How Connecticut’s school funding system impacts Middletown Public Schools and the community
About the CT School Finance Project

• Founded in 2015, the nonprofit Connecticut School Finance Project aims to ensure Connecticut has a fair and equitable school finance system and be a trusted, nonpartisan, and independent source of accurate data and information.

• Although not a member-based organization, the Connecticut School Finance Project actively works with a diverse group of stakeholders, including education and community leaders, nonprofit organizations, and individuals interested in how school finance impacts their students and schools.

• We aim to develop fair, well-thought-out solutions to Connecticut’s school finance challenges that incorporate the viewpoints and perspectives of stakeholders.
CT School Finance Project’s Goals

- Build knowledge about how the current school funding system works,
- Bring together stakeholders who are impacted by how schools are funded, and
- Identify solutions to Connecticut’s school funding challenges that are fair to students and taxpayers, and strengthen schools and communities.
School finance is about...
Kids
Schools
Communities
JACOB'S STORY
A note about per-pupil expenditures

• Connecticut does not currently require revenues or expenditures to be reported at the school level.
  • As a result, it is not possible to determine per-pupil expenditures at the school level.
  • This example uses average per-pupil expenditures at the local education agency (LEA) level.

• In reality, districts don’t allocate resources equally to all schools or students.

• Our methodology for calculating per-pupil expenditures at the LEA level can be found in the appendix of this presentation.
Jacob

- Jacob lives in Middletown
- He is a 3rd grader
- When he grows up, he wants to become a firefighter.
How much funding does Jacob’s school district receive to educate him?
It depends on where he lives.
Let’s take a look at funding for Jacob at three similar school districts.

Bristol Public Schools

Middletown Public Schools

Hamden Public Schools
## Middletown Public Schools: $16,446

<table>
<thead>
<tr>
<th>District Name</th>
<th>Middletown Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution</td>
<td>$4,473</td>
</tr>
<tr>
<td>Middletown Contribution</td>
<td>$11,134</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>$839</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,446</strong></td>
</tr>
</tbody>
</table>

How much funding does Jacob’s school district receive to educate him?

It depends on where he lives.

<table>
<thead>
<tr>
<th>School District</th>
<th>Middletown Public Schools</th>
<th>Bristol Public Schools</th>
<th>Hamden Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution</td>
<td>$4,473</td>
<td>$5,933</td>
<td>$4,536</td>
</tr>
<tr>
<td>Town Contribution</td>
<td>$11,134</td>
<td>$7,392</td>
<td>$13,315</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>$839</td>
<td>$569</td>
<td>$515</td>
</tr>
<tr>
<td>Total</td>
<td>$16,446</td>
<td>$13,894</td>
<td>$18,366</td>
</tr>
</tbody>
</table>

Why?
Why is school finance a state-level issue?

• Education is not a fundamental right under the United States Constitution.

• Public schools fall under the authority of state government and are primarily funded through state and local tax dollars.

• All 50 states have concluded children have a right to a free, public education under their state’s constitution.

What are the funding sources for public education in Connecticut?

Funding by Source ($Billions)

- From Local Sources: $6.29
- From State Sources: $4.41
- From Federal Sources: $0.47

Total: $11.2B

Why should we fund students based on their learning needs?
Equality vs. Equity

**Equality**

\[ \text{EQUALITY} = \text{SAMENESS} \]

GIVING EVERYONE THE SAME THING → It only works if everyone starts from the same place

**Equity**

\[ \text{EQUITY} = \text{FAIRNESS} \]

ACCESS TO SAME OPPORTUNITIES → We must first ensure equity before we can enjoy equality
# Challenges and potential support for different types of learning needs

<table>
<thead>
<tr>
<th>Learning Need</th>
<th>Potential Challenges Impacting Student’s Education</th>
<th>Examples of Potential Support</th>
</tr>
</thead>
</table>
| Student from a low-income family     | • Unstable housing situation (may move frequently or be homeless)  
  • Food insecure or lack access to healthy foods  
  • Parents may be less able to dedicate time and resources to education  
  • Exposure to traumatic or unsafe situations  
  • More likely to be absent from school  
  • May have limited language capability (by the age of 3, children from low-income households hear – on average – 30 million less words than those from affluent households) | • Reading interventionist  
  • Software to help build vocabulary and develop language  
  • Social worker                                                                                           |
| English Learner student              | • May be only English speaker in household  
  • Cultural differences  
  • Emigrated from possible violence/warfare  
  • Unfamiliar with US education system – or any education system                                            | • ESL/bilingual teacher  
  • Software to assist in learning English  
  • Books and other materials in first language                                                                |
| Student with disabilities            | • Each student’s learning needs will be unique and can vary significant from student-to-student  
  • Students may have physical, learning, or social-emotional changes                                            | • Special education teacher  
  • Physical or occupational therapist  
  • Adaptive technology                                                                                       |


State and Middletown Overview
Over the last 10 years, the total number of students in Connecticut public schools has declined.

Connecticut Public School Enrollment by School Year

Middletown Public Schools’ enrollment has declined more than 10.3% over the last 10 years.

Despite declining enrollment, student need is increasing in Middletown and across the state
CT’s low-income, EL, and special education populations have increased over the past 10 years

Student poverty in Middletown has increased 6 percentage points over the past 10 years.

Estimated % of Middletown Students in Poverty

The percentage of low-income students Middletown serves has increased 9 percentage points since 2009.

% of Middletown Students w/ Free and Reduced Priced Lunch

The percentage of English Learners Middletown serves has increased 2 percentage points since 2009.

Over the last 5 years, the total number of special education students in Connecticut public schools has increased more than 19.8%.

Connecticut Special Education Enrollment by School Year

Which translates to a three percentage point increase in the special education identification rate over the past 5 years.

Special Education Percentage of CT Public Enrollment

The number and percentage of students attending Middletown Public Schools who need special education services has increased over the past five years.

Middletown Public Schools’ SpEd Enrollment by Year

Middletown Public Schools’ % of Students Requiring SpEd Services by Year

How are Middletown Public Schools Funded?
Middletown’s per-student spending falls in the middle of its peer districts, and is just over $100 more than the state average

2016-17 Spending Per Student

<table>
<thead>
<tr>
<th></th>
<th>Danbury</th>
<th>Bristol</th>
<th>Groton</th>
<th>State Average</th>
<th>Middletown</th>
<th>Norwalk</th>
<th>Stamford</th>
<th>Hamden</th>
</tr>
</thead>
<tbody>
<tr>
<td>% FRPL</td>
<td>58%</td>
<td>44%</td>
<td>44%</td>
<td>37%</td>
<td>45%</td>
<td>52%</td>
<td>52%</td>
<td>41%</td>
</tr>
<tr>
<td>% EL</td>
<td>26%</td>
<td>5%</td>
<td>3%</td>
<td>7%</td>
<td>4%</td>
<td>15%</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>% SPED</td>
<td>13%</td>
<td>18%</td>
<td>17%</td>
<td>15%</td>
<td>14%</td>
<td>14%</td>
<td>13%</td>
<td>18%</td>
</tr>
</tbody>
</table>


District funding sources differ greatly across Middletown’s peer towns

Per-pupil Funding by Source – Middletown Peer Towns, 2015-16

State Funding
Middletown’s state funding per student falls in the middle of its peer towns

2015-16 State Contribution Per Pupil

<table>
<thead>
<tr>
<th>Town</th>
<th>State Contribution per Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danbury</td>
<td>$3,275</td>
</tr>
<tr>
<td>Bristol</td>
<td>$5,933</td>
</tr>
<tr>
<td>Groton</td>
<td>$5,388</td>
</tr>
<tr>
<td>State Average</td>
<td>$3,858</td>
</tr>
<tr>
<td>Middletown</td>
<td>$4,473</td>
</tr>
<tr>
<td>Norwalk</td>
<td>$1,949</td>
</tr>
<tr>
<td>Stamford</td>
<td>$1,987</td>
</tr>
<tr>
<td>Hamden</td>
<td>$4,536</td>
</tr>
</tbody>
</table>

Lower $ Per Pupil  Higher $ Per Pupil

How does the state determine how much money each school should get?
CT has more than 10 different funding formulas to divide up money between public schools

• Each “type” of school has its own funding formula that is part of the Connecticut General Statutes (the laws of the state).

• The formula that distributes most of the money is the Education Cost Sharing (ECS) formula.
  – This is the formula the state is supposed to use to distribute approx. $2 billion in state education funding to public schools each year.

Conn. Gen. Statutes ch. 172, § 10-262h.
Conn. Acts 17-2 (June Special Session).
Education Cost Sharing (ECS) Formula
The Education Cost Sharing (ECS) formula determines how much money the state is supposed to give to each city/town to fund its public schools.

In October 2017, the Connecticut General Assembly passed a new ECS formula in the biennial budget bill for fiscal years 2018 and 2019.
Overview of New ECS Formula

• New formula is scheduled to begin in FY 2019 and be phased in over 10 years
  • Increase of $88.5 million (over FY 2018 ECS funding with holdbacks) in FY 2019
  • Estimated increase of $38.7 million per year from FY 2020 – FY 2028
  • Estimated total increase, after phase-in, of $345 million — over FY 2017 spending levels with rescissions — in FY 2028 and beyond

• Student-based, weighted funding formula

• Formula only applies to local public schools, all other types of Connecticut public schools (magnet schools, local and state charter schools, Connecticut Technical Education and Career System, vo-ag schools, Open Choice) will continue to be funded by 10 other formulas

Sources: Conn. Acts 17-2 (June Special Session).
Funding for Middletown

- For FY 2018, Middletown received $19,286,974 in ECS funding.
- In FY 2019, the first year of the new formula, Middletown is estimated to receive $19,862,593.
- Under the new formula, a district’s full funding will be phased in over 10 years.

Sources: Conn. Acts 17-2 (June Special Session).
Based on the most recent available data, if the formula were in place and fully funded this year, Middletown would receive an estimated $27,508,044 — roughly $8.2 million more than the district received in FY 2018.

Estimated ECS Funding for Middletown by Year

- Last Year (FY 2018): $19,286,974
- Current Year (FY 2019): $19,862,593
- Full Funding (based on current data): $27,508,044

Sources:
- Conn. Acts 17-2 (June Special Session).
This means students who are currently kindergarteners will not see full funding for their district until they’re in high school.

## Estimated ECS Funding for Middletown by Year

<table>
<thead>
<tr>
<th>Grade</th>
<th>Year</th>
<th>Estimated Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>FY 2019</td>
<td>$0</td>
</tr>
<tr>
<td>2nd Grade</td>
<td>FY 2021</td>
<td>$19,862,593</td>
</tr>
<tr>
<td>4th Grade</td>
<td>FY 2023</td>
<td>$21,547,447</td>
</tr>
<tr>
<td>6th Grade</td>
<td>FY 2025</td>
<td>$23,251,388</td>
</tr>
<tr>
<td>9th Grade</td>
<td>FY 2028</td>
<td>$24,955,329</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$27,508,044</td>
</tr>
</tbody>
</table>

Sources:
- Conn. Acts 17-2 (June Special Session).
What’s in the new formula?
Foundation

• Foundation amount is intended to represent the estimated cost of educating a CT general education student who does not have any additional learning needs.

• Foundation in new formula = $11,525 per pupil
  • Same as most recent ECS formula

• Foundation continues to “incorporate” State’s share of general special education funding.

• Foundation based on past foundation amounts and not derived using verifiable education spending data
  • However, $11,525 is within a range of reasonable foundation amounts when accounting for the inclusion of special education aid.

Source: Conn. Acts 17-2 (June Special Session).
Formula Weights

• New formula contains three “need-student” weights, which increase per-pupil state education aid for students with additional learning needs.

• **Low-income student weight (NO CHANGE)**
  • Formula includes a low-income student weight of 0.3
  • Increases foundation amount by 30 percent for students who live in low-income households as measured by eligibility for free and reduced price lunch (FRPL)

• **Concentrated poverty weight (NEW)**
  • Formula increases per-student funding for low-income students who live in districts with high concentrations of low-income students
  • Concentrated poverty weight is 0.05
  • Increases foundation amount an additional five percent (for a total of 35 percent) for low-income students residing in districts with concentrations of low-income students of over 75 percent of district enrollment. This weight applies only to the district’s low-income students above the 75-percent level.

• **English Learner weight (NEW)**
  • Formula includes weight of 0.15 for English Learners
  • Increases foundation amount by 15 percent for students needing additional English-language skills

Source: Conn. Acts 17-2 (June Special Session).
<table>
<thead>
<tr>
<th>Student Need</th>
<th>Funding Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Education (Non-need) Student</td>
<td>Foundation Only = $11,525</td>
</tr>
<tr>
<td>Low-income Student</td>
<td>Foundation + (Foundation * Low-income Weight) = Low-income Student Funding</td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * 0.3) = $14,983</td>
</tr>
<tr>
<td>Concentrated Low-income Student</td>
<td>Foundation + (Foundation * (Low-income Weight + Concentrated Poverty Weight)) = Concentrated Low-income Student Funding</td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * (0.3 + 0.05)) = $15,559</td>
</tr>
<tr>
<td>Low-income and English Learner</td>
<td>Foundation + (Foundation * (Low-income Weight + English Learner Weight)) = Low-income and English Learner Student Funding</td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * (0.3 + 0.15)) = $16,711</td>
</tr>
<tr>
<td>English Learner</td>
<td>Foundation + (Foundation * English Learner Weight) = English Learner Funding</td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * 0.15) = $13,254</td>
</tr>
<tr>
<td>Concentrated Low-income English Learner</td>
<td>Foundation + (Foundation * (Low-income Weight + Concentrated Poverty Weight + English Learner Weight)) = Concentrated Low-income English Learner Student Funding</td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * (0.3 + 0.05 + 0.15)) = $17,288</td>
</tr>
</tbody>
</table>

Source: Conn. Acts 17-2 (June Special Session).
Base Aid Ratio

- Formula includes equity metric to distribute state education aid, where the towns with the least ability to fund their public schools receive the most state aid.

- Town’s ability to fund its public schools is calculated by:
  - **70% Property Wealth Factor**
    - Determined using a town’s Equalized Net Grand List per Capita (ENGLPC), compared to the state median town ENGLPC, as calculated annually by OPM
    - Most recent ECS formula used 90% Property Wealth Factor
  - **30% Income Wealth Factor**
    - Determined using a town’s Median Household Income (MHI), compared to the state median MHI, as calculated by the U.S. Census Bureau’s American Community Survey
    - Most recent ECS formula used 10% Income Wealth Factor

- Formula lowers Statewide Guaranteed Wealth Level from 1.5 to 1.35, creating more equitable distribution of state education aid.

- Maintains minimum aid ratio of 10% for Alliance Districts and reduces minimum aid ratio for all other districts from 2% to 1% (guarantees all districts some ECS aid).

Source: Conn. Acts 17-2 (June Special Session).
Additional Funding for Towns in Need

- Formula adds additional funding for communities that have a Public Investment Communities (PIC) index score of over 300.
  - PIC index is calculated annually by OPM and measures the relative wealth and need of CT's towns.

- If a town has one of the top 19 highest PIC Index scores, under the new formula, the town will receive a bonus of three to six percentage points to its base aid ratio, which determines each community’s ability to financially support its public schools.

<table>
<thead>
<tr>
<th>Town's PIC Index Rank</th>
<th>Additional % Points Added to Base Aid Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>6 percentage points</td>
</tr>
<tr>
<td>6-10</td>
<td>5 percentage points</td>
</tr>
<tr>
<td>11-15</td>
<td>4 percentage points</td>
</tr>
<tr>
<td>16-19</td>
<td>3 percentage points</td>
</tr>
</tbody>
</table>

Source: Conn. Acts 17-2 (June Special Session).
Phase-in Plan

- Formula is scheduled to begin in FY 2019 and be phased in over 10 years
- Alliance Districts that would otherwise receive a decrease in aid, according to the new formula, are permanently held harmless at FY 2017 grant amounts.

<table>
<thead>
<tr>
<th>Phase-in Schedule</th>
<th>FY 2019</th>
<th>FY 2020-2027</th>
<th>FY 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towns Receiving Increase in ECS Funding over FY 2017 Grant</td>
<td>Increase phased in by 4.1%</td>
<td>Increase phased in by 10.66% per year</td>
<td>Towns receive 100% of their ECS grant, as calculated by formula</td>
</tr>
<tr>
<td>Towns Receiving Decrease in ECS Funding Compared to FY 2017 Grant</td>
<td>Decrease phased out by 25%</td>
<td>Decrease phased out by 8.33% per year</td>
<td>Towns receive 100% of their ECS grant, as calculated by formula</td>
</tr>
</tbody>
</table>

Source: Conn. Acts 17-2 (June Special Session).
### Alliance Districts “held harmless”

- State budget uses both the original and updated Alliance District lists, resulting in 33 districts being held harmless

<table>
<thead>
<tr>
<th>Ansonia</th>
<th>Hartford</th>
<th>Putnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomfield</td>
<td>Killingly</td>
<td>Stamford</td>
</tr>
<tr>
<td>Bridgeport</td>
<td>Manchester</td>
<td>Thompson*</td>
</tr>
<tr>
<td>Bristol</td>
<td>Meriden</td>
<td>Torrington*</td>
</tr>
<tr>
<td>Danbury</td>
<td>Middletown</td>
<td>Vernon</td>
</tr>
<tr>
<td>Derby</td>
<td>Naugatuck</td>
<td>Waterbury</td>
</tr>
<tr>
<td>East Hartford</td>
<td>New Britain</td>
<td>West Haven</td>
</tr>
<tr>
<td>East Haven</td>
<td>New Haven</td>
<td>Winchester</td>
</tr>
<tr>
<td>East Windsor</td>
<td>New London</td>
<td>Windham</td>
</tr>
<tr>
<td>Groton*</td>
<td>Norwalk</td>
<td>Windsor</td>
</tr>
<tr>
<td>Hamden</td>
<td>Norwich</td>
<td>Windsor Locks</td>
</tr>
</tbody>
</table>

* New Alliance District beginning in FY 2018

Source: Conn. Acts 17-2 (June Special Session).
Displaced Student Supplement

• During the 2018 regular legislative session, the Connecticut General Assembly passed, and Governor Dannel Malloy signed, a bill (Conn. Acts 18-81) making revisions to the state’s biennial budget.

• The revised budget did not alter the structure of the new ECS formula, but it did include, for FY 2019, an additional one-time, supplemental allocation of approximately $2.9 million for towns whose districts received students displaced by Hurricane Maria during FY 2018.

• This allocation is provided by funds remaining in the ECS budget line item after the distribution of ECS grants, and will be distributed on a per-pupil basis using the highest number of displaced students a town received during FY 2018 as a percent of the total number of displaced students received statewide.

• However, this supplemental allocation is not part of the ECS formula and will not be a recurring feature of the ECS appropriation.

Although the new ECS formula takes steps toward equitable funding, there are several areas where it falls short.
Maintains More than 10 Different Formulas

• New ECS formula only applies to local public schools

• All other types of Connecticut public schools (magnet schools, local and state charter schools, CTECS, vo-ag schools, Open Choice) will continue to be funded by 10 other formulas/statutory amounts

• All other formulas not based on student and community needs

• Continuation of more than 10 different formulas also continues the challenges many districts have experienced related to choice programs charging tuition
Low-income Metric Remains a Challenge

• Use of FRPL eligibility as a proxy for identifying low-income students has become functionally unusable for the purposes of a school finance system.

• Need for a more accurate, verifiable proxy for low-income students is growing quickly as a result of the Community Eligibility Provision (CEP) of the federal Healthy, Hunger Free Kids Act of 2010.
  • To qualify for CEP, at least 40 percent of a school or district’s enrollment must be identified as eligible for FRPL via direct certification.

• As higher-need districts adopt CEP district-wide, there is no incentive to collect household income information from students, resulting in inaccurate FRPL identification rates.

• As a result, an alternative proxy for measuring low-income students will need to be identified in order to effectively and accurately provide critical resources to higher-need students.

Overall Formula Cost

• Despite a bipartisan biennial budget and a surge in one-time revenue in FY 2018 as a result of federal tax changes, Connecticut still faces significant fiscal challenges ahead.

• Declining revenues, continued growth of fixed costs, and looming unfunded pension obligations are expected to stress the State’s finances for the near future, potentially causing large deficits.

• As a result, the State could resort to not fully funding the formula (and its estimated total increase of $345 million) or abandon it altogether like it has in the past.

• At the beginning of FY 2014, Connecticut stopped using the most recent ECS formula because the State did not have enough money to fund the formula's phase-in plan.

• With fiscal and economic obstacles, and a longer 10-year phase-in schedule, sticking to the new formula will be a continual challenge for the General Assembly.
Funding for Special Education

• Formula does not disentangle special education funding from ECS grant, and instead leaves state aid for special education “incorporated” into the foundation amount.
  • Approximately 22% of the foundation amount is attributable to special education.

• Continuing to incorporate special education funding into the foundation, while also reducing total ECS spending in FY 2018 and FY 2019, puts Connecticut at continued risk of violating its federal maintenance of support (MOS) requirement, which is the primary fiscal measure by which states are judged to be eligible for federal funding under the Individuals with Disabilities Education Act (IDEA).

• To be eligible for federal IDEA funding, a state cannot provide less state financial support for special education than it did in the preceding fiscal year.
  • If a state has been found to have failed to maintain support, the U.S. Secretary of Education may reduce federal funds to that state.

• By leaving special education funding incorporated into the ECS formula’s foundation, and then reducing ECS funding, Connecticut runs a serious risk of violating its MOS requirement and having its federal IDEA funding reduced.

Sources:
Conn. Acts 17-2 (June Special Session).
State Spending for Special Education
The State of Connecticut currently spends more than $784.6 million annually on special education.

2016-17 State Special Education Expenditures

- $448,748,079 Portion of ECS
- $140,795,482 Excess Cost
- $195,109,133 Other State Agencies

2018-19 IDEA State Maintenance of Support compliance calculated on 2016-17 expenditure data.

The largest source of state special education spending is the ECS grant.

2016-17 State Special Education Expenditures

- 57% Portion of ECS
- 25% Excess Cost
- 18% Other State Agencies

2018-19 IDEA State Maintenance of Support compliance calculated on 2016-17 expenditure data.

Special education funding in the ECS formula

• Special education students are included in resident student counts used to calculate equalization grants.

• In 1995, the CT General Assembly increased the ECS foundation by $911 to account for special education costs.

• According to CSDE, approximately 18-22% of ECS funding is assumed to be attributed to special education expenditures.

• ECS grant accounted for 57% of state special education spending in FY 2017.

The Excess Cost grant is Connecticut’s method for paying extraordinary special education costs

- Reimburses districts when expenditures for educating a special education student are 4.5 times greater than the district’s spending per pupil.

- Reimburses districts when expenditure for state agency placements are greater than a district’s spending per pupil.

- Currently capped at $140 million, limiting state assistance in covering excess expenditures.

- Excess Cost grant accounted for 18% of state special education expenditures in FY 2017.

LOCAL FUNDING
How much do CT’s cities and towns contribute to funding public schools?

Middletown taxpayers contribute $11,134 per student, which falls in the middle of the local contributions for its peer towns.

2015-16 Local Contribution Per Pupil

<table>
<thead>
<tr>
<th>Town</th>
<th>Lower $ Per Pupil</th>
<th>Higher $ Per Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danbury</td>
<td>$8,930</td>
<td></td>
</tr>
<tr>
<td>Bristol</td>
<td>$7,392</td>
<td></td>
</tr>
<tr>
<td>Groton</td>
<td>$9,814</td>
<td></td>
</tr>
<tr>
<td>State Average</td>
<td>$11,836</td>
<td></td>
</tr>
<tr>
<td>Middletown</td>
<td>$11,134</td>
<td></td>
</tr>
<tr>
<td>Norwalk</td>
<td>$14,426</td>
<td>$15,390</td>
</tr>
<tr>
<td>Stamford</td>
<td>$13,315</td>
<td></td>
</tr>
<tr>
<td>Hamden</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Is there a minimum budget amount?

- CT has a “minimum budget requirement,” also known as the “MBR,” which all communities — with some exceptions — must adhere to in providing funding to their local school districts.

- According to the MBR, a town may not budget less for education than it did in the previous fiscal year, unless it can demonstrate specific achievements or changes within the town’s local school district.

- Exceptions to the MBR:
  - A town may reduce its MBR in FY 2019 if it experiences a decrease in ECS funding. The MBR reduction may not be more than the decrease in ECS funding.
  - Districts with declining enrollment and fewer than 20% of students eligible for FRPL can decrease their MBR up to 3%
  - Districts with declining enrollment and more than 20% of students eligible for FRPL can decrease their MBR up to 1.5%
  - The state's 10% highest-performing districts do not have to adhere to the MBR.
  - Member towns of a newly formed regional school district do not have to adhere to the MBR during the first full fiscal year following its establishment.
  - Other limited exemptions exist based on increased efficiencies, regional collaboration, and/or declining enrollment.

The value of “grand lists” varies widely

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Equalized Net Grand List GLYR 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREENWICH</td>
<td>$46,177,528,894</td>
</tr>
<tr>
<td>STAMFORD</td>
<td>$32,919,448,013</td>
</tr>
<tr>
<td>NORWALK</td>
<td>$19,278,296,085</td>
</tr>
<tr>
<td>WESTPORT</td>
<td>$15,522,449,617</td>
</tr>
<tr>
<td>FAIRFIELD</td>
<td>$15,395,112,106</td>
</tr>
<tr>
<td>MIDDLETOWN</td>
<td>$4,904,971,237</td>
</tr>
<tr>
<td>CAÑÄAN</td>
<td>$227,108,759</td>
</tr>
<tr>
<td>EASTFORD</td>
<td>$221,338,839</td>
</tr>
<tr>
<td>HAMPTON</td>
<td>$212,505,192</td>
</tr>
<tr>
<td>SCOTLAND</td>
<td>$153,419,903</td>
</tr>
<tr>
<td>UNION</td>
<td>$130,349,340</td>
</tr>
</tbody>
</table>

The Equalized Net Grand List per Capita (ENGLPC) represents the value of taxable property per resident. Middletown has the third lowest ENGLPC of its peer towns.

### Equalized Net Grand List per Capita by Town

<table>
<thead>
<tr>
<th>Town</th>
<th>ENGLPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danbury</td>
<td>$118,509</td>
</tr>
<tr>
<td>Bristol</td>
<td>$90,026</td>
</tr>
<tr>
<td>Groton</td>
<td>$134,106</td>
</tr>
<tr>
<td>State Median</td>
<td>$134,857</td>
</tr>
<tr>
<td>Middletown</td>
<td>$101,623</td>
</tr>
<tr>
<td>Norwalk</td>
<td>$203,038</td>
</tr>
<tr>
<td>Stamford</td>
<td>$249,113</td>
</tr>
<tr>
<td>Hamden</td>
<td>$91,256</td>
</tr>
</tbody>
</table>

**Lower $ Per Pupil**  ➤  **Higher $ Per Pupil**

Sources:
Median Household Income (MHI) refers to the income level earned by a given household where half of the homes in the area earn more and half earn less. Middletown has the second lowest MHI of its peer towns.

### Median Household Income by Town

<table>
<thead>
<tr>
<th>Town</th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danbury</td>
<td>$67,430</td>
</tr>
<tr>
<td>Bristol</td>
<td>$61,551</td>
</tr>
<tr>
<td>Groton</td>
<td>$64,074</td>
</tr>
<tr>
<td>State Median</td>
<td>$71,755</td>
</tr>
<tr>
<td>Middletown</td>
<td>$63,828</td>
</tr>
<tr>
<td>Norwalk</td>
<td>$80,896</td>
</tr>
<tr>
<td>Stamford</td>
<td>$81,634</td>
</tr>
<tr>
<td>Hamden</td>
<td>$71,665</td>
</tr>
</tbody>
</table>

**Lower $ Per Pupil**  

**Higher $ Per Pupil**  


## “Mill rates” also vary significantly

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY 2017-18 Mill Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARTFORD</td>
<td>74.29*</td>
</tr>
<tr>
<td>WATERBURY</td>
<td>60.21**</td>
</tr>
<tr>
<td>BRIDGEPORT</td>
<td>54.37**</td>
</tr>
<tr>
<td>NEW BRITAIN</td>
<td>50.50**</td>
</tr>
<tr>
<td>NAUGATUCK</td>
<td>48.55**</td>
</tr>
<tr>
<td>EAST HARTFORD</td>
<td>47.05*</td>
</tr>
<tr>
<td>MIDDLETOWN</td>
<td>33.90</td>
</tr>
<tr>
<td>WARREN</td>
<td>14.50</td>
</tr>
<tr>
<td>WASHINGTON</td>
<td>14.25</td>
</tr>
<tr>
<td>ROXBURY</td>
<td>14.20</td>
</tr>
<tr>
<td>GREENWICH</td>
<td>11.369</td>
</tr>
<tr>
<td>SALISBURY</td>
<td>11.10</td>
</tr>
</tbody>
</table>

*For Real & Personal Property only; vehicle mill rate is 32.00 for these communities

**For Real & Personal Property only; vehicle mill rate is 37.00 for these communities

Middletown’s mill rate is higher than all but two of the mill rates for its peer towns

Town Mill Rates FY 2017-18

<table>
<thead>
<tr>
<th>Town</th>
<th>Mill Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danbury</td>
<td>28.95</td>
</tr>
<tr>
<td>Bristol*</td>
<td>36.03</td>
</tr>
<tr>
<td>Groton</td>
<td>23.63</td>
</tr>
<tr>
<td>Middletown</td>
<td>33.90</td>
</tr>
<tr>
<td>Norwalk**</td>
<td>25.26</td>
</tr>
<tr>
<td>Stamford***</td>
<td>26.89</td>
</tr>
<tr>
<td>Hamden****</td>
<td>45.26</td>
</tr>
</tbody>
</table>

*For Real & Personal Property only; vehicle mill rate is 32.00
**For Real & Personal Property only; vehicle mill rate is 29.34
***For Real & Personal Property only; vehicle mill rate is 27.25
****For Real & Personal Property only; vehicle mill rate is 37.00

The amount of property tax CT residents pay varies widely depending on where they live.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY17-18 Mill Rate</th>
<th>Property Tax – 200K House</th>
<th>Property Tax – 2012 Honda Civic</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARTFORD⁺</td>
<td>74.29*</td>
<td>$4,786</td>
<td>$158</td>
</tr>
<tr>
<td>BRIDGEPORT</td>
<td>54.37**</td>
<td>$7,612</td>
<td>$182</td>
</tr>
<tr>
<td>HAMDEN</td>
<td>45.26**</td>
<td>$6,336</td>
<td>$182</td>
</tr>
<tr>
<td>BRISTOL</td>
<td>36.03*</td>
<td>$5,746</td>
<td>$158</td>
</tr>
<tr>
<td>MIDDLETOWN</td>
<td>33.90</td>
<td><strong>$4,746</strong></td>
<td><strong>$167</strong></td>
</tr>
<tr>
<td>DANBURY</td>
<td>28.95</td>
<td>$4,053</td>
<td>$96</td>
</tr>
<tr>
<td>STAMFORD</td>
<td>26.89***</td>
<td>$3,765</td>
<td>$90</td>
</tr>
<tr>
<td>NORWALK</td>
<td>25.26****</td>
<td>$3,536</td>
<td>$144</td>
</tr>
<tr>
<td>GROTON</td>
<td>23.63</td>
<td>$3,308</td>
<td>$78</td>
</tr>
<tr>
<td>GREENWICH</td>
<td>11.369</td>
<td>$1,592</td>
<td>$56</td>
</tr>
</tbody>
</table>

*For Real & Personal Property only; vehicle mill rate is 32.00
**For Real & Personal Property only; vehicle mill rate is 37.00
***For Real & Personal Property only; vehicle mill rate is 27.25
****For Real & Personal Property only; vehicle mill rate is 29.34

⁺ Residential property in the city of Hartford is not assessed at the standard rate of 70%. Instead, Hartford's current assessment rate for residential property is 32.21%. Due to this difference, the property taxes for the house in this example may be lower in Hartford than the taxes in other towns with lower mill rates.

KBB value for 2012 Honda Civic DX Sedan 4D with 75,000 miles and in good condition.
Special Education Spending Across Districts
CT public school districts have experienced wide changes in special education spending over the past 5 years.

Those districts with the largest variances are among the smallest in the state.

CT public school districts have experienced wide changes in special education spending over the past 5 years.

**District B** Special Education Spending per Year

![Bar chart showing special education spending for District B from 2013 to 2017.]

**District B** Special Education Enrollment per Year

![Bar chart showing special education enrollment for District B from 2013 to 2017.]


Regardless of wealth, districts spend about the same percentage of their total expenditures on special education.

Average SPED % of Total Expenditure by DRG in 2017

<table>
<thead>
<tr>
<th>DRG</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>24%</td>
</tr>
<tr>
<td>B</td>
<td>22%</td>
</tr>
<tr>
<td>C</td>
<td>22%</td>
</tr>
<tr>
<td>D</td>
<td>23%</td>
</tr>
<tr>
<td>E</td>
<td>21%</td>
</tr>
<tr>
<td>F</td>
<td>24%</td>
</tr>
<tr>
<td>G</td>
<td>25%</td>
</tr>
<tr>
<td>H</td>
<td>24%</td>
</tr>
<tr>
<td>I</td>
<td>25%</td>
</tr>
</tbody>
</table>


However, on average, wealthier districts spend significantly more per pupil on special education

Average SpEd Spending Per Pupil by DRG in 2017

<table>
<thead>
<tr>
<th>District</th>
<th>SpEd Spending Per Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$35,331</td>
</tr>
<tr>
<td>B</td>
<td>$28,239</td>
</tr>
<tr>
<td>C</td>
<td>$24,988</td>
</tr>
<tr>
<td>D</td>
<td>$24,048</td>
</tr>
<tr>
<td>E</td>
<td>$25,574</td>
</tr>
<tr>
<td>F</td>
<td>$21,814</td>
</tr>
<tr>
<td>G</td>
<td>$20,742</td>
</tr>
<tr>
<td>H</td>
<td>$19,769</td>
</tr>
<tr>
<td>I</td>
<td>$17,241</td>
</tr>
</tbody>
</table>

Note: As pupil count is measured by district enrollment, special education expenditures exclude special education tuition.

Sources:
Connecticut special education spending by source, 2016-17

In-district expenditures account for 77% of all special education spending

LEA Special Education Expenditures, 2016-17 School Year

SpEd Tuition, 23%
SpEd All Other, 77%

In Middletown, the percent of total district spending attributed to special education has remained relatively consistent over the past 5 years.

Middletown Special Education Spending as a Percent of Total Spending

APPENDIX
Calculating Expenditures per School Type

• Individual children receive different amounts of funding based on learning needs. Jacob is an illustrative vehicle for conveying differences in funding amounts between schools, and has been given the average spending per pupil for each school accordingly.

• For all school types, the following have been excluded:
  – School construction – capital, not general operating costs
  – Loans – not income

• The individual items used to calculate state, local, and other contributions for each school type are found on the following slide.
## Calculating Expenditures per School Type

<table>
<thead>
<tr>
<th></th>
<th>Local Public</th>
<th>Charter</th>
<th>Sheff RESC Host Magnet</th>
</tr>
</thead>
</table>
| **State Contribution**  | • Board of Education Services for the Blind  
• ECS – NonAlliance  
• Excess Cost/State Agency Placement  
• Healthy Foods  
• Magnet Transportation  
• Open Choice  
• Other Direct State Grants  
• Public Transportation  
• Special Education Supplemental  
• State Grants Managed by a Nonpublic/Quasi-Public Organization Serving Public Education  
• State Match Child Nutrition  
• State School Breakfast  
• Total from ED141 Summary Report Column 3  
• Voag  
• Your Portion of Services/Expenditures from Consortium Grant Payment Arrangement                                                                                                                                 | • State Charter School Grant  
• Common Core State Grant  
• School Breakfast (state)  
• Child Nutrition  
• Special Education Reimbursement  
• Other State                                                                                                                                                                                                  | • State Magnet School Grant  
• State Magnet Transportation  
• Two Rivers receives a separate state subsidy for magnet school transportation.  
• Other State Grant Funds                                                                                                                                                                                                                       |
|                         |                                                                                                                                                                                                             |                                                                                                                                                                                                       |                                                                                                                                                                                                                           |
| **Local Contribution**  | • Local Share is Total less State+Other                                                                                                                                                                    | • Local Support                                                                                                                                                                                         | • LEA Regular Tuition  
• LEA Special Education Tuition/Transportation                                                                                                                                                                                                                                             |
| **Other Contribution**  | • Bilingual Education (Federal)  
• Headstart  
• Other Direct Federal Grants  
• Your Portion of Services/Expenditures from Consortium Grant Payment Arrangement  
• Federal Grants Managed by a Nonpublic/Quasi-Public Organization Serving Public Education  
• Total Tuition & Transportation Revenues  
• In-Kind Services  
• Medicaid Revenue Expended on Special Education Services  
• Medicaid Revenue Expended on Regular Education Services  
• Third Party Billing/Insurance  
• Contributions  
• Rentals  
• Endowment Funds  
• Other Miscellaneous Revenues  
• Total Miscellaneous Revenue from ED141 Summary Report, Column 3                                                                                                                                 | • Title I  
• Title II  
• National School Lunch  
• Other Federal  
• Interest Income  
• Miscellaneous                                                                                                                                                                                                 | • Federal Funds                                                                                                                                                                                                                   |

Connecticut’s Different Funding Formulas

- ECS (local school districts)
- State Charter Schools
- Local Charter Schools
- CT Technical High School System
- Regional Agriscience Centers
- District Host Magnet Schools
- RESC-Operated Sheff Magnet Schools
- Edison Magnet School
- Non-Sheff RESC Magnet enrolling less than 55% of students from 1 town
- Non-Sheff RESC Magnet enrolling 55% of students or more from 1 town
- Non-Sheff Host Magnet School
Does money matter?
Shifting scholarly debate

Earlier studies:

• The Coleman Report (1966): Found no clear relationship between school funding and student outcomes.
• Hanushek (2003): “…a wide range of analyses indicate that overall resource policies have not led to discernible improvements in student performance.”

Recent studies:

• Jackson/Johnson/Perisco (2016): “For low-income children, a 10% increase in per pupil spending each year for all 12 years of public school is associated with 0.46 additional years of completed education, 9.6% higher earnings, and a 6.1 percentage point reduction in the annual incidence of adult poverty.”
• Lafortune, Rothstein, and Schanzenbach (2016): “Using representative samples from NAEP, we also find that [school finance] reforms cause gradual increases in the relative achievement of students in low-income school districts.…”
• Candelaria & Shores (2017): “Seven years after reform, the highest poverty quartile in a treated state experienced a 11.5 to 12.1 percent increase in per-pupil spending and a 6.8 to 11.5 percentage point increase in graduation rates.”

Source: See Appendix for list of sources.
Sources: Does money matter?


Terms to Know

- **Alliance Districts** – The 33 lowest-performing school districts in Connecticut as designated by the Commissioner of the State Department of Education and determined by various measures of student performance.

- **Base Aid Ratio** – Variable in the Education Cost Sharing (ECS) formula that determines each community’s ability to financially support its public schools. The Base Aid Ratio uses property wealth (weighted at 70 percent) and income (weighted at 30 percent) to determine each community’s ability to raise money from property taxes to pay for its local public schools.

- **Equalized Net Grand List per Capita (ENGLPC)** – Amount of taxable property (at 100 percent of fair market value) per person in a city or town. ENGLPC values are the primary measure used in the Base Aid Ratio portion of the ECS formula to determine how much state education funding is owed to a given town.

- **Median Household Income (MHI)** – Refers to the income level earned by a given household where half of the homes in the area earn more and half earn less. MHI is used in the Base Aid Ratio as a representation of a town’s income wealth.

- **Public Investment Communities (PIC) index** - Calculated annually by Connecticut’s Office of Policy and Management, the PIC index measures the relative wealth and need of Connecticut’s towns by ranking them in descending order by their cumulative point allocations based on: per capita income; adjusted equalized grand list per capita; equalized mill rate; per capita aid to children receiving Temporary Family Assistance benefits; and unemployment rate.

- **State Guaranteed Wealth Level (SGWL)** – Commonly referred to as the threshold factor, the SGWL determines each town’s ECS aid percentage. Each town’s ability to support its public schools (as determined by the Base Aid Ratio) is compared to the SGWL to determine what percentage of the per-student funding amount the town will receive from ECS and what will have to come from local tax dollars.