

VIII.A.

CONNECTICUT STATE BOARD OF EDUCATION Hartford

TO BE PROPOSED:

September 5, 2018

RESOLVED, That the State Board of Education approves the Current Services Budget Request for Fiscal Years 2019-20 and 2020-21, and directs the Commissioner to take the necessary action.

Approved by a vote of _____ this fifth day of September, Two Thousand Eighteen.

Signed: _____
Dianna R. Wentzell, Secretary

**CONNECTICUT STATE BOARD OF EDUCATION
Hartford**

TO: State Board of Education
FROM: Dianna R. Wentzell, Commissioner of Education
DATE: September 5, 2018
SUBJECT: Current Services Budget Request Process for the FY2020/FY2021 Biennium

In accordance with Section 4-77 of the Connecticut General Statutes, agencies must submit a current services budget request to the Office of Policy and Management (OPM) that provides estimates of expenditures for each fiscal year of the next biennium. Specifically, a current services or baseline budget request is the amount required in order to provide in the succeeding fiscal years the same level of services as in the current fiscal year plus any scheduled or required changes, including enrollment growth in applicable grant and operating areas and incorporating new or expanded statutory requirements.

Pursuant to Secretary Barnes' letter of August 1, 2018, estimated expenditures may be modified in the following instances: for inflation if required by existing statute; rate changes required under existing statute; caseload or utilization based expenditures; annualization of costs associated with any new or expanded programs funded during FY2019 or scheduled statutorily to commence in the biennium; decreases for programs expiring during FY2019; and costs associated with the operation of new buildings. Municipal aid should be funded at the statutory level for formula-based aid.

Based on the above, below is a summary of the growth in the Department's current services request:

2018-19 Estimated Expenditures	2019-20 Request	2019-20 Percent Change	2020-21 Request	2020-21 Percent Change
\$2,961,685,292	\$3,102,661,470	4.8%	\$3,159,831,442	1.8%

Highlighted below are the major budgetary considerations that agency staff and I believe fall under the description of a current services request for our operating and grant budgets.

CSDE Central Office Operations

- Personal Services - The increase of \$1.1 million in FY 2020 and \$800,000 in FY 2021 reflect the wage increases associated with the various labor contracts that were settled in 2017. In addition, the settled contract for the P3-A bargaining unit (Education Administrators & Professionals) included a provision for creating a voluntary list of employees who are interested in increasing their work week from 35 to 40 hours. However, funding to implement this provision was not included in the current budget. In the CSDE central office 35 general funded P3-A members volunteered to increase their work week to 40 hours a cost of approximately \$570,000.

Connecticut Technical Education and Career System (CTECS)

- Personal Services – The increase of \$6.8 million in FY 2020 and \$5.2 million in FY 2021 is comprised of three major adjustments. Similar to CSDE central office the increase includes the wage increases associated with the various labor contracts settled in 2017. CTECS also has 11 P3-A bargaining unit members who volunteered to increase their work week from 35 to 40 hours at a cost of approximately \$186,000. Finally, beginning in Fiscal Year 2021 CTECS will become a stand-alone agency independent of the State Department of Education. To accomplish this transition the Superintendent will need to consolidate some operational functions currently housed in the schools to central office and hire additional staff. The current services budget request provides for the hiring of 27 additional staff in the areas of human resources, fiscal, legal, Affirmative Action and facilities management at a cost of \$1.9 million.

CSDE Entitlement Grant Programs

- The Adult Education state grant provides access to educational programs that: assist adults to obtain the knowledge and skills necessary for employment, self-sufficiency and citizenship; assist adults in the completion of a secondary school education; and assists adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children. This grant was capped at the appropriation level during the current biennium. We are requesting an additional \$1.9 million in FY 2020 and an additional \$184,950 in FY 2021 to fully fund the grant at the statutory formula level.
- The Health and Welfare Services grant for students attending private schools is currently capped at the appropriation level. These funds are used to provide a school physician, school nurse and/or dental hygienist to private schools in Connecticut that enroll the majority of their students from Connecticut. To fully fund the grant at the statutory formula level we are requesting an additional \$3.5 million in FY 2020 and an additional \$144,000 in FY 2021.
- The Education Cost Sharing (ECS) grant was calculated in accordance with current law using the most current student enrollment data available. Over the biennium the grant will rise by \$70 million.
- The Excess Cost – Student Based grant funds a portion of extraordinary special education costs associated with educating students placed by their district in a special education program; a percentage of the costs associated with students placed by a state agency; and 100% of the cost of students without a nexus or who reside on state property. This grant was capped at the appropriation level during the current biennium. We are requesting funding at the statutory formula level, which will increase the grant by \$62.3 million in FY 2020 and an additional \$6.3 million in FY 2021.

CSDE School Choice Program Grants

- Based on recent history we are anticipating enrollment growth of 1.2% annually in the Agricultural Science and Technology Education (ASTE) grant program, including the opening of the new ASTE program in Regional School District 12. To accommodate enrollment growth and funding at the legislated per student grant of \$4,200 additional funds of \$1.2 million will be needed in FY 2020 and another \$172,200 will be needed in FY 2021.
- Local and State Charter School programs are projecting enrollment growth in both years of the biennium. Our one local charter school in New Haven will grow by 20 students each year bringing the enrollment total to 220 in FY 2021. An additional \$60,000 in each year will be needed to accommodate the growth. Projected enrollment in state charter schools is

expected to grow to 10,884 students an increase of 527 students in FY 2020 and by an additional 512 students to 11,396 students in the following fiscal year. This growth is attributable to a combination of new grades, moving into new building space, and fully utilizing current space. An additional \$5.9 million will be needed in FY 2020 and another \$5.7 million will be needed in FY 2021 to accommodate the enrollment growth.

- Enrollment in the Open Choice program statewide is projected to be 3,352 students in school year 2019-20 and 3,477 students in school year 2020-21. To fund the increased operating and transportation costs \$1.6 million in additional funding will be needed in FY 2020 and \$1.5 million in FY 2021.
- Magnet School enrollment is expected to increase from an estimated capped enrollment of 40,356 students this school year to 40,730 and 41,104 students in 2019-20 and 2020-21, respectively. Additional grade growth is occurring in New London and Stamford over the biennium. The account will need an additional \$18.5 million in operating, pre-k, transportation and supplemental transportation funds in FY 2020 and an increase of \$2 million in FY 2021. The large increase in FY 2020 is driven by the need for an estimated \$22 million in supplemental transportation funds for the *Sheff* regional transportation system. These funds are not currently budgeted in our fiscal year 2019 base.

Prepared by Kathy Demsey
Chief Financial Officer
Office of Finance and Internal Operations

**Connecticut State Department of Education
Current Services Biennial Budget Request**

SID	Account	FY 2018	FY 2019	FY 2019-20	Increase	FY 2020-21	Increase
		Actual	Appropriated	Requested		Requested	
10010	Personal Services	15,032,035	15,811,046	16,922,960	1,111,914	17,729,760	806,800
10020	Other Expenses	3,814,546	3,098,843	3,098,843	0	3,098,843	0
12171	Development of Mastery Exams Grades 4, 6, and 8	10,392,714	10,410,723	10,498,858	88,135	10,539,089	40,231
12198	Primary Mental Health	345,282	345,288	345,288	0	345,288	0
12211	Leadership, Education, Athletics in Partnership (LEAP)	312,211	312,211	312,211	0	312,211	0
12216	Adult Education Action	181,534	194,534	194,534	0	194,534	0
12261	Connecticut Writing Project	20,250	20,250	20,250	0	20,250	0
12318	Neighborhood Youth Centers	438,866	438,866	438,866	0	438,866	0
12405	Longitudinal Data Systems	1,081,581	1,091,650	1,095,806	4,156	1,100,273	4,467
12457	Sheff Settlement	11,022,195	11,027,361	11,083,765	56,404	11,109,614	25,849
12506	Parent Trust Fund Program	267,193	267,193	267,193	0	267,193	0
12519	Regional Vocational-Technical School System	124,711,221	130,188,101	137,072,380	6,884,279	142,301,417	5,229,037
12547	Commissioner's Network	7,726,016	10,009,398	10,009,398	0	10,009,398	0
12549	Local Charter Schools	465,000	540,000	600,000	60,000	660,000	60,000
12550	Bridges to Success	27,000	27,000	27,000	0	27,000	0
12551	K-3 Reading Assessment Pilot	2,104,650	2,215,782	2,215,782	0	2,215,782	0
12552	Talent Development	495,231	2,150,000	2,199,430	49,430	2,219,868	20,438
12587	School-Based Diversion Initiative	465,124	900,000	900,000	0	900,000	0
12602	Technical High Schools Other Expenses	21,978,227	22,668,577	22,668,577	0	22,668,577	0
16021	American School For The Deaf	7,432,514	7,857,514	10,315,000	2,457,486	10,847,000	532,000
16062	Regional Education Services	0	262,500	262,500	0	262,500	0
16110	Family Resource Centers	5,790,000	5,802,710	5,802,710	0	5,802,710	0
16119	Charter Schools	108,526,000	116,964,132	122,445,000	5,480,868	128,205,000	5,760,000
16201	Youth Service Bureau Enhancement	583,973	583,973	588,973	5,000	588,973	0
16211	Child Nutrition State Match	2,354,000	2,354,000	2,354,000	0	2,354,000	0
16212	Health Foods Initiative	4,101,463	4,151,463	4,151,463	0	4,151,463	0
17017	Vocational Agriculture	9,972,874	13,759,589	14,952,000	1,192,411	15,124,200	172,200
17030	Adult Education	18,883,142	20,383,960	22,358,179	1,974,219	22,543,129	184,950
17034	Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415	6,921,000	3,482,585	7,065,000	144,000
17041	Education Equalization Grants	1,927,170,841	2,016,728,682	2,052,500,000	35,771,318	2,086,900,000	34,400,000
17042	Bilingual Education	1,902,302	3,177,112	3,177,112	0	3,177,112	0
17043	Priority School Districts	37,097,535	37,150,868	37,150,868	0	37,150,868	0
17044	Young Parents Program	71,657	71,657	71,657	0	71,657	0
17045	Interdistrict Cooperation	1,537,499	1,537,500	1,537,500	0	1,537,500	0
17046	School Breakfast Program	2,156,006	2,158,900	2,158,900	0	2,158,900	0
17047	Excess Cost - Student Based	138,979,288	140,619,782	202,910,000	62,290,218	209,200,000	6,290,000
17052	Youth Service Bureaus	2,482,854	2,598,486	2,612,772	14,286	2,612,772	0
17053	Open Choice Program	36,108,943	39,138,373	40,700,000	1,561,627	42,200,000	1,500,000
17057	Magnet Schools	310,226,448	326,508,158	345,000,000	18,491,842	347,000,000	2,000,000
17084	After School Program	4,418,571	4,720,695	4,720,695	0	4,720,695	0
Total		2,824,115,201	2,961,685,292	3,102,661,470	140,976,178	3,159,831,442	57,169,972