

House Bill 5212, *An Act Concerning Education Funding in Connecticut*, 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. 5212

- **Protects \$150 million investment** in K-12 education for FY 2025
- **Maintains accelerated phase-in schedule** for Education Cost Sharing (ECS) grant and fully funds grant beginning in FY 2026
- **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
- **Fully funds ALL public school students**, according to their needs, effective FY 2026
- **Saves local districts tens of millions of dollars annually** by maintaining cap on general education tuition charged by magnet school operators and AgriScience programs in FY 2025 before eliminating tuition altogether in FY 2026

Current Funding of RESC-Operated Magnet School Students

- Currently, full-time 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. In FY 2025, tuition is capped at 58% of the per-student amount the RESC operator charged sending districts in FY 2024.
- 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.
- In FY 2025, an additional \$40.2 million from the biennial budget's \$150 million Education Finance Reform line item is set to be distributed to these schools to

increase per-student grant amounts. However, there is no system for allocating these resources.

The following is a summary of the modifications proposed in H.B. 5212 and Substitute Language to the current system for funding RESC-operated magnet schools.

The summary reflects substitute bill language, with new policy revisions included in blue.

- Section 1 of H.B. 5212 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, the State would pay RESC operators a grant that is reflective of the needs of their individual student populations.
 - RESCs would receive a grant that is calculated in the same manner as the ECS grant.
 - The formula begins with a foundation amount, or the cost to educate a student without additional learning needs (lines 10-24).
 - The bill provides annual increases to the RESC foundation level beginning in FY 2027 and annually thereafter.
 - This results in RESC operators receiving increased grants annually in an amount equal to the 5-year average growth in personal income or inflation, whichever is higher (lines 14-24).
 - 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 2027, the Office of Policy and Management estimates this growth will be 4.13%.¹
 - The foundation amount is multiplied by the total magnet school need students to determine the state grant for each RESC (lines 32-71).
 - The total of magnet school need students is defined beginning on line 32 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 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 multilingual learners. plus

¹ State of Connecticut, Office of Policy and Management. (2023). *Fiscal Accountability Report, Fiscal Years 2024-2028*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/Budget/FiscalAccountability/OPM-2023-Fiscal-Accountability-Report-Final.pdf>.

- 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 30% in FYs 2025 and 2026, which decreases 2 percentage points each year, beginning in FY 2027, until it reaches 20% for FY 2031 and subsequent years.
 - In FY 2025, on a per-student basis, RESC operators will receive 42% of the difference between the full weighted per-student funding amount and the per-student grant received under current law.
 - In FY 2026 and beyond, RESC operators will receive the full weighted funding amount per-student.
- The bill provides a hold harmless to all RESCs in lines 102-125 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 375-639 beginning in FY 2025.
- The 58% cap on tuition for RESC operators not assisting the state in meeting the obligations of *Sheff v. O’Neill* stipulations (Non-*Sheff* RESCs) is maintained in FY 205 (lines 804-831).
- Non-*Sheff* RESCs may no longer charge tuition beginning in FY 2026 (lines 832-839).
- RESC operators assisting the state in meeting the obligations of *Sheff v. O’Neill* stipulations (*Sheff* RESCs) maintain the 58% cap on K-12 regular education tuition in FY 2025 (lines 1023-1053) and eliminate tuition in FY 2026 and on (lines 1054-1063).
- Lines 340-352 allow RESC operators to charge tuition to sending districts from FY 2027 and on 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 874-891 maintain a 58% cap on preschool tuition for schools not located in the *Sheff* region in FY 2025 and prohibits RESCs not operating in the *Sheff* region from charging preschool tuition in FY 2026 and on (lines 892-896).
- Lines 1104-1122 add a 58% cap on preschool tuition for schools located in the *Sheff* region in FY 2025 and prohibits RESCs operating in the *Sheff* region from charging preschool tuition in FY 2026 and on (lines 1123-1130).