

**VI.J.**

**CONNECTICUT STATE BOARD OF EDUCATION  
Hartford**

**TO BE PROPOSED:**

May 6, 2015

RESOLVED, That the State Board of Education approves the request for Finance Advisory Committee (FAC) action to transfer an estimated \$12,877,000 between various accounts, and directs the Commissioner to take the necessary action.

Approved by a vote of \_\_\_\_\_ this sixth day of May, Two Thousand Fifteen.

Signed: \_\_\_\_\_  
Dianna R. Wentzell, Secretary

**CONNECTICUT STATE BOARD OF EDUCATION**  
**Hartford**

**TO:** State Board of Education

**FROM:** Dr. Dianna R. Wentzell  
Commissioner Designate

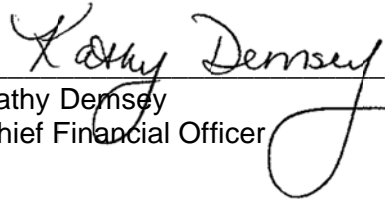
**DATE:** May 6, 2015

**SUBJECT:** Request for Finance Advisory Committee 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 Finance Advisory Committee (FAC).

For consideration at the FAC meeting scheduled for June 4, 2015, the Department is requesting a transfer of an estimated \$12,877,000 as noted on the following page. Because grant balances are still fluctuating, please be aware that the final FAC transfer request may vary slightly.

Prepared by \_\_\_\_\_

  
Kathy Demsey  
Chief Financial Officer

## CONNECTICUT STATE DEPARTMENT OF EDUCATION

### Finance Advisory Committee (FAC) Request

The Department of Education requests Finance Advisory Committee action on June 4, 2015, to transfer a total of \$12,877,000 from various accounts to the Excess Cost-Student Based and Magnet School accounts.

#### **Transfer of funds is requested from the following accounts:**

Commissioner's Network - \$3,000,000 – The Commissioner's Network increased by five schools this year bringing the total to 16. Given the intensive nature of this work, the Department did not have the capacity to take on more schools and provide the level of intervention needed.

New or Replicated Schools - \$663,000 - This account funds local charter school students. There is currently only one local charter school in operation in New Haven, and it opened this school year. Funds were more than sufficient to meet the needs of this school.

Health Foods Initiative - \$500,000 - Though there were 18 new districts and schools for fiscal year 2015, program growth is not expected to fully exhaust the funding in the account.

Education Equalization – Education Cost Sharing (ECS)/Charter Schools - \$3,558,278

1. \$85,278 - ECS has a projected surplus primarily due to the appropriation for ECS being slightly greater than the entitlements for the grant.
2. \$2,723,000 – Statewide enrollment in the charter schools was below the State Board-approved maximum enrollments by 248 students.
3. \$750,000 - Start-up funding for local charters was only awarded to the one new school that opened in New Haven, leaving the remaining funds to lapse.

Parent Universities - \$55,000 – Current legislation only allows two programs to be funded from this grant, leaving the balance unexpended.

Open Choice - \$5,100,000 – These funds are available, in part, because of the need to align agency budget requests with integration goals of the current Sheff agreement. The target student counts are not always achieved, given the variety of choice opportunities available to students.

#### **Transfer of funds is requested to the following accounts:**

Excess Cost – Student Based - \$85,000 - The preliminary Excess Cost May calculation indicates that six grantees have been overpaid. It is unlikely that these refunds will be recovered in time to meet our statutory payment obligations. Therefore, it will be necessary to transfer funds into this account to cover the projected shortfall.

Magnet Schools - \$12,792,000 – The shortfall is related to the supplemental transportation payments to CREC, which operates the regional transportation system for Sheff programming. These funds will cover the payment for the FY2014 transportation deficit (audited), and half of the projected deficit for the current fiscal year.