

VIII.A.

Connecticut State Board of Education Hartford

To Be Proposed:
September 7, 2022

Resolved, That the State Board of Education approves the Current Services and Capital Budget Requests for Fiscal Years 2023-24 and 2024-25 and directs the Commissioner to take the necessary action.

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

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 7, 2022

SUBJECT: Current Services and Capital Budget Requests for the FY2024/FY2025 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 29, 2022, 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 2022 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:

2022-23 Estimated Expenditures	2023-24 Request	2023-24 Percent Change	2024-25 Request	2024-25 Percent Change
\$3,055,024,326	\$3,146,171,642	2.9%	\$3,221,068,170	2.4%

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 \$1.4 million in FY 2024 and \$1.6 million in FY 2025 reflect the wage increases associated with the various labor contracts that were settled in 2022.

CSDE Entitlement Grant Programs

- 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 \$1 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 \$2.4 million over the biennium.
- The Education Cost Sharing (ECS) grant was calculated in accordance with current law using the most current student enrollment, demographic, and income data available. The statutory phase-in to full funding will resume beginning in FY 2024. Over the biennium the grant will rise by \$83.2 million.
- The Excess Cost – Student Based grant funds a portion of extraordinary special education costs associated with educating students placed by their district in a special education program; a percentage of the costs associated with students placed by a state agency; and 100% of the cost of students without a nexus or who reside on state property. We are requesting funding at the statutory formula level, which will increase the grant by \$26.1 million over the biennium.

CSDE School Choice Program Grants

- For our State Charter School programs, at this time, we are projecting enrollment at the current enrollment levels as all schools have achieved their full grade configurations. The requested increase of \$18.8 million in FY 2025 is related to a statutory change in the funding formula for charter schools that aligns more closely to the ECS formula used for students enrolled in traditional public school districts.
- Enrollment in the Open Choice program statewide is projected to be 3,202 students in school year 2023-24, and 3,295 students in school year 2024-25. To fund the increased operating and transportation costs \$2.4 million in additional funding will be needed in FY 2024 and \$1.7 million in FY 2025.

- During the 2021 legislative session the long-standing caps on magnet school enrollment were removed. 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 Sheff and the continued progression to an all-magnet school district in New London. The remaining magnet operators were asked to provide the department with updated enrollment growth estimates now that the enrollment cap has been lifted. School enrollment is expected to increase from an estimated enrollment of 39,637 students this school year to 41,354 and 42,794 students in 2023-24 and 2024-25, respectively. The account will need an additional \$8.5 million over the biennium to support these increases.

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 2023-24 and \$10 million for 2024-25.

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: Kathy Demsey
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