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

UPDATED: March 21, 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

<table>
<thead>
<tr>
<th>DISCRETIONARY (NON-FIXED) COSTS</th>
<th>FIXED COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.46 B (50.8%)</td>
<td>$9.15 B (49.2%)</td>
</tr>
</tbody>
</table>

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>FY 2018 Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation and Development</td>
<td>0.7%</td>
</tr>
<tr>
<td>Corrections</td>
<td>2.7%</td>
</tr>
<tr>
<td>Education, Museums, Libraries</td>
<td>11.8%</td>
</tr>
<tr>
<td>General Government</td>
<td>10.4%</td>
</tr>
<tr>
<td>Health and Hospitals</td>
<td>10.6%</td>
</tr>
<tr>
<td>Human Services</td>
<td>6.8%</td>
</tr>
<tr>
<td>Judicial</td>
<td>11.1%</td>
</tr>
<tr>
<td>Legislative</td>
<td>5.6%</td>
</tr>
<tr>
<td>Non-functional</td>
<td>1.9%</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

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: 1%
- Magnet School: 4%
- Sp. Ed. - Excess Cost: 3%
- Charter Schools: 10%
- School Readiness - Severe Need: 1%
- Priority School Districts: 11%
- Other Grants less than $40MM: 1%

How Does This Impact School Finance?
School finance is about...
Kids
Schools
Communities
JORDAN'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.
Education Financial System (EFS)

• In an effort to adapt and respond to the financial reporting requirements passed by Congress in 2015 as part of the Every Student Succeeds Act (ESSA), in FY 2018, Connecticut began collecting school district financial data through a new mechanism called the Education Financial System (EFS).

• The EFS is a financial reporting system used by Connecticut’s school districts, including local and regional boards of education, charter schools, and regional educational service centers.

• The EFS system include a standardized set of processes to capture, manage, and report financial and statistical information, including district-level and school-level expenditures.

• No date has been announced for when this new data through the EFS will be released.
Jordan

- Jordan lives in New Haven.
- He is a 6th grader.
- When he grows up, he wants to become a lawyer.
Jordan could go to any of these schools:

- Wintergreen Interdistrict Magnet
- Elm City College Prep Middle
- Bishop Woods School
How much funding does Jordan’s school receive to educate him?
It depends on where he goes to school.
# New Haven Public Schools: $18,248

<table>
<thead>
<tr>
<th>School Name</th>
<th>New Haven Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution</td>
<td>$10,785</td>
</tr>
<tr>
<td>New Haven Contribution</td>
<td>$4,854</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>$2,609</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,248</strong></td>
</tr>
</tbody>
</table>

### Achievement First State Charter School: $14,612

**Elm City College Preparatory Middle School**

<table>
<thead>
<tr>
<th>School Name</th>
<th>State Charter School, Elm City Prep</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution</td>
<td>$12,668</td>
</tr>
<tr>
<td>New Haven Contribution</td>
<td>$303</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>$1,641</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,612</strong></td>
</tr>
</tbody>
</table>

RESC Magnet, ACES: $12,613

Note: Revenue by source data for the 2015-16 school year is unavailable for Regional Education Service Centers (RESCs), such as ACES. As a result, only the total 2015-16 per-student spending amount is shown.

What if Jordan’s family moves to Hamden?
Hamden Public Schools: $18,366

<table>
<thead>
<tr>
<th>District Name</th>
<th>Hamden Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution</td>
<td>$4,536</td>
</tr>
<tr>
<td>Hamden Contribution</td>
<td>$13,315</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>$515</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,366</strong></td>
</tr>
</tbody>
</table>

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

It depends on where he goes to school.

<table>
<thead>
<tr>
<th>School Types</th>
<th>New Haven Public Schools</th>
<th>Elm City College Prep, State Charter School</th>
<th>RESC Magnet, ACES</th>
<th>Hamden Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contribution</td>
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<td>$2,609</td>
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<td>$14,612</td>
<td>$12,613</td>
<td>$18,366</td>
</tr>
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</table>

Notes: Revenue by source data for the 2015-16 school year is also unavailable for Regional Education Service Centers (RESCs) such as ACES. As a result, only the 2015-16 total per-student spending amount is shown.

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 Funding: $11.2B

EQUITY & SCHOOL FINANCE
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 first 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>
</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 significantly from student-to-student  
• Students may have physical, learning, or social-emotional changes | • Special education teacher  
• Physical or occupational therapist  
• Adaptive technology |

**Sources:**
Does money matter?
Shifting scholarly debate

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 Appendix for list of sources.
What does all this mean?

Funding does matter to student success inside and outside of the classroom.
State and New Haven Overview
Over the last 10 years, the total number of students in Connecticut public schools has declined.

Connecticut Public School Enrollment by School Year

New Haven is the largest district in the state

Total Enrollment, 2018-19

- Danbury: 11,531
- Stamford: 16,053
- Waterbury: 18,847
- Hartford: 19,767
- Bridgeport: 20,572
- New Haven: 21,264

Enrollment for New Haven Public Schools has increased by 13.6% over the past 10 years

New Haven Public Schools’ Enrollment, 2010-2019

Student need remains high in New Haven, and is increasing across the state
CT’s low-income, EL, and special education populations have increased over the past 10 years

*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.

Student poverty in New Haven has increased by 3 percentage points over the past 10 years.

New Haven’s reported low-income student population is lower than similar communities

**% of Students w/ Free and Reduced Priced Lunch, 2017-18***

<table>
<thead>
<tr>
<th>City</th>
<th>% of Students w/ Free and Reduced Priced Lunch</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Britain</td>
<td>80%</td>
</tr>
<tr>
<td>Bridgeport</td>
<td>57%</td>
</tr>
<tr>
<td>Waterbury</td>
<td>72%</td>
</tr>
<tr>
<td>State Average</td>
<td>37%</td>
</tr>
<tr>
<td>New Haven</td>
<td>55%</td>
</tr>
<tr>
<td>Windham</td>
<td>83%</td>
</tr>
<tr>
<td>Hartford</td>
<td>74%</td>
</tr>
</tbody>
</table>

*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 New Haven serves has increased 4 percentage points over the past 10 years.

New Haven Public Schools % of English Learner Students

New Haven spends more per student than most similar districts and nearly $1,400 more than the state average.

2017-18 Per-student Spending

<table>
<thead>
<tr>
<th></th>
<th>New Britain</th>
<th>Bridgeport</th>
<th>Waterbury</th>
<th>State Average</th>
<th>New Haven</th>
<th>Windham</th>
<th>Hartford</th>
</tr>
</thead>
<tbody>
<tr>
<td>% FRPL*</td>
<td>80%</td>
<td>57%</td>
<td>72%</td>
<td>37%</td>
<td>55%</td>
<td>83%</td>
<td>74%</td>
</tr>
<tr>
<td>% EL</td>
<td>16%</td>
<td>18%</td>
<td>15%</td>
<td>8%</td>
<td>17%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>% SPED</td>
<td>21%</td>
<td>18%</td>
<td>19%</td>
<td>15%</td>
<td>15%</td>
<td>20%</td>
<td>19%</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
New Haven receives $10,785 per pupil in education funding from the State – more than all but one of its peer towns.

*Revenue by source data for the 2015-16 school year, the most recent year available for all other school districts, is unavailable for Hartford Public Schools. As a result, 2014-15 school year data has been used for Hartford only.*

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.
The new ECS formula implementation began in fiscal year 2019 (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

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, New Haven would receive an estimated $174,904,067 — roughly $21 million more than the district received in FY 2018.

Estimated ECS Funding for New Haven by Year

- Last Year (FY 2018): $154,051,977
- Current Year (FY 2019): $155,415,158
- Full Funding (based on current data): $174,904,067

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 New Haven by Year

- Kindergarten (FY 2019): $0
- 2nd Grade (FY 2021): $155,415,158
- 4th Grade (FY 2023): $159,539,028
- 6th Grade (FY 2025): $163,931,394
- 9th Grade (FY 2028): $168,323,759

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)) =</td>
</tr>
<tr>
<td></td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>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 +</td>
</tr>
<tr>
<td></td>
<td>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 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).
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).
Special Education
Over the last 5 years, the total number of special education students in Connecticut public schools has increased 19.5%.

Connecticut Special Education Enrollment by School Year

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

![Special Education Percentage of CT Public Enrollment](http://edsight.ct.gov/SASPortal/main.do)

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

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

- **2013**: 30% Other, 63% Federal, 30% State, 62% Local
- **2014**: 30% Other, 64% Federal, 30% State, 62% Local
- **2015**: 32% Other, 62% Federal, 24% State, 65% Local
- **2016**: 24% Other, 70% Federal, 29% State, 65% Local
- **2017**: 29% Other, 65% Federal, 29% State, 65% Local

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

### 2016-17 State Special Education Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portion of ECS</td>
<td>$448,748,079</td>
</tr>
<tr>
<td>Excess Cost</td>
<td>$140,795,482</td>
</tr>
<tr>
<td>Other State Agencies</td>
<td>$195,109,133</td>
</tr>
</tbody>
</table>

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

- 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.

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.

Sources: Conn. Gen. Statues 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


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

Average SpEd Spending Per Pupil by DRG in 2017

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
</tr>
<tr>
<td>$35,331</td>
<td>$28,239</td>
<td>$24,988</td>
<td>$24,048</td>
<td>$25,574</td>
<td>$21,814</td>
<td>$20,742</td>
<td>$19,769</td>
</tr>
</tbody>
</table>

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

Sources:
Special Education in New Haven
Over the last 5 years, the total number of special education students in New Haven has increased by 444.

New Haven Special Education Enrollment by School Year

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

New Haven Special Education Expenditures by School Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition Expenditures</th>
<th>Non-tuition Expenditures</th>
<th>Total Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$16,102,588</td>
<td>$44,840,698</td>
<td>$61,943,286</td>
</tr>
<tr>
<td>2014</td>
<td>$16,735,467</td>
<td>$45,814,282</td>
<td>$62,549,749</td>
</tr>
<tr>
<td>2015</td>
<td>$17,635,653</td>
<td>$46,180,041</td>
<td>$63,815,694</td>
</tr>
<tr>
<td>2016</td>
<td>$18,900,227</td>
<td>$50,382,063</td>
<td>$69,282,290</td>
</tr>
<tr>
<td>2017</td>
<td>$19,560,359</td>
<td>$53,114,824</td>
<td>$72,675,183</td>
</tr>
</tbody>
</table>

However, special education spending per pupil has decreased slightly for New Haven over the past 5 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition Expenditures</th>
<th>Non-Tuition Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$18,251</td>
<td>$6,412</td>
</tr>
<tr>
<td>2014</td>
<td>$18,301</td>
<td>$6,769</td>
</tr>
<tr>
<td>2015</td>
<td>$16,967</td>
<td>$6,598</td>
</tr>
<tr>
<td>2016</td>
<td>$17,954</td>
<td>$6,640</td>
</tr>
<tr>
<td>2017</td>
<td>$17,845</td>
<td>$6,600</td>
</tr>
</tbody>
</table>

The percentage of New Haven’s total education spending attributed to special education has increased over the past 5 years.

New Haven 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>Source</th>
<th>Funding ($Billions)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Federal Sources</td>
<td>$0.47</td>
<td>4.2%</td>
</tr>
<tr>
<td>From State Sources</td>
<td>$4.41</td>
<td>39.5%</td>
</tr>
<tr>
<td>From Local Sources</td>
<td>$6.29</td>
<td>56.3%</td>
</tr>
</tbody>
</table>

New Haven taxpayers contribute $4,854 per student; the 5th lowest in the state

*Revenue by source data for the 2015-16 school year, the most recent year available for all other school districts, is unavailable for Hartford Public Schools. As a result, 2014-15 school year data has been used for Hartford only.

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.

\[
\text{School District Budget} - \text{Federal Revenue} - \text{State Revenue} = \text{Municipal (Local) Contribution}
\]
Who decides how much money is in the school district’s budget?

The Superintendent of Schools recommends a school district budget to the Board of Education.

The Board of Education approves a school district budget (it may be more or less than the Superintendent’s recommendation).

The city/town governing body approves the school district’s budget as part of the city/town municipal budget (it may be more or less than the Board of Ed’s recommendation).

In some cities/towns, there is a referendum, which means that the residents of the town (a.k.a. the taxpayers) must vote to approve the city/town budget, which includes the school district budget.

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 the amount of two times 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.

Sources: Conn. Gen. Statutes ch. 172, § 10-262j.
Conn. Gen. Statutes ch. 172, § 10-262(l(e).
Conn. Gen. Statutes ch. 172, § 10-262d.
Exceptions to the MBR

• A non-Alliance town may reduce its MBR in FY 2019 if it experiences a decrease in ECS funding, however, the MBR reduction may not be more than the decrease in ECS funding

• 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

• 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%

• 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

• Commissioner of the Connecticut State Department of Education may allow a town to reduce its MBR by a determined amount if the town’s school district has closed one or more schools due to declining enrollment

• If a district realizes new and documented savings through increased efficiencies approved by the Commissioner 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% of the district’s budget

Sources: Conn. Acts 18-81,
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 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREENWICH</td>
<td>$48,596,792,470</td>
</tr>
<tr>
<td>STAMFORD</td>
<td>$32,825,480,973</td>
</tr>
<tr>
<td>NORWALK</td>
<td>$19,248,812,949</td>
</tr>
<tr>
<td>WESTPORT</td>
<td>$16,088,221,534</td>
</tr>
<tr>
<td>FAIRFIELD</td>
<td>$16,008,062,420</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>NEW HAVEN</td>
<td>$9,408,561,904</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>CANAAN</td>
<td>$245,942,596</td>
</tr>
<tr>
<td>EASTFORD</td>
<td>$224,628,571</td>
</tr>
<tr>
<td>HAMPTON</td>
<td>$215,119,348</td>
</tr>
<tr>
<td>SCOTLAND</td>
<td>$161,579,503</td>
</tr>
<tr>
<td>UNION</td>
<td>$130,830,403</td>
</tr>
</tbody>
</table>

The Equalized Net Grand List Per Capita (ENGLPC) represents the value of taxable property per resident. New Haven’s ENGLPC is the 14th lowest in the state.

Equalized Net Grand List per Capita (FYE 2017)

<table>
<thead>
<tr>
<th>City</th>
<th>ENGLPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Britain</td>
<td>$50,329</td>
</tr>
<tr>
<td>Bridgeport</td>
<td>$59,188</td>
</tr>
<tr>
<td>Waterbury</td>
<td>$53,441</td>
</tr>
<tr>
<td>State Median</td>
<td>$135,943</td>
</tr>
<tr>
<td>New Haven</td>
<td>$78,225</td>
</tr>
<tr>
<td>Windham</td>
<td>$53,786</td>
</tr>
<tr>
<td>Hartford</td>
<td>$57,135</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. New Haven’s MHI is the 3rd lowest in the state.

Median Household Income by Town

“Mill rates” also vary significantly

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY 2019 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>48.35*</td>
</tr>
<tr>
<td>HAMDEN</td>
<td>47.96*</td>
</tr>
<tr>
<td></td>
<td>...</td>
</tr>
<tr>
<td>SHARON</td>
<td>14.70</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>11.369</td>
</tr>
<tr>
<td>SALISBURY</td>
<td>11.30</td>
</tr>
</tbody>
</table>

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

New Haven’s mill rate is lower than the mill rates for most of its peer communities

Town Mill Rates FY 2019

<table>
<thead>
<tr>
<th>Town</th>
<th>Mill Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Britain*</td>
<td>50.50</td>
</tr>
<tr>
<td>Bridgeport*</td>
<td>54.37</td>
</tr>
<tr>
<td>Waterbury*</td>
<td>60.21</td>
</tr>
<tr>
<td>New Haven</td>
<td>42.98</td>
</tr>
<tr>
<td>Windham</td>
<td>37.51</td>
</tr>
<tr>
<td>Hartford*^</td>
<td>74.29</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%.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></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>BRIDGEPORT</td>
<td>54.37*</td>
<td>$7,612</td>
<td>$203</td>
</tr>
<tr>
<td>NEW BRITAIN</td>
<td>50.50*</td>
<td>$7,070</td>
<td>$203</td>
</tr>
<tr>
<td>EAST HARTFORD</td>
<td>47.66*</td>
<td>$6,672</td>
<td>$203</td>
</tr>
<tr>
<td>NEW LONDON</td>
<td>43.17</td>
<td>$6,044</td>
<td>$194</td>
</tr>
<tr>
<td><strong>NEW HAVEN</strong></td>
<td><strong>42.98</strong></td>
<td><strong>$6,017</strong></td>
<td><strong>$193</strong></td>
</tr>
<tr>
<td>MERIDEN</td>
<td>41.04</td>
<td>$5,746</td>
<td>$185</td>
</tr>
<tr>
<td>WINDHAM</td>
<td>37.51</td>
<td>$5,251</td>
<td>$169</td>
</tr>
<tr>
<td>GREENWICH</td>
<td>11.369</td>
<td>$1,592</td>
<td>$51</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.

How are Other Types of Public Schools Funded?
With 10 more formulas!

- 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)

**None of these formulas are based on student learning needs**

Sources:
Magnet School Formulas

- There are 5 different formulas for magnet schools.
- The formula for a magnet school depends on:
  - Whether the magnet school is operated by a Regional Education Service Center (RESC) or a local public school district.
  - Whether the magnet school was created as part of the Sheff v. O’Neill settlement.
  - One magnet school—Thomas Edison Middle School in Meriden—has its own funding formula. (It is a non-Sheff magnet administered by ACES.)
- RESC-operated magnet schools and some host district magnet schools can charge tuition to the sending districts for the amount it costs to educate the student above the State’s per-pupil allocation.

Charter School Formulas

• There are 2 different formulas for charter schools.
• The formula for a charter school depends on whether it is a state or local charter school.
• State charter schools receive a per-pupil amount from the state ($11,250) per student. They receive no local funding.
• Local charter schools receive:
  – Local per student costs
  – An additional $3,000 per student from the State

Other Choice School Formulas

• **Agriscience Programs: Mix of state and local funding**
  - State funding: $4,200 + potential for supplemental funding; sending district receives ECS funding for each student
  - Local funding: The sending district can be charged up to $6,822.80 per student

• **Connecticut Technical Education and Career System: State funding only**
  - State funding: 100% state funding; approx. per-pupil amount is: $15,012 (appropriation only — does not include fringe benefits of employees)

• **Open Choice: Mix of state and local funding**
  - State funding: Receiving district gets a subsidy (based on Open Choice enrollment as a percentage of the district’s total enrollment) that ranges from $3,000 to $8,000 per student participating in the Open Choice program. Each participating student is counted as half of a student in the sending and receiving districts ECS student counts.
  - Local funding: The receiving district pays the remaining cost to educate the student.

Conn. Gen. Statutes ch. 172, § 10-266aa.
Conn. Acts 17-2 (June Special Session).
APPENDIX
Calculating Expenditures per School Type

• Individual children receive different amounts of funding based on learning needs. Jordan 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>State Contribution</th>
<th>Local Public</th>
<th>Charter</th>
<th>Sheff RESC Host Magnet</th>
</tr>
</thead>
<tbody>
<tr>
<td></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 subsidy for magnet school transportation.</td>
</tr>
<tr>
<td></td>
<td>• Healthy Foods</td>
<td>• Child Nutrition</td>
<td>• Other State Grant Funds</td>
</tr>
<tr>
<td></td>
<td>• Magnet Transportation</td>
<td>• Special Education Reimbursement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Open Choice</td>
<td>• Other State</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Other Direct State Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Public Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Special Education Supplementan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• State Grants Managed by a Nonpublic/Quasi-Public Organization Serving Public Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• State Match Child Nutrition</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• State School Breakfast</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Total from ED141 Summary Report Column 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Voag</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Your Portion of Services/Expenditures from Consortium Grant Payment Arrangement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Contribution</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>Other Contribution</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 Arrangement</td>
<td>• Other Federal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Federal Grants Managed by a Nonpublic/Quasi-Public Organization Serving Public Education</td>
<td>• Interest Income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Total Tuition &amp; Transportation Revenues</td>
<td>• Miscellaneous</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, § 10-264l.  
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.