



**Governor Ned Lamont  
State of Connecticut**



FACT SHEET  
2022 Legislative Session

**HOUSE BILL 5038  
GOVERNOR'S BILL  
AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS  
CONCERNING EDUCATION**

### Summary of Proposal

The bill implements the Governor's recommendations for K-12 education and higher education as summarized in the *Significant Impacts* section below.

### Reason for Proposal

To implement the Governor's budget proposals pertaining to K-12 education and higher education.

### Significant Impacts

**Section 1: Sheff Settlement Open Choice Rate Increase.** This section implements a provision of the Sheff settlement which requires a \$2,000 per-pupil increase for participating students in the Hartford region.

**Sections 2 to 3: Alliance District Reauthorization.** These sections reauthorize the Alliance District program for another five years and create the new district categorization of "Graduated Alliance Districts" for districts phasing out of the Alliance District program due to improved educational outcomes. This will allow the State Department of Education (SDE) to maintain the intense level of support currently afforded designated alliance districts (i.e., those districts identified as having the greatest education challenges), while providing a gradual transition to increased self-sufficiency for current alliance districts that have demonstrated improved educational outcomes.

**Sections 4 to 5: Technical Revisions to Education Cost Sharing (ECS) Formula.** Until FY 2030, there is a process in statute by which districts are being phased-in towards their fully funded ECS grant. This process is intended to gradually increase the grants of some districts, while gradually decreasing the grants of other districts, until all districts are receiving their fully funded ECS grant as determined by the statutory formula. As currently structured, this phase-in process results in an anomaly that applies the phase-in process differently for 31 districts than it does for other municipalities. Therefore, minor technical changes are proposed in these sections to ensure that

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the phase-in of the ECS formula occurs consistently. These changes include holding districts harmless to their FY 2022 grants in FY 2023 rather than to their FY 2021 grants, replacing the current static phase-in percentages with dynamic phase-in percentages, and basing a district's ECS entitlement on a comparison between their prior year grant and their fully funded grant, rather than a comparison between their FY 2017 grant and their fully funded grant. These changes will honor the phase in process and ensure that every district gradually and consistently moves closer to their fully funded grant. Lastly, this section includes a revision to the ECS formula to hold Graduated Alliance Districts harmless to their FY 2017 ECS grant, in line with the hold harmless currently in place for Alliance Districts.

**Section 6: Extends Cap on Transportation Grants**-This section extends the cap on the transportation grant which is currently unfunded.

**Sections 7 to 35: Technical Revisions to Statute Governing the Connecticut Technical Education and Career System (CTECS).** These sections support CTECS transition to independence from SDE included in the FY 2022 - FY 2023 Budget, by making technical revisions to remove obsolete provisions to ensure internal consistency, clarify the role of CTECS Executive Director and their board, and the personnel at CTECs.

**Section 36: Free Application for Federal Student Aid (FAFSA) Completion Requirement.** This section establishes completion of a FAFSA as a high school graduation requirement with certain exceptions. \$500,000 in federal ARPA funds is recommended to supplement existing SDE programming designed to increase the state's FAFSA completion rate.

**Section 37:** This section designates portions of the General Fund appropriations to UConn, UConn Health, and the Connecticut State Colleges and Universities that are not eligible for in-kind fringe benefit funding from the Office of the Comptroller (OSC). The constituent units routinely dedicate the entirety of these appropriations to fund the salaries of state employees, which yields additional state funding to cover fringe benefits for those employees. While the Governor's recommended midterm adjustments increase the block grant appropriations for higher education, this section specifies that those increases are not subject to the same provisions regarding fringe benefits.