



Commissioner’s Back-to-School Meeting

Connecticut State Department of Education | August 19, 2015

Minimum Budget Requirement (MBR)—Updates Pursuant to Public Act 15-99

Public Act 15-99 makes several significant modifications to the MBR calculation for fiscal years 2015-16 and 2016-17. These modifications allow **non-Alliance districts** to reduce their budgeted appropriation under the following scenarios: a reduction in enrollment; savings arising from increased district efficiencies and/or regional collaboration; and closing of a school. **Districts in the top 10 percent** of school districts based on the Accountability Index, as defined in Section 10-262u of the Connecticut General Statutes (C.G.S.), as amended, are exempt from the MBR for the next two years. In addition, the legislation eliminates for **Alliance districts** the provision requiring a minimum local funding percentage, which would have been 23 percent for the 2015-16 fiscal year and 24 percent for the 2016-17 fiscal year. Please find below the updated MBR calculation for Alliance and non-Alliance Districts, along with definitions of how the various deductions will be calculated.

Calculating the Minimum Budget Requirement

Non-Alliance Districts:

$$\begin{matrix} \text{Previous} \\ \text{Year's} \\ \text{Education} \\ \text{Appropriation} \end{matrix} + \begin{matrix} \text{Any} \\ \text{ECS} \\ \text{Increase} \end{matrix} - \begin{matrix} \text{Resident} \\ \text{Student} \\ \text{Deduction} \end{matrix} - \begin{matrix} \text{Designated} \\ \text{High School} \\ \text{Deduction} \end{matrix} - \begin{matrix} \text{New and} \\ \text{Documentable} \\ \text{Savings} \\ \text{Deduction} \end{matrix} - \begin{matrix} \text{Closed} \\ \text{School} \\ \text{Deduction} \end{matrix} = \begin{matrix} \text{Minimum} \\ \text{Budget} \\ \text{Requirement} \end{matrix}$$

NOTE: Districts in the top 10 percent of school districts based on the Accountability Index are exempt from the MBR for fiscal year 2015-16 and fiscal year 2016-17.

Previous Year’s Education Appropriation is the higher of the previous year’s appropriation for education or the previous year’s MBR.

ECS Increase is any increase in the Education Cost Sharing grant for the current year over the previous year’s grant.

Resident Student Deduction

Resident Students Eligible for Free and Reduced Price Lunches	Reduction for Decrease in Resident Student Count	Cap on Reduction*
Greater than or equal to 20 percent	Resident Student Decrease x Net Current Expenditures per Resident Student x 50 percent	Reduction is capped at 1.5 percent of the district’s budgeted appropriation for the 2015-16 fiscal year.
Less than 20 percent	Resident Student Decrease x Net Current Expenditures per Resident Student x 50 percent	Reduction is capped at 3.0 percent of the district’s budgeted appropriation for the 2015-16 fiscal year.

*The Commissioner may permit a reduction in excess of the capped amounts following a review of the proposed reduction and approval by the local board of education.

Designated High School Deduction equals the decrease in students attending a designated high school x the tuition rate charged for districts that do not maintain a high school and pay tuition to another school district pursuant to C.G.S. Section 10-33, for resident students to attend high school in another district. This does not apply to districts that are members of a regional school district.

The State of Connecticut Department of Education is an affirmative action/equal opportunity employer.



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New and Documentable Savings Reduction equals 50 percent of savings realized through increased efficiencies or through regional collaboration or cooperative arrangements. Reduction is capped at .5 percent of a district's budgeted appropriation for the fiscal year ending June 30, 2015. These savings must be approved by the Commissioner of Education.

Closed School Deduction is an amount determined by the Commissioner of Education if the school district in such town has permanently ceased operation and closed one or more schools in the district due to declining enrollment.

Alliance Districts:

For districts that are designated as an Alliance District, their Minimum Budget Requirement equals their previous year's education appropriation. All increases to the Education Cost Sharing grant go directly to the board of education conditioned upon district submission and the Commissioner of Education's approval of a plan, district progress and performance relative to that plan, and subsequent annual amendments, in the context of the district's overall strategy to improve academic achievement.

Glossary of Minimum Budget Requirement Terms

Alliance District - a school district that is in a town that is among the towns with the lowest accountability indices (currently there are 30).

Resident Students - The number of pupils of the town enrolled in public schools at the expense of the town on October first or the full school day immediately preceding such date. This count is increased by one one-hundred-eightieth for each full-time equivalent school day in excess of 180 days and 900 hours of actual school work. It is also increased by the full-time equivalent number of such pupils attending the summer sessions. Pupils participating in the Open Choice program are counted as one-half for the sending district and one-half for the receiving district. Prekindergarten students are counted on a Full-Time Equivalency (FTE) basis. These counts do not include students participating in a School Readiness program.

Resident Student Population - The number of pupils of the town enrolled in public schools at the expense of the town on October first or the full school day immediately preceding such date. There is no adjustment for towns that exceed 180 days and 900 hours of actual school work or participate in a Free Summer School program. The prekindergarten students are not adjusted on an FTE basis.

Students Eligible for Free or Reduced Price Meals or Free Milk - The number of pupils of the town enrolled in public schools at the expense of the town on October first or the full school day immediately preceding such date, in families that meet the income eligibility guidelines established by the federal Department of Agriculture for free or reduced price meals or free milk under the National School Lunch Program, established pursuant to P.L. 79-396.

Net Current Expenditures (NCE) - Total current educational expenditures, less expenditures for (A) pupil transportation; (B) capital expenditures for land, buildings, equipment otherwise supported by a state grant pursuant to Chapter 173 and debt service; (C) adult education; (D) health and welfare services for nonpublic school children; (E) all tuition received on account of nonresident pupils; (F) food services directly attributable to state and federal aid for child nutrition and to receipts derived from the operation of such services; and (G) student activities directly attributable to receipts derived from the operation of such services.

Net Current Expenditures per Resident Student – Net current expenditures divided by resident students.

Accountability (formerly District Performance) Index - The sum of the district subject performance indices for mathematics, reading, writing and science, which are based on mastery test data.