



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Superintendent of Schools
School Business Officials

FROM: Kathy Demsey *Kathy Demsey*
Chief Financial Officer

DATE: August 13, 2018

SUBJECT: Displaced Student Guidance

As a result of Hurricane Maria, which significantly affected Puerto Rico in September 2017, many families relocated to Connecticut. To assist school districts with the unanticipated addition of displaced students, the following legislation was enacted effective July 1, 2018:

Public Act 18-81

Sec. 37. Notwithstanding any provision of the general statutes or any public or special act, for the fiscal year ending June 30, 2019, any funds remaining after the distribution of equalization aid grants pursuant to the provisions of section 10-262i of the general statutes, shall be distributed in said fiscal year to those towns whose districts received students during the fiscal year ending June 30, 2018, who were displaced by Hurricane Maria. Such distribution shall be on a per-student basis determined by the highest number of displaced students enrolled in each such district in any week during the fiscal year ending June 30, 2018.

As a result of this legislation, the Department of Education offers the following guidance regarding the distribution of funds for displaced students and the potential impact on the 2019-20 Minimum Budget Requirement.

Alliance Districts – Should the displaced student funds be included as part of the Alliance District portion of the Education Cost Sharing (ECS) grant or the portion that goes directly to the municipality?

Approximately \$2.9 million was included in the 2018-19 ECS appropriation for displaced students. The legislation authorizing the use of these funds, Public Act 18-81, specifically provides that these funds shall be distributed to eligible towns after the distribution of the main ECS grant, notwithstanding any other provisions of the general statutes or any public or special act. Accordingly, these funds will not become part of the Alliance District grant but rather will be distributed with the portion of ECS funds that go to the municipality in support of education.

All Districts – How should the displaced student funds be used?

Because the legislature enacted this supplemental funding to assist school districts dealing with unforeseen increases in student populations, the Department interprets this funding as state aid for education. Thus, as with any such aid, municipalities must use these funds for educational purposes and may not use them to supplant local funding for education.

All Districts – Minimum Budget Requirement (MBR) – Should such funds become part of a district’s MBR calculation?

Annual determination of the MBR requires a comparison of the current budget to the prior year’s budget. With the exception of certain statutory provisions allowing for a reduction in a non-Alliance district’s annual budget, the two years must at least equal each other. While it is clear that the legislature intended the displaced student funding be used for educational purposes, the legislature enacted this funding as separate from ECS funding and did not otherwise address the MBR implication of receipt of this additional funding. Therefore, the Department’s interpretation is that, in the event that the legislature does not reauthorize this funding for the 2019-20 fiscal year, municipalities would not be required to make up this funding with local funding in 2019-20 unless the legislature passes new legislation indicating that municipalities are required to do so.

If you have any questions, do not hesitate to contact me at Kathy.demsey@ct.gov or 860-713-6464.

KD:kk

cc: Dianna R. Wentzell, Commissioner of Education
Peter Haberlandt, Legal Director
Chief Municipal Officers