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

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Contact Us

For questions or comments about the information presented today, please contact us:

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To learn more about the School and State Finance, visit us at:
www.schoolstatefinance.org

Or connect with us on social media
About the School and State Finance Project

- Founded in 2015, the School and State Finance Project (formerly known as the Connecticut School Finance Project) is a nonpartisan, nonprofit policy organization, focused on education funding and state finance issues.

- Our organization is committed to providing independent analysis, building public knowledge, improving transparency, and developing fair, sustainable solutions for some of the toughest education funding and state finance challenges.

- Although not a member-based organization, we actively work with a diverse group of stakeholders and communities.

- We aim to serve as a trusted resource for policymakers, school district officials, community leaders, and all individuals looking for transparent, accessible, and approachable information about education funding and state finances.
Our Goals & Objectives

• Serve as a trusted, independent source of accurate data, information, and research

• Increase awareness and build public knowledge about Connecticut’s education finance system, state budget, and overall fiscal health

• Improve transparency around Connecticut’s education and state finances

• Work collaboratively to develop thoughtful, data-driven solutions that address Connecticut’s education funding and state finance challenges

• Provide technical assistance to partner organizations seeking to solve education finance-related challenges.
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 about 1) how CT funds its public schools and 2) CT’s budget and financial state.

• **Reports and Policy Briefings**
  We consistently produce in-depth reports and policy briefings about various topics related to education finance, the state budget, and other issues impacting CT’s fiscal health.

• **Handouts, Education Materials, and Policy Toolkits**
  We create customized, approachable handouts and materials that help communities and stakeholders better understand CT’s education and state finances, and then effectively share that information with their neighbors, policymakers, and personal networks.

• **Support ALL Students and Public Schools**
  As part of our education finance work, our organization is committed to developing, and raising awareness about the need for, an equitable, unified state education funding formula that treats ALL students fairly based on their learning needs and the needs of the districts and communities that serve them.
What We Don’t Do

• **Weigh In on Local Education Finance or Budget Issues & Policies**
  While municipalities play an important role in the state's education 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 education finance or budget issues and policies.

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

• **Endorse Elected Office Candidates & Referendums**
  As a nonprofit, nonpartisan organization, we do not endorse elected officials, candidates for elected office, and/or referendums/ballot measures. Furthermore, we do not engage in and/or interfere in any election in any way.

• **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 2019

**DISCRETIONARY (NON-FIXED COSTS)**

- $9.53 B (49.5%)

**FIXED COSTS**

- $9.72 B (50.5%)

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)

<table>
<thead>
<tr>
<th>Service</th>
<th>Expenditures %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation and Development</td>
<td>0.7%</td>
</tr>
<tr>
<td>Corrections</td>
<td>2.9%</td>
</tr>
<tr>
<td>Education, Museums, Libraries</td>
<td>9.5%</td>
</tr>
<tr>
<td>General Government</td>
<td>11.3%</td>
</tr>
<tr>
<td>Health and Hospitals</td>
<td>12.1%</td>
</tr>
<tr>
<td>Human Services</td>
<td>9.5%</td>
</tr>
<tr>
<td>Judicial</td>
<td>0.7%</td>
</tr>
<tr>
<td>Legislative</td>
<td>5.8%</td>
</tr>
<tr>
<td>Non-functional</td>
<td>6.9%</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>1.8%</td>
</tr>
<tr>
<td>EDUCATION, MUSEUMS, LIBRARIES</td>
<td>39.6%</td>
</tr>
</tbody>
</table>

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

FY 2019 State Funding by Grant ($Millions)

- ECS/Alliance District Grants: 64%
- School Building Projects: 8%
- Magnet School: 10%
- Sp. Ed. - Excess Cost: 4%
- Charter Schools: 4%
- School Readiness - Severe Need: 3%
- Priority School Districts: 1%
- Other Grants less than $40MM: 5%

How Does This Impact School Finance?
School finance is about...
Kids
Schools
Communities
Henry’s Story
A note about per-pupil expenditures

• Connecticut has shifted to reporting per-pupil expenditures on both a district and school level. This presentation, however, only uses district per-pupil expenditures.

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

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

- Henry lives in Meriden
- He is a 2nd grader
- When he grows up, he wants to become a teacher.
How much funding does Henry’s school district receive to educate him?
It depends on where he goes to school.
## Meriden Public Schools: $14,018

<table>
<thead>
<tr>
<th>District Name</th>
<th>Meriden Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution (2016-17)</td>
<td>$7,289</td>
</tr>
<tr>
<td>Meriden Contribution (2016-17)</td>
<td>$5,789</td>
</tr>
<tr>
<td>Other Contributions (2016-17)</td>
<td>$940</td>
</tr>
<tr>
<td><strong>Total (2016-17)</strong></td>
<td><strong>$14,018</strong></td>
</tr>
</tbody>
</table>

Let’s take a look at funding for Henry at three similar school districts

<table>
<thead>
<tr>
<th>School District</th>
<th>Meriden Public Schools</th>
<th>East Hartford Public Schools</th>
<th>Manchester Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution (2016-17)</td>
<td>$7,289</td>
<td>$7,166</td>
<td>$4,751</td>
</tr>
<tr>
<td>Town Contribution (2016-17)</td>
<td>$5,789</td>
<td>$5,340</td>
<td>$10,056</td>
</tr>
<tr>
<td>Other Contributions (2016-17)</td>
<td>$940</td>
<td>$1,772</td>
<td>$1,029</td>
</tr>
<tr>
<td><strong>Total (2016-17)</strong></td>
<td><strong>$14,018</strong></td>
<td><strong>$14,278</strong></td>
<td><strong>$15,836</strong></td>
</tr>
</tbody>
</table>

Why?
OVERVIEW
What are the funding sources for public education in Connecticut?

EQUITY & SCHOOL FINANCE
Equity looks different for students versus communities.
Equality vs. Equity

**EQUALITY**

**EQUALITY = SAMENESS**
Giving everyone the same thing
It only works if everyone starts from the same place

**EQUITY**

**EQUITY = FAIRNESS**
Access to same opportunities
We must ensure equity before we can enjoy equality
Why should we fund students based on their learning needs?
## 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>
<tbody>
<tr>
<td>Student with disabilities</td>
<td>• Each student’s learning needs will be unique and can vary significant from student-to-student</td>
<td>• Special education teacher</td>
</tr>
<tr>
<td></td>
<td>• Students may have physical, learning, or social-emotional changes</td>
<td>• Physical or occupational therapist</td>
</tr>
<tr>
<td></td>
<td>• May be only English speaker in household</td>
<td>• Adaptive technology</td>
</tr>
<tr>
<td>English Learner student</td>
<td>• Cultural differences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Emigrated from possible violence/warfare</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Unfamiliar with US education system – or any education system</td>
<td></td>
</tr>
<tr>
<td>Student from a low-income family</td>
<td>• Unstable housing situation (may move frequently or be homeless)</td>
<td>• ESL/bilingual teacher</td>
</tr>
<tr>
<td></td>
<td>• Food insecure or lack access to healthy foods</td>
<td>• Software to assist in learning English</td>
</tr>
<tr>
<td></td>
<td>• Parents may be less able to dedicate time and resources to education</td>
<td>• Books and other materials in first language</td>
</tr>
<tr>
<td></td>
<td>• Exposure to traumatic or unsafe situations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• More likely to be absent from school</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 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)</td>
<td>• Reading interventionist</td>
</tr>
<tr>
<td></td>
<td>• Special education teacher</td>
<td>• Social worker</td>
</tr>
</tbody>
</table>

Sources:
Does money matter?
Long story short... yes!

- Recent research suggests, for low-income students, increases in education funding and resources:
  - Improve academic achievement
  - Increase earning potential
  - Reduce poverty as an adult
  - Increase graduation rates and years of completed education

Source: See Appendix for more information on the research
What does all this mean?

Equitable funding does matter to student success inside and outside of the classroom.
State and Meriden Overview
Over the last 10 years, the total number of students in Connecticut public schools has declined by 6.5%.
Enrollment for Meriden Public Schools has decreased by 12.9% over the past 10 years

Meriden Public Schools’ Enrollment, 2010-2019

Student need has increased in Meriden 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 Meriden Public Schools serves has increased 15 percentage points over the past 10 years.

% of Meriden Students w/ Free and Reduced Priced Lunch

- 2008-09: 59%
- 2017-18: 74%

*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.

The percentage of EL students Meriden serves has increased 5 percentage points over the past 10 years.

Meriden Public Schools spends less per student than similar districts, and roughly $3,600 less than the state average.

**2018-19 Spending Per Student**

<table>
<thead>
<tr>
<th></th>
<th>Meriden</th>
<th>East Hartford</th>
<th>Bristol</th>
<th>Manchester</th>
<th>State Average</th>
<th>Middletown</th>
<th>Hamden</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$13,847</td>
<td>$13,869</td>
<td>$15,033</td>
<td>$16,359</td>
<td>$17,438</td>
<td>$17,985</td>
<td>$19,964</td>
</tr>
<tr>
<td>$5,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$15,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% FRPL* | 74% | 70% | 44% | 55% | 37% | 45% | 41% |
% EL    | 16% | 12% | 5%  | 6%  | 8%  | 4%  | 6%  |
% SPED  | 21% | 19% | 20% | 16% | 15% | 14% | 18% |

*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
Meriden receives $7,289 per pupil in education funding from the State, which is more than its peer towns.
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 uses to distribute approx. $2 billion in state education funding to local public schools each year.

Conn. Gen. Statutes ch. 172, §§ 10-262f, 10-262h.
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.
Why does CT have the ECS formula?

- The state began providing aid to cities/towns as a result of a 1977 CT Supreme Court decision, *Horton v. Meskill*.

- In *Horton* (1977), the Court ruled that an education funding system that allows “property wealthy” towns to spend more on education with less effort, is a system that impedes children’s constitutional rights to an equal education.

- As a result, CT established a formula to give money to public school districts that took property wealth into consideration.
  - In 1988, CT established the Education Cost Sharing (ECS) formula to serve this purpose. It has been revised numerous times since.
  - In theory, the ECS grant is supposed to make up the difference between what a community can afford to pay and what it costs to run a public school system.

Based on the most recent available data*, if the formula were fully funded this year, Meriden would receive an estimated $77.4 million — roughly $16.3 more than the district received in FY 2019.

Estimated ECS Funding for Meriden by Year

<table>
<thead>
<tr>
<th>Last Year (FY 2019)</th>
<th>Current Year (FY 2020)</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>Full Funding (FY 2028)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$61,122,356</td>
<td>$62,740,127</td>
<td>$64,570,404</td>
<td>$66,400,681</td>
<td>$68,230,958</td>
<td>$70,061,235</td>
<td>$71,891,512</td>
<td>$73,721,789</td>
<td>$75,552,066</td>
<td>$77,427,970</td>
</tr>
</tbody>
</table>


* The ECS formula is recalculated on an annual basis using the most up-to-date town and district data. As a result, ECS grant out-year estimates may differ based on changing district demographics and town data.
This means students who were kindergarteners at the start of the formula phase-in will not see full funding for their district until they’re in high school.

Estimated ECS Funding for Meriden by Year

<table>
<thead>
<tr>
<th>Grade</th>
<th>Year</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>FY 2019</td>
<td>$61,122,356</td>
</tr>
<tr>
<td>2nd Grade</td>
<td>FY 2021</td>
<td>$64,297,417</td>
</tr>
<tr>
<td>4th Grade</td>
<td>FY 2023</td>
<td>$67,684,985</td>
</tr>
<tr>
<td>6th Grade</td>
<td>FY 2025</td>
<td>$71,072,552</td>
</tr>
<tr>
<td>9th Grade</td>
<td>FY 2028</td>
<td>$76,147,547</td>
</tr>
</tbody>
</table>

Sources: Conn. Gen. Statutes ch. 172, §§ 10-262f, 10-262h.
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.
- Formula foundation amount = $11,525 per pupil
- Foundation “incorporates” 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.

Formula Weights

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

- **Low-income student weight**
  - 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**
  - 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

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

<table>
<thead>
<tr>
<th>Student Need</th>
<th>Funding Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Education (Non-need) Student</td>
<td>$11,525</td>
</tr>
<tr>
<td>Low-income Student</td>
<td>$14,983</td>
</tr>
<tr>
<td>Concentrated Low-income Student</td>
<td>$15,559</td>
</tr>
<tr>
<td>Low-income and English Learner</td>
<td>$16,711</td>
</tr>
<tr>
<td>English Learner</td>
<td>$13,254</td>
</tr>
<tr>
<td>Concentrated Low-income English Learner</td>
<td>$17,288</td>
</tr>
</tbody>
</table>

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
  
  • 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

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 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>

Although the new ECS formula takes steps toward equitable funding, there are several areas where it falls short.

- Maintains more than 10 different formulas for school funding, based on the type of school.

- Low-income metric remains a challenge since it’s based on whether a student receives free or reduced price lunch, which doesn’t always accurately reflect financial needs of district families.

- Funding for special education isn’t disentangled from the rest of ECS funding, so any changes made to ECS funding could impact special education and put CT at risk of violating its federal maintenance of support requirement.
SPECIAL EDUCATION
Over the last 5 years, the total number of special education students in Connecticut public schools has increased by 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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total SpEd Spending in CT per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$0</td>
</tr>
<tr>
<td>2014</td>
<td>$800,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>$1,200,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>$1,600,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>$2,000,000,000</td>
</tr>
</tbody>
</table>

Over the past 5 years, total per pupil spending has increased by $1,811, while SpED spending per pupil has increased by $78
Connecticut special education spending by source, 2016-17

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

The percent contribution of each source has remained relatively steady since 2013.

Special Education Funding by Source and School Year

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

2016-17 State Special Education Expenditures

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

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

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

• All of a town’s resident students, including 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 20-25% 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:
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 funded at $140 million, which is less than is needed to fully fund costs over the 4.5x threshold.

• In FY 2019, the Excess Cost grant was not fully funded – it was funded at 74% and is currently capped (which means there’s no more $$ left for reimbursements).

• As a result, districts do not get back all of the money they are eligible to receive.

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

Sources: Conn. Gen. Statutes ch. 164, § 10-76g (a) & (b).
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></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>24%</td>
<td>22%</td>
<td>22%</td>
<td>23%</td>
<td>21%</td>
<td>24%</td>
<td>25%</td>
<td>24%</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

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

Special Education in Meriden
Over the last 5 years, the total number of special education students in Meriden has increased by 224.

Meriden Special Education Enrollment by School Year

But total special education spending in Meriden has declined over the past 5 years.

Meriden Special Education Expenditures by School Year

Special education spending per pupil has also decreased for Meriden over the past 5 years.

Meriden 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>$22,782</td>
<td>$16,403</td>
</tr>
<tr>
<td>2014</td>
<td>$21,834</td>
<td>$16,157</td>
</tr>
<tr>
<td>2015</td>
<td>$20,526</td>
<td>$14,984</td>
</tr>
<tr>
<td>2016</td>
<td>$19,887</td>
<td>$14,716</td>
</tr>
<tr>
<td>2017</td>
<td>$18,931</td>
<td>$14,198</td>
</tr>
</tbody>
</table>

The percent of Meriden’s total education spending attributed to special education has declined over the past 5 years.

Meriden Special Education Spending as a Percent of Total Spending

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

<table>
<thead>
<tr>
<th>Funding by Source ($Billions)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Federal Sources</td>
<td>4.3%</td>
</tr>
<tr>
<td>From State Sources</td>
<td>38.0%</td>
</tr>
<tr>
<td>From Local Sources</td>
<td>57.7%</td>
</tr>
</tbody>
</table>

Meriden taxpayers contribute $5,789 per pupil toward education funding for their town’s public schools, which is lower than all but one of its peer towns.

How much do cities and towns need to contribute toward funding their public schools?

- Cities and towns must make up the difference between what their local public school system receives from state and federal sources and the local public school district’s budget.

School District Budget – Federal Revenue – State Revenue = Municipal (Local) Contribution
Who decides how much money is in the school district’s budget?

1. Superintendent recommends a budget to the Board of Education
2. Board of Education approves a district budget
3. The city/town’s governing body approves a district budget
4. (sometimes) Residents need to vote to approve district budget
District Budget Creation Process

• Much like the State, school districts have fixed and non-fixed costs

• **Fixed costs** at the district level include staff, associated contractual benefits and contractual increases, transportation, and physical plant operations.

• When a school district budget is being created, districts must first look at the growth of their fixed costs.

• Next, districts typically look at the impact of growth in fixed costs on maintaining current services. How much money do we need or have to maintain our services and run all programs at the current level? These are the **non-fixed costs**.

• Finally, districts look at educational priorities and additional budgetary needs to meet educational priorities.
District Budget Management

• Most school districts create a budget in an environment of uncertainty. State funding may not be verified at the time of budget creation, and unique student demographic factors may change.

• Volatility in costs may include special education, as need is uncertain at the time of budget creation.

• Districts manage their budget and respond to these factors through an ongoing budget evaluation process.
How do cities and towns raise money to pay for public schools?

• Cities and towns raise money to pay for town services (including public schools) through property taxes.
  – Cities and towns are able to collect tax on property that is owned by the people who live there.
  – Cities and towns can collect taxes on “real” property (e.g. office building, apartment buildings, houses) and “personal” property (e.g. cars and boats).

• Not all property in the town is taxable.
  – Property that belongs to some nonprofit organizations, like universities, hospitals, and churches, may be exempt from property tax.

Facts About City/Town Budgets

• Each year, every city and town creates a “municipal budget” – this includes all of the money the town will need to pay for town government.
  – Some examples of what is included in the budget are: fire and police force, highway department, maintenance of town roads (including snow removal), the parks and rec department, and of course, public schools.

• Public schools are the biggest expense for every city and town in CT.

• Cities and towns must collect enough money through property taxes to pay for all of the expenses in the municipal budget.
Facts About City/Town Property Taxes

• Each city/town has a different amount of property available to tax.
  – Each city and town adds up the value of all of the property in the town – this is known as the “grand list.”

• Once the city/town knows how much money they need to raise in taxes and the value of the “grand list,” the city/town sets a tax rate for property, known as a “mill rate.”

The value of “grand lists” varies widely

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Equalized Net Grand List GLYR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREENWICH</td>
<td>$50,416,714,165</td>
</tr>
<tr>
<td>STAMFORD</td>
<td>$30,661,834,479</td>
</tr>
<tr>
<td>NORWALK</td>
<td>$19,216,599,803</td>
</tr>
<tr>
<td>FAIRFIELD</td>
<td>$16,468,486,024</td>
</tr>
<tr>
<td>WESTPORT</td>
<td>$16,216,507,899</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>MERIDEN</td>
<td>$4,822,476,187</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>SPRAGUE</td>
<td>$238,467,977</td>
</tr>
<tr>
<td>EASTFORD</td>
<td>$235,165,658</td>
</tr>
<tr>
<td>HAMPTON</td>
<td>$226,365,034</td>
</tr>
<tr>
<td>SCOTLAND</td>
<td>$177,539,298</td>
</tr>
<tr>
<td>UNION</td>
<td>$134,726,797</td>
</tr>
</tbody>
</table>

The Equalized Net Grand List per Capita (ENGLPC) represents the value of taxable property per resident. Meriden’s ENGLPC is lower than the ENGLPCs for its peer towns and the state median.

Equalized Net Grand List per Capita by Town

<table>
<thead>
<tr>
<th>Town</th>
<th>ENGLPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meriden</td>
<td>$74,533</td>
</tr>
<tr>
<td>East Hartford</td>
<td>$78,823</td>
</tr>
<tr>
<td>Bristol</td>
<td>$102,546</td>
</tr>
<tr>
<td>Manchester</td>
<td>$98,895</td>
</tr>
<tr>
<td>State Median</td>
<td>$139,451</td>
</tr>
<tr>
<td>Middletown</td>
<td>$109,946</td>
</tr>
<tr>
<td>Hamden</td>
<td>$91,875</td>
</tr>
</tbody>
</table>


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. Meriden’s MHI is lower than the MHIs for all but one 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>Meriden</td>
<td>$57,886</td>
</tr>
<tr>
<td>East Hartford</td>
<td>$55,468</td>
</tr>
<tr>
<td>Bristol</td>
<td>$66,829</td>
</tr>
<tr>
<td>Manchester</td>
<td>$70,736</td>
</tr>
<tr>
<td>State Median</td>
<td>$76,106</td>
</tr>
<tr>
<td>Middletown</td>
<td>$67,651</td>
</tr>
<tr>
<td>Hamden</td>
<td>$75,392</td>
</tr>
</tbody>
</table>

Sources:
“Mill rates” also vary significantly

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY 2020 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>53.99*</td>
</tr>
<tr>
<td>NEW BRITAIN</td>
<td>50.50*</td>
</tr>
<tr>
<td>EAST HARTFORD</td>
<td>49.11*</td>
</tr>
<tr>
<td>HAMDEN</td>
<td>48.86*</td>
</tr>
<tr>
<td></td>
<td>...</td>
</tr>
<tr>
<td>MERIDEN</td>
<td>40.86</td>
</tr>
<tr>
<td></td>
<td>...</td>
</tr>
<tr>
<td>SHARON</td>
<td>14.40</td>
</tr>
<tr>
<td>WARREN</td>
<td>14.25</td>
</tr>
<tr>
<td>WASHINGTON</td>
<td>14.25</td>
</tr>
<tr>
<td>GREENWICH</td>
<td>11.682</td>
</tr>
<tr>
<td>SALISBURY</td>
<td>11.60</td>
</tr>
</tbody>
</table>

*For Real & Personal Property only; vehicle mill rate is 45.00 for these communities

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

Town Mill Rates FY 2020

Meriden 40.86
East Hartford* 49.11
Bristol 38.05
Manchester 36.52
Middletown 36.00
Hamden* 48.86

Lower $ Per Pupil -------------------------------------------> Higher $ Per Pupil

*For Real & Personal Property only; vehicle mill rate is 45.00 for these communities

Sources:

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

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY 2020 Mill Rate</th>
<th>Property Tax – $200K House</th>
<th>Property Tax – 2014 Honda Civic</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARTFORD⁺</td>
<td>74.29*</td>
<td>$5,200</td>
<td>$203</td>
</tr>
<tr>
<td>WATERBURY</td>
<td>60.21*</td>
<td>$8,429</td>
<td>$203</td>
</tr>
<tr>
<td>EAST HARTFORD</td>
<td>39.63*</td>
<td>$5,548</td>
<td>$203</td>
</tr>
<tr>
<td>HAMDEN</td>
<td>37.46*</td>
<td>$5,244</td>
<td>$203</td>
</tr>
<tr>
<td><strong>MERIDEN</strong></td>
<td><strong>36.52</strong></td>
<td><strong>$5,113</strong></td>
<td><strong>$146</strong></td>
</tr>
<tr>
<td>BRISTOL</td>
<td>34.25</td>
<td>$4,795</td>
<td>$128</td>
</tr>
<tr>
<td>MANCHESTER</td>
<td>34.23</td>
<td>$4,792</td>
<td>$126</td>
</tr>
<tr>
<td>MIDDLETOWN</td>
<td>25.83</td>
<td>$3,616</td>
<td>$118</td>
</tr>
<tr>
<td>GREENWICH</td>
<td>11.682</td>
<td>$1,635</td>
<td>$53</td>
</tr>
</tbody>
</table>

*For Real & Personal Property only; vehicle mill rate is 45.00

⁺ 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 35%. 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 2014 Honda Civic LX Sedan 4D with 75,000 miles and in good condition.
How are Other Types of Public Schools Funded?
Connecticut has a different funding formula for each different type of public school. These public school types include:

- Magnet schools (5 different formulas)
- Charter schools (2 different formulas)
- CT Technical Education and Career System (1 formula)
- Agriscience schools (1 formula)
- Open Choice program (1 formula)

Regional Educational Service Center (RESC)
Magnet School (Sheff)\(^7\)

- ECS Grant to Sending District
- Local Funding
- Tuition (Amount varies)*
- Magnet School Grant ($8,058-$10,652* per student)

\(^7\) Conn. Gen. Statutes ch. 172, § 10-264l.
Regional Educational Service Center (RESC)
Magnet School (Non-Sheff)\textsuperscript{8,9}

\textbf{ECS Grant to Sending District}

\textbf{Sending Town}

\textbf{Sending District}

\textbf{State}

\textbf{RESC}

\textbf{Tuition (Amount varies)*}

\textbf{Magnet School Grant ($3,060-$8,058* per student)}

\textbf{Local Funding}

\textbf{* RESC may charge to sending district}

\textbf{* Amount depends on enrollment composition}

\textsuperscript{8} Conn. Gen. Statutes ch. 172, § 10-26f.

\textsuperscript{9} Thomas Edison Magnet School in Meriden, a non-Sheff RESC magnet school operated by Area Cooperative Educational Services (ACES), has its own funding formula. This funding formula provides the magnet school with $3,060-$8,344 per student in state funding, depending on the school’s enrollment sources.
Host District Magnet (Sheff)\textsuperscript{10}

ECS Grant for Students Who Live in Sending District

ECS Grant for Students Who Live in Host District

Magnet School Grant ($13,315 per student from sending district)

Sending Town

Sending District

Host School District

Host District Magnet School

\textsuperscript{10}Conn. Gen. Statutes ch. 172, § 10-2644.
Host District Magnet (Non-Sheff)¹¹

ECS Grant to Sending District

ECS for Students Who Live in Host District

Magnet School Grant ($7,227 per Student from Sending District)

Magnet School Grant ($3,060 per Student in Host District)

Sending District

Tuition (Amount Varies) *

Amount determined by host district

School District

Magnet School Grant ($7,227 per student from sending district)

Magnet School Grant ($3,060 per student inside the district)

ECS Grant

Local Funding

Host District

Magnet School

* Conn. Gen. Statutes ch. 172, § 10-264.1m(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.

What You Can Do
Add Your Voice to the Conversation

- Talk about school finance with others
- Attend local municipal meetings such as the board of education, city/town council, or subcommittee meetings
- Host a workshop or meeting with us
- Complete the monthly challenges
- Stay informed and help keep others informed
- Let elected officials know school finance is an important issue for kids in your community
APPENDIX
Calculating Expenditures per School Type

• Individual children receive different amounts of funding based on learning needs. Henry 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>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 – Non-Alliance  
• 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  
• Vaag  
• 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  
• Interdistrict Cooperative  
• Family Resource Center Program  
• After School Programs  
• Other State Grants | • 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 | • Regular Education In-kind Services from local school district  
• Special Education In-kind Services from local school district  
• Other Sources of Revenue - Special Education reimbursement  
• Other Sources of Revenue - 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  
• Child Nutrition School Food Equipment  
• Other Sources of Revenue - Remainder  
• Interest Income  
• Miscellaneous  
• Title IV, Part B, 21st Century Community Learning | • Federal Funds |

Research regarding how funding impacts students

Earlier studies:
- 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 following slide for sources
Sources: Research on how funding impacts students

How We Select Comparison Districts

• Districts compared throughout this presentation were selected based on a number of factors, including their similar: District Reference Group (DRG) placement, geographical location, and district structure (ex. regional school district).

• The DRGs are a classification system used by the State Department of Education to group local public school districts together based on the similar socioeconomic status of their students.

• The DRGs are determined based on seven variables for each district:
  – **Income** (median household income)
  – **Educational Attainment** (% of parents with a bachelor’s degree or higher)
  – **Occupation** (% of students with parents age 16 years or older, employed, and holding jobs in executive, managerial, or professional specialty occupations)
  – **Family Structure** (% of students living in families without a spouse present, or in non-family households)
  – **Poverty** (% of students eligible for free or reduced price meals)
  – **Home Language** (% of students whose families speak a language other than English at home)
  – **District Enrollment**
Minimum Budget Requirement (MBR)

- 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 meets one of several exceptions.

- If a town fails to meet its MBR, the State can withhold ECS funds from the town in an amount equal to the difference between the town’s MBR and what it actually budgeted for education.

- Towns in which Alliance Districts are located are not permitted to reduce their educational expenditures and are not eligible for any of the MBR exceptions.

- The state’s 10% highest-performing districts, according to the State Department of Education’s accountability index, do not have to adhere to the MBR.

Sources: Conn. Acts 19-117 § 271.
Previously Existing Exceptions to the MBR

- A non-Alliance town may reduce its MBR in if it experiences a decrease in ECS funding; however, the MBR reduction may not be more than the decrease in ECS funding.

- If a district does not maintain a high school and the number of students for which it pays tuition has decreased, the district’s town may reduce its MBR by the difference between the number of students it paid tuition for in the previous year and the number of students it currently pays tuition for, multiplied by the cost of tuition.

- The commissioner of the State Department of Education may allow a town to reduce its MBR by an amount determined by the commissioner if the town’s school district has closed one or more schools due to declining enrollment.

- 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.

Revised or New Exceptions to the MBR

• Districts that have experienced a reduction in their resident student count may look back up to a 5-year period to calculate their decrease in resident student count. The district can decide which consecutive years, up to the last five years, they would like to include in this calculation.
  • However, the decline in student count for a given year can only be used one time to prevent districts from counting the same student count decline twice.
  • When calculating a MBR reduction under this exemption, the district is permitted to reduce its MBR by an amount equal to the net reduction in resident students multiplied by 50 percent of its net current expenditure per resident student.

• If a district realizes new and documented savings through increased efficiencies approved by the commissioner of the State Department of Education or through regional collaboration or cooperative arrangements, the town may reduce its MBR by half of the achieved savings, provided that amount does not exceed 0.5 percent of the district’s budget. Efficiency savings include, but are not limited to, the following:
  • Reductions in contract costs not including collective bargaining agreements, transportation service efficiencies, or a cost savings in school district administration;
  • Cost savings in medical or health care benefit agreements;
  • Cooperative agreements related to administrative or central office functions;
  • Reductions in costs due to purchasing of insurance including property insurance, casualty insurance, and workers’ compensation insurance;
  • Reductions in costs associated with the purchasing of payroll or accounts payable software;
  • Savings from the consolidation of information technology services; and
  • Reduction in costs associated with athletic field care and maintenance.

• Expenses that are incurred as a result of a catastrophic insurance loss can be excluded from expenditures for the purposes of calculating a district’s MBR in the following year. This exemption can only be taken by a school district that is self-insured and can only be taken when the school district provides documentation that the expenses are a result of a catastrophic event by a nationally recognized catastrophic loss index provider.

## 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>$17,321*</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Magnet, RESC, Sheff</td>
<td>Varies from $8,058 - $10,652</td>
<td>Yes, up to cost of educating student</td>
<td>Yes</td>
</tr>
<tr>
<td>Magnet, RESC, non-Sheff</td>
<td>Varies from $3,060 - $8,058</td>
<td>Yes, up to cost of educating student</td>
<td>Yes</td>
</tr>
<tr>
<td>Magnet, District, Sheff</td>
<td>$13,315 (interdistrict)</td>
<td>No</td>
<td>No but get ECS for in-district students</td>
</tr>
<tr>
<td>Magnet, District, non-Sheff</td>
<td>$3,060 (host district); $7,227 (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>

* The CTECS is exclusively state-operated and funded out of the resources of the State of Connecticut’s General Fund. This per-pupil expenditure amount is from the 2017-18 school year – the most recent year for which data is available.

** Conn. Gen. Statutes ch. 172, § 10-264(l)(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, § 10-264l.
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.

• **Minimum Budget Requirement (MBR)** is a statutory requirement that towns commit no less municipal funding to their local public schools than the previous fiscal year, with some very limited exceptions.
Terms to Know

• **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. To learn more, visit: https://portal.ct.gov/OPM/IGPP-MAIN/Services/Public-Investment-Community-Index

• **Sheff v. O’Neill** – A 1996 Connecticut Supreme Court case that determined the State has an affirmative obligation to provide Connecticut’s school children a racially-integrated education. The lawsuit specifically names 22 districts in the greater Hartford region, and is the impetus for the creation of a number of magnet schools in Hartford and the surrounding towns.

• **Special Education Excess Cost Grant** – A state grant that provides funding to local school districts for special education students whose services cost in excess of 4.5 times the school district’s net current expenditures per pupil (NCEP). The Excess Cost grant is the only defined mechanism by which the State of Connecticut funds special education.