

House Bill 5003, *An Act Concerning Education Funding in Connecticut*, contains several provisions that impact how state charter schools receive funding to support the education of students who attend their schools.

Overview of H.B. 5003

- **Fully funds Education Cost Sharing (ECS) grants**, effective FY 2025
- **Expands ECS weighted funding to students attending public schools of choice** (magnet schools, charter schools, AgriScience programs, and the Open Choice program) while protecting funding for local public schools
- **Eliminates general education tuition billing** for magnet school operators and AgriScience programs, effective FY 2025
- **Maintains current schedule for towns receiving reductions in their ECS grants** with many of these districts seeing a net increase from the elimination of tuition and increased state aid for school choice programs.

Current Funding of State Charter Schools

- Currently, K-12th grade students who attend state charter schools are funded by a state grant.
- The state grant features a foundation amount of \$11,525 per student, plus 25.42% in FY 2023 for a "charter grant adjustment" (a calculation that accounts for student need, similar to the weights in the ECS formula).
- State statute does not provide for state charter funding beyond FY 2023.
- Special education costs for students who attend a charter school are paid by the student's resident town.

The following is a summary of the modifications proposed in H.B. 5003 to the current system for funding state charter schools.

- Section 6 of H.B. 5003 continues the phase-in of the charter school weighted grant formula, based on student needs, into FY 2024, as detailed in lines 1148-1152.
 - The "charter grant adjustment" is increased to 36.08% in FY 2024 in lines 1151-1152.
- H.B. 5003 provides full funding of the charter school weighted grant formula in FY 2025 and future years (lines 1153-1156).
 - The bill provides annual increases to the charter foundation level beginning in FY 2026 and annually thereafter (lines 1125-1129).
 - This results in charter schools receiving increased grants annually in an amount equal to the 5-year average growth in personal income or inflation, whichever is higher (lines 1125-1129).

- 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 4.3%.
- 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, state charter operators may be impacted.