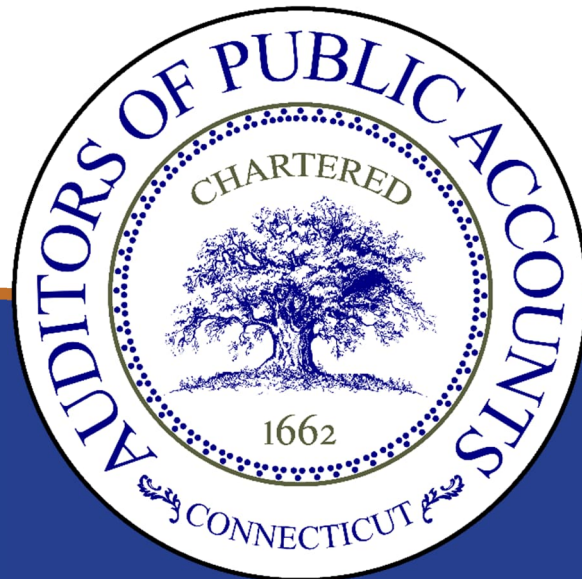


# AUDITORS' REPORT

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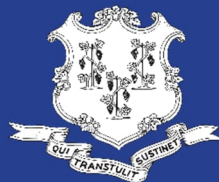
## State Department of Education

FISCAL YEARS ENDED JUNE 30, 2023 AND 2024



STATE OF CONNECTICUT  
Auditors of Public Accounts

JOHN C. GERAGOSIAN  
State Auditor



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State Auditor

# CONTENTS

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INTRODUCTION.....	3
STATE AUDITORS' FINDINGS AND RECOMMENDATIONS.....	4
Payroll - Inadequate Monitoring of Rehired Retirees.....	4
Payroll - Minimum Leave Increments.....	5
Payroll - Late Approval of Compensatory Time.....	6
Payroll - Inaccurate Leave Payments at Separation.....	7
Procurement and Inventory - Outdated Written Policies and Procedures.....	8
Procurement - Internal Controls Over the Commitment of Funds.....	9
Revenues - Teacher Certification Reconciliation.....	10
Revenues - Late Deposit and Posting of Deposits.....	11
Property Control - Physical Control over Assets and Conducting Annual Inventory.....	12
Property Control - Software Inventory Issues.....	13
Reporting - Inadequate Monitoring and Noncompliance with Reporting Requirements.....	14
Inadequate Oversight or Support of 14 Boards, Councils, Commissions and Committees.....	16
Lack of Effective Oversight for State Regulations.....	18
Information Technology - Lack of Policies and Procedures Regarding Access to Information.....	21
Information Technology - Unsupported System Components.....	24
STATUS OF PRIOR AUDIT RECOMMENDATIONS.....	26
OBJECTIVES, SCOPE, AND METHODOLOGY.....	29
ABOUT THE AGENCY.....	31

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June 4, 2026

INTRODUCTION

We are pleased to submit this audit of the State Department of Education (SDE) for the fiscal years ended June 30, 2023 and 2024 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the State Department of Education during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

- Dennis Collins
- Shondrika Garwood
- Michael Haynes
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# STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the State Department of Education disclosed the following 15 recommendations, of which seven were repeated from the previous audit.

## Finding 1

### Payroll - Inadequate Monitoring of Rehired Retirees

Criteria	Section 5-164a(c) of the General Statutes indicates that no re-employed retired members of the State Employees Retirement System can work beyond 120 days in a calendar year without impairing their pension rights. In the event they work more than 120 days, they must reimburse the retirement fund for all pension payments received during the period of reemployment.
Condition	The department rehired two retirees who worked two and 24 days over the 120-day limit in calendar year 2023. The department did not pursue reimbursements of the retirees' excess retirement benefits.
Context	We reviewed all 19 temporary worker retirees who worked during calendar year 2023.
Effect	Upon notification, the agency recouped \$9,012 from the two rehired retirees who worked and were paid beyond the 120-day limit.
Cause	The department did not have effective controls to monitor the 120-day limitation.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should design and implement controls to monitor and prevent rehired retirees from working beyond the 120-day calendar year limit. The department should promptly pursue reimbursement of all pension payments to rehired retirees who exceed the 120-day limit.

## Agency Response

"We agree with this finding and, as noted, we recouped the \$9,012 of overpayment from the two rehired retirees. It is important to note that employees are informed of the 120-day maximum work period at the time of hire. Additionally, employees have access to their hours worked by submitting requests to agency timekeepers or Payroll staff. A report is also available in Core-CT that enables staff to track hours worked independently. Moving forward, managers will be responsible for monitoring the hours of Temporary Worker Retiree (TWR) employees under their supervision to ensure compliance with the established limit."

## Finding 2

### Payroll - Minimum Leave Increments

#### Criteria

Internal controls require the review and approval of timesheets to ensure accuracy and compliance with bargaining unit contracts. These contracts include the minimum increment of leave time an employee may charge:

- The Maintenance (NP-2) contract allows sick, vacation, and personal leave in half-hour increments.
- The Administrative Clerical (NP-3) contract allows vacation leave in 15-minute increments. Sick and personal leave are not specified.
- The Education Administrative (P-3A) contract allows sick leave in one-hour increments. Vacation and personal leave are not specified.

#### Condition

The department had 74 and 91 employees who charged leave time below the minimum contractual increments, in 494 and 524 instances, during the fiscal years ended June 30, 2023, and 2024, respectively.

#### Context

We queried Core-CT to identify and review all leave time below the minimum increments allowed in bargaining agreements.

#### Effect

The use of leave time in increments less than the mandated minimum may result in an undue administrative burden.

#### Cause

The department did not complete and distribute guidelines regarding the use of appropriate leave increments.

Prior Audit Finding	This finding has been previously reported in the last five audit reports covering the fiscal years ended June 30, 2009 through 2022.
Recommendation	The State Department of Education should improve internal controls over the review and approval of timesheets. The department should develop and distribute guidelines to ensure compliance with minimum leave time increments in bargaining unit contracts.
Agency Response	<p>“We agree with this finding. Relevant information was communicated to staff during Core-CT self-service training conducted between July and September 2024. In response to a prior audit finding, our payroll section had been reviewing time entry on a biweekly basis. However, there was a misinterpretation regarding the required minimum increments, and reviews were focused on ensuring that at least one hour of leave was recorded.</p> <p>Further clarification was provided to staff on May 8, 2025, clearly stating that leave must be recorded in whole-hour increments. Since that time, a Memorandum of Understanding has been executed between the P3A bargaining unit and the Office of Labor Relations, formally revising the minimum leave increment to 15 minutes.”</p>

## Finding 3

# Payroll - Late Approval of Compensatory Time

Criteria	In accordance with Article 18, Section 3 of the Education Administrators Collective Bargaining Agreement, employees must receive advanced written authorization from management to work extra hours as compensatory time.
Condition	We reviewed ten instances of compensatory time and noted six that did not receive approval until six to eleven days after it was earned.
Context	During the audited period, 43 SDE employees earned 2,369 hours of compensatory time. We randomly selected ten employees who earned 440.5 hours of compensatory time and then judgmentally selected one date for each selected employee. A total of 55.50 hours were reviewed for supporting documentation and approval.
Effect	The failure to approve compensatory time in advance may lead to unnecessary or unauthorized expenses.
Cause	The department did not implement proper managerial oversight.

Prior Audit Finding	This finding has been previously reported in the last five audit reports covering the fiscal years ended June 30, 2009 through 2022.
Recommendation	The State Department of Education should strengthen internal controls to ensure its supervisors preapprove compensatory time. The department should retain sufficient supporting documentation with proper approvals.
Agency Response	"CSDE implemented a new Compensatory Time policy on March 6, 2025, including the introduction of a revised form, to ensure that preapproval is obtained prior to the accrual of Compensatory Time. CSDE also conducts periodic internal reviews to ensure that staff adhere to the established guidelines."

## Finding 4

### Payroll - Inaccurate Leave Payments at Separation

Criteria	<p>Cost of living adjustment (COLA) pay increases can only be given to active employees. Terminated employees are not entitled to the COLA if the increase is set to occur on the day of their termination.</p> <p>The Education Administrators (P-3A) bargaining unit contract permits a payout of up to a maximum of 70 vacation and 60 sick days.</p>
Condition	<p>Our review of five employees' accrued vacation and sick leave payments totaling \$201,917, revealed that SDE overpaid \$2,786 to three employees and underpaid \$5,098 to one employee:</p> <ul style="list-style-type: none"> <li>• Four of five employees' vacation and sick leave payments were calculated with the July 1, 2022, COLA increase instead of the rate on their last day of active employment.</li> <li>• One of five employees inaccurately received payment for 60 and 105 days of accrued vacation and sick time instead of 63 and 165 days, respectively.</li> </ul>
Context	<p>During the audited period, the department distributed leave accrual payments, totaling \$412,326, to 18 employees. We judgmentally selected five employees with four higher and one lower accrual payouts totaling \$201,917.</p>
Effect	<p>The department inaccurately dispersed funds when it overpaid employees for accumulated leave upon retirement. A former employee did not receive their full accrual payment.</p>

Cause	The condition appears to be due to computation errors.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should strengthen internal controls to ensure the accuracy of employee separation payments in accordance with collective bargaining unit contracts. The department should recover any overpayments and issue payments to underpaid employees.
Agency Response	“We agree with this finding. The delay was due to an unprecedented volume of activity in June and July 2022, including the processing of over 6,000 SEBAC retroactive payments, lump sum payments, termination payments, and numerous transactions associated with the successful transition of CTECS to an independent agency. As a result, July 1st retirement payouts were processed for the pay period ending July 14, 2022, rather than the period ending June 30, 2022. This resulted in calculations at a higher rate, including the July 1, 2022 COLA increases. Going forward, all retirement payouts will align with the pay plan(s) in effect as of the employee’s official separation date. The agency will seek to recover any overpayments and reissue payments for underpaid employees.”

## Finding 5

# Procurement and Inventory - Outdated Written Policies and Procedures

Criteria	Sound internal controls dictate that departmental policies and procedures should reflect current practices and be available to all users.
Condition	SDE’s 2019 Contracting Standards and Procedures draft was never finalized by management. The department has also not updated its Internal Inventory Procedures Manual since September 1, 2011, and it does not reflect current practices.
Context	Policies and procedures provide the necessary consistent guidance to the department’s staff.
Effect	Internal controls are weakened when policies and procedures are not promptly updated to reflect current practices and changes to laws and regulations. Significant time delays in finalizing revisions to procedures may also lead to improper actions by employees.

Cause	Management did not appear to prioritize the timely updating and implementation of its policies and procedures.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should ensure it keeps its policies and procedures current and available to all users.
Agency Response	"We agree with this finding. We are prioritizing the revision and update of both our Contracting Standards and Procedures and our Internal Inventory Procedures Manual. These updates are aimed at strengthening internal controls and ensuring compliance with current requirements. Our target date for completion is December 31, 2025."

## Finding 6

# Procurement - Internal Controls Over the Commitment of Funds

Criteria	Section 4-98(a) of the General Statutes states that no budgeted agency shall incur any obligation except by the issuance of a purchase order transmitted to the Office of the State Comptroller to commit the agency's appropriations to ensure that funds are available for the purchase.
Condition	Our review of 25 expenditure transactions disclosed that SDE did not promptly commit funds for four purchase orders, totaling \$246,705. SDE delayed committing the funds between one and 52 days.
Context	During the audited period, the department processed 12,098 General Fund expenditure transactions totaling \$6,103,729,151. We judgmentally excluded the Federal and Other Restricted Accounts Fund from our audit universe as they would have been subject to testing as part of our financial and statewide single audits. We also randomly selected 25 expenditure transactions from risk-based accounts totaling \$5,508,604.
Effect	When obligations are incurred prior to the commitment of funds, there is less assurance that funding will be available at the time of payment.

Cause	The department did not have internal controls to ensure it completed and approved all purchase orders prior to ordering goods and services.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should strengthen internal controls over purchase orders to ensure that funds are committed in compliance with Section 4-98 of the General Statutes.
Agency Response	<p>“We agree with this finding in part. The selected purchase orders were funded entirely through state General Fund dollars, with three spanning multiple fiscal years. The full value of each purchase was initially obligated. At the end of the fiscal year, purchase orders were reduced to a nominal balance of one cent to allow for rollover into the subsequent fiscal year. Re-encumbrance of the remaining balances has historically been triggered upon receipt of an invoice.</p> <p>Going forward, the department will proactively generate reports to identify purchase orders that require re-encumbrance. Funds will be re-encumbered in phases, as federal funding is not immediately available at the start of the fiscal year, and state funding is released in quarterly allotments. Additionally, for multi-year contracts funded by recurring federal allocations, encumbrances cannot occur until the respective funding is posted to Core-CT.”</p>

## Finding 7

### Revenues – Teacher Certification Reconciliation

Criteria	Section 10-145b(l) of the General Statutes establishes the State Department of Education’s responsibility for collecting fees for educator, administrator, and coaching certificates and permits. The State Accounting Manual requires that internal controls over cash receipts be established to minimize the risk of loss. Agencies should prepare accountability reports periodically to compare the receipts with the certificates issued.
Condition	The department did not prepare accountability reports and did not reconcile its receipts to Core-CT. We noted \$4,894 and (\$18,884) differences between the Connecticut Educator Certification System (CECS) and Core-CT for the fiscal years ended June 30, 2023 and 2024, respectively.
Context	The Talent Office Bureau of Certification (TOBC) issued 23,890 and 28,576 certifications and collected \$3,029,150 and \$3,337,500 of

certificate fees during the calendar years 2023 and 2024, respectively. The Bureau of Fiscal Services deposited \$3,087,169 and \$3,213,666 for TOBC certifications for the fiscal years 2023 and 2024, respectively.

Effect	The department cannot ensure accuracy and integrity of its financial and teacher certification records.
Cause	SDE management failed to address this condition for over 20 years.
Prior Audit Finding	This finding has previously been reported in the last nine audit reports covering the fiscal years 2002 through 2022.
Recommendation	The State Department of Education should improve its Connecticut Educator Certification System to include accountability and reconciliation procedures to monitor and reconcile the issuance of certificates and related revenues.
Agency Response	"We agree in part with this finding. A detailed report from the Certification System was recently provided to the Fiscal Unit. We are optimistic that this report will enable a full reconciliation of detailed transactions with the data available in Core-CT. If the process proves successful, we intend to implement it as a formal quarterly reconciliation moving forward."

## Finding 8

### Revenues – Late Deposit and Posting of Deposits

Criteria	Section 4-32 of the General Statutes requires each state agency to account for all monies received totaling \$500 or more within 24 hours of receipt. The State Accounting Manual indicates that unless a waiver has been granted by the State Treasurer, each agency is required to post deposits in Core-CT on the same day the deposit information is available.
Condition	Our review of the State Department of Education's check or money order deposits for Teacher Certificate Licenses disclosed that 73 deposits, totaling \$83,050, were posted to Core-CT between two to 17 business days late.
Context	SDE processed \$3,087,169 and \$3,213,666 in receipts for the Talent Office Bureau of Certification during fiscal years 2023 and 2024. Credit Card payments make up 94.4% and 96.6% of the revenues, respectively. We reviewed all 205 check/money order transactions

totaling \$172,769 and \$110,650 for fiscal years 2023 and 2024, respectively.

Effect	Failing to account for funds promptly increases the risk of error and fraud.
Cause	The department had inadequate administrative controls over deposits.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should strengthen internal controls to ensure that it promptly posts deposits in Core-CT in accordance with Section 4-32 of the General Statutes.
Agency Response	"We agree with this finding. To minimize delays in processing deposits, we have implemented electronic scanning capabilities and obtained a waiver from the Office of the State Treasurer (OTT). Moving forward, we will ensure that all deposits are posted to Core-CT in a timely manner."

## Finding 9

# Property Control – Physical Control over Assets and Conducting Annual Inventory

Criteria	The State Property Control Manual requires agencies to conduct a complete physical inventory of all property by the end of the fiscal year to ensure accurate property control records.
Condition	SDE has not conducted a complete physical inventory since the fiscal year ended June 30, 2015.
Context	The department reported \$15,882,982 and \$11,683,382 in ending balances on its CO-59 inventory form for fiscal years 2023 and 2024, respectively.
Effect	There is less assurance that the department secured and accounted for its assets, leaving state property susceptible to loss, theft, or fraud.
Cause	A lack of management oversight contributed to this condition.

Prior Audit Finding	This finding has been previously reported in the last five audit reports covering the fiscal years ended 2009 through 2022.
Recommendation	The State Department of Education should comply with the Office of the State Comptroller's requirements to perform an annual physical inventory.
Agency Response	"We agree with this finding. Due in part to staffing challenges, the inventory process was not completed. We plan to conduct a full inventory within the next six months. During this process, we will assess any training needs and coordinate with the Office of the State Comptroller (OSC) to ensure staff receive training as necessary."

## Finding 10

# Property Control - Software Inventory Issues

Criteria	<p>Chapter 5 of the State Property Control Manual states that agencies must establish and maintain a centralized repository (software library) of agency software assets to track and control all media, licenses or end user license agreements, documentation, and related items. Inventory records of all licensed, owned, and internally developed software must align with the required categories in Chapter 3 of the manual.</p> <p>Agencies should conduct an annual inventory of software assets and audit of the software library to ensure compliance with applicable policies and copyright laws.</p>
Condition	SDE was unable to provide a complete software inventory listing with the required categories for the audited period. SDE also did not conduct an annual inventory of its software assets.
Context	SDE reported \$9,698,200 in capitalized software and \$193,187 in other intangible assets on its CO-59 annual property report for the fiscal year ended June 30, 2024.
Effect	Incomplete software inventory records may lead to inaccurate reporting and reduce the department's ability to adequately monitor, control, and track software use and ownership.
Cause	A lack of management oversight appeared to contribute to the condition.
Prior Audit Finding	This finding has not been previously reported.

**Recommendation** The State Department of Education should strengthen internal controls to ensure it complies with the software inventory requirements in the State Property Control Manual.

**Agency Response** “We agree with this finding. The Department has taken steps to comply with the directive outlined in Memorandum No. 2024-13, which requires agencies to designate a Software Librarian and develop an Agency Software Asset Policy for review by the Office of Policy and Management (OPM).

As part of this effort, the recently onboarded Customer Success Manager (CSM) will play a key role in strengthening software asset management practices across the agency. This includes supporting the implementation of inventory tracking processes and ensuring compliance with software inventory requirements through enhanced oversight and governance.”

## Finding 11

# Reporting - Inadequate Monitoring and Noncompliance with Reporting Requirements

**Criteria** The State Department of Education must submit numerous reports under various statutes and public acts. These reports provide information necessary to facilitate executive and legislative branch oversight of SDE programs.

**Condition** Our review of the SDE reporting requirements due during the audited period noted the following:

- SDE did not maintain evidence that it submitted 49 required reports to their intended recipients. Of the 49, ten reports were available and appeared complete.
- SDE submitted thirteen reports between 13 days to over a year late.

**Context** We reviewed all 77 SDE reporting requirements due during the audited period for compliance.

**Effect** The intended report recipients may not have the current information to make informed decisions regarding the department and its operations.

Cause	A lack of management oversight appeared to contribute to the condition.
Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2018 through 2022.
Recommendation	The State Department of Education should implement internal controls to ensure that it prepares and promptly submits all statutorily mandated reports. If the department believes that certain reporting requirements are no longer practical or relevant, it should seek statutory repeal.
Agency Response	<p>“We agree with this finding in part. The Department disagrees with the audit’s reported number of non-transmitted legislative reports and maintains records of 35 legislative reports completed during the audit period. Of these, 25 were transmitted via email to the appropriate legislative recipients.</p> <p>To enhance compliance moving forward, the Department has hired a Coordinator of Systemic Implementation, whose responsibilities include, in part, tracking and monitoring all statutorily required reports. Prior to this hire, staffing shortages impacted our ability to meet the demands associated with timely reporting.</p> <p>While some reports may not have been properly transmitted via email to the Connecticut General Assembly (CGA), many were presented in detail to the State Board of Education and subsequently posted on the Department’s website, ensuring public accessibility.</p> <p>Finally, it is important to note that the timelines for certain required reports do not always align with the academic year, which presents challenges in compiling data and information on an annual basis as mandated by statute.”</p>
Auditors’ Concluding Comments	For the reporting due during the audited period, we did not receive evidence of email submission of the reports mentioned in the response. If the department feels that it is difficult to meet certain reporting deadlines, it should seek legislative changes.

## Finding 12

# Inadequate Oversight or Support of 14 Boards, Councils, Commissions and Committees

### Background

The State Department of Education is the lead agency for 14 councils, commissions, and committees.

General Statutes	Council/Commission/Committee
Section 10-7v	Digital Citizenship Internet Safety and Media Literacy Advisory Council
Section 10-14gg	Reading Leadership Implementation Council
Section 10-15j	Connecticut Remote Learning Commission
Section 10-6v	After School Committee
Section 10-16nn	Interagency Council for Ending the Achievement Gap
Section 10-21j	Connecticut Apprenticeship and Education Committee
Section 10-27	International Education Advisory Committee
Section 10-76i	Advisory Council for Special Education
Section 10-144d	Advisory Council for Teacher Professional Standards
Section 10-144e	Advisory Council for School Administrator Professional Standards
Section 10-151d	Performance Evaluation Advisory Council
Section 10-155k	School Paraeducator Advisory Council
Section 10-156bb	Increasing Educator Diversity (IED) Policy Oversight Council
Section 10-212f	School Nurse Advisory Council

Section 10-2 of the General Statutes indicates that the Commissioner of Education shall serve as secretary to the State Board of Education.

### Criteria

Section 1-225 of the General Statutes requires public agencies to: (1) post meeting minutes to the public agency's website no later than seven days after such meeting; (2) file a schedule of regular meetings for the ensuing year with the Secretary of the State no later than January 31<sup>st</sup> of each year, and to post such schedule on the agency's website; (3) file the agenda of such meeting with the Secretary of the State no less than 24 hours before a meeting, and post such agenda on the agency's website.

Condition	<p>Our review of 14 boards, commissions, councils, and committees and the State Board of Education for the fiscal years ended June 30, 2023 and 2024 revealed the following:</p> <ul style="list-style-type: none"> <li>• Six were inactive.</li> <li>• Nine did not post regular meeting schedules with the Secretary of the State.</li> <li>• Eight did not post all meeting schedules and agendas on the Secretary of the State’s State Agency Public Meeting Calendar.</li> <li>• Five did not post all minutes on the agency website.</li> </ul>
Context	SDE is the lead agency for 14 boards, commissions, councils and committees and serves as secretary for the state board of education.
Effect	Interested parties may not be informed about or be able to attend or participate at meetings.
Cause	A lack of management oversight appeared to contribute to the condition.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should work with its related boards, commissions, councils, and committees to ensure compliance with their enabling statutes and Section 1-225 of the General Statutes.
Agency Response	<p>“We agree with this finding in part. Finding No. 12 claims the State Department of Education (“the Department”) is responsible for overseeing fourteen councils, commissions, and committees, including the State Board of Education (“the Board”). It asserts the Department must publish or file meeting schedules, agendas, and minutes for these groups under Conn. Gen. Stat. § 1-225. The finding states some materials were not published due to inadequate administrative oversight and urges the Department to ensure future compliance.</p> <p>Conn. Gen. Stat. § 1-225 is part of the Freedom of Information Act (FOIA), which defines “public agency” broadly to include boards, commissions, committees, and other authorities. Each public agency—not the parent department or board—is required to publish and file its own meeting materials. Thus, the Department or State Board of Education is not responsible for publishing these materials for each council, commission, or committee. The Department clarifies it does not have oversight of the State Board under Conn.</p>

Gen. Stat. § 10-1. Instead, Conn. Gen. Stat. § 4-5 designates the State Board as the “Department Head,” with the Department acting as its administrative arm per § 10-3a. The State Board itself is responsible for publishing its meeting information under Conn. Gen. Stat. § 10-4.

For the other thirteen entities, the Department notes that their establishing statutes do not require it to publish or file materials on their behalf. Instead, each council, commission, or committee must comply with publication and filing requirements independently. While the Department may assist administratively, it is not mandated to oversee these duties.

Going forward, the Department will support these entities and ensure they understand their FOIA responsibilities regarding publication and filing.”

#### Auditors’ Concluding Comments

Since these entities are generally established within the department or provide secretarial and administrative assistance, the State Department of Education appears to serve as the lead agency.

## Finding 13

# Lack of Effective Oversight for State Regulations

#### Criteria

The Regulations of Connecticut State Agencies serve to clarify the General Statutes and carry the force of law. Multiple sections of the General Statutes require SDE to adopt regulations, including:

- Section 10-17f(g) for establishing requirements for: (2) local and regional boards of education to integrate bilingual and English as a second language program in all staff, planning and curriculum development activities.
- Section 10-66j(a) for standards for review and approval of regional education service centers in accordance with sections 10-66a and 10-66h.
- Section 10-145d(e) for providing standards for the certification of computer science teachers. Such regulations shall create a computer science endorsement and make provision for certification requirements to be met by either (1) completion of prescribed courses of study, or (2) such other experience as the state board shall deem appropriate.
- Section 10-145g for governing the use and access of information concerning child abuse in reports received by

the Commissioner of Education or her representative, pursuant to sections 17a-101b and 17a-101c.

- Section 10-149 for fixing the qualifications for athletic coaches, as defined in section 10-149d, of intramural and interscholastic athletics. Such regulations shall make a provision for qualified persons who do not possess a teaching certificate to coach intramural and interscholastic athletics if a qualified person possessing a teaching certificate is not available.
- Section 10-215d(b) for facilitating purchases from local farmers by local and regional boards of education, in furtherance of the state's farm to school program established in section 22-38d.

Condition	The department did not establish or amend state regulations to reflect the current requirements under Sections 10-17f(g), 10-66j(a), 10-145d(e), 10-145g, 10-149 and 10-215d(b) of the General Statutes.
Context	The department did not establish or amend state regulations for six of the 22 statutory citations within Chapters 163, 163c, 164, 166, 169 and 170 of the General Statutes.
Effect	Without updated regulations, certain policies and procedures may not be administered or followed as intended.
Cause	Inadequate administrative oversight contributed to the condition.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The State Department of Education should improve administrative oversight and pursue adoption or amendment of statutorily required regulations. If the department believes the regulation is unnecessary or outdated, it should propose an amendment or repeal of the related statute.
Agency Response	<p>"We disagree with this finding. We disagree with the finding that we "did not establish/amend state regulations for six of 22 statutory citations." This statement is inaccurate.</p> <ol style="list-style-type: none"><li>1. C.G.S. § 10-17f(g) requires the State Board of Education to adopt bilingual education regulations pertaining to local programming requirements, integration of faculty into educational activities, and teacher preparation and certification. Sections 10-17h-1 through 15 address bilingual education programming requirements and faculty</li></ol>

integration into educational activities. Numerous regulations address bilingual education teacher preparation and certification, including Sections 10-145d-405, 407, and 408; 10-145d-428; 10-145d-475 through 479; 10-145d-544; 10-145d-602; and 10-145d-610.

2. C.G.S. §10-66j(a) requires regulations for regional education service centers. The State Board has issued regulations 10-66j-2 through 10-66j-7, confirming compliance.
3. C.G.S. §10-145d(e) requires regulations for certification standards of computer science teachers, fulfilled by Sections 10-145d-466 and 10-145d-469, alongside general certification standards.
4. C.G.S. §10-145g requires regulations governing child abuse report information access, adopted in Section 10-145g-1.
5. C.G.S. §10-149 mandates regulations for athletic coach qualifications; though original sections were repealed, related regulations exist under Section 10-145d-423 to 425.
6. C.G.S. § 10-215d(b) requires the State Board of Education, in consultation with other State agencies and associations, to adopt regulations pertaining to school nutrition standards. Those standards must have been amended by October 2017 to facilitate local food purchases in furtherance of the State's Farm to School Program. In the Fiscal Year 19, 20 and 21 Farm-to School Program Audit, the CSDE addressed the fact that we would have to invest scarce resources and substantial time into a process that federal law has rendered unnecessary. Although the CSDE will take this recommendation under consideration, without dedicated state funding to hire a full-time staff person to oversee this, the CSDE does not have the capacity to implement such a proposal.

Where discretionary, the Board has appropriately exercised its judgment in amending regulations. Amendments are only necessary if statutory changes occur, which has not happened. Regulatory amendment decisions rest with the Board and are not dictated unilaterally by the APA."

#### Auditors' Concluding Comments

SDE has not amended regulations to reflect statutory provisions and changes in the following areas:

1. For bilingual education, Public Act 99-211 updated Section 10-17f(g)(2). The existing regulation is outdated and needs to be amended.

2. For reviews of regional education service centers, Public Act 93-353 changed the time frame for evaluations in Section 10-66h to no more than once every five years. Section 10-66h was referenced in Section 10-66j(a) as a standard for reviews. Section 10-66j-6 of the regulations still states triennially and should be updated.
3. For computer science endorsement standards, Public Act 19-128 required updates to regulations according to Section 10-145d(e), but the department did not work to amend its regulations in 10-145d-466.
4. For a technical change to the reporting of child abuse, Public Act 96-246 required updates to regulations according to Section 10-145g to reference the correct statute in 10-145g-1.
5. For qualifications of athletic coaches, Section 10-149 required regulations “fixing” the qualifications, but the department has not done so in 10-145d-423-425.
6. For nutrition standards, Section 10-215d(b) required amended regulations to facilitate purchases from local farmers by local and regional boards of education, but the department has not amended its regulations.

## Finding 14

# Information Technology – Lack of Policies and Procedures Regarding Access to Information

### Background

The Office of Policy and Management (OPM) established the Network Security Policy and Procedures reporting requirements and associated standards to ensure agencies have formal policies to confirm access to systems is authorized to protect critical information and data flow.

### Criteria

OPM Network Security Policy and Procedures state that each agency must submit its own Network Security Policy to DAS-BITS for review and approval.

### Condition

SDE did not submit its network security policy for review and approval. The department did not adopt formal policies for creating, modifying, or deleting users.

Context	Network security policies affect all computers connected to state networks. Such assurance over infrastructure access provides essential support for agency operations.
Effect	There is an increased risk of unauthorized access to confidential information.
Cause	SDE management does not think the department needs its own policy. The department believes DAS-BITS will issue a universal policy.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.
Recommendation	The State Department of Education should continue to work with the Department of Administrative Services to develop its formal network security policy and submit it to the Department of Administrative Services Bureau of Information Technology Solutions Security Oversight Committee for approval.
SDE Response	<p>“We disagree with this finding for the second time. Three years ago, effective July 1, 2022, the State of Connecticut consolidated all information technology operations and functions centrally under the Department of Administrative Services, Bureau of Information Technology Solutions (DAS-BITS). IT staff who were previously employed directly by the CSDE have been employees of DAS-BITS since then.</p> <p>The staff from DAS-BITS who are dedicated to the CSDE for user management (i.e., creating, modifying, or deleting users) with regard to the State’s Microsoft 365, Azure Active Directory, and Exchange Online systems have adopted the attached DAS-BITS approved security policies and procedures as their guide for operations and compliance efforts. To support adherence to DAS-BITS security policies and procedures, a BITS Customer Success Manager (CSM) has been recently onboarded for CSDE. The CSM will work closely with the DAS-BITS staff responsible for user management of CSDE users to reinforce compliance with standards and ensure that policy expectations are met consistently.</p> <p>The CSDE is aware that DAS-BITS is in the midst of developing/enhancing policies and procedures. DAS-BITS has affirmed that this will include a common network security policy that would be applicable to all agencies. It is expected that all policies will be based on the NIST Cybersecurity Framework 2.0 (CSF). The section of the framework that discusses creating/managing accounts is at <a href="https://csf.tools/reference/nist-sp-800-53/r5/ac/ac-2/">https://csf.tools/reference/nist-sp-800-53/r5/ac/ac-2/</a>. Once DAS-BITS updates its policies, those will also be applied by the DAS-BITS staff who are dedicated to CSDE for user management, and security for all CSDE staff and systems.</p>

Therefore, CSDE disagrees with the recommendation that it should develop its own formal network policy. CSDE no longer has IT staff. Additionally, CSDE relies entirely on DAS-BITS for all IT matters including creating, modifying, or deleting users. CSDE endorses and affirms DAS-BITS policies and procedures as they are developed, revised, and finalized. CSDE will continue to expect that all DAS-BITS staff assigned to the CSDE will continue to implement the policies adopted by DAS-BITS for all agencies statewide.”

## DAS Response

“DAS acknowledges this finding, however, conditions have changed since the initial finding was reported and statewide policy work will therefore have greater applicability to this area in the future.

DAS-BITS and OPM jointly established the IT Policy & Governance Steering Group under the published IT Policy Governance Process (effective July 25, 2025), pursuant to C.G.S. §§ 4-5, 4-8, 4-65a, 4-66, 4d-1(3), and 4d-8a. All policies align to NIST CSF 2.0. The Steering Group has published the IT Information Security Policy and Cyber Incident Response Planning Policy, with Foreign Travel, Password, and Data Classification policies in progress. Each sets minimum security baselines for all executive branch agencies.

An Access Control Policy covering the full account lifecycle is targeted for publication this fiscal year, alongside Acceptable Use and other IT security policies. These will formalize the controls DAS-BITS staff already follow operationally and improve controls alignment where appropriate.

One of the Steering Group's key goals is to author statewide IT security policies that establish the floor, not the ceiling, of security controls. Agencies may adopt statewide policies directly or develop their own complementary policies, provided those policies meet or exceed the statewide baseline.

CSDE can adopt this statewide policy. The Access Control Policy will directly address the auditor's concerns.”

## Auditors' Concluding Comments

While DAS-BITS is working with OPM to develop a universal applicable to all state agencies, each agency is still responsible to ensure it complies with current policies. We believe SDE should submit a policy for approval, as required.

## Finding 15

# Information Technology - Unsupported System Components

Criteria	The National Institute of Standards and Technology (NIST) recommends various system and services acquisition controls (SA) in its special publication 800-53 (SP-800-53). Control SA-22, Unsupported System Components, requires the organization to replace information system components when they are no longer supported by the developer, vendor, or manufacturer.
Condition	We identified information system components that had exceeded their useful life.
Context	Manufacturers support information system components (e.g., hardware and software) for a specified period. Once the support period ends, these items must be upgraded or replaced.
Effect	The components are not supported by vendors and expose the infrastructure to an elevated risk of cybersecurity dangers, possible software and hardware incompatibility, and may not satisfy regulatory compliance requirements.
Cause	SDE did not promptly dedicate resources to migrate antiquated systems or software to supported components.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.
Recommendation	The State Department of Education and Department of Administrative Services should develop and implement controls to ensure that they replace systems and components before they become obsolete and unsupported.
SDE Response	<p>"We agree with this finding. Below is an overview of the work CSDE has completed to date, along with the steps currently underway to ensure sustainable and effective lifecycle management practices.</p> <ul style="list-style-type: none"><li>• Assessment and Inventory - An assessment of all hardware and software assets has been completed. This included identifying systems that are out of support, at end-of-life (EOL), or approaching these critical thresholds.</li></ul>

- Technical Debt Management- Identified issues have been consolidated into a DAS BITS structured technical debt register. This enables prioritization based on business risk and impact and informs resource allocation planning for remediation activities.

Cloud Migration Efforts - An attempted bulk migration to Azure was conducted but did not meet the necessary success criteria. Lessons learned from this effort are being incorporated into revised plans, with a focus on targeted migrations aligned to readiness and compatibility.

- Ongoing Inventory and Monitoring - An application inventory has been created and is reviewed regularly to maintain accuracy and visibility. This proactive approach supports informed decision-making and early identification of upcoming support challenges.
- Control Framework Development and Stakeholder Engagement - A Customer Success Manager (CSM) has been onboarded to facilitate the development and implementation of a formal control framework. This includes coordinating with DASBITS technical teams to define and operationalize processes for the continuous identification, classification, and updating software and hardware assets. The CSM is also assisting with the evaluation of tools to support automation, alignment with enterprise best practices.”

#### DAS Response

“DAS agrees with the finding and also with the CSDE response to this item.”

# STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our prior [audit report](#) on the State Department of Education contained 19 recommendations. 12 have been implemented or otherwise resolved and seven have been repeated or restated with modifications during the current audit. Due to the passage of Public Act 22-118 making CTECS an independent agency effective July 1, 2022, we regarded the prior audit recommendations solely addressing CTECS to be considered resolved. Specific resolution will be reported within the separate audit report of CTECS.

Prior Recommendation	Current Status
<p>The State Department of Education should implement an adequate system of internal controls to ensure that it prepares and promptly submits all statutorily mandated reports.</p>	<p><b>REPEATED</b> <b>Modified Form</b></p> <p>Recommendation 11</p>
<p>The State Department of Education should execute a memorandum of understanding with the Office of Early Childhood defining the terms of its administrative support.</p>	<p><b>RESOLVED</b></p>
<p>The Connecticut Technical Education and Career System should contact the Office of the State Treasurer to claim 18 technical high schools' unclaimed property.</p>	<p><b>RESOLVED</b></p>
<p>The State Department of Education and Department of Administrative Services should develop and implement controls to ensure that they replace systems and components before they become obsolete and unsupported.</p>	<p><b>REPEATED</b></p> <p>Recommendation 15</p>
<p>The State Department of Education should work with the Department of Administrative Services to develop its formal network security policy and submit it to the Department of Administrative Services Bureau of Information Technology Solutions Security Oversight Committee for approval.</p>	<p><b>REPEATED</b></p> <p>Recommendation 14</p>
<p>The State Department of Education should improve internal controls over the review and approval of timesheets to ensure compliance with bargaining unit contracts. The department should develop, distribute, and follow guidelines to ensure employees charge leave time in accordance with their collective bargaining agreements.</p>	<p><b>REPEATED</b> <b>Modified Form</b></p> <p>Recommendation 2</p>

Prior Recommendation	Current Status
The State Department of Education and Department of Administrative Services should improve oversight of workers' compensation procedures and practices.	<b>RESOLVED</b>
The State Department of Education and Department of Administrative Services should improve their monitoring of medical leaves to ensure employees submit complete and accurate medical certificates.	<b>RESOLVED</b>
The Connecticut Technical Education and Career System should improve its controls to ensure that it complies with the Department of Administrative Services Agency Administered Projects Procedure Manual.	<b>RESOLVED</b>
The State Department of Education should improve its Connecticut Educator Certification System to include accountability and reconciliation procedures to monitor and reconcile the issuance of certificates and related revenues.	<b>REPEATED</b> Recommendation 7
The Connecticut Technical Education and Career System should take the necessary steps to adequately and promptly address internal control deficiencies identified in internal audit reports.	<b>RESOLVED</b>
The Connecticut Technical Education and Career System should comply with established internal controls for processing cash receipts.	<b>RESOLVED</b>
The State Department of Education and Department of Administrative Services should strengthen dual employment procedures and controls to ensure compliance with Section 5-208a of the General Statutes.	<b>RESOLVED</b>
The State Department of Education should strengthen internal controls to ensure its supervisors preapprove compensatory time and overtime. The department should retain sufficient supporting documentation with proper approvals.	<b>REPEATED</b> <b>Modified Form</b> Recommendation 3
The Connecticut Technical Education and Career System should train its business staff regarding the maintenance and utilization of student activity program funds.	<b>RESOLVED</b>
The State Department of Education should comply with the Office of the State Comptroller's requirements to perform an annual physical inventory and improve internal controls over the custody and documentation of assets.	<b>REPEATED</b> <b>Modified Form</b> Recommendation 9

Prior Recommendation	Current Status
<p>The State Department of Education should improve internal controls to ensure that it promptly removes disposed equipment from its inventory records.</p>	<p><b>RESOLVED</b></p>
<p>The State Department of Education should strengthen internal controls to ensure that it tags controllable property or equipment assets. The department should implement a process to ensure that it utilizes consistent asset chart fields between Core-CT and supporting documentation.</p>	<p><b>RESOLVED</b></p>
<p>The Connecticut Technical Education and Career System should take the appropriate steps to tax certify its student activity accounts to prevent the withholding of federal tax from common stock dividends. If the system cannot accomplish this certification, it should seek assistance from the Office of the Attorney General.</p>	<p><b>RESOLVED</b></p>

# OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the State Department of Education in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2023 and 2024. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, asset management, reporting systems, boards, adoption/modification of state regulations, oversight of charter and magnet schools, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

The Department of Administrative Services administers the human resources and information technology functions for the State Department of Education. Our audit reviewed these functions, based on assessments of risk and significance, as they relate to the State Department of Education. Our review did not include reviewing other aspects of the Department of Administrative Services' operations.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the department and certain external parties. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the department's management and state information systems. It was not subject to our audit procedures. For the areas audited, we identified

1. Deficiencies in internal controls;
2. Apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. A need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the State Department of Education.

# ABOUT THE AGENCY

## Overview

[The State Department of Education](#) (SDE) operates primarily under the provisions of Title 10, Chapters 163 through 166, 168 through 170, and 172 of the General Statutes. Under the direction of a commissioner, it serves as the administrative arm of the State Board of Education (SBE). The board's statutory responsibilities include the general supervision and control of the state's educational interests with respect to preschool, elementary and secondary education, special education, vocational education, and adult education. SDE fiscal duties include the administration of state and federal grants, which are paid to local and regional educational agencies.

The mission of the State Department of Education is to provide leadership that promotes an educational system supporting all learners in reaching their full potential.

## Organizational Structure

As of June 30, 2024, the State Board of Education consisted of 13 members. There were 11 voting members, with at least two who have experience in manufacturing or a trade offered at CTECS, one with a background in vocational agriculture, and two nonvoting student members. The Governor appoints the members to the board with the advice and consent of the General Assembly. The voting members are appointed to four-year terms, and the student members are appointed to one-year terms. The chancellor of the Connecticut State Colleges and Universities, the chair of CTECS and chief workforce officer, serve as ex officio, nonvoting members. SBE recommends the appointment of the Commissioner of Education to the Governor, who serves as the secretary to the board coterminous with the Governor.

Governor Ned Lamont appointed Charlene Russell-Tucker as commissioner, effective August 19, 2021. She continues to serve in that capacity.

Governor Ned Lamont's Executive Order No. 2, centralized human resources and labor relations functions by transferring them to the Department of Administrative Services and the Office of Policy and Management, respectively. SDE transitioned to the new centralized human resources and labor relations reporting structure on August 28, 2020.

## Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 22-47, Section 13**, effective July 1, 2022, required SDE to administer a program to provide grants in fiscal years 2023 through 2025 to local and regional boards of education for hiring additional school mental health specialists.
- **Public Act 22-118**, effective July 1, 2022, separated the Connecticut Technical Education and Career System from the State Department of Education making it an independent state agency.
- **Public Act 23-01, Section 1**, effective February 14, 2023, adjusted federal American Rescue Plan Act (ARPA) funding allocations for fiscal year 2023 by reducing the allocation to the Office of Policy and Management for Invest Connecticut by \$60 million and reallocating these funds to the State Department of Education for free school meals for students.

- **Public Act 23-160, Sections 29 and 32**, effective July 1, 2023, made existing magnet school enrollment requirements permanent; extended by two years a provision barring the SDE commissioner from awarding grants to magnet schools that do not comply with these requirements; required the education commissioner to revise the magnet school reduced isolation standards as needed; and required the standards to comply with the Sheff decision and related stipulations and orders.

## Financial Information

### General Fund Receipts

A summary of General Fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Teacher Certificate Licenses	\$ 3,445,115	\$ 3,087,169	\$ 3,213,666
Refunds of Expenditures - Prior Years	1,727,792	562,003	817,339
Other	(45,665)	(51,077)	(72,119)
<b>Total</b>	<b>\$ 5,127,242</b>	<b>\$ 3,598,095</b>	<b>\$ 3,958,886</b>

The fluctuation in Refunds of Expenditures - Prior Years was due to a greater amount of refunds collected by the department for state grants that were not spent by the local school districts in fiscal year 2022.

### Federal and Other Restricted Accounts Fund Receipts

A summary of Federal and Other Restricted Accounts Fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Federal Grants - Restricted	\$ 1,169,124,731	\$ 1,169,507,893	\$ 1,173,539,284
Grants - Other than Restricted	5,150,273	101,622	61,367
Connecticut Technical Extension	2,411,538	11,123	0
<b>Total</b>	<b>\$ 1,176,686,542</b>	<b>\$ 1,169,620,638</b>	<b>\$ 1,173,600,651</b>

Grants - Other than Restricted and the Connecticut Technical Extension Fund receipts were significantly reduced in fiscal years 2023 and 2024 as a result of the separation of the Connecticut Technical Education and Career System (CTECS) from SDE effective July 1, 2022, in accordance with Public Act 22-118.

## General Fund Expenditures

A summary of General Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Education Equalization Grants	\$ 2,139,389,820	\$ 2,176,723,013	\$ 2,231,164,150
Magnet Schools	276,021,365	277,398,994	279,195,021
Excess Cost - Student Based	140,777,987	156,148,491	181,152,455
Charter Schools	124,537,357	129,203,384	131,251,382
Sheff Transportation	51,843,244	53,424,053	67,676,250
Priority School Districts	30,818,778	30,818,778	30,816,420
Other	175,232,955	179,852,313	204,404,698
<b>Total</b>	<b>\$ 2,938,621,506</b>	<b>\$ 3,003,569,026</b>	<b>\$ 3,125,660,376</b>

The Excess Cost-Student Based Grants and Sheff Transportation line items grew in both fiscal years 2023 and 2024 due to increases in respective appropriations.

The SDE grants to educational agencies and other payments from the General Fund are based on statutory requirements. Descriptions of the significant state grant programs follow:

### Education Equalization Grants to Towns

Sections 10-261a to 10-262j of the General Statutes specify how education equalization aid is provided to each town maintaining public schools. Aid distributed to a town under this grant program is to be expended for educational purposes only when authorized by the local or regional board of education.

### Excess Cost - Student-Based Grants

The Excess Cost-Student-Based Grant provides state support for special education placements under the provisions of Sections 10-76d, 10-76g, and 10-253(b) of the General Statutes. Certain state agency placements are subject to 100% state funding. The excess cost grant is computed in February and May.

### Priority School Districts

The priority school district grant program was established under the provisions of Sections 10-266p through 10-266r of the General Statutes and is designed to provide assistance to improve student achievement and enhance educational opportunities in certain school districts. Priority school districts fall into one or more of three categories: 1) the eight towns in the state with the largest population; 2) the 11 towns with the most students; and 3) the highest percentage of children in families participating in the Temporary Assistance for Needy Families Program, adjusted by certain factors from the towns' mastery test results. The following school districts received priority school district funding during the fiscal year 2024: Ansonia, Bridgeport, Danbury, East Hartford, Hartford, Manchester, Meriden, New Britain, New Haven, New London, Norwalk, Norwich, Stamford, Waterbury, and Windham.

### Magnet Schools

Sections 10-264h through 10-264o of the General Statutes established an interdistrict magnet school grant designed to support racial, ethnic, and economic diversity through a high-quality curriculum. This program also provides transportation to interdistrict students who reside outside of their school's district. A cooperative arrangement established eligibility involving two or more local districts and SDE approval

of the operations plan. As of June 30, 2024, there were 85 interdistrict and three part-time magnet schools.

### Charter Schools

Section 10-66aa of the General Statutes defines charter schools as public, nonsectarian schools that operate independently of any local or regional board of education in accordance with a state or local charter. Their goal is to serve as centers for innovation and educational leadership to improve student performance, provide a choice to parents and students within the public-school system, and be a potential vehicle to reduce racial, ethnic, and economic isolation. Annual assessments determine whether the schools are meeting the legislative and charter’s goals. For students enrolled in a local charter school, the student’s resident local board of education annually pays an amount specified in its charter. As of June 30, 2024, there were 21 charter schools.

### Sheff Transportation

Section 10-266m(a)(5) of the General Statutes indicates that the Commissioner of Education may provide grants, within available appropriations, in an amount not to exceed two thousand dollars per pupil, to local and regional boards of education and regional educational services centers that transport (A) out-of-district students to a technical education and career school located in Hartford, or (B) Hartford students attending a technical education and career school or a regional agricultural science and technology education center outside of the district, to assist the state in meeting the obligations pursuant to the decision in *Sheff v. O’Neill*, 238 Conn. 1 (1996), or any related stipulation or order in effect, as determined by the Commissioner of Education, for the costs associated with such transportation.

### Special Revenue Fund Expenditures

A summary of Special Revenue Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Capital Equipment Purchase Fund	\$ 0	\$ 525	\$ 0
STEAP - Grants to Local Governments	2,276,975	0	4,042,568
<b>Total</b>	<b>\$ 2,276,975</b>	<b>\$ 525</b>	<b>\$ 4,042,568</b>

The absence of Small Town Economic Assistance Program (STEAP) expenditures in fiscal year 2023 was due to the department not requesting bond funding from the bond commission. STEAP funds economic development, community conservation and quality of life capital projects for localities that are ineligible to receive Urban Action bonds. The program is managed by the Office of Policy and Management and grants are administered by various state agencies. For the department, this included an increase in fiscal year 2024 due to Magnet Capital Start-up, Magnet School Capital Improvement, and Low Performing Schools funding.

## Federal and Other Restricted Accounts Fund Expenditures

A summary of Federal and Other Restricted Accounts Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Personal Services and Employee Benefits	\$ 21,913,583	\$ 15,685,174	\$ 16,568,223
Professional, Scientific, and Technical Services	36,524,887	35,091,295	44,263,083
Other Services	3,385,189	1,175,976	2,705,459
Information Technology	1,307,318	2,348,325	1,865,500
Purchased Commodities	8,958,939	38,095	3,483
Indirect Overhead	1,859,580	1,036,005	936,779
Pass thru Grant Non-State	1,058,626,722	1,115,899,546	1,129,532,480
State Aid Grants	3,299,109	3,427,318	3,825,837
Grant Transfers - State Agencies	29,608,235	40,711,895	20,034,231
Other	2,635,650	2,107,083	1,517,331
<b>Total</b>	<b>\$ 1,168,119,212</b>	<b>\$ 1,217,520,712</b>	<b>\$ 1,221,252,406</b>

Personal Services and Employee Benefits and Purchased Commodities significantly decreased due to the separation of CTECS from SDE, effective July 1, 2022, previously noted. Professional, Scientific, and Technical Services grew in fiscal year 2024 due to an increase in Educational Services.