

**CONNECTICUT STATE BOARD OF EDUCATION
Hartford**

TO: State Board of Education

FROM: Dr. Dianna R. Wentzell
Interim Commissioner of Education

DATE: March 4, 2015

SUBJECT: Governor Malloy's Proposed Budget for Fiscal Years 2015-16 and 2016-17

On Wednesday, February 18, 2015, Governor Malloy released his proposed budget for Fiscal Years 2015-16 and 2016-17. The proposed budget impacts the agency across a broad range of programs but preserves our staffing levels and the activities critical to the agency's mission. Attached for your information is a spreadsheet detailing the proposed budgetary changes by account. Below are highlights of some of the major proposed changes to the department's budget, including a chart of programs that are being recommended for elimination in the biennium.

Budget Highlights by Program Area

Personal Services – The proposed budget fully funds central office staffing levels in both years of the biennium. It includes funding for seven new positions that were added in the current fiscal year but not funded. The Connecticut Technical High School System's staffing levels are also fully funded and include an increase in position counts of 21 in Fiscal Year 2015-16 plus an additional 9 positions in Fiscal Year 2016-17.

Commissioner's Network – The Commissioner's Network account was reduced by \$4.7 million in Fiscal Year 2015-16 to \$12.8 million and was flat funded for the second year of the biennium. However, the Governor is proposing legislation that would allow new schools to apply for the network in any year and would increase the number of schools in a single district that could participate in the network from two to eight. This will give the department the flexibility to expand the program to additional schools within the funding available.

Common Core – In each year of the biennium, the budget continues the \$315,000 rescission taken this fiscal year as part of the deficit mitigation plan.

School-Based Diversion Initiative – The budget adds \$1 million in each year of the biennium to expand the school-based diversion program, which is designed to reduce rates of in-school arrests, expulsions, and out-of-school arrests, to include an additional three to four schools in six districts per year. This expansion is part of the Governor's "Second Chance Society Initiative."

Healthy Foods Initiative – The proposed budget eliminated funding for the Healthy Foods Initiative in each year of the biennium. Districts that opt to implement Healthy Food Certification, meaning they certify annually that the district will follow the Connecticut Nutrition Standards for all foods sold to students separately from reimbursable school meals, are eligible to receive an additional 10 cents per lunch, based on the total number of reimbursable lunches (paid, freed and reduced) served in the district in the prior school year. For school year 2014-15, 163 school districts and schools or 86 percent of those schools/districts eligible are participating in the program.

Special Master Account – Funding for the Special Master account is being reduced over the biennium to reflect Windham’s exit from special master oversight and New London’s progression towards exiting oversight.

Major Categorical Grants – The following grants have been flat funded at Fiscal Year 2015 levels: Vocational Agriculture; Transportation of School Children; Adult Education; Nonpublic Schools Health and Welfare Services; Education Cost Sharing Grant; Bilingual Education; Excess Cost – Student Based; and Nonpublic School Transportation. Within the Education Cost Sharing grant, funding for the Alliance District grants also remains flat at the Fiscal Year 2015 funding level.

Priority School Districts – The Extended School Day and Summer School portions of the Priority School District grant were eliminated. The Extended School Day grant was an entitlement grant to priority school districts that funded out-of-school programming including academic support, enrichment and recreational programming. Also an entitlement grant for priority school districts, the Summer School grant funds a summer reading program to children enrolled in Kindergarten to Grade 3 who are determined by their school to be substantially deficient in reading. The district must evaluate students in Grades 1 through 3 in October, January and May using an approved assessment. For each student who is determined to be substantially deficient in reading on the January or May assessment, the district must notify the student’s parent or guardian of the assessment results, and the school must develop a personal reading plan for the student.

Interdistrict Cooperative Grants – The Interdistrict Cooperative Grant program was reduced by \$4.6 million in each year of the biennium. The remaining funds are available for grants that assist the State in meeting the goals of the extended Stipulated Agreement in *Sheff v. O’Neill* only.

Youth Service Bureaus – The Governor’s budget eliminated the Youth Service Bureau Enhancement grant and transfers the Youth Service Bureau grant to the Department of Children and Families.

School Choice Programs

- Charter Schools – Funding has been provided for 9,411 seats in Fiscal Year 2015-16 and 10,023 seats in Fiscal Year 2016-17. This is an increase of 1,234 seats over school year 2014-15. Funds for operating Capital Prep Harbor School in Bridgeport and the Stamford Charter School for Excellence, which have been approved for operation beginning in school year 2015-16, have been included in each year of the biennium. In addition, \$2 million in funding is provided in Fiscal Year 2016-17 for a new charter program with enrollment of up to 181 students.
- Interdistrict Magnet Schools – Funding for the interdistrict magnet schools account was reduced by \$10 million in Fiscal Year 2015-16 and by \$16 million in Fiscal Year 2016-17 from the amount

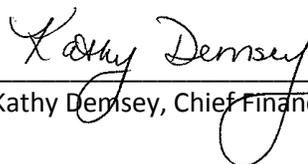
requested for current services. These reductions will be met by the continued implementation of enrollment caps that were put in place for the 2014-15 school year.

- Open Choice – The account was fully funded in expectation of additional students being placed in the Sheff region as part of the state’s compliance with the Stipulated Agreement in *Sheff v. O’Neill*.

Below is a listing of programs that have been proposed for elimination in the Governor’s biennial budget.

SUMMARY OF PROGRAMS ELIMINATED IN GOVERNOR’S PROPOSED BUDGET

Program	Requested FY 2015-16	Recommended FY 2015-16	Requested FY 2016 -17	Recommended FY 2015-16
Leadership, Education, Athletics in Partnership	\$726,750	\$0	\$726,750	\$0
CT Pre-Engineering Program	\$262,500	\$0	\$262,500	\$0
CT Writing Project	\$50,000	\$0	\$50,000	\$0
Neighborhood Youth Centers	\$1,271,386	\$0	\$1,271,386	\$0
Parents’ Trust Fund	\$500,000	\$0	\$500,000	\$0
Science for Ed Reform Districts	\$455,000	\$0	\$455,000	\$0
Wrap Around Services	\$450,000	\$0	\$450,000	\$0
Parent Universities	\$487,500	\$0	\$487,500	\$0
School Health Coordinator Pilot	\$190,000	\$0	\$190,000	\$0
Technical Assistance for Regional Cooperation	\$95,000	\$0	\$95,000	\$0
Bridges to Success	\$601,652	\$0	\$601,652	\$0
Alternative High School & Adult Reading	\$1,200,000	\$0	\$1,200,000	\$0
Youth Service Bureau Enhancement	\$620,300	\$0	\$620,300	\$0
Healthy Foods Initiative	\$4,806,300	\$0	\$4,806,300	\$0
School to Work Opportunities	\$213,750	\$0	\$213,750	\$0
PSD – Extended School Hours	\$2,994,751	\$0	\$2,994,751	\$0
PSD – Summer School	\$3,499,702	\$0	\$3,499,702	\$0

Prepared by 
 Kathy Demsey, Chief Financial Officer

**State Department of Education
Governor's Proposed Biennial Budget**

SID	Account	2014-15 Appropriation	2015-16 Requested	2015-16 Recommended	Difference Over 2014-15	Difference	2016-17 Requested	2016-17	Difference
						Over Requested 2015-26		Recommended	Over Requested 2016-17
10010	Personal Services	18,859,588	19,976,493	19,998,653	1,139,065	22,160	20,140,280	20,166,925	26,645
10020	Other Expenses	3,766,142	3,841,950	3,766,142	0	(75,808)	3,938,550	3,766,142	(172,408)
10050	Equipment	1	1	0	(1)	(1)	1	0	(1)
12171	Development of Mastery Exams	18,886,122	18,969,639	17,024,201	(1,861,921)	(1,945,438)	18,984,341	17,037,108	(1,947,233)
12198	Primary Mental Health	427,209	440,000	427,209	0	(12,791)	440,000	427,209	(12,791)
12211	LEAP	726,750	726,750	0	(726,750)	(726,750)	726,750	0	(726,750)
12216	Adult Education Action	240,687	240,687	240,687	0	0	240,687	240,687	0
12253	CT Pre-Engineering Program	262,500	262,500	0	(262,500)	(262,500)	262,500	0	(262,500)
12261	CT Writing Project	50,000	50,000	0	(50,000)	(50,000)	50,000	0	(50,000)
12290	Resource Equity Assessment	168,064	168,064	159,661	(8,403)	(8,403)	168,640	159,661	(8,979)
12318	Neighborhood Youth Centers	1,356,386	1,271,386	0	(1,356,386)	(1,271,386)	1,271,386	0	(1,271,386)
12405	Longitudinal Data Systems	1,263,197	1,296,057	1,206,490	(56,707)	(89,567)	1,331,720	1,208,477	(123,243)
12453	School Accountability	1,852,749	1,884,725	1,786,639	(66,110)	(98,086)	1,905,901	1,794,808	(111,093)
12457	Sheff Settlement	20,953,473	11,818,904	11,861,044	(9,092,429)	42,140	12,141,221	12,192,038	50,817
12506	Parents' Trust Fund	500,000	500,000	0	(500,000)	(500,000)	500,000	0	(500,000)
12519	CT Technical High Schools	156,741,661	165,376,986	166,779,468	10,037,807	1,402,482	169,326,602	170,902,813	1,576,211
12543	Science for Ed Reform Districts	455,000	455,000	0	(455,000)	(455,000)	455,000	0	(455,000)
12544	Wrap Around Services	450,000	450,000	0	(450,000)	(450,000)	450,000	0	(450,000)
12545	Parent Universities	487,500	487,500	0	(487,500)	(487,500)	487,500	0	(487,500)
12546	School Health Coord. Pilot	190,000	190,000	0	(190,000)	(190,000)	190,000	0	(190,000)
12457	Commissioner's Network	17,500,000	17,500,000	12,800,000	(4,700,000)	(4,700,000)	20,000,000	12,800,000	(7,200,000)
12548	Tech Assistance for Reg.Coop.	95,000	95,000	0	(95,000)	(95,000)	95,000	0	(95,000)
12549	New & Replicated Schools	900,000	339,000	339,000	(561,000)	0	420,000	420,000	0
12550	Bridges to Success	601,652	601,652	0	(601,652)	(601,652)	601,652	0	(601,652)
12551	K-3 Reading Assessment Pilot	3,199,941	3,199,941	2,619,944	(579,997)	(579,997)	3,199,941	2,619,944	(579,997)
12552	Talent Development	9,518,564	9,553,520	9,552,199	33,635	(1,321)	9,562,844	9,559,701	(3,143)
12566	Common Core	6,300,000	6,562,957	5,985,000	(315,000)	(577,957)	6,579,473	5,985,000	(594,473)
12567	Alt High School & Adult Reading	1,200,000	1,200,000	0	(1,200,000)	(1,200,000)	1,200,000	0	(1,200,000)
12568	Special Master	2,116,169	2,116,169	1,510,361	(605,808)	(605,808)	2,116,169	1,010,361	(1,105,808)
NEW	School Based Diversion	0	0	1,000,000	1,000,000	1,000,000	0	1,000,000	1,000,000
16021	American School for the Deaf	10,659,030	10,941,030	10,659,030	0	(282,000)	11,308,030	10,659,030	(649,000)
16062	Regional Education Services	1,166,026	1,166,026	1,107,725	(58,301)	(58,301)	1,166,026	1,107,725	(58,301)
16110	Family Resource Centers	8,051,914	8,051,914	8,051,914	0	0	8,051,914	8,051,914	0
16201	Youth Service Bureau Enhance	620,300	620,300	0	(620,300)	(620,300)	620,300	0	(620,300)
16211	Child Nutrition State Match	2,354,000	2,354,000	2,354,000	0	0	2,354,000	2,354,000	0
16212	Healthy Foods Initiative	4,806,300	4,806,300	0	(4,806,300)	(4,806,300)	4,806,300	0	(4,806,300)
17017	Vocational Agriculture	10,985,565	11,017,600	11,017,600	32,035	0	11,017,600	11,017,600	0
17027	Transportation of School Children	24,884,748	91,000,000	24,884,748	0	(66,115,252)	91,000,000	24,884,748	(66,115,252)

**State Department of Education
Governor's Proposed Biennial Budget**

SID	Account	2014-15 Appropriation	2015-16 Requested	2015-16 Recommended	Difference Over 2014-15	Difference	2016-17 Requested	2016-17	Difference
						Over Requested 2015-26		Recommended	Over Requested 2016-17
17030	Adult Education	21,045,036	23,400,000	20,635,200	(409,836)	(2,764,800)	23,700,000	20,637,392	(3,062,608)
17034	Health & Welfare Services	4,297,500	6,300,000	4,297,500	0	(2,002,500)	6,400,000	4,297,500	(2,102,500)
17041	Education Equalization Grants	2,130,644,892	2,154,752,614	2,142,371,422	11,726,530	(12,381,192)	2,167,319,614	2,151,603,422	(15,716,192)
17042	Bilingual Education	1,916,130	1,916,130	1,916,130	0	0	1,916,130	1,916,130	0
17043	Priority School Districts	47,197,022	47,197,022	40,702,571	(6,494,451)	(6,494,451)	47,197,022	40,702,571	(6,494,451)
17044	Young Parents Program	229,330	229,330	229,330	0	0	229,330	229,330	0
17045	Interdistrict Coop Grants	9,242,379	9,242,379	4,576,590	(4,665,789)	(4,665,789)	9,242,379	4,576,644	(4,665,735)
17046	School Breakfast	2,379,962	2,379,962	2,379,962	0	0	2,379,962	2,379,962	0
17047	Excess Cost - Student Based	139,805,731	191,000,000	139,805,731	0	(51,194,269)	199,000,000	139,805,731	(59,194,269)
17049	Non-public School Transportation	3,595,500	4,800,000	3,595,500	0	(1,204,500)	4,900,000	3,595,500	(1,304,500)
17050	School to Work Opp.	213,750	213,750	0	(213,750)	(213,750)	213,750	0	(213,750)
17052	Youth Service Bureaus	2,989,268	2,989,268	0	(2,989,268)	(2,989,268)	2,989,268	0	(2,989,268)
17053	Open Choice Program	38,116,736	38,796,250	38,796,250	679,514	0	43,714,700	43,714,700	0
17057	Magnet Schools	293,750,025	339,604,896	329,604,896	35,854,871	(10,000,000)	343,035,401	327,035,401	(16,000,000)
17084	After School Program	5,393,286	5,393,286	5,063,286	(330,000)	(330,000)	5,393,286	5,063,286	(330,000)
19001	Non-functional Change to Accruals	1,079,910	1,079,910	0	(1,079,910)	(1,079,910)	1,079,910	0	(1,079,910)
	TOTAL	3,034,492,695	3,228,826,848	3,049,106,083	14,613,388	(179,720,765)	3,265,821,080	3,064,923,460	(200,897,620)