

House Bill 5003, *An Act Concerning Education Funding in Connecticut*, contains several provisions that impact how local board of education magnet operators (“host districts”) receive funding to support the education of students who attend their magnet 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 for Host District Magnet Schools

- Currently, these schools are funded by a per-student grant from the State, which differs based on the location of the school, and provides different funding levels for in-district and out-of-district students.
 - Non-*Sheff* operators receive \$3,060 per in-district student, and \$7,227 for each out-of-district student.
 - *Sheff* operators receive no grant for in-district students, and \$13,315 for each out-of-district student.
- Depending on the location of the school, schools may charge tuition to the sending district.
 - Non-*Sheff* operators may charge tuition based on total operator spending per student and other state grants received, with permission from the Connecticut State Department of Education (CSDE).
 - *Sheff* operators are prohibited from charging tuition to the sending district.
- State grants and tuition are not based on student need or town wealth.
- Special education costs for students who attend a magnet school are billed to, and 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 host district magnet school operators.

- Section 2 changes the way students who attend host district magnet schools are funded. Rather than being supported with the flat per-student grants detailed above, the State will pay host district magnet operators a grant that is reflective of the needs of the sending towns of students who attend their schools.
 - Host district magnet operators will receive a weighted funding amount per student for each magnet school student they educate.

- Each sending town has a weighted funding amount per student (lines 227-230) that is based upon the general needs of the students in that town.
- The formula begins with a foundation amount of \$11,525, or the cost to educate a student without additional learning needs (lines 167-174).
- The foundation is then multiplied by the number of need students in a sending town. The result of this calculation is then divided by the town's resident student count to derive a weighted funding amount per student (lines 227-230). The weighted need-student count of the sending district is calculated as follows:
 - The total number of students enrolled in the local public school district; plus
 - 30% of the number of students who are eligible for free or reduced-price lunch (FRPL); plus
 - 15% of the number of students over the statutory threshold, 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.
- Operators will receive a grant that is the sum of all of the weighted per-student grants it receives, plus the in-district per-student grant for each in-district student (lines 255-264).
- For example: if X district receives \$12,000 per student under the ECS formula, and if a student who resides in X district decides to attend a magnet school operated by Y district, Y district would receive a \$12,000 grant from the State for each student from X district that exercised choice and attended Y district.
- The bill provides a hold harmless to all operators in lines 244-247 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.
- Section 4 removes the existing magnet school grant program and tuition structure for host district magnet schools, as the new funding system is based upon grants calculated in Section 2.
- Lines 412-415 clarify the current practice that students enrolled in interdistrict magnet schools are counted in the ECS resident student count of the district in which the student resides, starting in FY 2025.
- To ensure payment of the new grant system, lines 430-434 entitle host district magnet school operators to the choice program grant created in Sec. 2 in FY 2025 and future years.
- As the new grant system will replace the flat per-student amounts, lines 416-430 and 605-613 eliminate the existing interdistrict magnet school state operating grant,

starting in FY 2025. Similarly, lines 805-823 remove the existing magnet school grant payment schedule starting in FY 2025.

- With the new grant funding system 100% paid for by the State, lines 984-1009 remove the ability for interdistrict magnet school operators to charge regular education K-12 tuition, starting in FY 2025.
- Lines 1031-1041 prohibit local or regional boards of education operating *Sheff* interdistrict magnet schools from charging K-12 regular education tuition starting in FY 2025.
- Lines 1042-1077 eliminate the magnet school tuition subsidy for select school districts starting in FY 2025, as these districts will no longer pay tuition.
- 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, host district magnet operators may be impacted.