansion of the Open Choice Program for up to 50 students from Danbury and 50 from Norwalk in the 2022-23 school year.

Open Choice is a voluntary inter-district public school attendance program that allows students from urban districts to attend suburban schools and vice versa, on a space-available basis. Its purpose is to reduce racial, ethnic, and economic isolation; improve academic achievement; and provide public school choice. SDE provides a per-student grant for school districts that receive Open Choice students.

Under the bill, Danbury students may attend school in New Fairfield, Brookfield, Bethel, Ridgefield, and Redding school districts and Norwalk students may attend school in the Darien, New Canaan, Wilton, Weston, and Westport school districts. School districts that received students from Danbury or Norwalk under the pilot program during the 2022-2023 school year must allow these students to attend until they graduate from high school.

The bill requires SDE to provide a \$4,000 per-student grant to each

district receiving Danbury or Norwalk students for the fiscal year ending June 30, 2023. For FY 24 and each year following, SDE must provide receiving districts with per-student grants based on existing law's Open Choice per-student grant schedule, which ranges from \$3,000 to \$8,000 per student.

Districts receive a larger grant if the number of Open Choice students reflects a greater amount of the district's student population. For example, a district receives \$3,000 per student if Open Choice students are less than 2% of the district's total student population. The grant amount increases incrementally until, at the highest amount, a district receives \$8,000 per student if Open Choice students are equal to or greater than 4% of the district's total student population.

The bill also extends the program's transportation aid component for FY 2022 and each fiscal year thereafter.

EFFECTIVE DATE: July 1, 2021

## **BACKGROUND**

### ***Accountability Index Scores***

"Accountability index" for a school district or an individual school means the score resulting from multiple weighted measures that (1) include the mastery test scores and, if appropriate, high school graduation rates and (2) may include academic growth over time, attendance and chronic absenteeism, postsecondary education and career readiness, enrollment in and graduation from institutions of higher education and postsecondary education programs, civics and arts education, and physical fitness (CGS § 10-223e(a)).

## **COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute Change of Reference - APP  
Yea 32 Nay 6 (03/22/2021)

Appropriations Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/21/2021)