How Connecticut’s school funding system impacts Griswold Public Schools and the community

UPDATED: March 20, 2019
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.
What We Do

• **Accurate, Independent Data and Analysis**
  Accurate data and analysis is the backbone of our organization. We provide up-to-date data with easy-to-understand analysis that shows how CT is funding its public schools, and how district demographics are changing.

• **Reports and Policy Briefings**
  We consistently produce in-depth reports and policy briefings about the numerous facets that make up, and impact, school finance in CT.

• **Handouts, Education Materials, and Policy Toolkits**
  We create customized, approachable handouts and materials that help communities and stakeholders better understand why the current school funding system is in need of a fix, and then effectively share that information with their neighbors, policymakers, and personal networks.

• **Support ALL Students and Public Schools**
  CT’s school finance system has failed to fund all students—no matter what type of public school they attend—equitably. As a result, we focus on finding a solution that funds ALL students fairly based on their learning needs and the needs of the districts and schools that serve them.
What We Don’t Do

• **Weigh In on Local School Finance Issues & Policies**
  While we believe municipalities play an important role in the school finance system and have an obligation to appropriately (while considering the town’s wealth and needs) contribute funds to the education of their school-age children, we do not work on local school finance issues or policies.

• **Support and/or Endorse Local Initiatives**
  As an organization focused solely on statewide school finance issues and policies, we do not support and/or endorse any local initiatives.

• **Work on Issues Not Related to School Finance**
  The Connecticut School Finance Project is devoted entirely to issues related to school finance in CT. We do not work on any issue (education or otherwise) not related to school finance in CT, nor does the organization have any policy positions on issues outside of CT school finance.

• **Manipulate Data or Present Inaccurate Data Findings**
  We never manipulate data, present inaccurate findings, or provide information without proper context. As an independent organization, we also do not change data to show a particular finding or support a policy position. We use official state and federal data as much as possible and all data used is for the most recent year available.
CONNECTICUT’S FISCAL STATE
Fixed costs are crowding out the non-fixed portion of the budget

General Fund Expenditures by Service, FY 2018

DISCRETIONARY (NON-FIXED) COSTS
$9.46 B (50.8%)

FIXED COSTS
$9.15 B (49.2%)

Sources listed at http://ctstatefinance.org/spending.
Education funding makes up, by far, the largest portion of Connecticut’s non-fixed costs (does NOT include pensions or capital expenses)

Non-fixed General Fund Expenditures by Service, FY 2018

- Conservation and Development: 5.6%
- Corrections: 0.7%
- Education, Museums, Libraries: 38.3%
- General Government: 10.4%
- Health and Hospitals: 11.8%
- Human Services: 2.7%
- Judicial: 10.6%
- Legislative: 11.1%
- Non-functional: 0.7%
- Regulation and Protection: 1.9%

Sources listed at http://ctstatefinance.org/spending.
State funding for public schools can be broken down into multiple categories.

FY 2018 State Funding by Grant ($Millions)

- ECS/Alliance District Grants: 62%
- School Building Projects: 11%
- Magnet School: 10%
- Sp. Ed. - Excess Cost: 5%
- Charter Schools: 4%
- School Readiness - Severe Need: 3%
- Priority School Districts: 4%
- Other Grants less than $40MM: 1%

STATE AND GRISWOLD OVERVIEW
Over the last 10 years, the total number of students in Connecticut public schools has declined.

Connecticut Public School Enrollment by School Year

Over the past 10 years, Griswold Public Schools’ enrollment has decreased by 284 students

Griswold Public Schools' Enrollment, 2010-2019

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

Connecticut Public School Demographics

*Due to concerns expressed by the Connecticut State Department of Education about the integrity and accuracy of the free and reduced price lunch (FRPL) data for the 2018-19 school year, this year of FRPL data has not been included.

The percentage of FRPL-eligible students Griswold Public Schools serves has also increased 12 percentage points over the past 10 years.

% of Griswold Students w/ Free and Reduced Priced Lunch

27% (2008-09) vs. 39% (2017-18)

*Due to concerns expressed by the Connecticut State Department of Education about the integrity and accuracy of the free and reduced price lunch (FRPL) data for the 2018-19 school year, FRPL data for the 2017-18 school year has been used for this slide as the most recent available, accurate data.

Student poverty in Griswold has increased 3 percentage points over the past 10 years

Estimated % of Griswold Students in Poverty

Griswold Public Schools spends less per student than similar and nearby districts, and roughly $1,300 less than the state average

2017-18 Spending Per Student

<table>
<thead>
<tr>
<th></th>
<th>Plainfield</th>
<th>Griswold</th>
<th>N. Stonington</th>
<th>Preston</th>
<th>Norwich</th>
<th>State Average</th>
<th>Voluntown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$0</strong></td>
<td>$14,403</td>
<td>$15,679</td>
<td>$15,711</td>
<td>$16,443</td>
<td>$16,566</td>
<td>$16,988</td>
<td>$18,735</td>
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<td><strong>$20,000</strong></td>
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<td></td>
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<tr>
<td><strong>$16,000</strong></td>
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<td><strong>$12,000</strong></td>
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<td><strong>$8,000</strong></td>
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<td><strong>$4,000</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>% FRPL*</td>
<td>45%</td>
<td>39%</td>
<td>10%</td>
<td>24%</td>
<td>76%</td>
<td>37%</td>
<td>22%</td>
</tr>
<tr>
<td>% EL</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
<td>17%</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td>% SPED</td>
<td>16%</td>
<td>18%</td>
<td>10%</td>
<td>17%</td>
<td>21%</td>
<td>15%</td>
<td>18%</td>
</tr>
</tbody>
</table>

*The demographic data listed in the table above is from the 2018-19 school year. However, due to concerns expressed by the Connecticut State Department of Education about the integrity and accuracy of the free and reduced price lunch (FRPL) data for the 2018-19 school year, FRPL data for the 2017-18 school year has been used for this slide as the most recent available, accurate data.

State Funding
Griswold receives $6,046 per pupil in education funding from the state — more than the state average and similar to some of its neighboring districts.

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.

Sources:
- 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 that went into effect on July 1, 2018.
Overview of New ECS Formula

• New formula began being implemented in FY 2019 and will 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

Based on the most recent available data, if the formula were in place and fully funded this year, Griswold would receive an estimated $11,317,215 — roughly $2 million more than the district received in FY 2018.

Estimated ECS Funding for Griswold by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Year (FY 2018)</td>
<td>$9,348,488</td>
</tr>
<tr>
<td>Current Year (FY 2019)</td>
<td>$10,799,239</td>
</tr>
<tr>
<td>Full Funding</td>
<td>$11,317,215</td>
</tr>
</tbody>
</table>

Sources:
Conn. Acts 17-2 (June Special Session).
The formula will be phased-in over 10 years—the formula will be fully funded when this year’s kindergarteners are in 9th grade

Estimated ECS Funding for Griswold by Year

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><strong>Foundation Only = $11,525</strong></td>
</tr>
<tr>
<td>Low-income Student</td>
<td><strong>Foundation + (Foundation * Low-income Weight) = Low-income Student Funding</strong></td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * 0.3) = $14,983</td>
</tr>
<tr>
<td>Concentrated Low-income Student</td>
<td><strong>Foundation + (Foundation * (Low-income Weight + Concentrated Poverty Weight)) = Concentrated Low-income Student Funding</strong></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><strong>Foundation + (Foundation * (Low-income Weight + English Learner Weight)) = Low-income and English Learner Student Funding</strong></td>
</tr>
<tr>
<td></td>
<td>$11,525 + ($11,525 * (0.3 + 0.15)) = $16,711</td>
</tr>
<tr>
<td>English Learner</td>
<td><strong>Foundation + (Foundation * English Learner Weight) = English Learner Funding</strong></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><strong>Foundation + (Foundation * (Low-income Weight + Concentrated Poverty Weight + English Learner Weight)) = Concentrated Low-income English Learner Student Funding</strong></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 phase-in began in FY 2019 and is scheduled to 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>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>Towns Receiving Increase in ECS Funding over FY 2017 Grant</strong></td>
</tr>
<tr>
<td><strong>Towns Receiving Decrease in ECS Funding Compared to FY 2017 Grant</strong></td>
</tr>
</tbody>
</table>

Source: Conn. Acts 17-2 (June Special Session).
SPECIAL EDUCATION
Over the last 5 years, the total number of special education students in Connecticut public schools has increased 19.5%
Which translates to a two percentage point increase in the special education identification rate over the past 5 years.

At the state level, special education spending has been predictable over the past 5 years.

Total SpEd Spending in CT per Year

Connecticut special education spending by source, 2016-17

- Local: 65%
- State: 29%
- Federal: 6%
- Other: 0%

The State of Connecticut currently spends more than $784.6 million annually on special education.

### 2016-17 State Special Education Expenditures

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

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

Special education funding in the Education Cost Sharing 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.

Sources:
Conn. Gen. Statutes ch. 172, § 10-262h.
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.
- FY 2018, the Excess Cost grant was not fully funded – it was funded at 73%. As a result, districts did not get back all of the money they were eligible to receive.
- Excess Cost grant accounted for 18% of state special education expenditures in FY 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

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

Average SpEd Spending Per Pupil by DRG in 2017

$35,331
$28,239
$24,988
$24,048
$25,574
$21,814
$20,742
$19,769
$17,241

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

Special Education in Griswold
Over the last 5 years, the total number of special education students in Griswold has increased by 42.

Griswold Special Education Enrollment by School Year

And total special education spending in Griswold has increased over the past 5 years

Griswold Special Education Expenditures by School Year

Special education spending per pupil has increased for Griswold over the past 5 years

Griswold Special Education Spending Per Pupil

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition Expenditures</th>
<th>Non-Tuition Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$22,922</td>
<td>$3,897</td>
</tr>
<tr>
<td>2014</td>
<td>$24,380</td>
<td>$4,876</td>
</tr>
<tr>
<td>2015</td>
<td>$23,780</td>
<td>$3,329</td>
</tr>
<tr>
<td>2016</td>
<td>$26,016</td>
<td>$4,163</td>
</tr>
<tr>
<td>2017</td>
<td>$26,660</td>
<td>$4,532</td>
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</tbody>
</table>

However, the percent of Griswold’s total education spending attributed to special education has remained relatively stable over the past 5 years.

Griswold Special Education Spending as a Percent of Total Spending

2019 Governor’s and Legislative Proposals
Local Contributions to Teachers’ Retirement
Local contributions to Teachers’ Retirement System (TRS)

- Governor Lamont’s proposed budget includes a provision requiring municipalities or boards of education to contribute a portion of the normal cost, currently paid by the State, of the pensions for the municipality’s current school teachers.

- Normal cost refers to the portion of retirement benefits in a pension plan, at present value, attributable to active employees for the current year.

- While the governor’s budget proposal would require most municipalities to pay at least 25% of the normal pension cost attributable to their teachers, Griswold would be required to pay 5% of its normal pension cost because it is classified as a distressed municipality.

- Under the governor’s budget proposal, Griswold would be responsible for contributing $15,479 in FY 2020 and $31,966 in FY 2021.
Connecticut’s contributions to Teachers’ Retirement System (TRS) over time

Annual state contributions are expected to increase and remain high until FY 2032, at which point annual contributions are projected to rapidly decrease.

Contributions by the State of Connecticut to the Teachers’ Retirement System (TRS)

Projected state contributions after FY 2021 are calculated using an assumed rate of return of 8.3 percent. If calculated using an assumed rate of return of 5.3 percent, which is the average rate of return TRS’s pension fund investments have realized since FY 2001, the projected state contributions increase substantially. These projected state contributions can be found in Table A9 in the Center for Retirement Research at Boston College report available at http://crb.bc.edu/wp-content/uploads/2013/11/Final-Report-on-CT-SEES-and-TRS_November-2013.pdf.
School District Regionalization/Consolidation and Shared Services
Legislative School
Regionalization/Consolidation Proposals

  
  – Would require any school district with a student population of fewer than 2,000 students to join a new or an existing regional school district so the total student population of such new or expanded regional school district would be greater than 2,000 students.
  
  – Would require any school district not joining a regional school district submit in writing to the State Department of Education the reasons why the district is not joining a regional school district.

• **S.B. 738: An Act Concerning the Creation of Regional School Districts** (Introduced by Sen. Looney)

  – Would create a commission responsible for developing a plan to implement regional consolidation of school districts. Plan would:

  • Realign towns with a total population of fewer than 40,000, except those that are part of regional school districts that provide instruction for grades K-12, and require such towns to join a regional school district.
  
  • When a newly created regional school district affects two or more collective bargaining units, (A) allow the employees of the newly consolidated regional school district to be represented by a coalition of the existing collective bargaining units or create a new collective bargaining unit for such regional school district, and (B) would require, upon the expiration of existing collective bargaining agreements for single-town school districts that have been consolidated, any subsequent collective bargaining agreement to be negotiated on a regional basis.
Governor’s Revised School Shared Services Proposal

- **S.B. 874: An Act Concerning Education Initiatives and Services in Connecticut**
- **H.B. 7192: An Act Concerning Municipal and Regional Opportunities and Efficiencies**
  - Would establish a Commission on Shared School Services to develop recommendations for the sharing of school services and additional collaborations within and among school districts.
  
  - Would require each municipality and local or regional school board of education to report on which services have been shared or consolidated between them and others, and report on what services will be shared and consolidated.
Questions?
Calculating Expenditures per School Type

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

Sources: Does money matter?

Example of How Phase-in Plan Works

• It is important to remember that the new formula is calculated on an annual basis using updated district and town data.
• As a result, a town’s calculated ECS grant will change as its district and town inputs change.
• Additionally, as a town’s calculated ECS grant changes, so will the difference between the town’s calculated ECS grant and its FY 2017 ECS grant, which will impact the phase-in schedule of the town’s grant.

Using Bristol as our sample Connecticut town, below is a hypothetical example of how a change in district enrollment (in this case a 5% increase) — with all other inputs remaining the same — would impact a town’s ECS grant for a given year (FY 2020) compared to if all of the district/town inputs remained constant.

<table>
<thead>
<tr>
<th>Example Town</th>
<th>FY 2017 Actual</th>
<th>FY 2018 Actual with Holdbacks</th>
<th>FY 2019 Actual w/ Displaced Student Supplement</th>
<th>Estimated FY 2020 if District/Town Inputs Remain the Same</th>
<th>Estimated FY 2020 if District Enrollment Increases 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bristol</td>
<td>$44,853,676</td>
<td>$44,603,676</td>
<td>$45,324,316</td>
<td>$46,332,675</td>
<td>$46,737,645</td>
</tr>
</tbody>
</table>

Alliance Districts “held harmless”

- New formula 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 as of FY 2018

Source: Conn. Acts 17-2 (June Special Session).
## Choice Schools Funding Formulas Summary

<table>
<thead>
<tr>
<th>Type of School</th>
<th>State funding per pupil</th>
<th>Can the school charge tuition to the sending district?</th>
<th>Does the city/town where the student lives get ECS for the student?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriscience</td>
<td>$4,200 + potential for supp. funding</td>
<td>Yes, up to $6,822.80</td>
<td>Yes</td>
</tr>
<tr>
<td>Charter, Local</td>
<td>$3,000 + district per student costs</td>
<td>No but get district per student costs</td>
<td>Yes</td>
</tr>
<tr>
<td>Charter, State</td>
<td>$11,250</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>CTECS</td>
<td>$15,012</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Magnet, RESC, Sheff</td>
<td>Varies from $7,900 - $10,443</td>
<td>Yes, up to cost of educating student</td>
<td>Yes</td>
</tr>
<tr>
<td>Magnet, RESC, non-Sheff</td>
<td>Varies from $3,000 - $7,900</td>
<td>Yes, up to cost of educating student</td>
<td>Yes</td>
</tr>
<tr>
<td>Magnet, District, Sheff</td>
<td>$13,054 (interdistrict)</td>
<td>No</td>
<td>No but get ECS for in-district students</td>
</tr>
<tr>
<td>Magnet, District, non-Sheff</td>
<td>$3,000 (host district); $7,085 (interdistrict)</td>
<td>Yes*</td>
<td>Yes</td>
</tr>
<tr>
<td>Open Choice</td>
<td>Varies from $3,000 - $8,000 per student</td>
<td>No</td>
<td>50% to sending; 50% to receiving</td>
</tr>
</tbody>
</table>

* Conn. Gen. Statutes ch. 172, § 10-264l(m)(2) prohibits host magnet schools from charging tuition if tuition was not charged in FY 2014-15. Tuition may be charged with the Commissioner of Education’s permission if the request is made by September 1 of the year before the tuition will be charged.

Conn. Gen. Statutes ch. 172, § 10-266aa.
Conn. Gen. Statutes ch. 172, § 10-26d.
Conn. Acts 17-2 (June Special Session).
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 net 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.