

House Bill 5283, *An Act Concerning the Education Cost Sharing Grant Formula and the Funding of Other Education Programs*, contains several provisions that impact how Regional Educational Service Centers (RESCs) receive funding to support the education of students who attend their magnet programs.

Overview of H.B. 5283

- **Accelerates the Education Cost Sharing (ECS) formula's phase-in schedule and fully funds all districts** beginning in FY 2025 when one-time federal COVID relief funds expire;
- **Expands ECS weighted funding to students attending public schools of choice** (magnet schools, charter schools, Vo-Ag programs) while protecting funding for local public schools; and
- **Provides school districts the ability to leverage historic, but temporary, federal funding** for on-going expenses.

Current Funding of RESC-Operated Magnet School Students

- Currently, full-time PreK-12th grade students who attend RESC-operated magnet schools are funded with the support of a state grant as well as tuition that is billed by the RESC operator to the district in which the student resides (sending district).
- The amount of state support varies by RESC operator, and ranges from \$3,060 to \$10,652 per student.
- The amount of tuition billed by the RESC operator varies depending upon the cost to educate the student minus the amount of state support received.
- For part-time students, RESC operators receive a state grant that is equal to 65% of their full-time grant.
 - The RESC operator then bills the sending district for tuition to support the education of the part-time student.
- Special education costs for students who attend a RESC-operated magnet school are billed to, and paid by, the sending district.

The following is a summary of the modifications proposed in H.B. 5283 to the current system. All changes would go into effect on July 1, 2024.

- Section 3 of H.B. 5283 changes the way full and part-time students who attend RESC-operated magnet schools are funded. Rather than being supported with a flat per-student grant based on the type of RESC, the State will pay RESC operators a grant that is reflective of the needs of their individual student population.
 - RESCs will receive a grant that is calculated in the same manner as the ECS grant as detailed in lines 229-233 of the bill.

- The formula begins with a foundation amount, or the cost to educate a student without additional learning needs (lines 162-169 of H.B. 5283).
 - The bill provides annual increases to the RESC foundation level beginning in FY 2026 and annually thereafter.
 - This results in RESC operators receiving increased grants annually in an amount equal to the five-year average growth in personal income or inflation, whichever is higher (lines 162-169).
 - This spending growth metric is one that has been historically used by the State of Connecticut, most notably with the state spending cap.
 - In FY 2026, the Office of Policy and Management estimates this growth will be 3.5%.
- The foundation amount is multiplied by the total magnet school need students to determine the state grant for each RESC (lines 229-233).
 - The total magnet school need students is defined beginning on line 177 of the bill as follows:
 - The total number of students enrolled in the RESC-operated magnet school, plus
 - 30% of the number of students who are eligible for free or reduced-price Lunch (FRPL), plus
 - 15% of the number of students who reside in a district with concentrated poverty, which is triggered when more than 60% of students qualify for FRPL, plus
 - 25% of the number of students who are English Learners
 - RESC operators that assist the state in meeting its obligations pursuant to the decision in *Sheff v. O'Neill* are also provided an additional need student weight of 15% of each student who is enrolled in their schools (lines 177-216).
- The bill provides a hold harmless to all RESCs in lines 395-403 of section 5 to ensure no magnet school operator receives a per-student grant from the State, as a result of the modifications in the bill, that is less than the per-student total funding (state and local tuition for general education) that the operator received for the year prior to the bill's enactment.
 - This hold harmless is in effect for FY 2025, and annually thereafter, and is based on FY 2024 per-student total funding.
- Since each RESC operator's grant will be annually calculated based on the RESC's student population, the flat per-student state grants that vary by RESC are eliminated in lines 381-707 beginning in FY 2025.
- Since each RESC operator's grant will be annually calculated based on the RESC's student population, and will be 100% paid for by the State, lines 855-859 delete the requirement that the sending district pay regular education tuition for the students who reside in their district and attend a RESC-operated magnet school.

- The bill, as modified by the substitute language, allows RESC operators to charge tuition to sending districts if the annual foundation increase is not provided to the RESC operators in a fiscal year. The amount of tuition is limited to that year and is allowed to equal the amount of lost state support as a result of not receiving the annual increase (lines 404-416).
- Similarly, RESC operators are no longer permitted to charge regular education tuition to sending districts beginning in FY 2025 (lines 860-915, lines 950-976, lines 998-1006, and lines 1025-1049).
- Since regular education tuition will be eliminated in FY 2025, lines 1007-1021 remove the additional state assistance that the town of East Hartford has secured with regards to their tuition expense.
- The bill establishes a task force in Section 11 to study accountability related to the increased funding entitled under the act.
 - To the extent that the task force recommends, and the General Assembly enacts, changes to the state's current accountability standards and processes, RESC operators may be impacted.