

IX.A.

Connecticut State Board of Education Hartford

To Be Proposed:

April 5, 2023

Resolved, That the State Board of Education approves the request for Finance Advisory Committee action to transfer funds from the Charter School account to the Adult Education and Excess Cost-Student Based accounts, and directs the Commissioner to take the necessary action.

Approved by a vote of _____ this fifth day of April, Two Thousand Twenty-Three.

Signed: _____

Charlene M. Russell-Tucker, Secretary
State Board of Education

**Connecticut State Board of Education
Hartford**

To: State Board of Education
From: Charlene M. Russell-Tucker, Commissioner of Education
Date: April 5, 2023
Subject: Request for Finance Advisory Committee (FAC) Action

When an agency needs to transfer funds between state accounts over a certain dollar threshold, it must make a request to the Office of Policy and Management that the transfer be considered by the FAC.

The Department is requesting the following FAC action:

Transfer of funds from the Charter School (SID 16119) account	\$403,000
Transfer of funds to:	
Adult Education (SID 17030) account	\$343,000
Excess Cost – Student Based (SID 17047) account	\$60,000

The Adult Education account is an uncapped entitlement account, meaning we do not have statutory authority to reduce the entitlements to remain within the appropriation. Therefore, we must transfer sufficient funds into the account to cover the shortfall. The grant reimburses districts for a percentage of current year costs for adult education programs. Actual costs came in higher than the appropriation.

The transfer of funds to the Excess Cost – Student Based account is necessary because of a timing issue. This grant pays for current year special education costs in excess of 4.5x a district's Net Current Expenditures per pupil. Districts are paid based on two data filings. The first payment is made based on a December estimate of expected costs for the current fiscal year. The second payment is made based on an updated expenditure filing in March. Based on the original estimates, districts may have received more funding in the first payment than they are entitled to. While awaiting refunds from those districts, the final payment in full must be made. To do this we must move a small amount of additional funding to cover the time lag in recovering districts' refunds.

Funding is available in the Charter School account because actual enrollment across the schools was lower than budgeted for. Overall enrollment was down 436 students from the original projections. Therefore, we are requesting to repurpose a portion of these funds to cover additional financial needs in the Adult Education and Excess Cost – Student Based accounts.

Presented by: Kathy Demsey
Chief Financial Officer