



Commissioner’s Back-to-School Meeting

Connecticut State Department of Education | August 22, 2016

Minimum Budget Requirement (MBR)

Updates Pursuant to Public Act 15-99 and Public Act 16-3 May Special Session (MSS)

Public Act 15-99 and Public Act 16-3 MSS make 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; closing of a school; and a decrease in Education Cost Sharing (ECS) aid. **Districts in the top 10 percent** of school districts based on the Accountability Index, as defined in Section 10-223e of the Connecticut General Statutes (C.G.S.), as amended, are exempt from the MBR. Please find below the updated MBR calculation for non-Alliance and Alliance Districts, along with definitions of how the various deductions will be calculated.

Calculating the Minimum Budget Requirement

Non-Alliance Districts:

Previous Year's Education Appropriation	+ or -	Any ECS Increase or Decrease	-	Resident Student Deduction	-	Designated High School Deduction	-	New and Documentable Savings Deduction	-	Closed School Deduction	=	Minimum Budget Requirement
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Previous Year’s Education Appropriation is the higher of the previous year’s appropriation for education or the previous year’s MBR.

ECS Increase or Decrease is any increase or decrease 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 × Net Current Expenditures per Resident Student × 50 percent	Reduction is capped at 1.5 percent of the district’s budgeted appropriation for the 2016-17 fiscal year.
Less than 20 percent	Resident Student Decrease × Net Current Expenditures per Resident Student × 50 percent	Reduction is capped at 3 percent of the district’s budgeted appropriation for the 2016-17 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.



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Designated High School Deduction equals the decrease in students attending a designated high school multiplied by 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.

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 1.5 percent of a district's budgeted appropriation for the fiscal year ending June 30, 2015. The Commissioner of Education must approve these savings.

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.

MBR Exempt Districts are districts eligible for MBR exemption if they are in the top 10 percent of the Accountability Index and do not have an outlier achievement gap in any subject area and do not have an outlier graduation gap with regard to the six-year graduation rate and meet the 95 percent participation rate standard for All Students and High Needs subgroup in all subject areas.

Alliance Districts:

For Alliance Districts, the 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. If there is a decrease to the Education Cost Sharing grant, then the decrease will come from the board of education allocation.