

VIII.A.

CONNECTICUT STATE BOARD OF EDUCATION Hartford

TO BE PROPOSED:

September 7, 2016

RESOLVED, That the State Board of Education approves the Current Services Budget Request for Fiscal Years 2017-18 and 2018-19, and directs the Commissioner to take the necessary action.

Approved by a vote of _____ this seventh day of September, Two Thousand Sixteen.

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 7, 2016

SUBJECT: Current Services Budget Request Process for the FY2018/FY2019 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 5, 2016 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 FY2017 or scheduled statutorily to commence in the biennium; decreases for programs expiring during FY2017; 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:

2016-17 Estimated Expenditures	2017-18 Request	2017-18 Percent Change	2018-19 Request	2018-19 Percent Change
\$3,001,600,420	\$3,119,416,330	3.9%	\$3,145,304,503	0.8%

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. These items have been organized for your review under the strategic priority areas outlined in the Connecticut State Board of Education's (CSDE) Five-year Comprehensive Plan, 2016-21.

❖ **High Expectations for Every Student -**

"High expectations for all means that every student is expected to meet high standards and is supported by a system that believes in his or her ability to master challenging academic curriculum."

- 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. The statute that caps the grant expires June 30, 2017. Therefore, we are requesting funding at the statutorily required level, which will increase the grant by \$55.8 million in fiscal year 2017 and an additional \$5.9 million in fiscal year 2018.

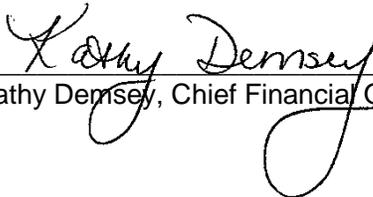
- The Adult Education state grant provides access to educational programs that: assist adults to obtain the knowledge and skills necessary for employment, self-sufficiency and citizenship; assist adults in the completion of a secondary school education; and assists adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children. Similar to the Excess Cost – Student Based grant this grant was capped at the appropriation level during the current biennium. The statute that caps the grant expires June 30, 2017 and we are requesting an additional \$2.75 million in fiscal year 2017 and an additional \$272,832 in fiscal year 2018 to fully fund the grant at the statutory formula level.
- I am also requesting that our school meal programs be funded at the federal and state statutorily required levels for the upcoming biennium. This request includes increases in the following programs: our federal Child Nutrition State Match - \$152,610 in fiscal year 2018; the Healthy Foods Initiative - \$514,633 in fiscal year 2018 and an additional \$50,000 in fiscal year 2019; and the School Breakfast Program – \$855,907 in fiscal year 2018. The additional funds requested for the Child Nutrition State Match account are necessary to meet the required federal match level. Estimates for the Healthy Foods Initiative are based on anticipated participation and meal counts over the biennium, as this grant is not capped at the appropriation level. Finally, the School Breakfast grant entitles districts that serve 20% or more of their breakfasts as free or reduced are eligible for a school breakfast grant, which includes a basic grant of \$3,000 per school and a per meal grant of up to \$.10. The current appropriation level will limit payment this year to only the basic grant with no per meal grant being available. Continued growth though leveling off will reduce even the basic grant amount per school. This request would fund 800 schools in fiscal years 2018 and 2019 at the \$3,000 basic grant amount plus approximately three and a half cents per meal. Connecticut is currently ranked 47th out states that participate in both the USDA National School Lunch Program and the School Breakfast Program.

❖ **Great Schools –**

“Great schools are safe, diverse, welcoming environments where students thrive and receive exceptional teaching and learning.”

- The Connecticut Technical High School System is seeking an additional \$293,445 in fiscal year 2017 and an additional \$49,738 in fiscal year 2018. These funds would support 5 additional teachers for J.M. Wright Technical High School as it enters its fourth year of operation and annualizes the cost of new positions in the fiscal year 2017 budget that were only funded for a partial year.
- The Health and Welfare Services grant for students attending private schools is currently capped at the appropriation level. That cap will end on June 30, 2017, which will necessitate adding \$3.1 million in fiscal year 2018 and \$132,459 in fiscal year 2019 to fund the grant at the statutory formula 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.
- Additional funds are also requested as follows for our school choice grant programs to accommodate growing enrollment.
 - Based on recent history we are anticipating enrollment growth of 4% annually in the Vocational Agriculture grant program. Additional funds of \$237,263 will be needed in fiscal year 2018 and another \$432,100 will be needed in fiscal year 2019.

- 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 to 178 students in school year 2018 and 210 students in school year 2019. An additional \$145,985 will be needed in year one and an additional \$241,985 will be needed the following year to accommodate the new grades. Projected enrollment in state charter schools is expected to be 10,270 students in school year 2018 and grow to 10,918 students in school year 2019. This growth is attributable to a combination of new grades, moving into new building space, and fully utilizing current space. An additional \$2.1 million will be needed in fiscal year 2018 and another \$7.1 million will be needed in fiscal year 2019 to accommodate the enrollment growth.
- Enrollment in the Open Choice program statewide is projected to be 3,440 students in school year 2017-18 and 3,650 students in school year 2018-19. To fund the increased operating and transportation costs \$1.8 million in additional funding will be needed in fiscal year 2018 and \$2.5 million in fiscal year 2019.
- Magnet School enrollment is expected to increase from an estimated capped enrollment of 38,897 students this school year to 43,133 and 43,930 students in 2017-18 and 2018-19, respectively. Additional schools and grade growth are occurring in Hartford, New London and Stamford over the biennium. The account will need an additional \$48 million in operating, pre-k, transportation and supplemental transportation funds in fiscal year 2018 and an increase of \$9 million in fiscal year 2019. The large increase in fiscal year 2018 is driven by the need for an estimated \$21 million in supplemental transportation funds for the Sheff regional transportation system. These funds are not currently budgeted in our fiscal year 2017 base.

Prepared by 
Kathy Demsey, Chief Financial Officer

**CONNECTICUT STATE DEPARTMENT OF EDUCATION
FY 2017-18 AND FY 2018-19 BIENNIAL BUDGET REQUEST**

CSDE Strategic Priority Areas/Related Program	FY 2017 APPROPRIATION	FY 2018 REQUEST	CHANGE FROM FY 2017	FY 2019 REQUEST	CHANGE FROM FY 2018
<i>Central Office Operations:</i>					
Personal Services	18,965,022	18,965,022	0	18,965,022	0
Other Expenses	3,624,378	3,624,378	0	3,624,378	0
<i>High Expectations for Every Student:</i>					
Bilingual Education	3,164,800	3,164,800	0	3,164,800	0
Excess Cost - Student Based	135,555,731	191,348,832	55,793,101	197,242,376	5,893,544
K-3 Reading Assessment Pilot	2,646,200	2,646,200	0	2,646,200	0
Common Core	4,126,767	4,126,767	0	4,126,767	0
Development of Mastery Exams Grades 4, 6, and 8	13,343,315	13,343,315	0	13,343,315	0
Longitudinal Data Systems	1,347,717	1,347,717	0	1,347,717	0
Adult Education	20,383,960	23,136,074	2,752,114	23,408,906	272,832
Primary Mental Health	395,518	395,518	0	395,518	0
Leadership, Education, Athletics in Partnership (LEAP)	625,045	625,045	0	625,045	0
Adult Education Action	222,834	222,834	0	222,834	0
Connecticut Pre-Engineering Program	225,758	225,758	0	225,758	0
Connecticut Writing Project	63,360	63,360	0	63,360	0
Resource Equity Assessments	149,310	149,310	0	149,310	0
Neighborhood Youth Centers	1,048,664	1,048,664	0	1,048,664	0
Parent Trust Fund Program	439,823	439,823	0	439,823	0
Bridges to Success	188,500	188,500	0	188,500	0
Alternative High School and Adult Reading Incentive Program	188,500	188,500	0	188,500	0
School-Based Diversion Initiative	942,500	942,500	0	942,500	0
Family Resource Centers	7,894,843	7,894,843	0	7,894,843	0
Youth Service Bureau Enhancement	668,927	668,927	0	668,927	0
Child Nutrition State Match	2,201,390	2,354,000	152,610	2,354,000	0
Health Foods Initiative	3,985,367	4,500,000	514,633	4,550,000	50,000
Young Parents Program	212,318	212,318	0	212,318	0
School Breakfast Program	2,225,669	3,081,576	855,907	3,081,576	0
Youth Service Bureaus	2,651,516	2,651,516	0	2,651,516	0
After School Program	4,866,695	4,866,695	0	4,866,695	0
<i>Great Teachers and Leaders:</i>					

CSDE Strategic Priority Areas/Related Program	FY 2017 APPROPRIATION	FY 2018 REQUEST	CHANGE FROM FY 2017	FY 2019 REQUEST	CHANGE FROM FY 2018
Talent Development	6,095,115	6,095,115	0	6,095,115	0
Regional Education Services	606,172	606,172	0	606,172	0
Great Schools:					
Regional Vocational-Technical School System	163,367,535	163,660,980	293,445	163,710,718	49,738
Commissioner's Network	12,121,553	12,121,553	0	12,121,553	0
New or Replicated Schools	388,015	534,000	145,985	630,000	96,000
Sheff Settlement	11,368,413	11,368,413	0	11,368,413	0
CommPACT Schools	350,000	350,000	0	350,000	0
Charter Schools	110,835,808	112,970,000	2,134,192	120,098,000	7,128,000
American School For The Deaf	9,543,829	12,488,000	2,944,171	12,835,000	347,000
Vocational Agriculture	10,544,937	10,782,200	237,263	11,214,300	432,100
Health and Welfare Services Pupils Private Schools	3,526,579	6,622,945	3,096,366	6,755,404	132,459
Education Equalization Grants	2,037,587,098	2,037,587,098	0	2,037,587,098	0
Priority School Districts	42,337,171	42,337,171	0	42,337,171	0
Open Choice Program	40,258,605	42,116,500	1,857,895	44,603,000	2,486,500
Magnet Schools	313,058,158	361,000,000	47,941,842	370,000,000	9,000,000
Interdistrict Cooperation	6,353,391	6,353,391	0	6,353,391	0
Special Master	903,614	0	(903,614)	0	0
TOTAL	3,001,600,420	3,119,416,330	117,815,910	3,145,304,503	25,888,173