

# OFFICE OF FISCAL ANALYSIS

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sHB-6618

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

## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Education, Dept.	GF - See Below	See Below	See Below
Department of Agriculture	GF - Cost	250,000	250,000

Note: GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 22 \$	FY 23 \$
Local and Regional School Districts	See Below	See Below	See Below

## ***Explanation***

The bill contains several provisions affecting town and state education spending.

**Alliance District Funds.** The bill allows the education commissioner to allow a board of education to spend up to 10% of any increase in Alliance District funds over the prior fiscal year in a way that was not included in the Alliance District plan, as long as the board (1) spends it for educational purposes only and not to supplant the local share of education funding and (2) increases the local education funding share for that fiscal year by the same amount. This change would increase the local board's minimum budget requirement (MBR) in the following year by the amount the local share is increased.

**Board Reserves.** The bill also 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, which is procedural and does not result in a fiscal impact.

**MBR.** The bill extends the MBR statutes to apply to all future years, which affects town education spending levels. The bill also clarifies that CRRSAA stimulus funds as well as school security infrastructure grants may be excluded from MBR calculations in the fiscal year following receipt of funds, which is potentially a savings to towns, to the extent these grants would have otherwise been included.

**CT Grown for CT Kids.** The bill requires the Department of Agriculture (DoAg) to administer the CT Grown for CT Kids Grant Program to help boards of education develop farm-to-school programs. This provision results in costs to DoAg of \$250,000 in each of FY 22 and FY 23, including 10% for administration of the grant program.

**Magnet School Transportation.** Under the bill the Commissioner of SDE is authorized to provide supplemental transportation grants to regional educational service centers (RESCs) for magnet school transportation for FY 21 and each following fiscal year. This results in SDE making payments totaling approximately \$5 million in FY 21 and potential payments in future years.

**Charter School Grants.** The bill raises the state charter school per-pupil grant from \$11,250 to \$11,525, which results in a cost of approximately \$3 million in both FY 22 and FY 23, and annually thereafter.

**Grant Caps.** The bill caps certain education grants to local or regional boards of education for FY 22 and FY 23, which results in a savings to the state, and a corresponding revenue loss to local and regional boards of education of approximately \$69.9 million in FY 22 and \$74.9 million in FY 23.

**Open Choice.** The substitute bill extends the Open Choice program to Danbury and Norwalk and allows for up to 50 students from each

district to participate in the 2022-23 school year. This expansion results in a total cost of \$275,000 in FY 22 and \$900,000 in FY 23.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.