
OLR Bill Analysis

sHB 5038

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING EDUCATION.

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§ 1 – OPEN CHOICE HARTFORD REGION GRANT

Creates an additional \$2,000 per student Open Choice grant for Hartford region school districts that accept Hartford students

This bill creates an additional \$2,000 per student grant for Hartford region school districts that accept public-school students through the Open Choice program. Open Choice is a voluntary inter-district attendance program that allows students from urban school districts to attend suburban school districts, and vice versa, on a space-available basis. The State Department of Education (SDE) provides a per-student

grant for school districts that receive Open Choice students.

Under existing law, the grants range from \$3,000 to \$8,000 per student, with higher grant amounts going to districts where the Open Choice students represent a higher percentage of the school district's enrollment. 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 at least 4% of the district's student population. Under the bill, the \$2,000 per student grant is in addition to these amounts.

The additional grants will be provided to receiving school districts for each out-of-district student who resides in the Hartford region (i.e., the *Sheff* region) and attends school in a receiving district under the program (see BACKGROUND). The annual additional grants begin in FY 23, within available appropriations, and are paid to assist the state in meeting its obligations under the Comprehensive School Choice Plan, which is part of the most recent renewal of the *Sheff v. O'Neill* court decision and agreements (see BACKGROUND).

BACKGROUND

Sheff v. O'Neill Decision

In 1996, the Connecticut Supreme Court ruled in *Sheff* that the racial, ethnic, and economic isolation of Hartford public school students violated their right to a "substantially equal educational opportunity" under the state constitution (238 Conn. 1 (1996)). It ordered the state and the plaintiff's representatives to work out an agreement, which since has been renewed several times, for the voluntary desegregation of Hartford students.

Sheff Region

This region includes the school districts of Avon, Bloomfield, Canton, East Granby, East Hartford, East Windsor, Ellington, Farmington, Glastonbury, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Suffield, Vernon, West Hartford, Wethersfield, Windsor, and Windsor Locks.

EFFECTIVE DATE: July 1, 2022

§§ 2-3 – ALLIANCE DISTRICT PROGRAM RENEWAL

Renews the alliance district program for five years; creates the category of “graduated alliance districts” to capture districts that once, but no longer, qualify as alliance districts, and prohibits these districts from reducing their MBR

Under current law the five-year designation for the 33 alliance districts will expire on July 11, 2022. The bill requires the education commissioner to designate 33 alliance districts for five more years, beginning with FY 23. Under the bill, the new designation applies to the 33 school districts with the lowest accountability index (AI) scores (see BACKGROUND).

As under the program’s prior authorization, the bill requires the comptroller to withhold from an alliance district town any increase in Education Cost Sharing (ECS) funds that are over the amount the town received in 2012. The comptroller transfers the money to the education commissioner to withhold until she approves the district’s alliance district application and plan to improve academic performance. According to the SDE, the alliance districts serve more than 200,000 students in 410 schools.

The existing law requires the alliance districts to expend their alliance funds (1) in accordance with the plan submitted with the application, (2) the minority candidate certification, retention, and residency program, (3) ECS spending requirements, and (4) any other SDE guidelines.

Graduated Alliance Districts (§ 2)

The bill creates the category of “graduated alliance districts” to capture former alliance districts from 2013-2017 or 2018-22, the first two rounds of the program, that are no longer in the lowest 33 districts in the state when ranked by their AI scores.

The graduated alliance district designation lasts for five years, and the bill creates a five-year phase out, in increments, of the amount of ECS funds withheld. The phase-out schedule for graduated alliance districts is as follows:

1. FY 23, same amount as withheld for FY 22,
2. FY 24, 75% of the amount withheld for FY 22,
3. FY 25, 50% of the amount withheld for FY 22,
4. FY 26, 25% of the amount withheld for FY 22, and
5. FY 27, nothing withheld.

The bill requires a graduated alliance district to submit an application in order to receive the withheld funds and the application must be submitted when and how the education commissioner prescribes. The bill does not require the application to meet the requirements of an alliance district application.

Minimum Budget Requirement (MBR) and Graduated Alliance Districts (§ 3)

Under existing law, alliance districts are prohibited from reducing their MBR. The bill applies the same prohibition to graduated alliance districts.

The MBR generally prohibits a town from budgeting less for education than it did in the previous fiscal year. Although some towns are exempt if they have high performing school districts and in general, a town can qualify for a reduced MBR if certain conditions are met, such as a decrease in student enrollment from one year to another.

BACKGROUND

Accountability Index Scores

The “accountability index score” for a school district or an individual school means the score resulting from multiple weighted measures that (1) include the mastery test scores (i.e., the performance index score) and 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 higher education institutions and postsecondary education programs, civics and arts education, and physical fitness (CGS § 10-223e(a)).

EFFECTIVE DATE: July 1, 2022

§§ 4-6 —EDUCATION COST SHARING (ECS) GRANTS AND PHASE IN SCHEDULE

Changes some of the factors used in the ECS phase in schedule regarding ECS grant increases and decreases; essentially keeps the yearly changes the same as under current law

The ECS grant program is the state’s largest aid program for towns. The bill changes some of the factors used in the ECS phase in schedule for ECS grant increases and decreases, but essentially keeps the yearly changes the same as under current law. It also modifies the method for determining the ECS grant for alliance districts and applies the same method to the new graduated alliance districts (created in § 2 of the bill).

Under the bill, and current law, towns that are underfunded regarding their ECS grant will be fully funded by FY 28. Towns that are overfunded gradually receive reductions, from FY 24 to FY 29, until they are at their fully funded level.

With respect to overfunded towns, current law uses the FY 17 ECS aid amount as a starting point every year to determine how much an overfunded town should have its funding reduced. Under the bill, the ECS reductions for overfunded towns are essentially kept the same, but the factors used to make this happen are different (e.g., rather than the FY 17 ECS amount, the bill uses the ECS amount for the most recent fiscal year).

Some towns are overfunded due primarily to the years when the state froze the level of funding for all towns, even if some towns’ student enrollment dropped. A town with declining enrollment generally receives less funding when the formula is updated with new enrollment figures.

EFFECTIVE DATE: July 1, 2022

Changing Terms Used to Categorize Towns (§ 4)

The bill changes some of the terms used to determine the first step in ECS grant funding: whether a town is underfunded or overfunded.

Under current law, an underfunded town is one whose fully funded grant amount, as determined by the formula, is greater than its base grant amount. Then the town is entitled to an increase in its ECS grant. A town’s base grant amount is the ECS grant amount the town was entitled to for FY 17, minus authorized cuts implemented during FY 17. Under the bill, beginning with FY 23, the phase in compares the fully funded grant amount to a town’s ECS grant for the previous fiscal year, rather than the base grant amount. Therefore, any town whose fully funded grant amount is greater than the town’s ECS grant amount for the previous fiscal year, is entitled to an ECS grant increase.

The bill also uses the ECS grant amount for the previous fiscal year, rather than the base grant, to determine if a town is overfunded. Under current law, an overfunded town is one whose fully funded grant is less than its base grant. Then the town is entitled to either an amount the town received in FY 21 or, starting in FY 24, a decreased grant amount each year. The bill instead compares the fully funded amount to the town’s ECS grant for the previous fiscal year.

Grant Adjustment (§ 6)

When determining ECS grant increases or decreases, current law uses a town’s “grant adjustment,” which is the absolute value of the difference between a town’s base grant amount and its fully funded grant amount. The bill changes this definition to the absolute value of the difference between a town’s ECS grant entitlement for the previous year and its fully funded grant amount. For underfunded towns, the grant adjustment is the amount needed to be fully funded; for overfunded towns, it’s the amount the town is funded above its fully funded grant.

ECS Phase-In Adjustments (§ 4)

Table 1 shows how the bill changes the phase in for FYs 23-25 ECS grants.

Table 1: ECS Phase-In Adjustments for ECS Grants (FYs 23-25)

	FY 23		FY 24		FY 25	
Town	Current	Bill	Current	Bill	Current	Bill

Type	Law		Law		Law	
Under-funded	Previous FY amount plus 10.66% of grant adjustment	Previous FY amount plus 16.67% of grant adjustment*	Previous FY amount plus 10.66% of grant adjustment	Previous FY amount plus 20% of grant adjustment*	Previous FY amount plus 10.66% of grant adjustment	Previous FY amount plus 25% of grant adjustment*
Over-funded	No reduction (held harmless) to FY 21 amount	No reduction (held harmless) to FY 22 amount (no actual change from current law)	Previous FY amount minus 8.33% of grant adjustment	Previous FY amount minus 14.29% of grant adjustment* (excludes alliance districts, see below)	Previous FY amount minus 8.33% of grant adjustment	Previous FY amount minus 16.67% of grant adjustment* (excludes alliance districts, see below)
*Under the bill, "grant adjustment" means the absolute value of the difference between a town's ECS grant amount for the previous year and its fully funded grant amount. Generally, under the bill, the grant adjustment figure (before applying the percentage) will be smaller than under current law.						

Under current law, for FYs 26 and 27, an underfunded town is entitled to an ECS grant for each year that equals the town's previous fiscal year's grant plus 10.66% of its grant adjustment. Under the bill for each of these years, underfunded towns are entitled to their ECS grant amount for the previous year plus 33.33% of its grant adjustment for FY 26 and 50% of its grant adjustment for FY 27.

For the same years, current law provides an overfunded town with a grant equal to its grant for the previous fiscal year minus 8.33% of its grant adjustment. The bill changes the reduction for overfunded towns based on using the ECS grant amount for the previous year and the revised definition of the grant adjustment (i.e., minus 20% of grant adjustment for FY 26 and minus 25% of grant adjustment for FY 27). Using the same method, the bill changes the reduction for overfunded towns as follows:

1. for FY 28, from current law's reduction of 8.33% of the grant adjustment to a reduction of 33.33% of the grant adjustment, and
2. for FY 29, from current law's reduction of 8.33% of the grant

adjustment to reduction of 50%.

For FYs 28 and 29, under current law and the bill, underfunded towns will be fully funded.

Alliance Districts and Graduated Alliance Districts (§ 4)

Under current law, for FYs 24-29, any overfunded town that is an alliance district is entitled to an ECS grant equal to its FY 17 amount after reductions in FY 17 (i.e., base grant amount). Under the bill beginning in FY 24, an alliance district, regardless of whether it is overfunded or underfunded, receives an amount that is the greater of (1) the amount the bill determines for either overfunded or underfunded towns, depending on what applies for the alliance district, for that year, (2) its base grant amount, or (3) its ECS grant for the previous fiscal year.

The bill applies this same mechanism for FYs 24-29 for determining the ECS grant for graduated alliance districts, which is a new designation for districts that are former alliance districts (see § 2).

Base Aid Ratio (§ 5)

Under current law, the base aid ratio is a measure of town property wealth (measured by property wealth and income level) used in the ECS formula, and the law establishes a minimum of 10% base aid ratio for alliance districts. The bill gives priority school districts the same minimum base aid ratio of 10%.

By law, priority school districts are districts whose students receive low standardized test scores and have high levels of poverty (CGS § 10-266p(a)).

§§ 7-27 & 33-36 – TECHNICAL AND CONFORMING CHANGES TO MAKE THE CONNECTICUT TECHNICAL EDUCATION AND CAREER SYSTEM (CTECS) AN INDEPENDENT STATE AGENCY

Makes numerous conforming, minor, and technical changes necessary as part of transitioning CTECS into an independent agency; addresses specific duties of the CTECS executive director and superintendent

By law, the Connecticut Technical Education and Career System (CTECS) (formerly known as the technical high school system) becomes an independent state agency, separate from SDE, by July 1, 2022 (i.e., the

2022-23 school year). The bill makes numerous minor and technical changes necessary as part of CTECS' transition to an independent agency. This analysis highlights the more significant of these changes.

The bill makes changes to the statutes to reflect that CTECS has its own board and leadership that is not subject to SBE governance. Under the bill:

1. SDE is no longer allowed to receive any money or property given or bequeathed to CTECS (§ 7);
2. CTECS, rather than SBE, is required to provide the professional services necessary to identify, in accordance with state special education law, children enrolled at a technical high school who require special education and to provide an appropriate education for these students (§ 10);
3. CTECs executive director takes over responsibility of the Vocational Education Extension Fund that includes the apprenticeship account, which helps pay for needed apprenticeship program materials and equipment (§ 12); and
4. CTECS executive director replaces SBE in the process for temporarily closing a technical high school and moves authority to close a school for more than six months from SBE to the CTECS board (§ 16).

The bill also repeals three obsolete laws regarding an expired reporting requirement (CGS § 10-4r), an obsolete appointment (CGS § 10-13), and an expired study requirement (CGS § 10-95m).

EFFECTIVE DATE: July 1, 2022

Hiring a CTECS Superintendent (§ 17)

Under existing law, the executive director, who is appointed by the governor, is the head executive of CTECS and the superintendent is the school leader in charge of education who answers to the executive director. The CTECS board is the policy making body.

Under current law, the board recommends superintendent candidates to the education commissioner and beginning July 1, 2023, it would begin making recommendations instead to the CTECS executive director. The bill moves up this change by a year to begin on July 1, 2022. As under existing law, the bill gives the executive director discretion to hire or reject any superintendent candidate the board recommends. The bill specifies that when the executive director rejects a candidate, the board must recommend another candidate until the executive director hires one.

Existing law allows the superintendent's three-year term to be extended, and the bill specifies the executive director has this authority provided he consults with the board first.

Under the bill, a candidate cannot be hired or assume superintendent duties until the executive director receives written confirmation from the education commissioner that the candidate is properly certified as a superintendent or has received a certification waiver from the commissioner, as permitted by law.

Acting Superintendent. The bill allows an executive director to hire a candidate, who is not certified, as an acting superintendent for a one-year probationary period if the education commissioner approves. An acting superintendent assumes all duties of the superintendent and must successfully complete an SBE-approved school leadership program at a higher education institution in the state.

When the probationary period ends, the executive director can request that the commissioner grant a (1) certification waiver for the acting superintendent, as allowed under state law, or (2) one-time probationary period extension of no more than a year. To grant the extension, the commissioner must determine the executive director showed a significant need or hardship for it.

Administrative Policies. The bill requires the superintendent, in consultation with the executive director, to develop and revise, as necessary, administrative policies for the operation of the technical education and career schools and programs offered in the system. It

specifies these administrative policies must not be considered state regulations.

Under existing law, the superintendent is responsible for the operation and administration of the technical education and career schools and other CTECS education matters. The bill adds that the superintendent is also responsible for supervision of the schools and educational matters.

Evaluation. The executive director, in consultation with the board, must evaluate, at least annually, the superintendent's performance according to guidelines and criteria the executive director and the board set.

Master Schedule (§ 19)

The bill requires the superintendent, rather than the executive director as under current law, to establish a master schedule for CTECS. The executive director must ensure the superintendent does this.

CTECS Board (§ 20)

The bill gives the governor the authority to remove a CTECS board member for inefficiency, neglect of duty, or misconduct in office. Under current law, the board's appointed members serve at the pleasure of the governor (CGS § 4-1a). The bill also prohibits any CTECS employee from being a member of the board.

By law, the CTECS board consists of 11 members, seven appointed by the governor and confirmed by the General Assembly and four executive branch officials serving ex-officio. Among other things, it advises the superintendent and executive director on specified matters.

By law, the CTECS board must establish achievement goals for its students and use quantifiable measures for the performance of each technical high school. One required measure is student performance on state mastery exams, as defined in law, in grade 10 or 11. The bill changes this to performance on standardized academic assessments without the statutory reference, which could include standardized tests that are not part of the state mastery test law.

§§ 28-32 – CTECS AND THE TEACHERS RETIREMENT SYSTEM (TRS)

Makes conforming changes to maintain CTECS teachers and professional staff as members in TRS

Existing law allows CTECS teachers and other professional staff to choose between TRS or the State Employee Retirement System when they are hired. The bill makes several conforming changes to maintain membership in TRS for CTECS teachers and other professional staff. (TRS membership consists primarily of local board of education teachers and other professionals.)

Specifically, the bill adds CTECS to TRS’s list of employers and definition of public school (§§ 28 & 29). It similarly adds CTECS professional staff to TRS’s definition of teacher (working as a teacher with a state certification is considered professional) (§ 30).

BACKGROUND

Related Bill

HB 5283, favorably reported out by the Education Committee, contains similar changes to the ECS phase in.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference - APP
Yea 29 Nay 10 (03/25/2022)

Appropriations Committee

Joint Favorable Substitute
Yea 49 Nay 0 (04/07/2022)