

VIII.A.

**Connecticut State Board of Education
Hartford**

To Be Proposed:
September 4, 2024

Resolved, That the State Board of Education approves the Current Services and Capital Budget Requests for Fiscal Years 2025-26 and 2026-27 and directs the Commissioner to take the necessary action.

Approved by a vote of _____ this fourth day of September, Two Thousand Twenty-Four.

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: September 4, 2024
SUBJECT: Current Services and Capital Budget Requests for the FY2026/FY2027 Biennium

Current Services Budget Request

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 Beckham’s letter of July 31, 2024, estimated expenditures for the biennium may be modified in specific instances including, but not limited to:

- Personnel Cost Projections – Adjustments based on the anticipated cost of currently settled labor agreements, including those agreements approved by the General Assembly during the 2024 legislative session as well as equivalent wage adjustments for non-represented staff.
- Inflation - Request inflation adjustments where such adjustment is statutorily required. In all other cases OPM provided specific inflation assumptions to be used for planning purposes.
- Municipal Aid - Reflect the statutory level for formula-based municipal aid.
- Other increases related to statutory changes, enrollment adjustments, and court-ordered settlements.

Based on the above, below is a summary of the growth in the Department’s current services request:

2024-25 Estimated Expenditures	<u>2025-26 Request</u>	2025-26 Percent Change	<u>2026-27 Request</u>	2026-27 Percent Change
\$3,381,949,629	\$3,486,513,731	3.09%	\$3,493,108,643	0.19%

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.

CSDE Central Office Operations

- Personal Services - The increase of \$627,387 in FY 2026 reflect a full year of wage increases associated with the various labor contracts that end in FY 2025 settled in 2022 and expiring in 2025 as well as some new positions currently being recruited. FY 2027 is flat funded due to current labor contract negotiations.

CSDE Entitlement Grant Programs

- The Education Finance Reform line item of \$150 million that was added in the FY 2025 budget, to supplement the amounts appropriated for Education Cost Sharing (ECS), Charter Schools, Magnet Schools, and Vocational Agriculture/Agricultural Science and Technology Education (VoAg/ASTE) is allocated to those grants in the biennium.
- 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. To fully fund the grant at the statutory formula level based on current estimates we are requesting an additional \$2.5 million over the biennium.
- The Health and Welfare Services grant for students attending private schools is currently capped at the appropriation 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. To fully fund the grant at the statutory formula level we are requesting an additional \$3 million over the biennium.
- The ECS grant was calculated in accordance with current law using the most current student enrollment, demographic, and income data available. The statutory phase-in percentages were increased to fully fund by FY 2026. Over the biennium the grant will rise by \$85 million.
- The within available appropriations language was removed for the Vocational Agriculture program. The requested increase of \$7.8 million in FY 2026 is a redistribution of the funding that was included in the Education Finance Reform account in FY 2025.

CSDE School Choice Program Grants

- For our State Charter School programs, an additional 22 students are added in FY 2026 for Integrated Day and 100 students in each year is projected for a new Charter School, Edmund Coefield. Of the requested increase of \$5.6 million in the biennium, \$3 million is the reallocation of the portion funded in the temporary Education Finance Reform account.
- Enrollment in the Open Choice program statewide is projected to be approximately 3,100 students in school year 2025-26, and approximately 3,200 students in school year

2026-27. To fund the increased operating costs, \$2.6 million in additional funding will be needed in FY 2026 and an additional \$819,000 in FY 2027.

- With the 'no cap' on enrollment for magnet schools, the budget request reflects planned enrollment growth over the biennium for our programs that participate in the state's efforts to meet the requirements of the Sheff Settlement Agreement and the continued progression to an all-magnet school district in New London. School enrollment is expected to increase from an estimated enrollment of 39,400 students this school year to 41,380 and 42,940 students in 2025-26 and 2026-27, respectively. The additional \$74.6 million over the biennium includes a reallocation of \$42.5 million from the Education Finance Reform account, \$29 million to support these increases, and \$3 million to support summer enrichment needed for the Sheff Agreement.

Capital Budget Request

Each biennium, state agencies are required to submit capital budget requests to the Office of Policy and Management. The Governor will review all requests and include them in the Capital Budget Request for approval by the State Legislature.

The Department of Education's capital budget request is \$10 million for 2025-26 and \$10 million for 2026-27.

The Department's request includes funds for the following two programs.

Charter Schools

Five million dollars in each year to support charter schools with capital expenses, including school building projects, general improvements, and repayment of debt incurred for school building projects.

Low-Performing Schools

Five million in each year for the Department to provide funds to the State's lowest performing schools, where there is a significant need for new investments in technology and equipment and for facility and capital improvements to help address building and site deficiencies to promote the health, safety, and learning of all children in appropriate environments.

Prepared by: Roger Persson
Chief of Fiscal Administrative Services
Office of Finance and Internal Operations

State Department of Education - Technical Adjustments for the FY2026 - FY2027 Biennial Budget Request

				FY 2026	FY 2027
SID	SID Title	FY2024 Act.	FY2025 Est.	FY26 Current Services	FY27 Current Services
10010	Personal Services	14,177,486.20	20,580,254	21,207,641	21,207,641
10020	Other Expenses	8,558,632.79	10,075,963	10,075,963	10,075,963
12138	Admin - Magnet Schools	0.00	0		
12165	Admin - Adult Ed Basic	754,633.65	0		
12171	Development of Mastery Exams Grades 4, 6, and 8	10,469,129.60	10,643,533	10,691,192	10,691,192
12198	Primary Mental Health	303,829.26	345,288	345,288	345,288
12211	Leadership, Education, Athletics in Partnership (LEAP)	312,211.00	312,211	312,211	312,211
12216	Adult Education Action	159,958.00	194,534	194,534	194,534
12261	Connecticut Writing Project	47,608.17	95,250	95,250	95,250
12318	Neighborhood Youth Centers (Approps renames "CT Alliance of Boys and Girls Clubs")	1,000,000.00	1,000,000	1,000,000	1,000,000
12457	Sheff Settlement	18,041,771.56	18,684,967	23,678,587	18,721,292
12459	Admin - After School Program	57,207.00	0	0	0
12506	Parent Trust Fund Program	267,193.00	267,193	267,193	267,193
12547	Commissioner's Network	9,791,557.00	9,869,398	9,869,398	9,869,398
12549	Local Charter Schools	885,000.00	957,000	957,000	957,000
12550	Bridges to Success	27,000.00	27,000	27,000	27,000
12552	Talent Development	1,902,566.80	2,257,823	2,278,449	2,278,449
12587	School-Based Diversion Initiative	887,426.48	900,000	900,000	900,000
12609	EdSight	1,126,069.71	1,133,236	1,140,690	1,140,690
12610	Sheff Transportation	67,676,250.00	75,465,173	77,661,541	80,326,212
12611	Curriculum and Standards	2,215,772.96	2,215,782	2,215,782	2,215,782
12632	Non Sheff Transportation	13,476,380.00	15,675,787	15,675,787	15,675,787
12652	Aspiring Educators Diversity Scholarship Program	255,000.00	10,000,000	10,000,000	10,000,000
12653	Education Finance Reform	0.00	150,000,000	0	0
12670	Assistance to Paraeducators	0.00	5,000,000	5,000,000	5,000,000
16021	American School For The Deaf	10,757,514.00	11,557,514	11,557,514	11,557,514
16062	Regional Education Services	196,875.00	262,500	262,500	262,500
16110	Family Resource Centers	6,662,823.51	6,352,710	6,352,710	6,352,710
16119	Charter Schools	131,251,382.00	137,514,785	141,955,228	143,107,778
16211	Child Nutrition State Match	2,354,000.00	2,354,000	2,354,000	2,354,000
16212	Health Foods Initiative	4,151,463.00	4,151,463	4,151,463	4,151,463
17017	Vocational Agriculture	19,583,200.00	18,824,200	26,670,738	26,670,738
17030	Adult Education	22,537,660.00	23,386,642	25,098,339	25,953,382
17034	Health and Welfare Services Pupils Private Schools	3,438,415.00	3,438,415	6,331,637	6,447,702
17041	Education Equalization Grants	2,231,164,150.43	2,287,900,235	2,453,301,819	2,446,372,375
17042	Bilingual Education	3,783,024.35	3,832,260	3,832,260	3,832,260
17043	Priority School Districts	30,816,419.77	30,818,778	30,818,778	30,818,778
17045	Interdistrict Cooperation	1,682,967.30	1,537,500	1,537,500	1,537,500
17046	School Breakfast Program	2,158,900.00	2,158,900	2,158,900	2,158,900
17047	Excess Cost - Student Based	181,152,455.00	181,119,782	181,119,782	181,119,782
17053	Open Choice Program	30,741,927.17	31,472,503	34,084,547	34,903,265
17057	Magnet Schools	279,195,020.76	287,484,265	349,249,725	362,124,329

State Department of Education - Technical Adjustments for the FY2026 - FY2027 Biennial Budget Request

				FY 2026	FY 2027
SID	SID Title	FY2024 Act.	FY2025 Est.	FY26 Current Services	FY27 Current Services
17084	After School Program	5,308,883.61	5,750,695	5,750,695	5,750,695
17108	Extended School Hours	2,918,404.93	2,919,883	2,919,883	2,919,883
17109	School Accountability	3,412,206.90	3,412,207	3,412,207	3,412,207
	Total	3,125,660,375.91	3,381,949,629	3,486,513,731	3,493,108,643
	Dollar Increase			104,564,102	6,594,912
	Percentage Increase			3.09%	0.19%