

CONNECTICUT
SCHOOL FINANCE
PROJECT

SCHOOL FINANCE 101

*An introduction to how public schools are
funded in Connecticut*

UPDATED: August 8, 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.

School finance is about...

Kids



Schools



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 first ensure equity before we can enjoy equality

Challenges and potential support for different types of learning needs

Learning Need	Potential Challenges Impacting Student's Education	Examples of Potential Support
Student from a low-income family	<ul style="list-style-type: none"> • 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) 	<ul style="list-style-type: none"> • Reading interventionist • Software to help build vocabulary and develop language • Social worker
English Learner student	<ul style="list-style-type: none"> • May be only English speaker in household • Cultural differences • Emigrated from possible violence/warfare • Unfamiliar with US education system – or any education system 	<ul style="list-style-type: none"> • ESL/bilingual teacher • Software to assist in learning English • Books and other materials in first language
Student with disabilities	<ul style="list-style-type: none"> • Each student's learning needs will be unique and can vary significant from student-to-student • Students may have physical, learning, or social-emotional changes 	<ul style="list-style-type: none"> • Special education teacher • Physical or occupational therapist • Adaptive technology

Sources: Jenson, E. (2009). How Poverty Affects Behavior and Academic Performance. *Teaching with Poverty in Mind*. Alexandria, VA: Association for Supervision & Curriculum Development. Retrieved from <http://www.ascd.org/publications/books/109074/chapters/How-Poverty-Affects-Behavior-and-Academic-Performance.aspx>.

Hart, B. & Risley, T. R. (2003). The Early Catastrophe: The 30 Million Word Gap by Age 3. *American Educator*, 4-9. Retrieved from <http://www.aft.org/sites/default/files/periodicals/TheEarlyCatastrophe.pdf>.

Does money matter?

Shifting scholarly debate

Earlier studies:

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

Recent studies:

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

Source: See Appendix for list of sources.

JOSEPH'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.

Joseph

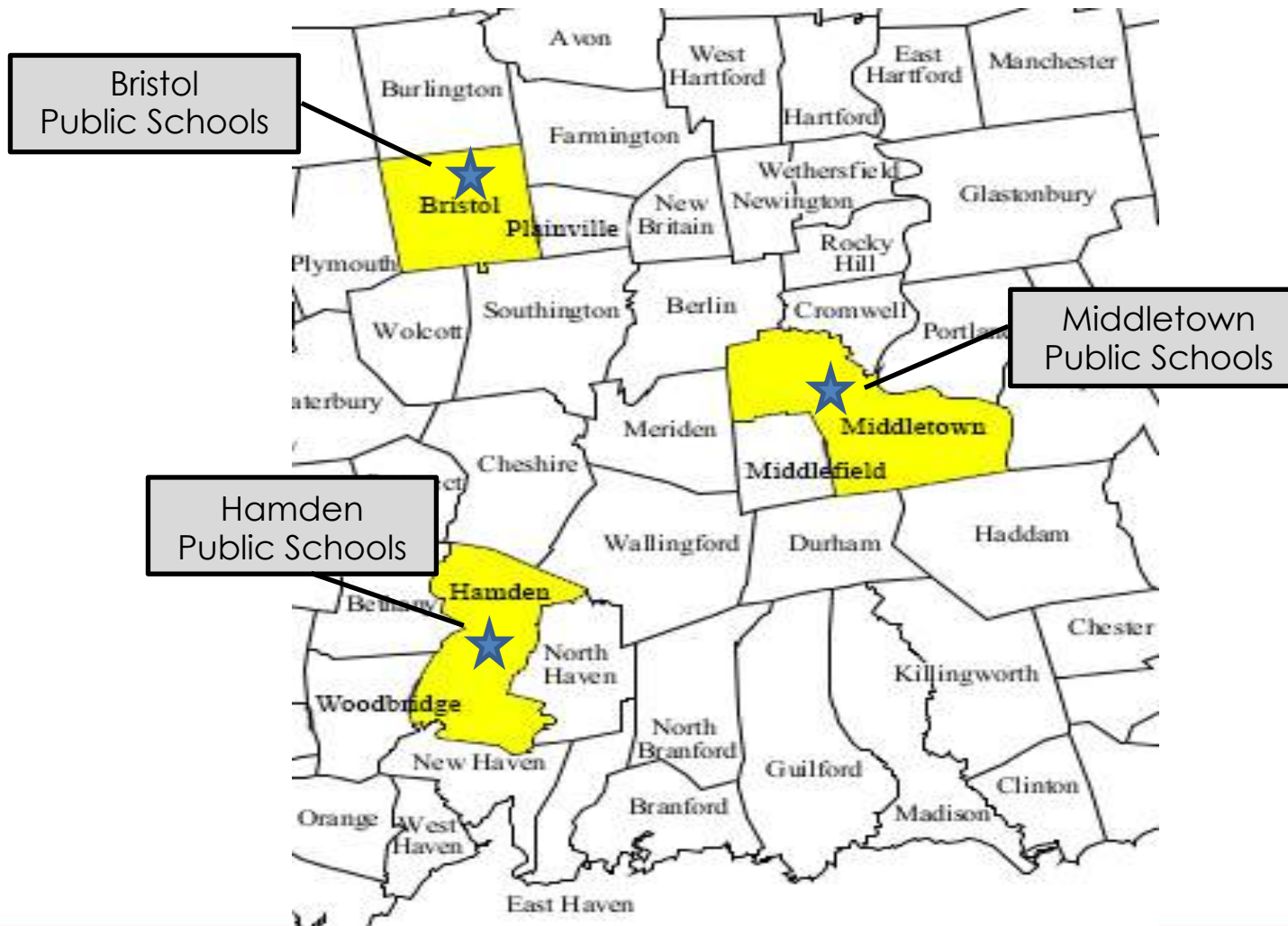


- Joseph lives in Hamden
- He is a 3rd grader
- When he grows up, he wants to become a dentist.

**How much funding does
Joseph's school district
receive to educate him?**

**It depends on where
he lives.**

Let's take a look at funding for Joseph at three similar school districts.



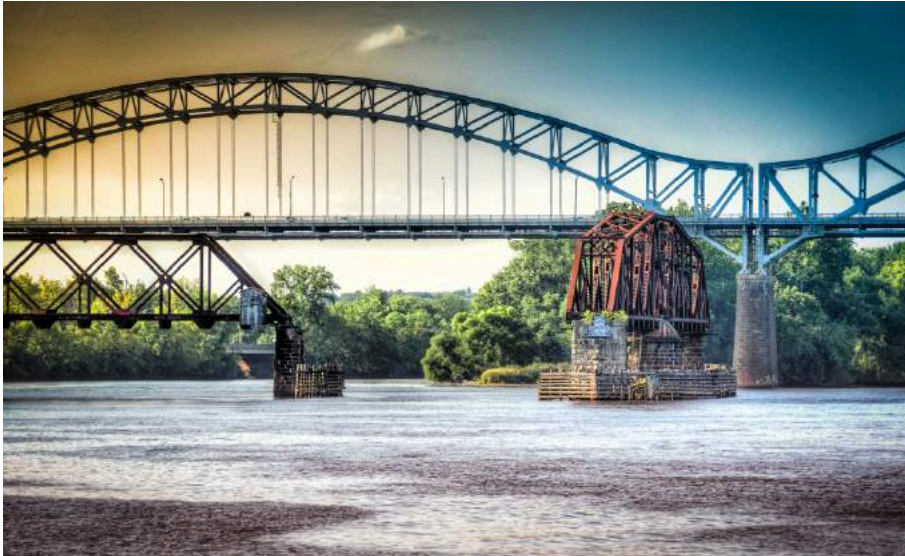
Hamden Public Schools: \$18,786

District Name	Hamden Public Schools
State Contribution (2016-17)	\$4,408
Hamden Contribution (2016-17)	\$13,389
Other Contributions (2016-17)	\$989
Total (2016-17)	\$18,786



Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

Middletown Public Schools: \$16,695



District Name	Middletown Public Schools
State Contribution (2016-17)	\$4,243
Middletown Contribution (2016-17)	\$11,315
Other Contributions (2016-17)	\$1,137
Total (2016-17)	\$16,695

Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

Bristol Public Schools: \$14,044

District Name	Bristol Public Schools
State Contribution (2016-17)	\$5,710
Bristol Contribution (2016-17)	\$7,697
Other Contributions (2016-17)	\$637
Total (2016-17)	\$14,044



Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

How much funding does Joseph's school district receive to educate him?

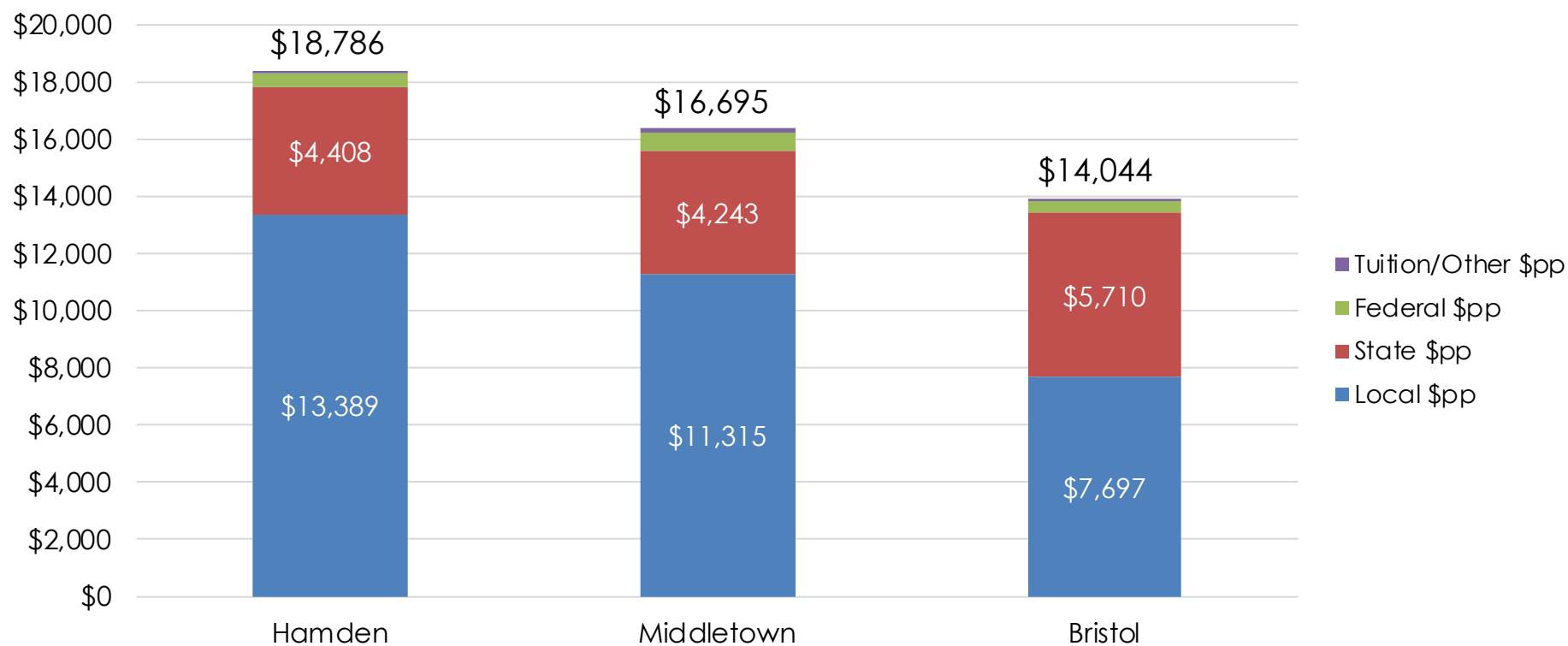
It depends on where he lives.

School District	Hamden Public Schools	Middletown Public Schools	Bristol Public Schools
State Contribution (2016-17)	\$4,408	\$4,243	\$5,710
Town Contribution (2016-17)	\$13,389	\$11,315	\$7,697
Other Contributions (2016-17)	\$989	\$1,137	\$637
Total (2016-17)	\$18,786	\$16,695	\$14,044

Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

Although Joseph is the same student and the districts have similar needs and demographics, each district receives a different amount of money to educate him.

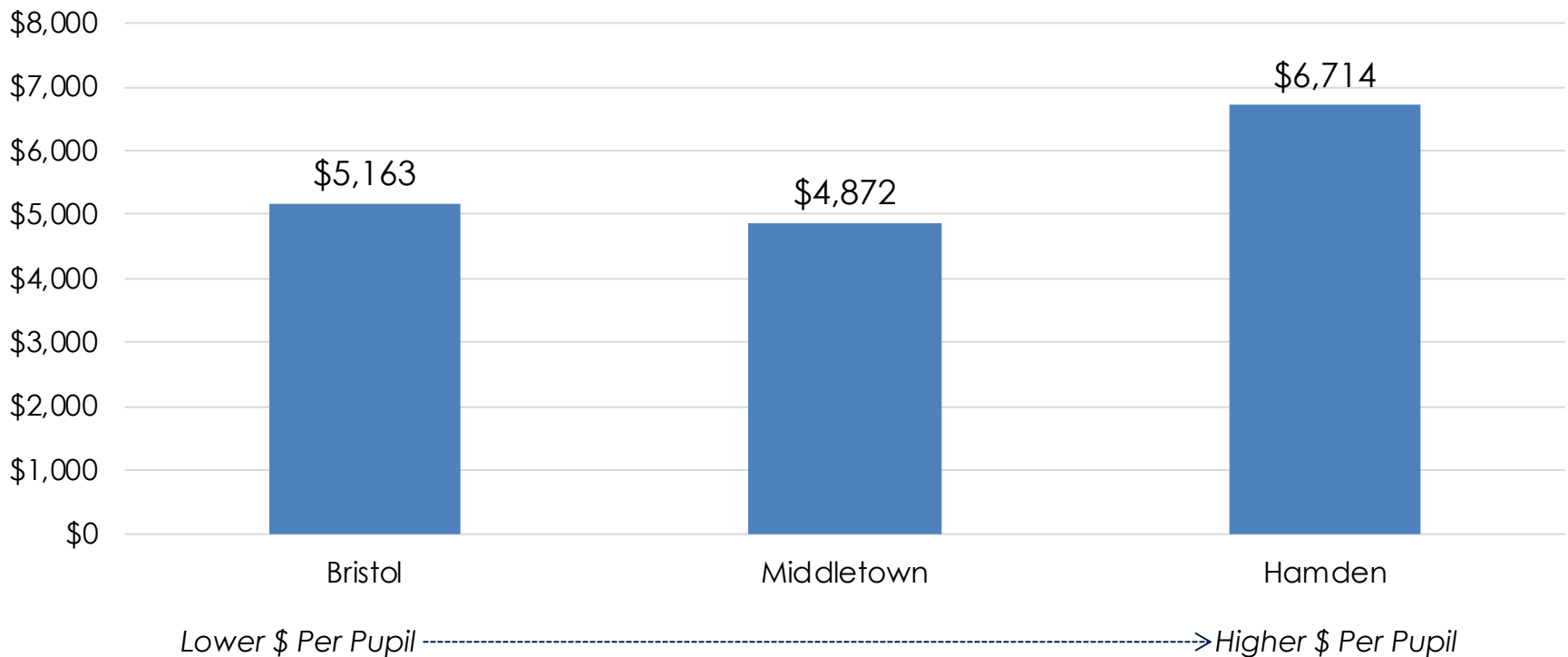
Funding Per Student by School District, 2016-17



Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

How much would Joseph's family pay in property taxes on a \$200K house in each town?

Annual Property Taxes by Town on a House with Market Value of \$200K



Sources: State of Connecticut, Office of Policy and Management. (2018). *FY 2019 Mill Rates*. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/GL-2017-FY-2019-Mill-Rates-UPDATE.pdf?la=en>.
Connecticut State Department of Education. (2019). *2017-18 Net Current Expenditures (NCE) per Pupil (NCEP) and 2018-19 Special Education Excess Cost Grant*. Retrieved from <http://ctschoolfinance.org/assets/uploads/files/2017-18-Net-Current-Expenditures-Per-Pupil.pdf>.

Why?

OVERVIEW

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.

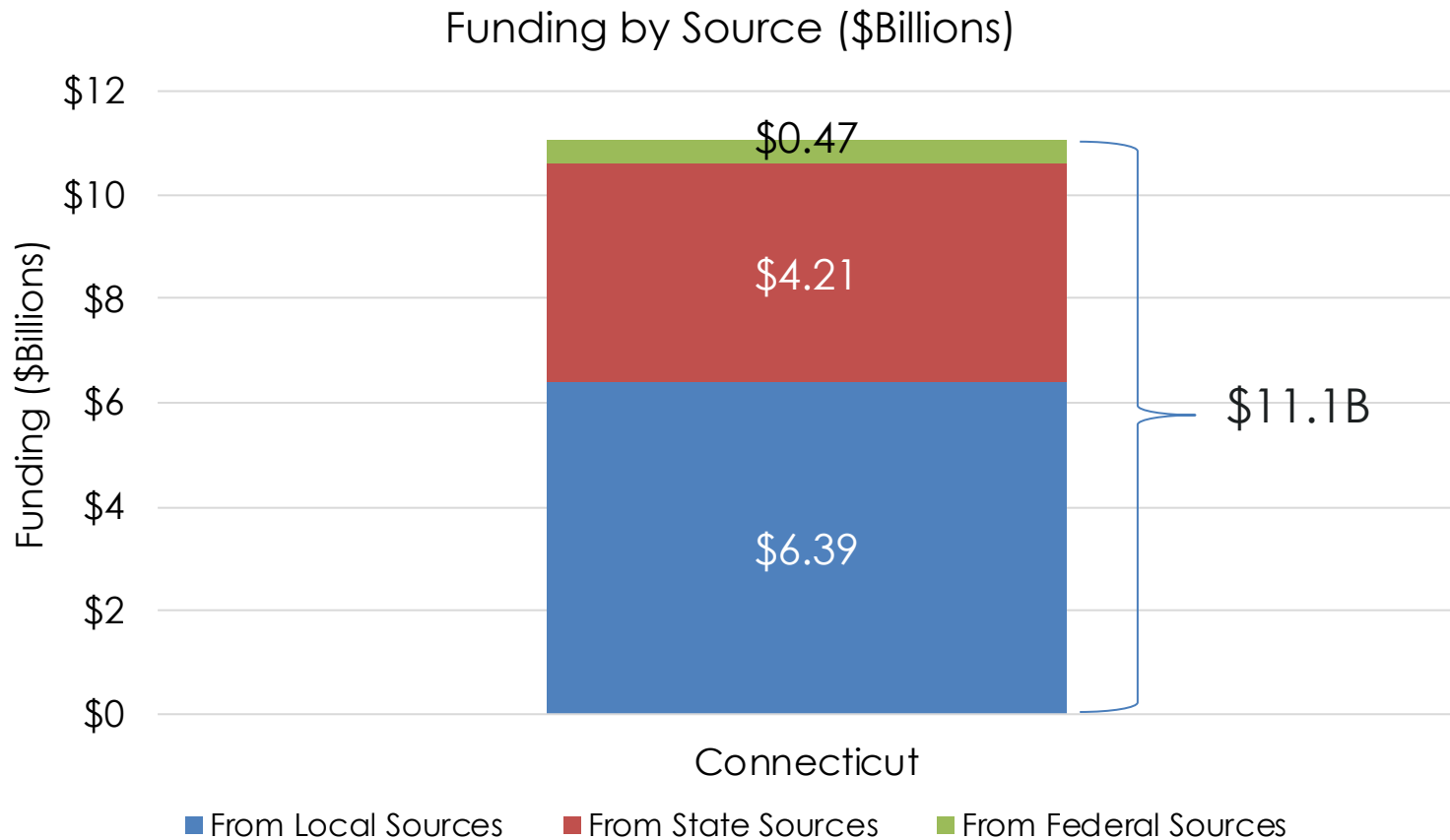
Source: San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973).

U.S. Supreme Court Case: *San Antonio Independent School District v. Rodriguez*

- Key Holdings:
 - School finance systems are NOT subject to strict scrutiny under the Constitution.
 - A school finance system based on local property taxes does NOT violate the Equal Protection Clause of the 14th Amendment, even if it results in wealthier communities getting more funding for their schools than poorer communities.
- Therefore, how schools are funded is determined at the state level.

Source: *San Antonio Independent School District v. Rodriguez*, 411 U.S. 1 (1973).

What are the funding sources for public education in Connecticut?



Source: U.S. Census Bureau. (2019). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2017. *2017 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2017/secondary-education-finance/elsec17_sumtables.xls.

Federal funding for CT public education

- Federal funding makes up a small percentage (4.3%) of overall funding for public education in Connecticut.
- We don't have much control over how much federal funding Connecticut gets for public education.
- Federal education funding is restricted to specific purposes. For example, funding programs and services for low-income children, children with disabilities, and English Learners.

Source: U.S. Census Bureau. (2019). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2017. *2017 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2017/secondary-education-finance/elsec17_sumtables.xls.

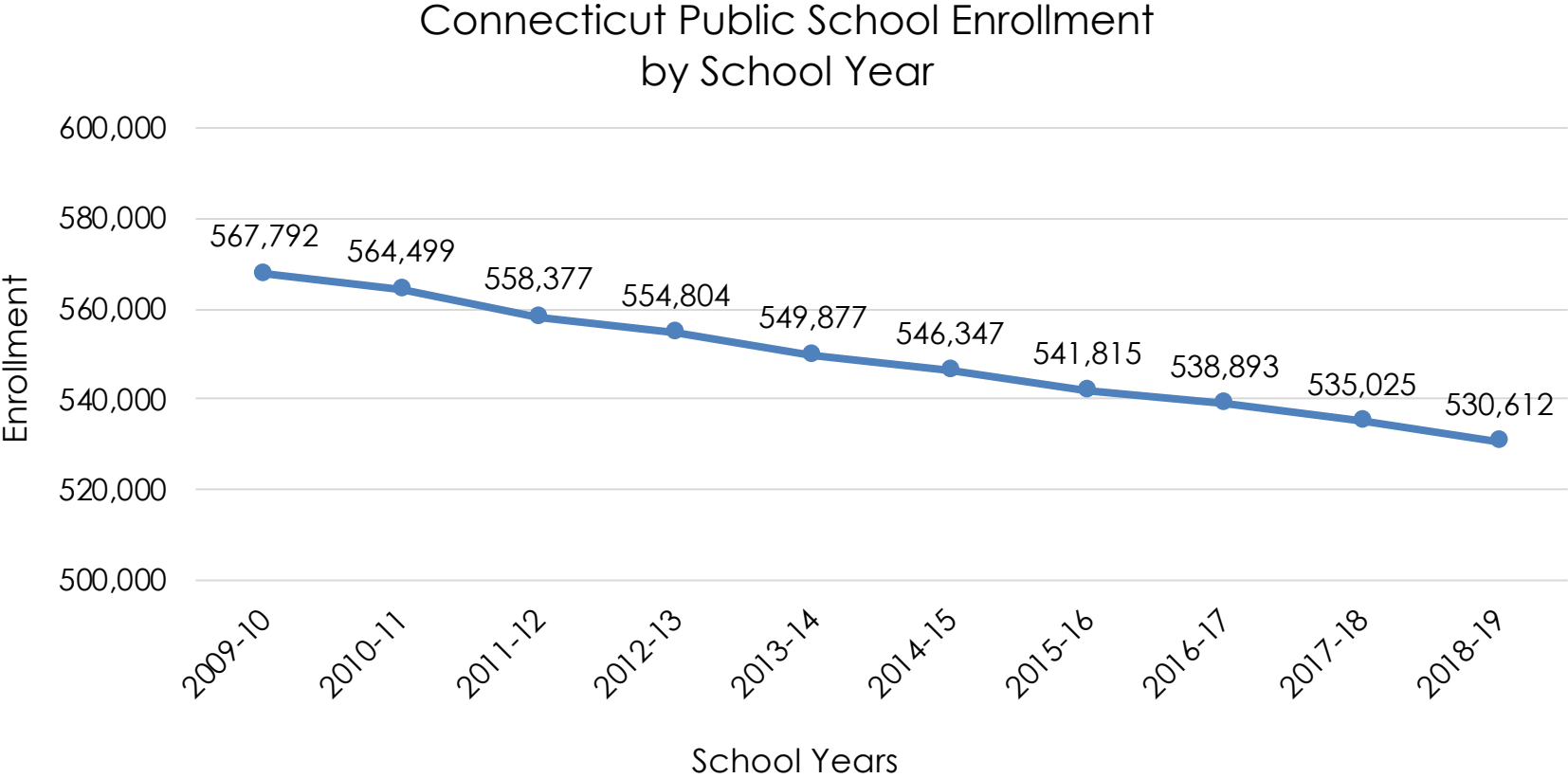
We are going to focus on state and local funding for public education

- This is 96% of the money that is spent on public education in Connecticut each year.
- Our state and local elected officials decide how much funding our public schools get and how that money is distributed to schools and districts.

Source: U.S. Census Bureau. (2019). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2017. *2017 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2017/secondary-education-finance/elsec17_sumtables.xls.

STATE FUNDING

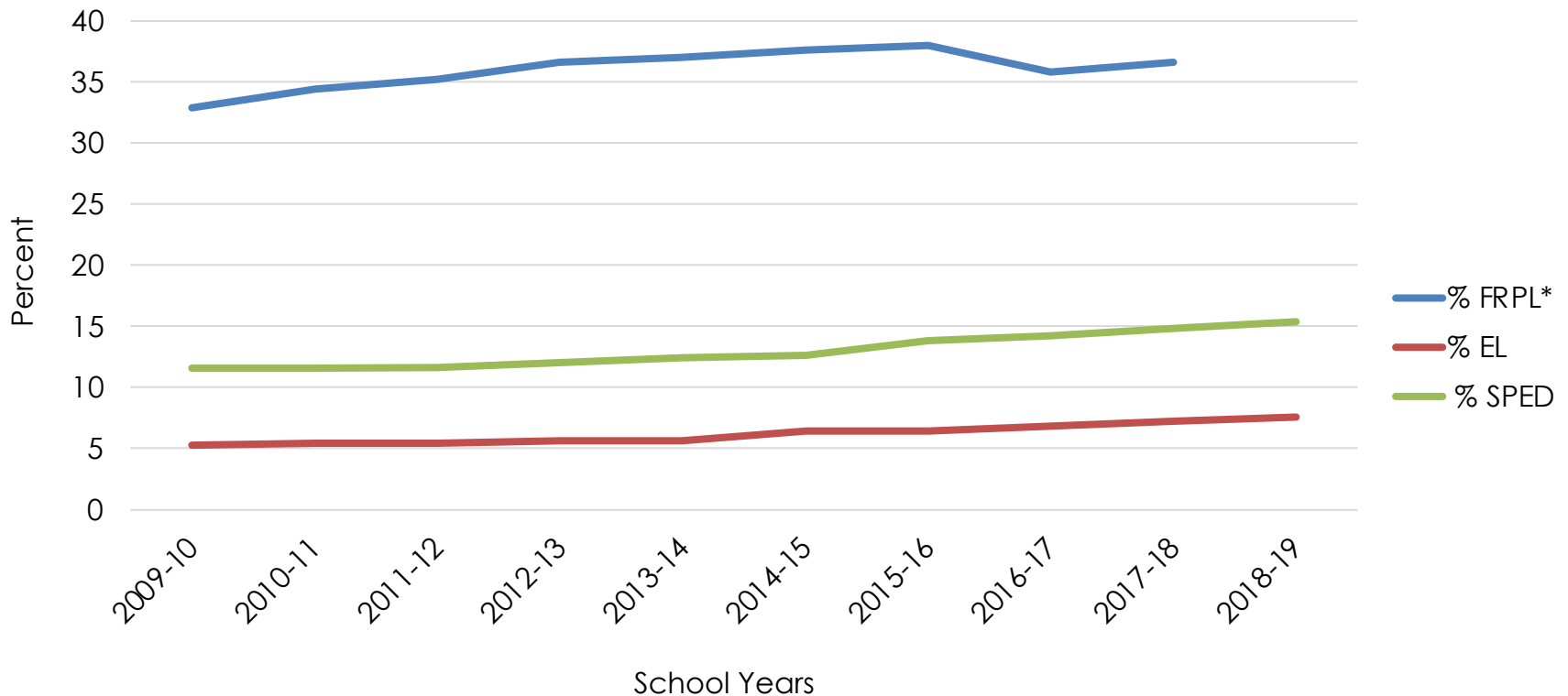
Over the last 10 years, the total number of students in Connecticut public schools has declined



Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

But their needs have increased

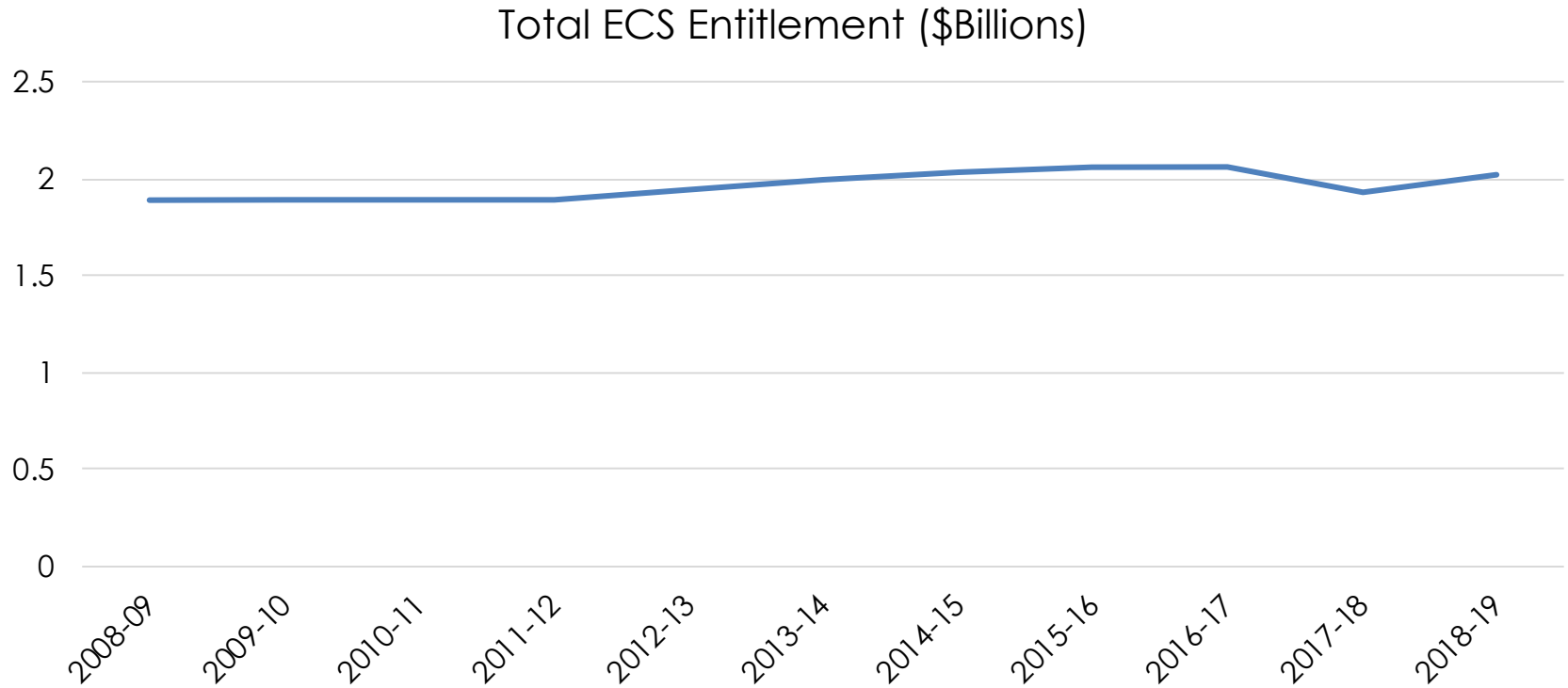
Connecticut Public School Demographics



**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.*

Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

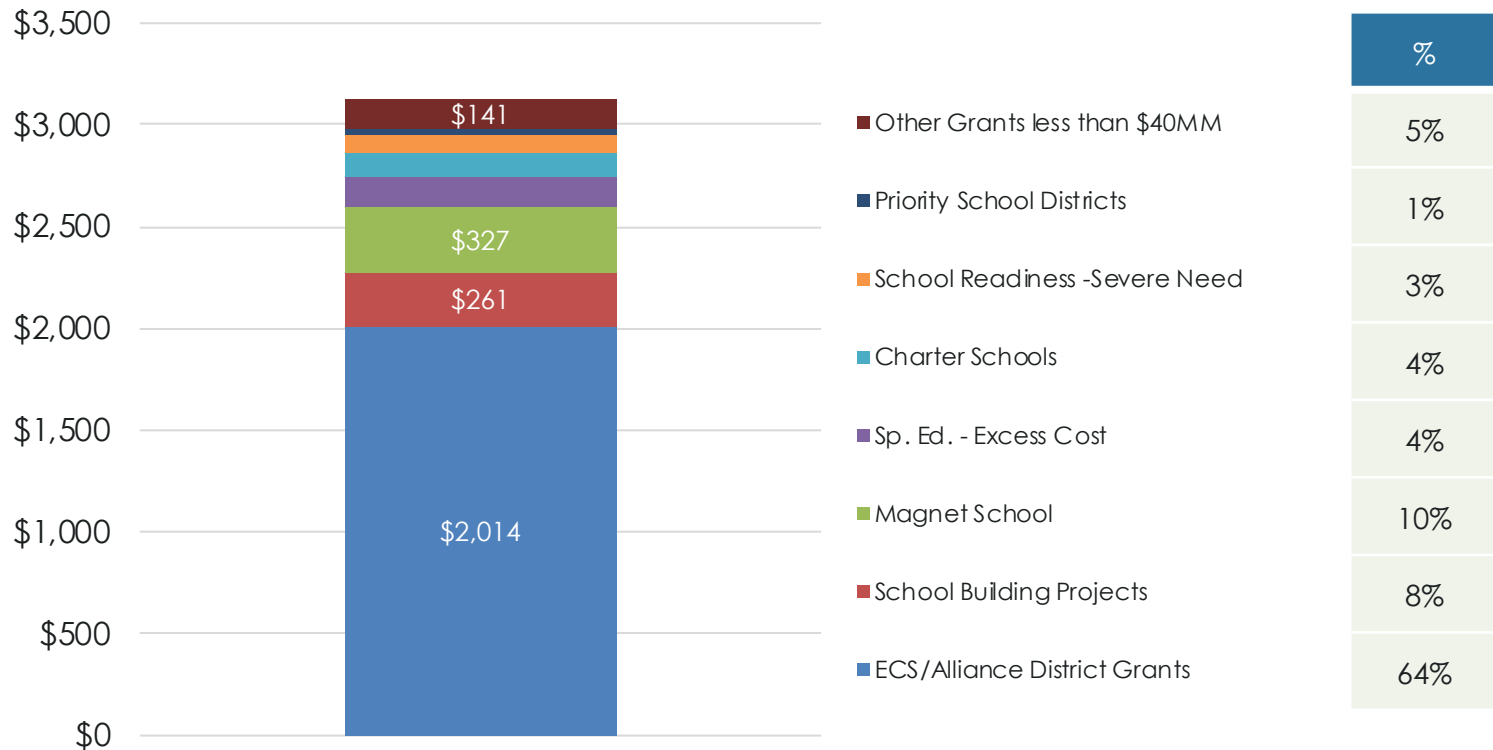
And, up until 2017-18, total ECS grant aid to towns went up every year



Source: Connecticut State Department of Education. (2019). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.

State funding for public schools can be broken down into multiple categories

FY 2019 State Funding by Grant (\$Millions)



Source: Connecticut State Department of Education. (2019). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.

**How does the state determine
how much money each
school should get?**

CT has more than 10 different funding formulas to divide up money between public schools

- Each “type” of school has its own funding formula that is part of the Connecticut General Statutes (the laws of the state).
- The formula that distributes most of the money is the Education Cost Sharing (ECS) formula.
 - This is the formula the state is supposed to use to distribute approx. \$2 billion in state education funding to public schools each year.

Sources: Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.
Conn. Gen. Statutes ch. 172, §§ 10-262f, 10-262h.
Moran, J.D., & Bolger, A. (2018). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools* (2018-R-0030). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0030.pdf>.

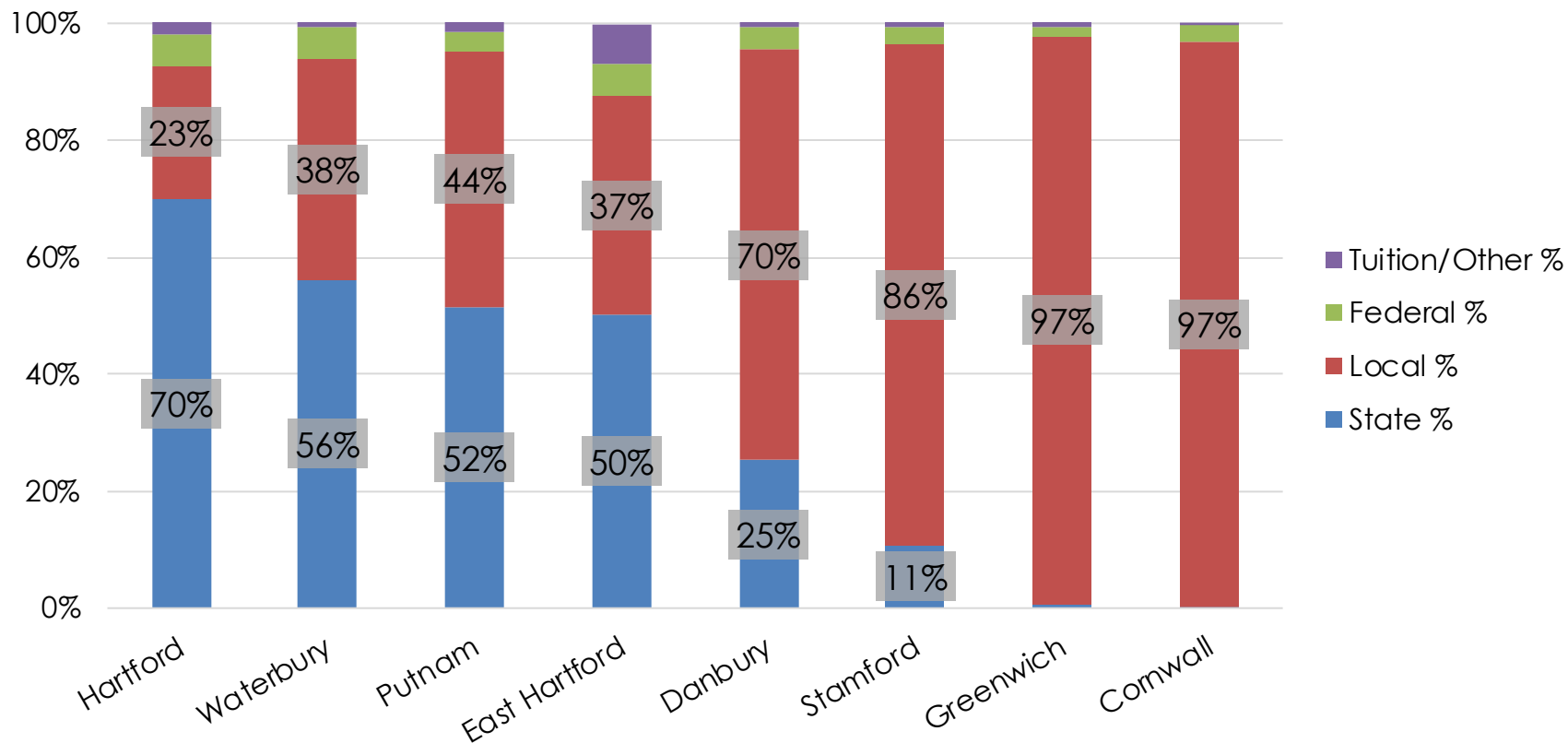
Connecticut's Different Funding Formulas

- ECS (local school districts)
- State Charter Schools
- Local Charter Schools
- CT Technical Education and Career System
- Regional Agriscience Centers
- District Host Magnet Schools
- RESC-Operated *Sheff* Magnet Schools
- Edison Magnet School
- Non-*Sheff* RESC Magnet enrolling less than 55% of students from 1 town
- Non-*Sheff* RESC Magnet enrolling 55% of students or more from 1 town
- Non-*Sheff* Host Magnet School

HOW ARE LOCAL PUBLIC SCHOOLS FUNDED?

District funding sources differ greatly across the state

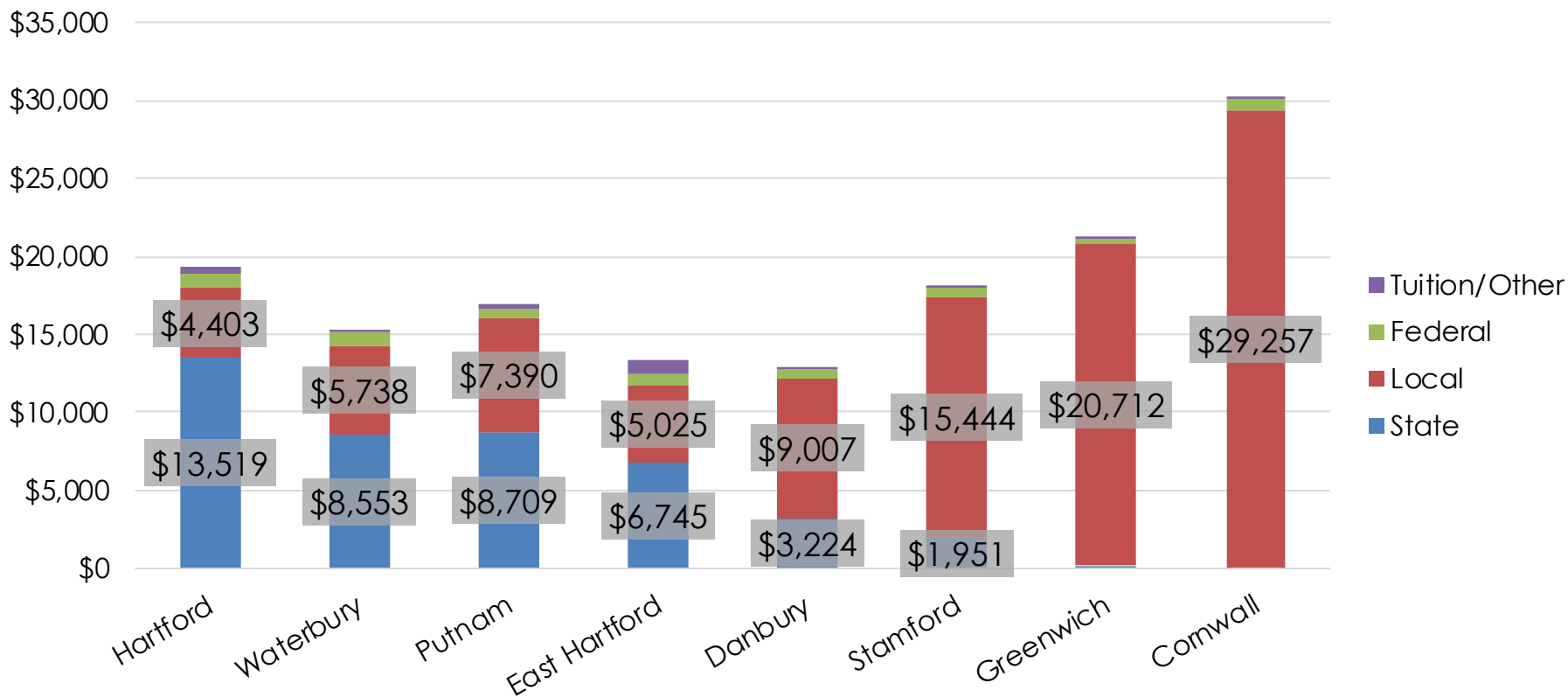
Funding by Source, 2016-17



Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

District funding sources differ greatly across the state

Per-pupil Funding by Source, 2016-17



Source: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

THE 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.

Sources: *Horton v. Meskill*, 172 Conn. 615 (Conn. Sup. Ct. 1977).

Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.

In October 2017, the Connecticut General Assembly passed a new ECS formula as part of the biennial budget for fiscal years 2018 and 2019.

The new ECS formula began being implemented in fiscal year 2019 includes a 10-year phase-in/out schedule.

The 2019-20 school year marks the second year of the formula's phase-in/out schedule.

Overview of ECS Formula

- Current formula began in FY 2019 and is scheduled to be phased in over 10 years.
 - Increase of \$37.6 million (over FY 2019 ECS funding) in FY 2020
 - Estimated increase of \$37.6 million per year from FY 2020 – FY 2028
 - Estimated total increase, after phase-in, of \$361 million — over FY 2019 spending levels — 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 19-117.

Connecticut General Assembly, Office of Fiscal Analysis. (2019). *OFA Expenditure Detail: June 2019*. Hartford, CT: Author. Retrieved from https://www.cga.ct.gov/ofa/Documents/year/PROJ/2019PROJ-20190625_June%2025,%202019%20Expenditure%20Detail.pdf.

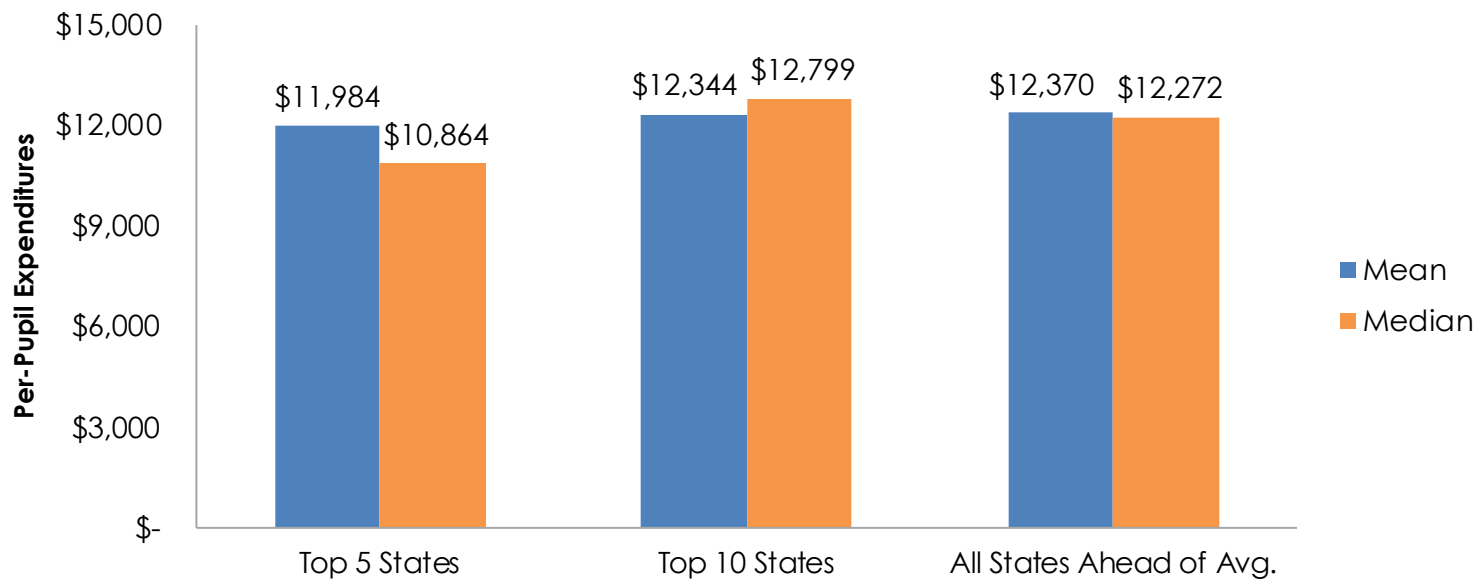
Conn. Gen. Statutes ch. 172, §§ 10-262f, 10-262h.

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.
- 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.

Performance Adjusted Foundation

- Below foundation estimates are based on state-level expenditures.
 - Derived by calculating an average of total state per-pupil expenditures on core instructional cost categories for states performing well on the 2013 NAEP.
 - Expenditure data is adjusted to CT cost-of-living and inflation from 2013-2017.
- Calculation of the relative performance of each state includes adjustments for factors such as poverty, English proficiency, race and ethnicity, and special education to ensure apples-to-apples comparisons between state performance levels.



Sources: Chingos, M.M. (2015). *Breaking the Curve: Promises and Pitfalls of Using NAEP Data to Assess the State Role in Student Achievement*. Washington, DC: Urban Institute. Retrieved from <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000484-Breaking-the-Curve-Promises-and-Pitfalls-of-Using-NAEP-Data-to-Assess-the-State-Role-in-Student-Achievement.pdf>.
U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics. (2015). National Public Education Financial Survey Data. Retrieved from <https://nces.ed.gov/ccd/stfis.asp>

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

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

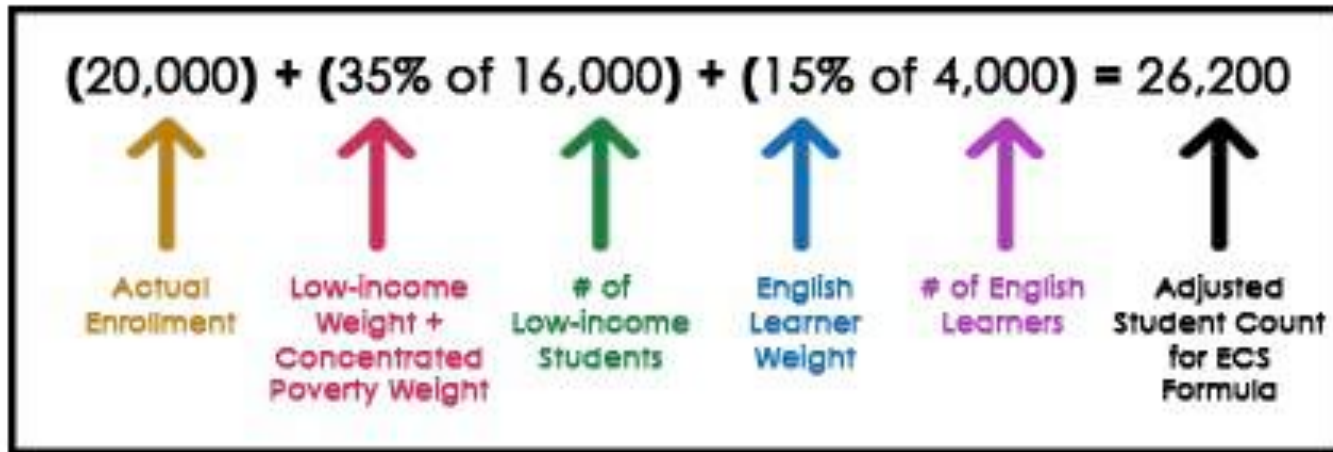
Formula Weights

Low-income Students	Weight: 0.3 Concentration Threshold: .75 Concentration Weight: .05 Identification Method: Eligibility for FRPL
English Learner (EL) Weight	Weight: 0.15 Concentration Weight: 0

Student Need	Funding Per Student
General Education (Non-need) Student	\$11,525
Low-income Student	\$14,983
Concentrated Low-income Student	\$15,559
Low-income and English Learner	\$16,711
English Learner	\$13,254
Concentrated Low-income English Learner	\$17,288

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

How the “Need Student” calculation works



Measure	Town A	Town B	Town C
Enrollment	20,000	20,000	20,000
% Low-income	80%	10%	45%
Eligible for Concentrated Poverty Weight	Yes	No	No
% English Learners	20%	0%	5%
Need Students	6,200	600	2,850
ECS Student Count	26,200	20,600	22,850

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

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
 - Prior 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
 - Prior ECS formula used 10% Income Wealth Factor
- Formula uses a Statewide Guaranteed Wealth Level of 1.35.
- Formula uses a minimum aid ratio of 10% for Alliance Districts and 1% for all other districts, which guarantees all districts some ECS aids.

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

Town's PIC Index Rank	Additional % Points Added to Base Aid Ratio
1-5	6 percentage points
6-10	5 percentage points
11-15	4 percentage points
16-19	3 percentage points

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

The ECS Formula

Foundation × **Weighted Student Count** × **Base Aid Ratio** =
Town's Entitlement to the ECS Grant

Phase-in Schedule

- Formula began in FY 2019 and will be phased in over 10 years
- Alliance Districts that would otherwise receive a decrease in aid, according to the formula, are permanently held harmless at their fiscal year 2017 ECS grant amounts.

Phase-in Schedule		
	FY 2020-2027	FY 2028
Towns Receiving Increase in ECS Funding Over FY 2017 Grant	Increase phased in by 10.66% per year	Towns receive 100% of their ECS grant, as calculated by formula
Towns Receiving Decrease in ECS Funding Compared to FY 2017 Grant	Decrease phased out by 8.33% per year	Towns receive 100% of their ECS grant, as calculated by formula

Source: Conn. Gen. Statutes ch. 172, § 10-262h.

Alliance Districts “held harmless”

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

Ansonia	Hartford	Putnam
Bloomfield	Killingly	Stamford
Bridgeport	Manchester	Thompson
Bristol	Meriden	Torrington
Danbury	Middletown	Vernon
Derby	Naugatuck	Waterbury
East Hartford	New Britain	West Haven
East Haven	New Haven	Winchester
East Windsor	New London	Windham
Groton	Norwalk	Windsor
Hamden	Norwich	Windsor Locks

Sources: Conn. Gen. Statutes ch. 172, § 10-262h.
Connecticut State Department of Education. (n.d.). Alliance Districts. Retrieved from <https://portal.ct.gov/SDE/Alliance-Districts/Alliance-Districts>.

Example of How Phase-in Plan Works

- It is important to remember that the 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 2021) compared to if all of the district/town inputs remained constant.

Example Town	FY 2019 Actual	FY 2020 Actual	Estimated FY 2021 if District/Town Inputs Remain the Same	Estimated FY 2021 if District Enrollment Increases 5%
Bristol	\$45,324,316	\$46,286,500	\$47,308,491	\$47,598,671

Source: Conn. Gen. Statutes ch. 172, § 10-262h.

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

Maintains More than 10 Different Formulas

- 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) 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.
- Previously, students' families were asked to complete paper forms stating their family income and return them to school. Now, students are "directly certified" by their school district as eligible for FRPL if they are enrolled in the Supplemental Nutrition Assistance Program (SNAP), otherwise known as food stamps; Temporary Family Assistance (TFA), otherwise known as cash assistance; state- or federally-funded Head Start programs; or children's Medicaid.
- As a result of this change and the elimination of paper-based household income surveys, the old method of counting low-income students has become inaccurate and needs to be updated to the new direct certification method.
- An example of this inaccuracy was shown during a March 6, 2019 hearing before the Connecticut General Assembly's Appropriations Committee, when the Connecticut State Department of Education's commissioner and chief financial officer repeatedly stated there are "data integrity" issues with the FRPL numbers that will be used to calculate FY 2020 ECS grants.
- While the department is investigating the cause of the "data integrity" issues, it has also proposed moving to direct certification as a way to attain a more accurate count of low-income students for the purposes of the ECS formula.

Sources: National Forum on Education Statistics. (2015). *Forum Guide to Alternative Measures of Socioeconomic Status in Education Data Systems* (NFES 2015-158). Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Sciences. Retrieved from <http://nces.ed.gov/pubs2015/2015158.pdf>.

Connecticut State Department of Education. (2017). 2017-18 Alternative Income Survey. Retrieved from https://portal.ct.gov/-/media/SDE/Performance/Data-Collection/Help-Sites/PSIS/CEP/CEP_AlternativeIncomeSurvey.pdf?la=en.

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 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).
- If Connecticut has to reduce ECS grants due to fiscal distress, such a reduction would also result in a reduction in state financial support for special education.
- 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.
- Leaving special education funding incorporated into the ECS formula's foundation means that Connecticut runs the risk of violating its MOS requirement and having its federal IDEA funding reduced.

Sources: Connecticut General Assembly, Office of Fiscal Analysis and the Office of Legislative Research. (2014). *CT Special Education Funding* [PowerPoint slides]. Hartford, CT: Author. Retrieved from http://www2.housedems.ct.gov/MORE/SPED/pubs/OFA-OLR_Presentation_2013-01-23.pdf. Connecticut School Finance Project. (2016). *Memorandum Regarding Maintenance of Effort and Support Requirements Under the Individuals with Disabilities Education Improvement Act (IDEA) of 2004*. New Haven, CT: Author. Retrieved from <http://ctschoolfinance.org/resources/uploads/files/Memo-on-Maintenance-of-Effort-and-Support.pdf>.

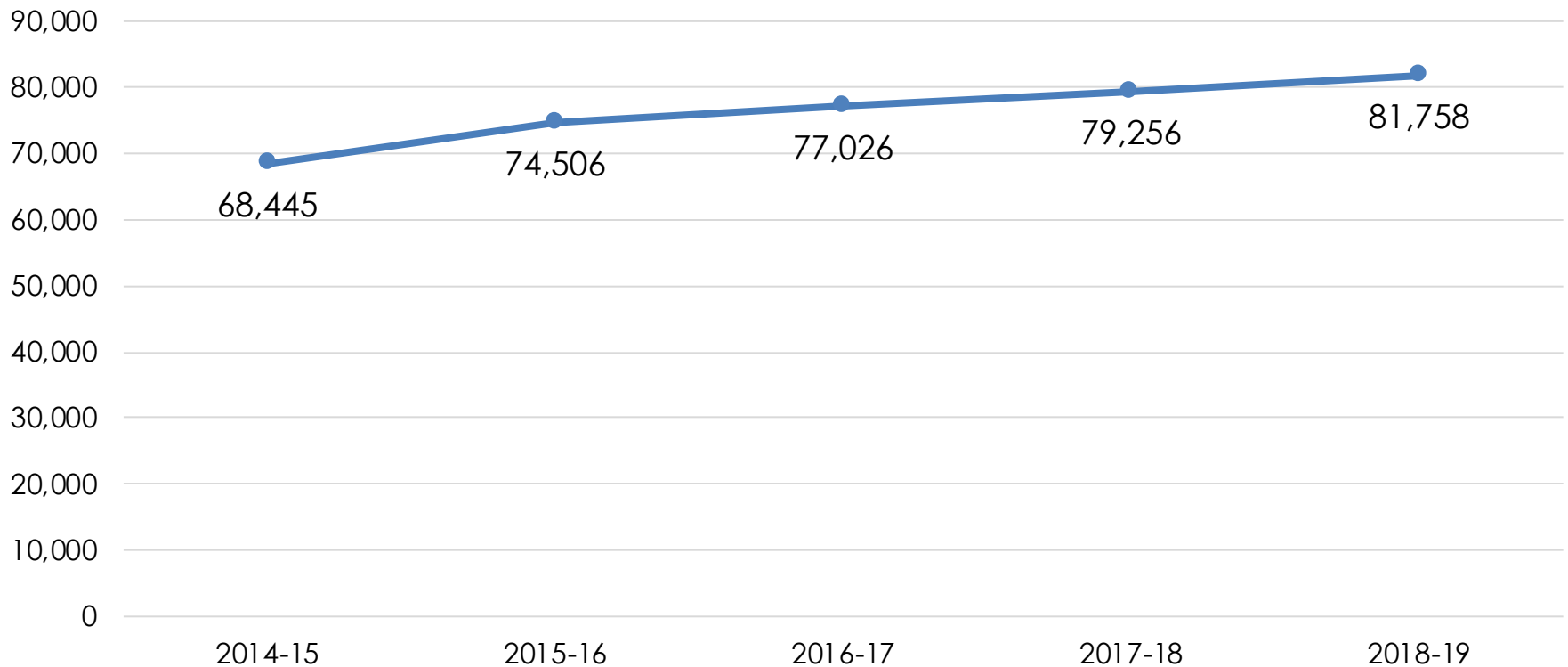
Overall Formula Cost

- The 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 \$361 million) or abandon it altogether like it has in the past.
- At the beginning of FY 2014, Connecticut stopped using the previous iteration of the 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 ECS formula will be a continual challenge for the General Assembly.

SPECIAL EDUCATION

Over the last 5 years, the total number of special education students in Connecticut public schools has increased 19.5%

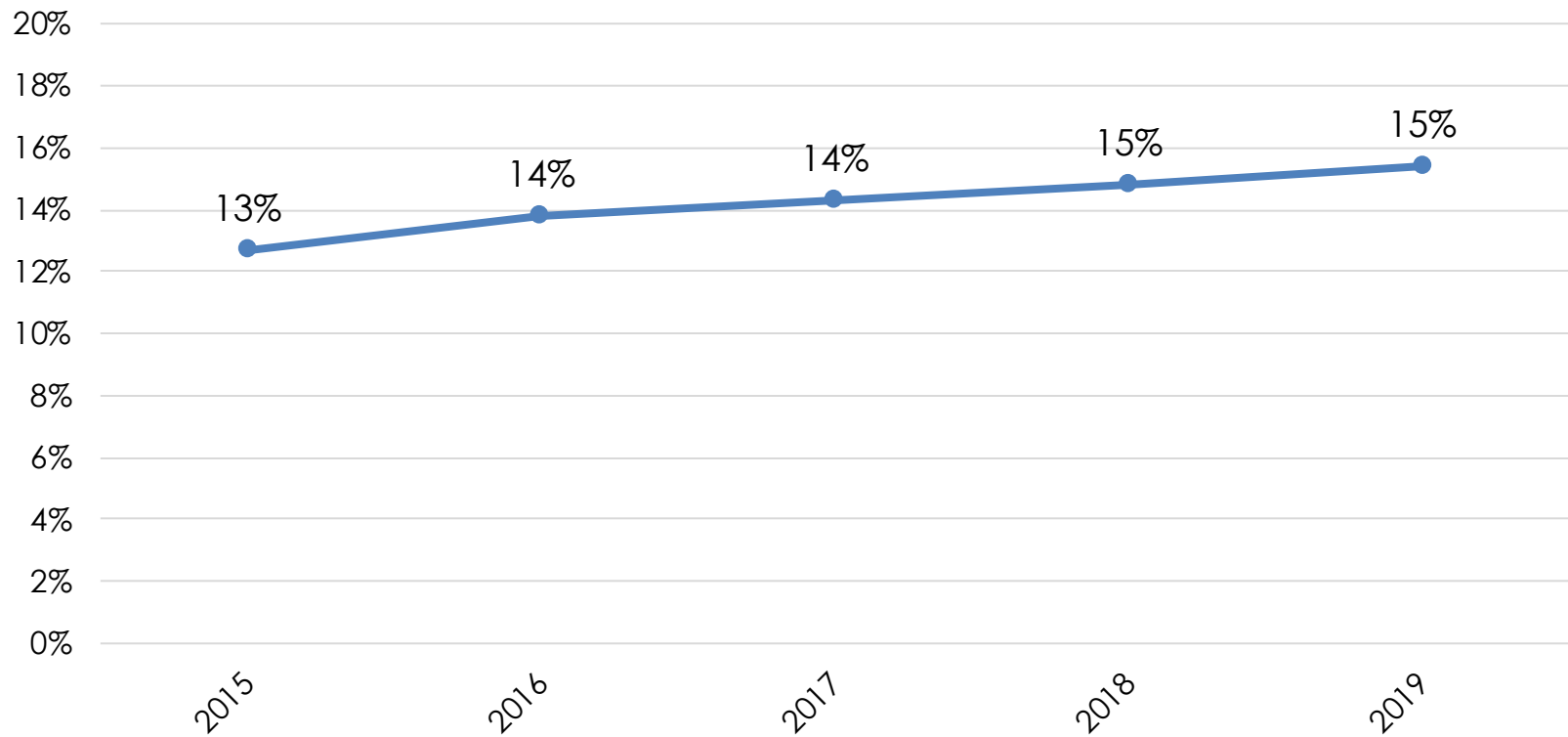
Connecticut Special Education Enrollment by School Year



Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

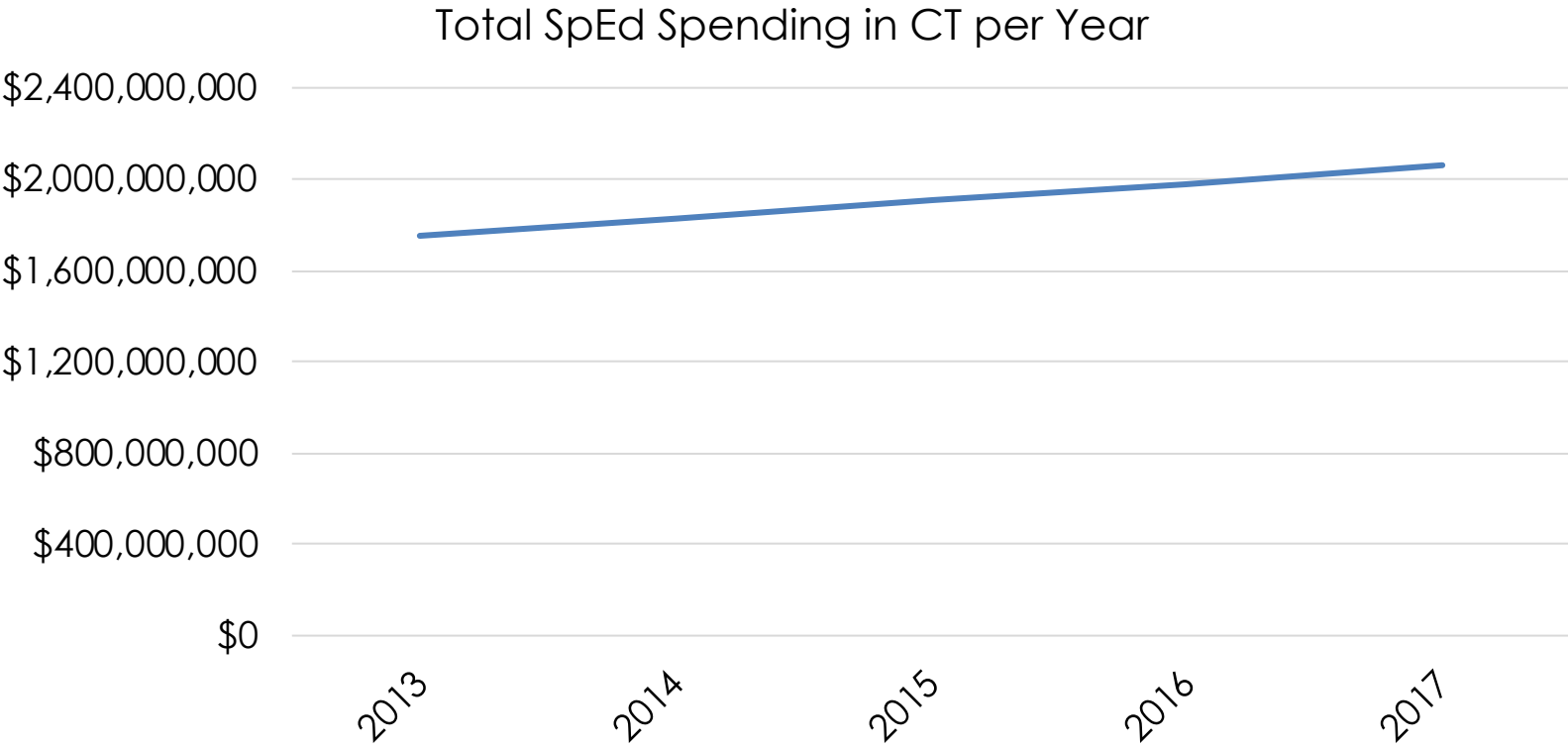
Which translates to a two percentage point increase in the special education identification rate over the past 5 years

Special Education Percentage of CT Public Enrollment



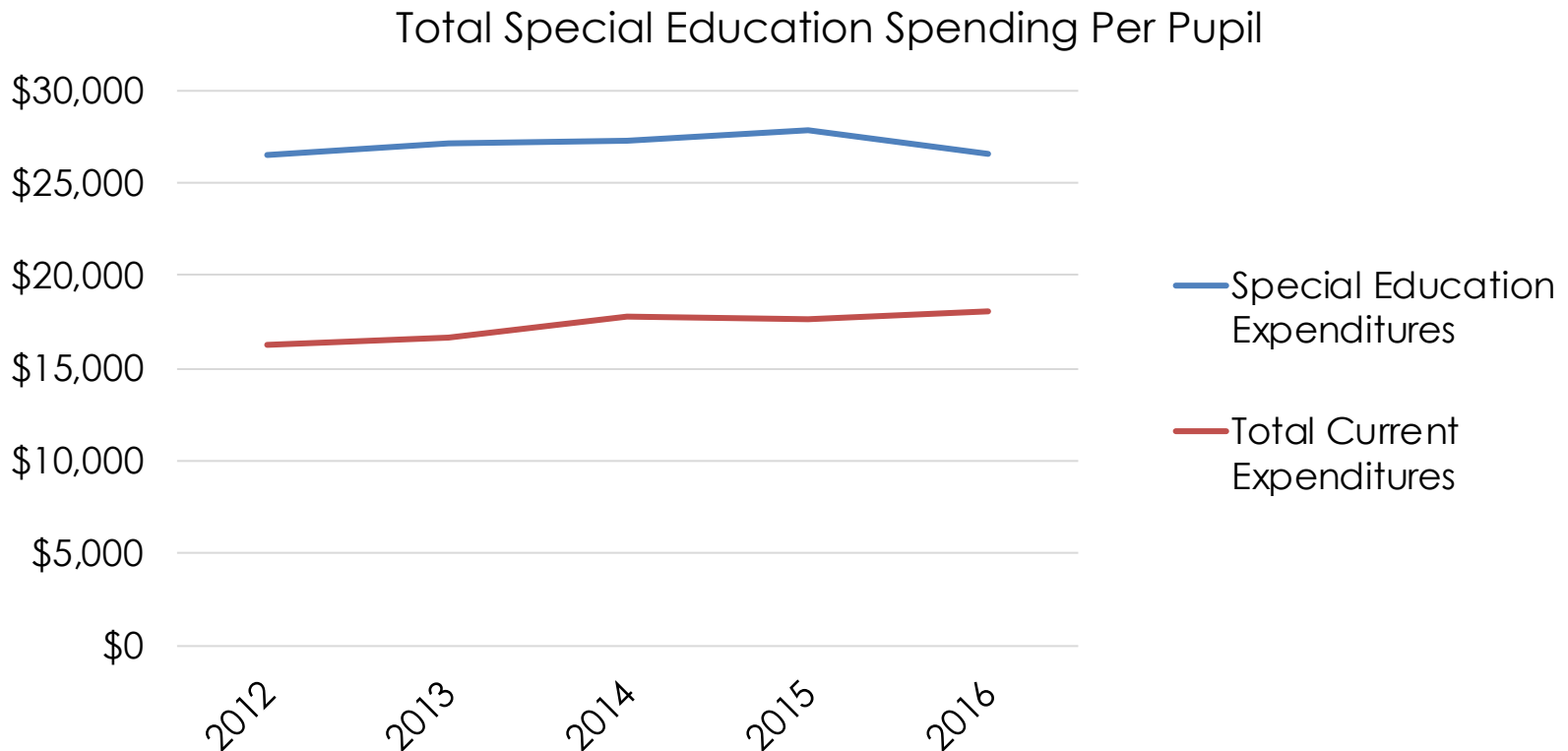
Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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



Source: Connecticut State Department of Education. (2018). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/resources/lea-special-education-expenditures>.

Over the past 5 years, total per pupil spending has increased by \$1,811, while SpED spending per pupil has increased by \$78

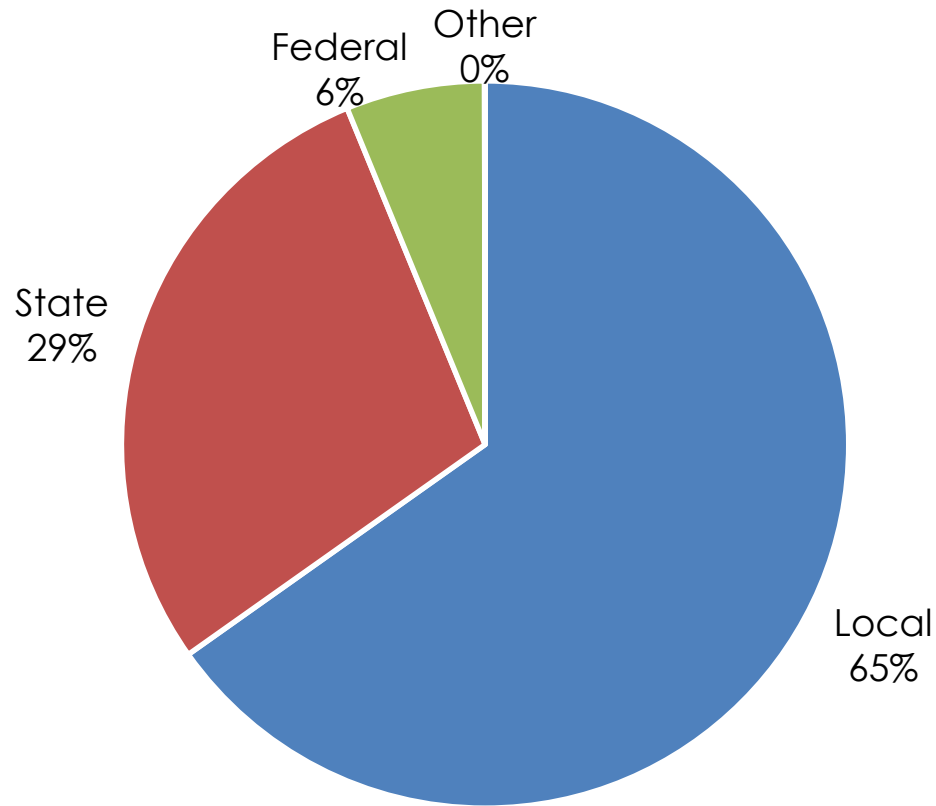


Sources: Connecticut State Department of Education. (2018). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/resources/lea-special-education-expenditures>.

Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

U.S. Census Bureau. (2017). Annual Survey of School System Finances. Available from <https://www.census.gov/programs-surveys/school-finances.html>.

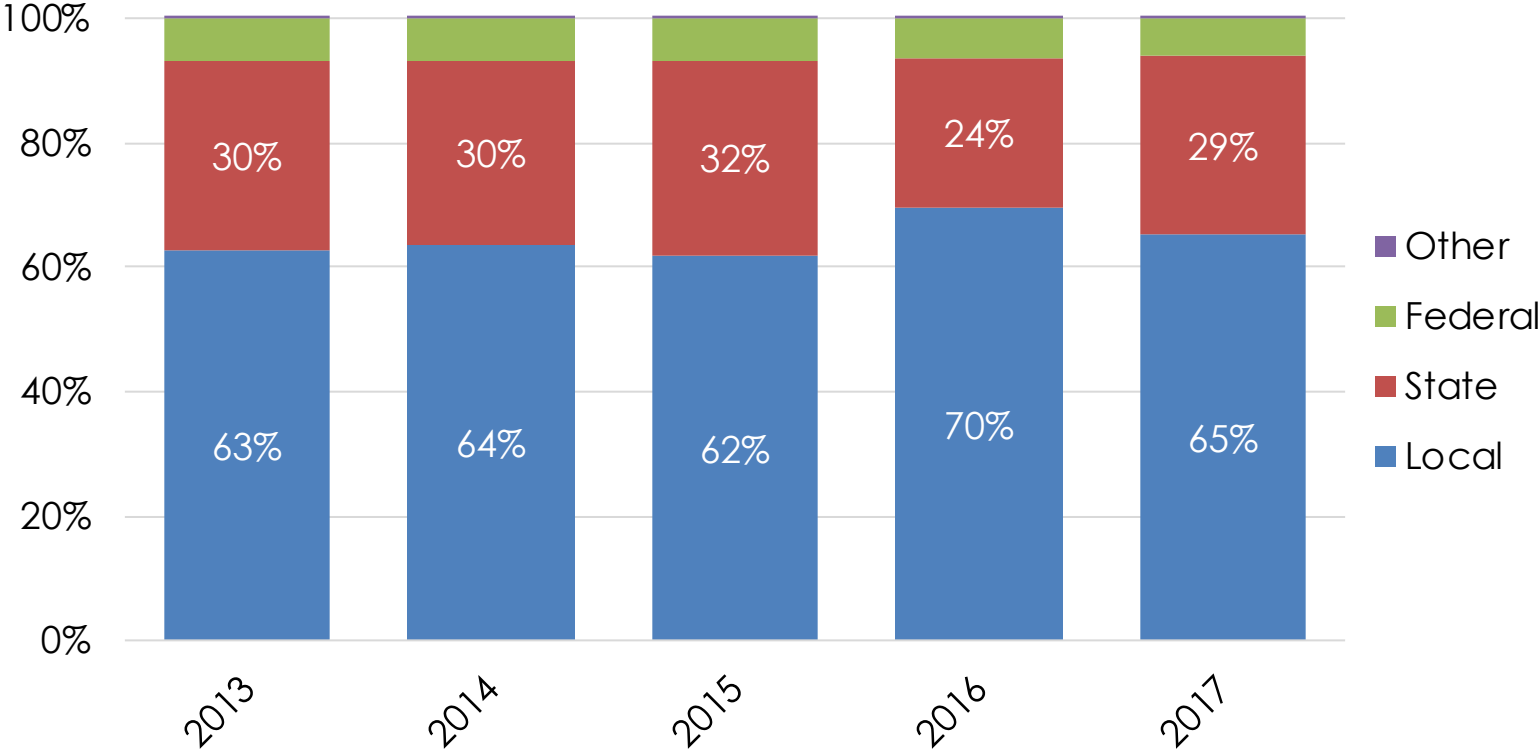
Connecticut special education spending by source, 2016-17



Source: Connecticut State Department of Education. (2018). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/resources/lea-special-education-expenditures>.

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

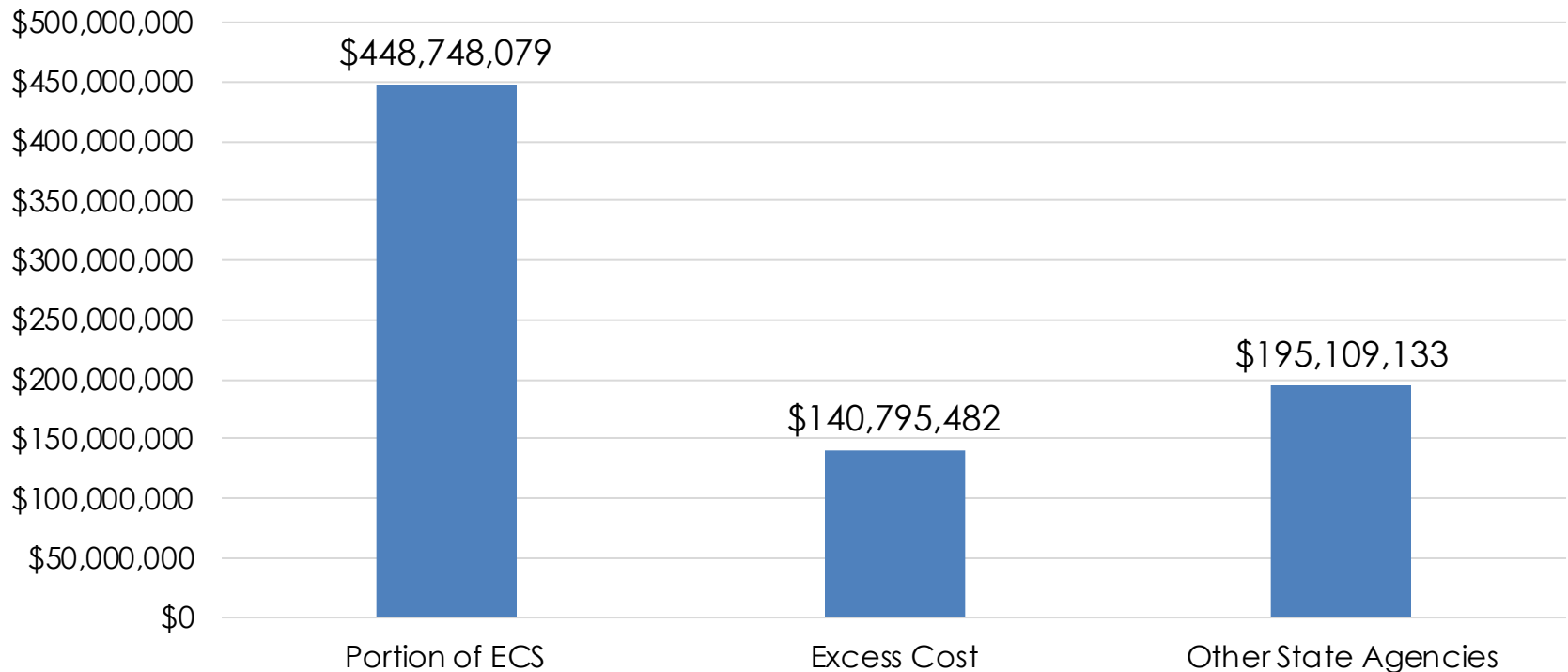
Special Education Funding by Source and School Year



Source: Connecticut State Department of Education. (2018). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/resources/lea-special-education-expenditures>.

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

2016-17 State Special Education Expenditures

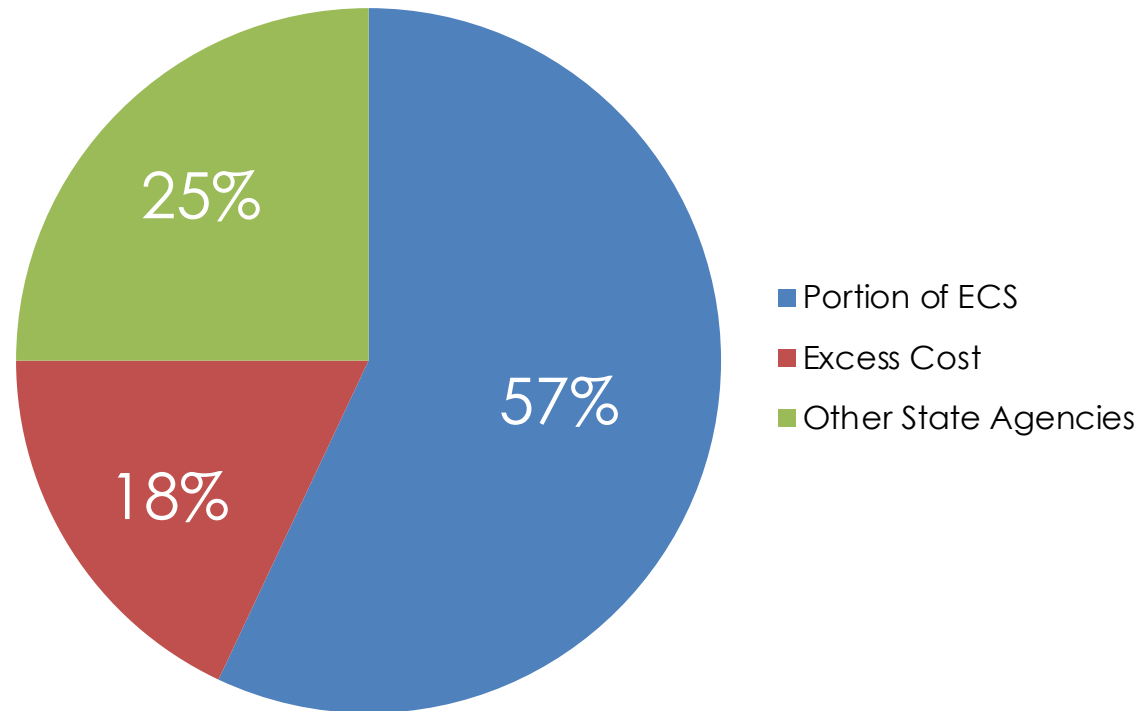


2018-19 IDEA State Maintenance of Support compliance calculated on 2016-17 expenditure data.

Source: Connecticut State Department of Education. (2018). *Individuals with Disabilities Education Act, 2018-19 State Maintenance of Effort*. Available from <http://ctschoolfinance.org/resources/connecticuts-state-maintenance-of-effort-for-the-individuals-with-disabilities-education-act-idea>.

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

2016-17 State Special Education Expenditures



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

Source: Connecticut State Department of Education. (2018). *Individuals with Disabilities Education Act, 2018-19 State Maintenance of Effort*. Available from <http://ctschooldfinance.org/resources/connecticuts-state-maintenance-of-effort-for-the-individuals-with-disabilities-education-act-idea>.

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: Conn. Gen. Statutes ch. 172, § 10-262f.

Connecticut State Department of Education. (2018). *Individuals with Disabilities Education Act, 2018-19 State Maintenance of Effort*. Available from <http://ctschoollfinance.org/resources/connecticuts-state-maintenance-of-effort-for-the-individuals-with-disabilities-education-act-idea>.

Connecticut General Assembly, Office of Fiscal Analysis and the Office of Legislative Research. (2014). *CT Special Education Funding* [PowerPoint slides]. Hartford, CT: Author. Retrieved from http://www2.housedems.ct.gov/MORE/SPED/pubs/OFA-OLR_Presentation_2013-01-23.pdf.

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%. 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. Statutes ch. 164, § 10-76g (a) & (b).

Connecticut State Department of Education. (2018). *Individuals with Disabilities Education Act, 2018-19 State Maintenance of Effort*. Available from <http://ctschooffinance.org/resources/connecticuts-state-maintenance-of-effort-for-the-individuals-with-disabilities-education-act-idea>.

Connecticut General Assembly, Office of Fiscal Analysis and the Office of Legislative Research. (2014). *CT Special Education Funding* [PowerPoint slides].

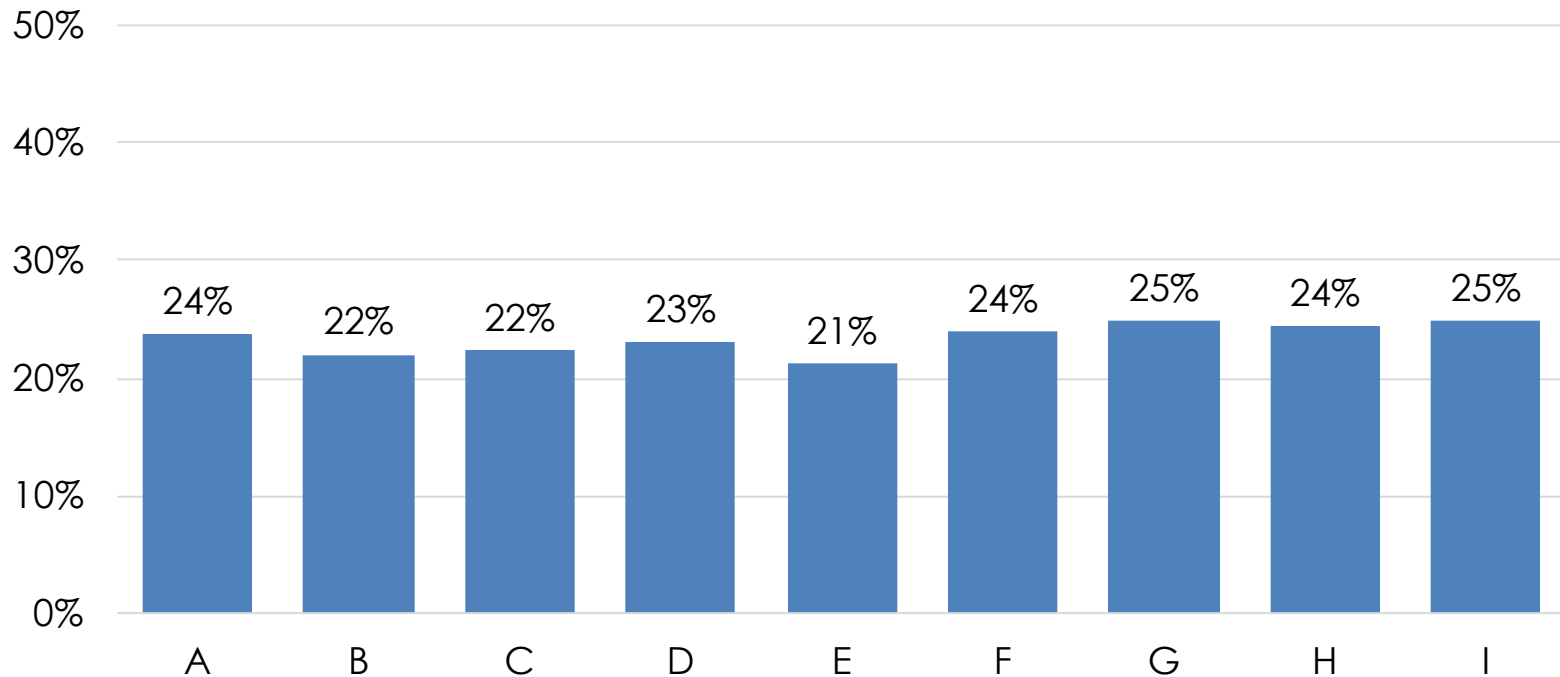
Hartford, CT: Author. Retrieved from http://www2.housedems.ct.gov/MORE/SPED/pubs/OFA-OLR_Presentation_2013-01-23.pdf.

Connecticut State Department of Education. (2019). 2018-19 Revenues For Selected State Grants. Available from

<http://www.csde.state.ct.us/public/dgm/grantreports1/RevEstSelect.aspx>.

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

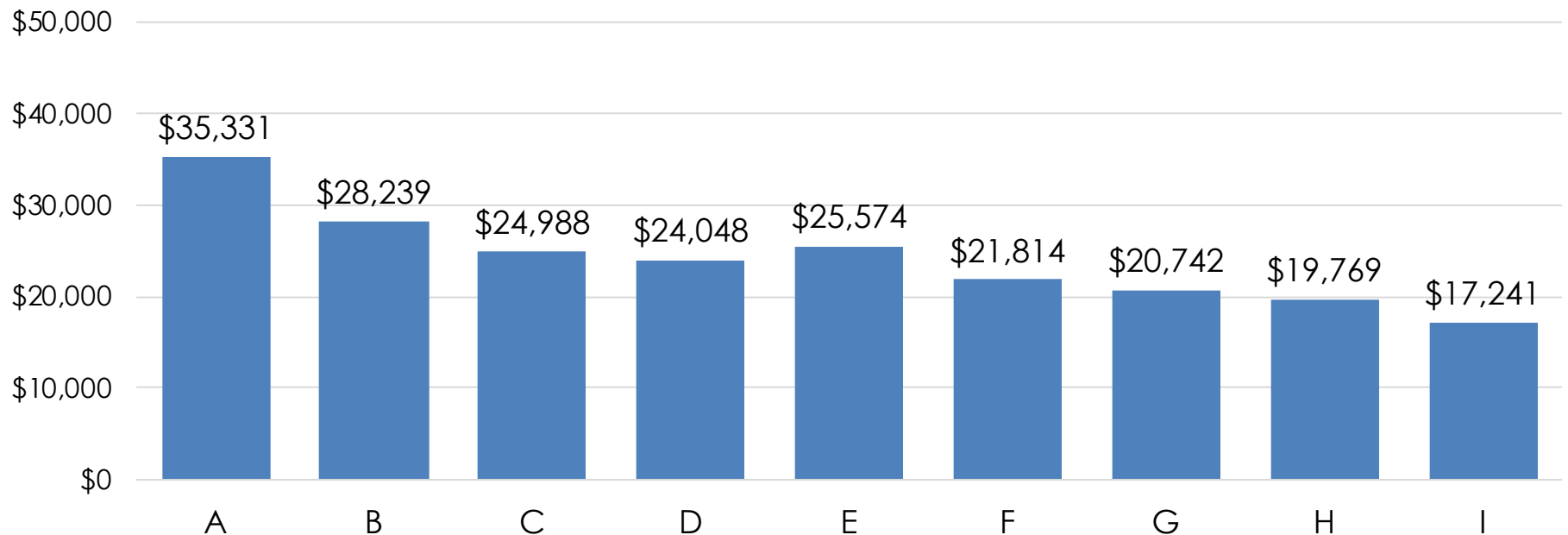
Average SPED % of Total Expenditure by DRG in 2017



Sources: Connecticut State Department of Education. (2018). *2009-17 ED001s for Local Public Schools*. Hartford, CT: Author. Available from <http://ctschooffinance.org/resources/ed001s>.
Connecticut State Department of Education. (2006). *Research Bulletin: District Reference Groups, 2006*. Retrieved from http://www.sde.ct.gov/sde/lib/sde/PDF/EvalResearch/DRG_2006.pdf.

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

Average SpEd Spending Per Pupil by DRG in 2017

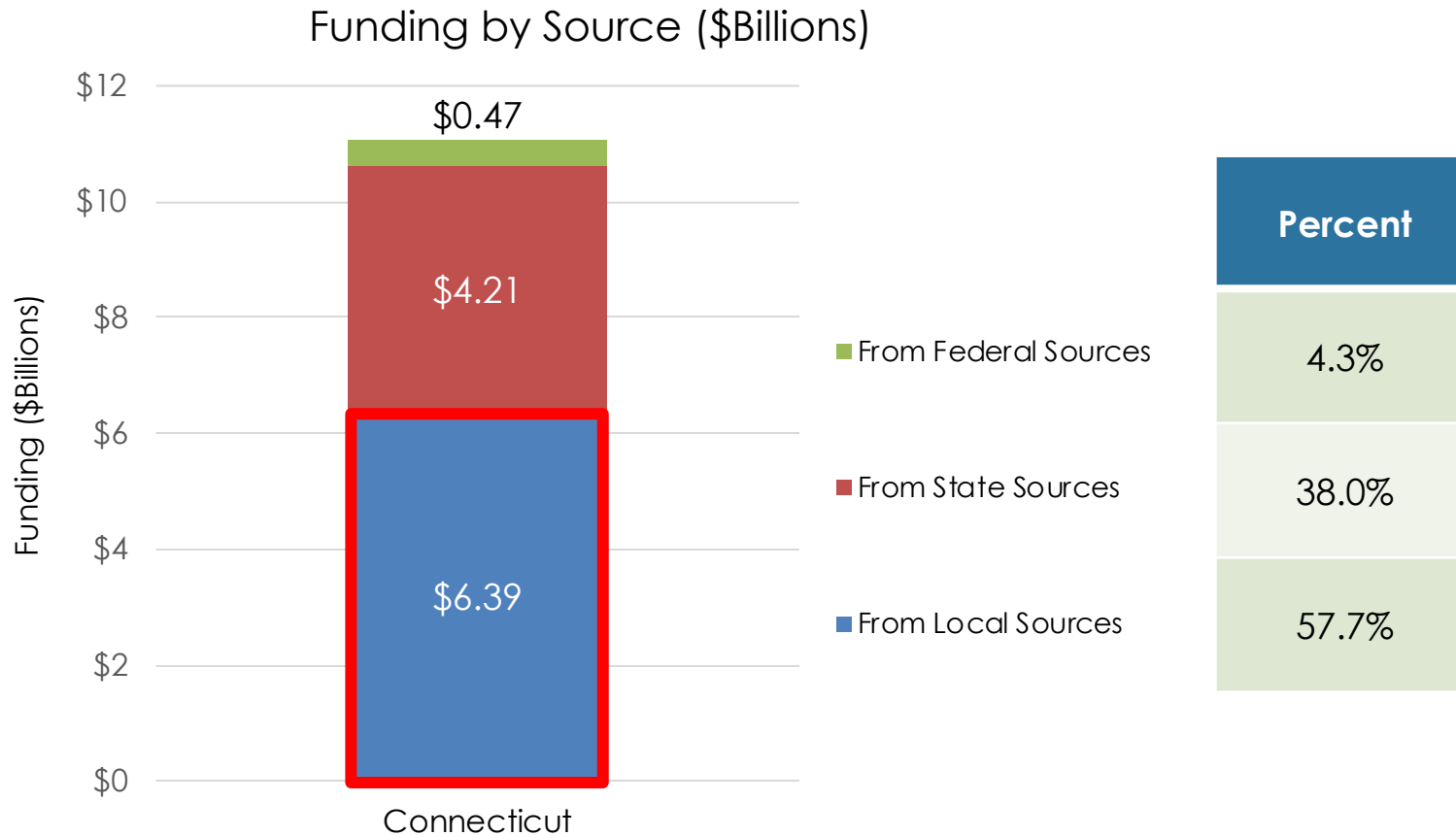


Note: As pupil count is measured by district enrollment, special education expenditures exclude special education tuition.

Sources: Connecticut State Department of Education. (2018). *2009-17 ED001s for Local Public Schools*. Hartford, CT: Author. Available from <http://ctschoolfinance.org/resources/ed001s>.
Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.
Connecticut State Department of Education. (2006). *Research Bulletin: District Reference Groups, 2006*. Retrieved from http://www.sde.ct.gov/sde/lib/sde/PDF/EvalResearch/DRG_2006.pdf.

LOCAL FUNDING

How much do CT's cities and towns contribute to funding public schools?



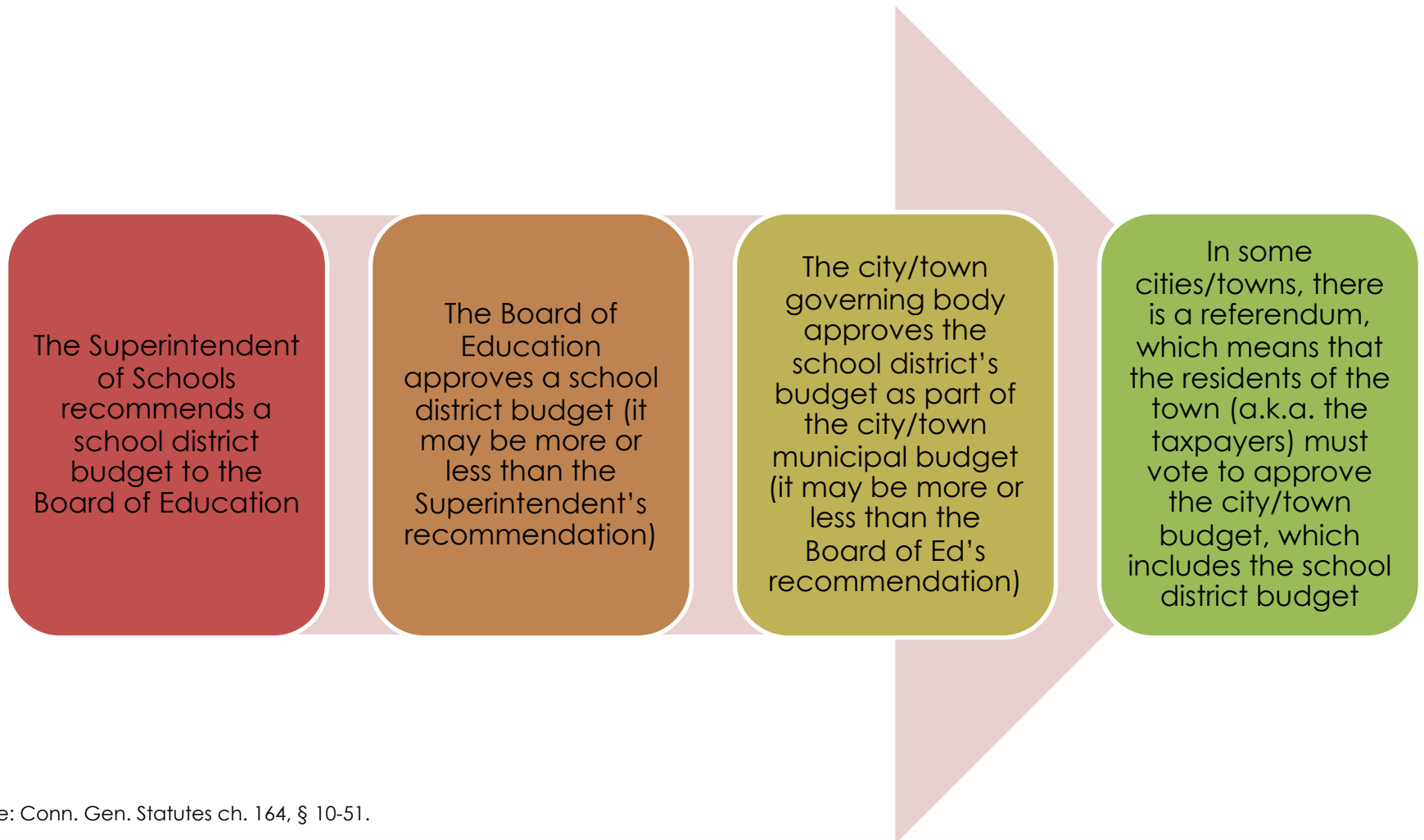
Source: U.S. Census Bureau. (2019). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2017. *2017 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2017/secondary-education-finance/elsec17_sumtables.xls.

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.

$$\begin{aligned} & \text{School District Budget} - \text{Federal Revenue} - \text{State Revenue} \\ & = \\ & \text{Municipal (Local) Contribution} \end{aligned}$$

Who decides how much money is in the school district's budget?



Source: Conn. Gen. Statutes ch. 164, § 10-51.

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.

Conn. Acts 19-117 § 288.

Mooney, T.B. (2018). *A Practical Guide To Connecticut School Law* (9th ed.). Wethersfield, CT: Connecticut Association of Boards of Education, Inc.

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.

Source: Conn. Acts 19-117 § 271.

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.

Source: State of Connecticut, Office of Policy and Management. (2018, May 17). Statutes Governing Property Assessment and Taxation. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.

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.

How much money does the city or town need to collect in property taxes?

- The city or town figures out how much money it needs to raise through property taxes by subtracting money they get from the state and federal government from the municipal budget.

Municipal budget (including cost of schools) – state revenue (including ECS grant) – revenue from other sources

=

Total amount of \$ that needs to be raised through property taxes

Source: State of Connecticut, Office of Policy and Management. (2018, May 17). Statutes Governing Property Assessment and Taxation. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.

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.”

Source: State of Connecticut, Office of Policy and Management. (2018, May 17). Statutes Governing Property Assessment and Taxation. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.

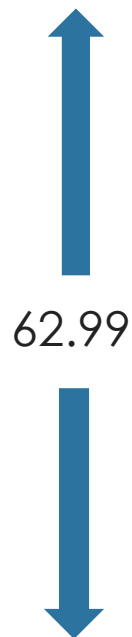
The value of “grand lists” varies widely

Municipality	Equalized Net Grand List GLYR 2016
GREENWICH	\$48,596,792,470
STAMFORD	\$32,825,480,973
NORWALK	\$19,248,812,949
WESTPORT	\$16,088,221,534
FAIRFIELD	\$16,008,062,420
...	...
CANAAN	\$245,942,596
EASTFORD	\$224,628,571
HAMPTON	\$215,119,348
SCOTLAND	\$161,579,503
UNION	\$130,830,403

\$48.5B

Source: State of Connecticut, Office of Policy and Management. (2019). *Municipal Fiscal Indicators, Fiscal Years Ended 2013-2017*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/MuniFiscIndicators/FI-2013-17-Edition-As-of-1-31-19.pdf?la=en>.

And so do “mill rates”



Municipality	FY 2019 Mill Rate
HARTFORD	74.29*
WATERBURY	60.21*
BRIDGEPORT	54.37*
NEW BRITAIN	50.50*
NAUGATUCK	48.35*
HAMDEN	47.96*
...	...
SHARON	14.70
WARREN	14.25
WASHINGTON	14.25
GREENWICH	11.369
SALISBURY	11.30

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

Source: State of Connecticut, Office of Policy and Management. (2018). *FY 2019 Mill Rates*. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/GL-2017-FY-2019-Mill-Rates-UPDATE.pdf?la=en>.

How are property taxes calculated?



- \$200,000 house in East Hartford
- Mill rate of 47.66

- Property Tax = Value of Property * Assessed Value (70%) * Mill Rate /1000
- Property Tax = $((\$200,000) * (.7) * 47.66) / 1000$
- Property Tax = \$6,672

Source: State of Connecticut, Office of Policy and Management. (2018). *FY 2019 Mill Rates*. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/GL-2017-FY-2019-Mill-Rates-UPDATE.pdf?la=en>.

HOW DOES THIS IMPACT TAXPAYERS IN CONNECTICUT?

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

Municipality	FY 2019 Mill Rate	Property Tax – \$200K House	Property Tax – 2014 Honda Civic
HARTFORD ⁺	74.29*	\$5,200	\$203
BRIDGEPORT	54.37*	\$7,612	\$203
HAMDEN	47.96*	\$6,714	\$203
NEW HAVEN	42.98	\$6,017	\$193
WEST HARTFORD	41.00	\$5,740	\$185
ORANGE	32.00	\$4,480	\$144
BRANFORD	28.64	\$4,010	\$129
NORWALK	26.61**	\$3,725	\$137
FAIRFIELD	26.36	\$3,690	\$119
GREENWICH	11.369	\$1,592	\$51

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

**For Real & Personal Property only; vehicle mill rate is 30.499

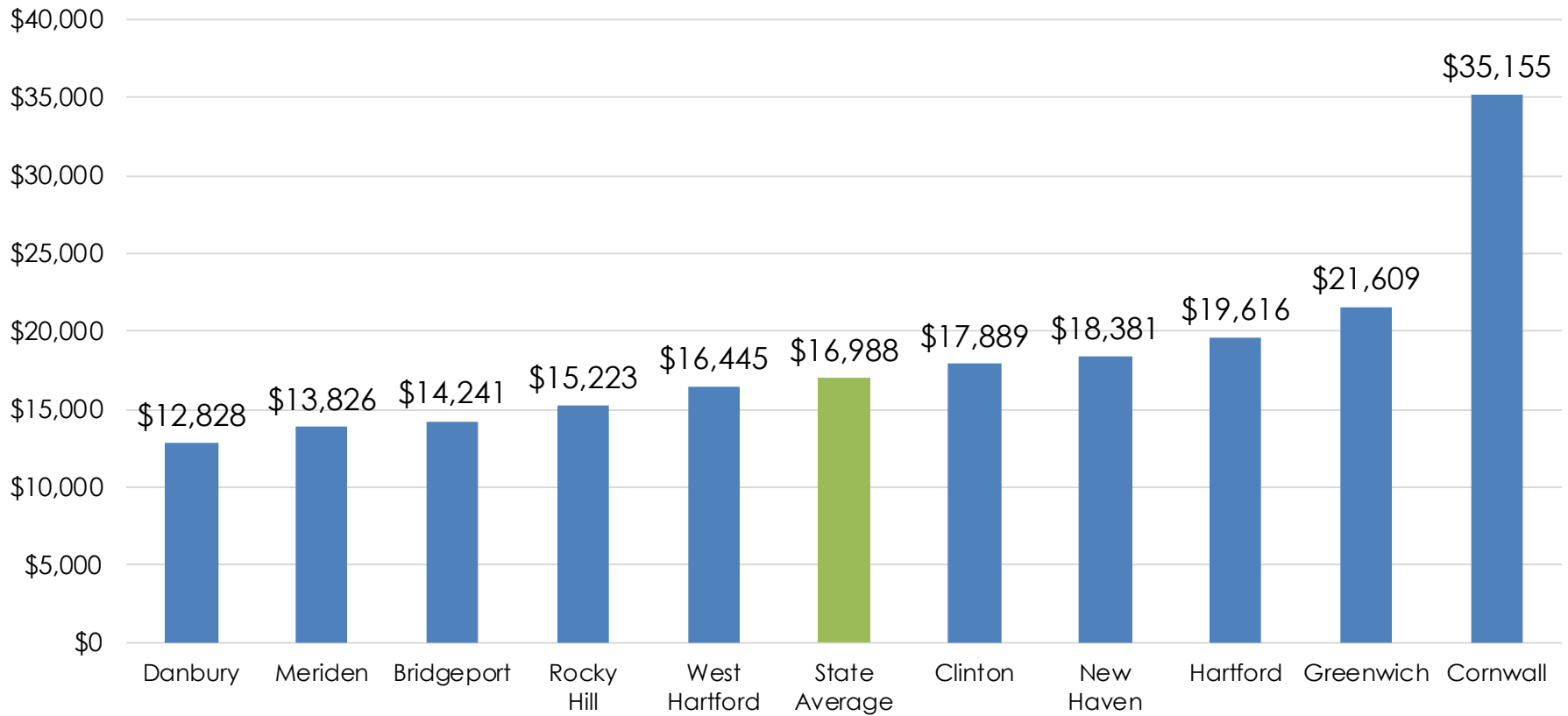
+ Residential property in the city of Hartford is not assessed at the standard rate of 70%. Instead, Hartford's current assessment rate for residential property is 35%. Due to this difference, the property taxes for the house in this example may be lower in Hartford than the taxes in other towns with lower mill rates.

Sources: State of Connecticut, Office of Policy and Management. (2018). FY 2019 Mill Rates. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/GL-2017-FY-2019-Mill-Rates-UPDATE.pdf?la=en>.
KBB value for 2014 Honda Civic LX Sedan 4D with 75,000 miles and in good condition.

HOW DOES THE WAY CT
FUNDS SCHOOLS IMPACT
KIDS, FAMILIES, AND
SCHOOLS?

There is considerable variation in per-pupil funding between cities and towns

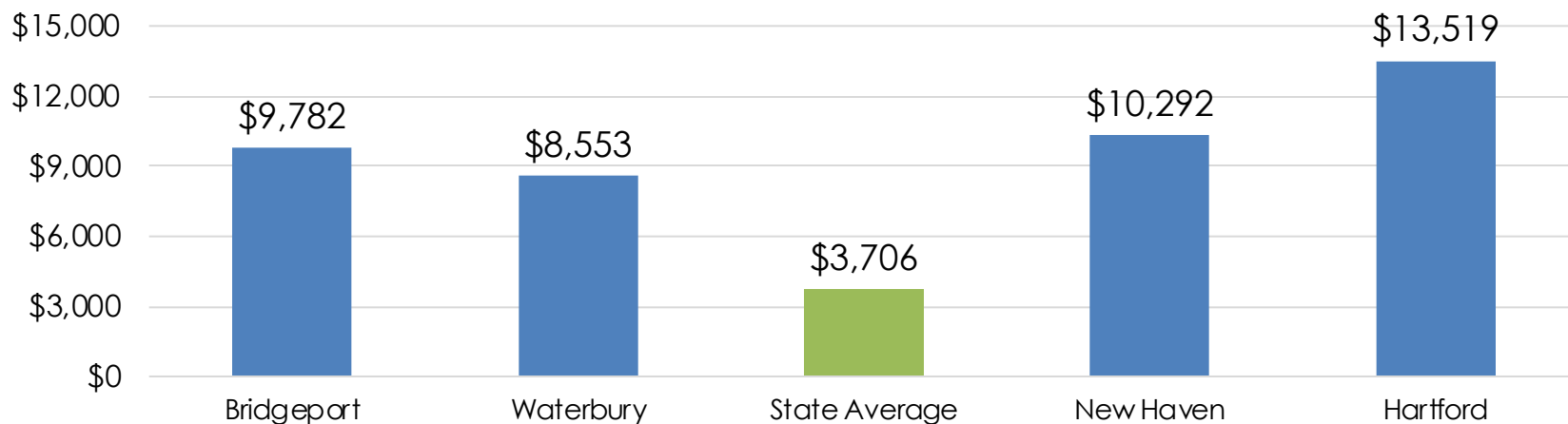
2017-18 Net Current Expenditures Per Pupil



Source: Connecticut State Department of Education. (2019). 2017-18 Net Current Expenditures (NCE) per Pupil (NCEP) and 2018-19 Special Education Excess Cost Grant. Retrieved from <http://ctschoolfinance.org/assets/uploads/files/2017-18-Net-Current-Expenditures-Per-Pupil.pdf>.

Even districts with similar student and economic needs receive varying state education aid

2016-17 State Aid Per Student



	Bridgeport	Waterbury	State Average	New Haven	Hartford
% FRPL*	57%	72%	37%	55%	74%
% EL	18%	15%	8%	17%	21%
% SPED	18%	19%	15%	15%	19%
MHI	\$44,841	\$40,879	\$73,781	\$39,191	\$33,841
ENGLPC	\$59,188	\$53,441	\$150,956	\$78,225	\$57,135

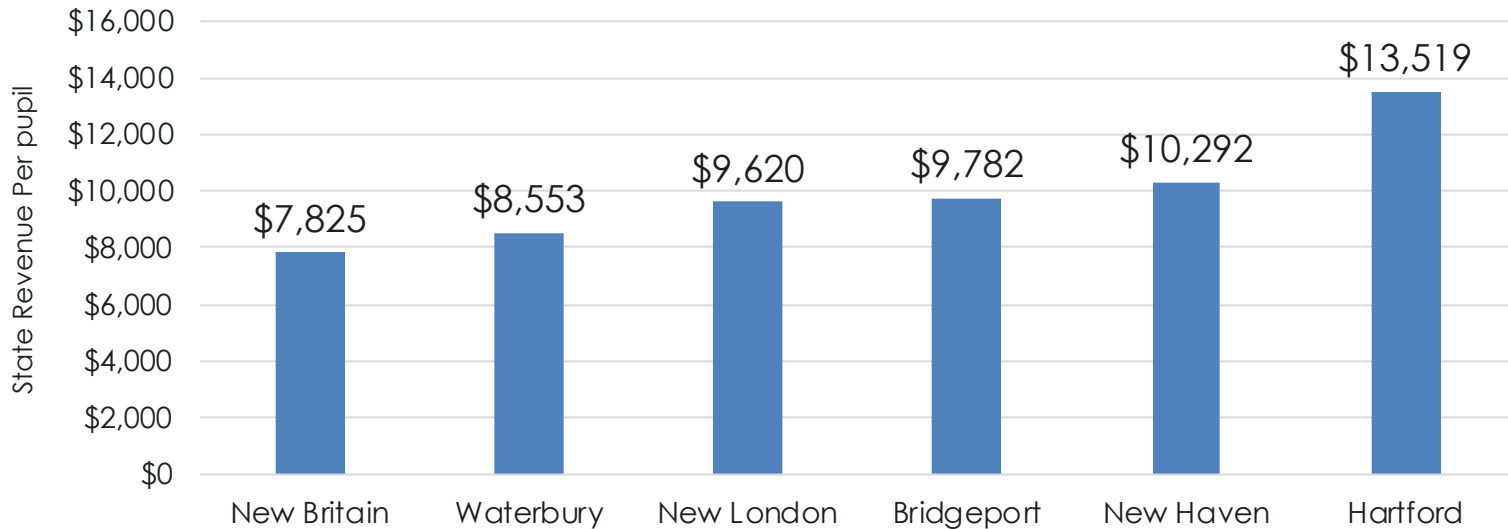
Lower \$ Per Pupil -----> Higher \$ Per Pupil

*The table above uses the most recent available data for each metric with one exception. 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.

Sources: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.
 Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.
 State of Connecticut, Office of Policy and Management. (2019). *Municipal Fiscal Indicators, Fiscal Years Ended 2013-2017*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/MuniFiscIndicators/FI-2013-17-Edition-As-of-1-31-19.pdf?la=en>.

Cities that serve student populations with similar needs receive different amounts of money

FY 2017 State Revenue (Exc. Construction) Per Pupil



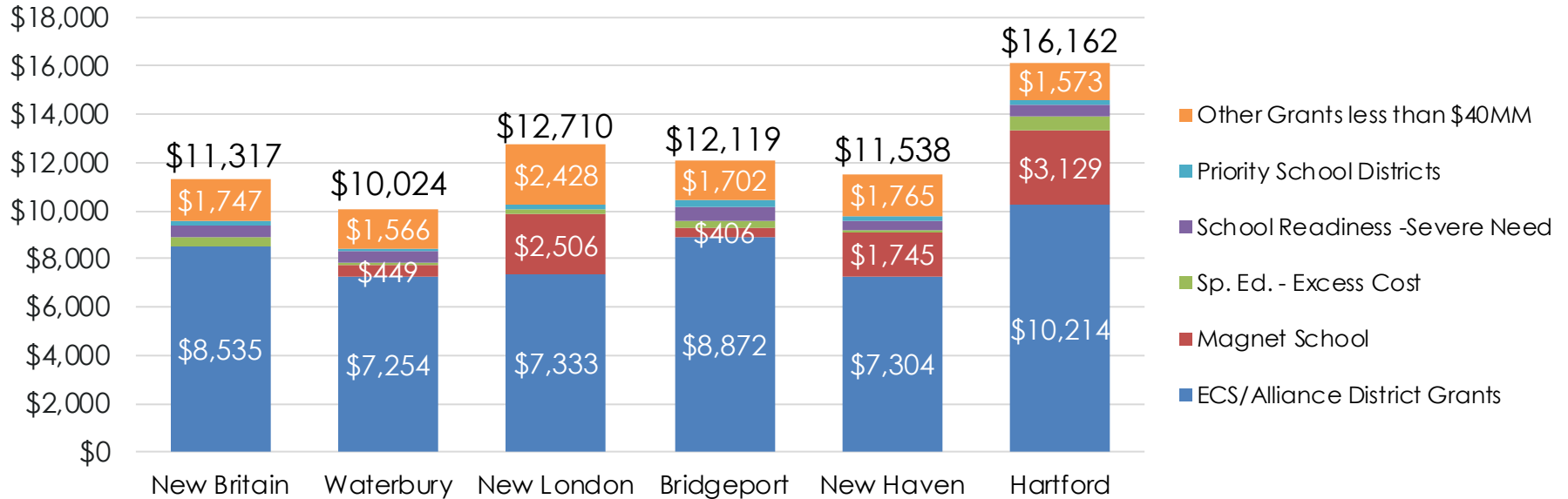
	New Britain	Waterbury	New London	Bridgeport	New Haven	Hartford
% FRPL**	80%	72%	81%	57%	55%	74%
% EL	16%	15%	22%	18%	17%	21%
% SPED	21%	19%	18%	18%	15%	19%

*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.

Sources: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.
 Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

Cities that serve student populations with similar needs received varying amounts of state aid last year

FY 2019 State Funding Per Pupil by Grant and by District



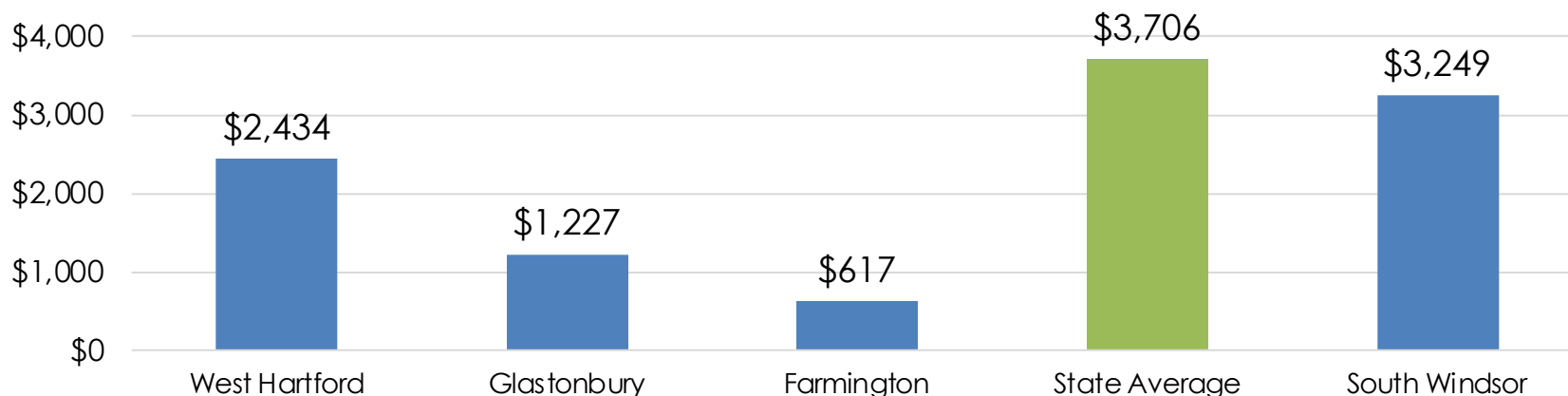
	New Britain	Waterbury	New London	Bridgeport	New Haven	Hartford
% FRPL*	80%	72%	81%	57%	55%	74%
% EL	16%	15%	22%	18%	17%	21%
% SPED	21%	19%	18%	18%	15%	19%

*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.

Sources: Connecticut State Department of Education. (2019). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydefMain.aspx>. Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

Suburban districts with similar student and economic needs also receive varying state education aid

2016-17 State Aid Per Student



	West Hartford	Glastonbury	Farmington	State Average	South Windsor
% FRPL*	21%	9%	11%	37%	13%
% EL	6%	2%	4%	8%	6%
% SPED	13%	12%	12%	15%	14%
MHI	\$95,298	\$111,645	\$94,785	\$73,781 (Median)	\$105,986
ENGLPC	\$146,548	\$172,180	\$208,413	\$150,956	\$146,258

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

*The table above uses the most recent available data for each metric with one exception. 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.

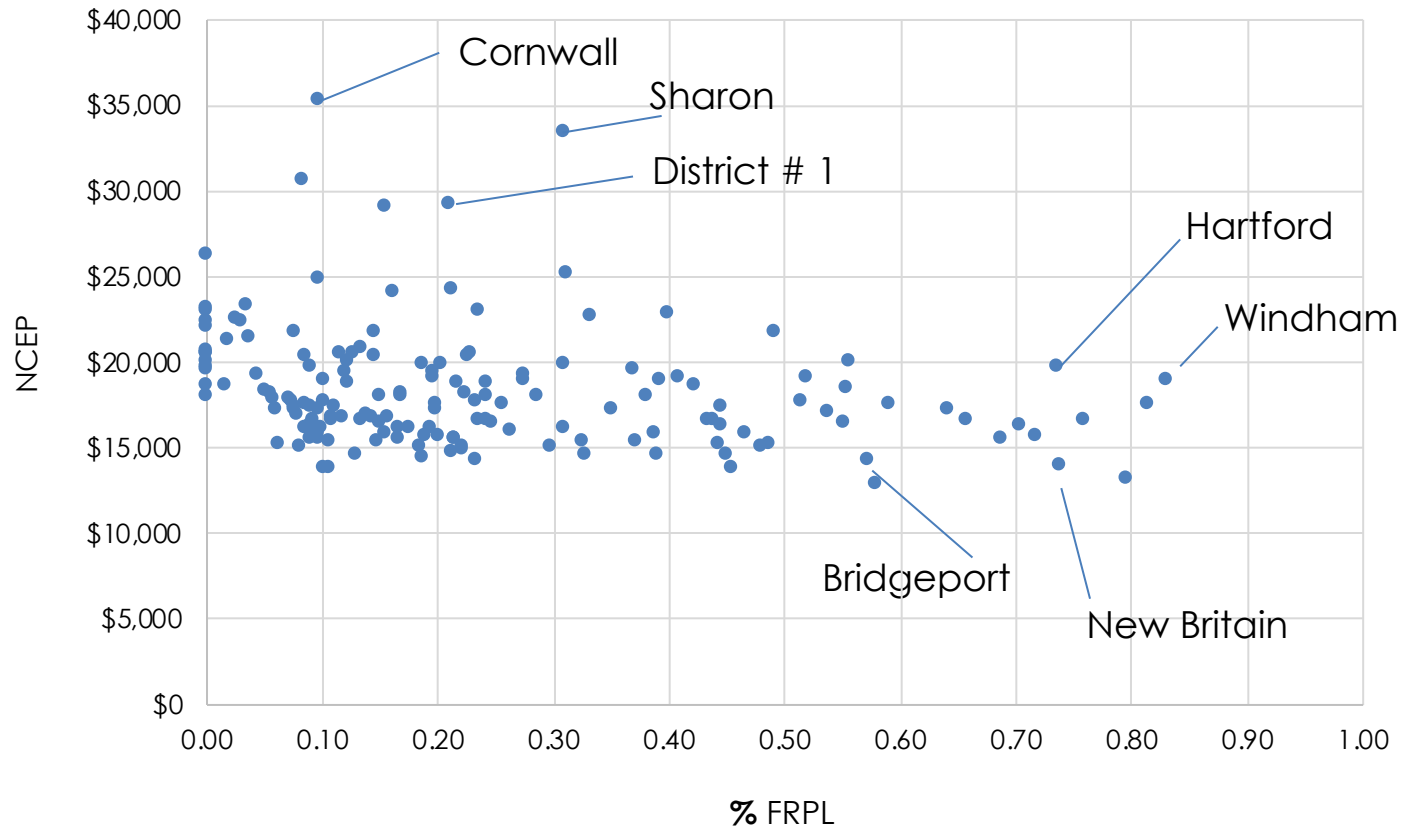
Sources: Connecticut School Finance Project. (2019). *Connecticut Local Public School District Per-pupil Expenditures by Revenue Source, 2014-17*. Available from <http://ctschoolfinance.org/resources/connecticut-local-school-district-expenditures-by-revenue-source>.

Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

State of Connecticut, Office of Policy and Management. (2019). *Municipal Fiscal Indicators, Fiscal Years Ended 2013-2017*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/MuniFiscIndicators/FI-2013-17-Edition-As-of-1-31-19.pdf?la=en>.

There is also no correlation between the percentage of low-income students a district serves and per-pupil expenditures

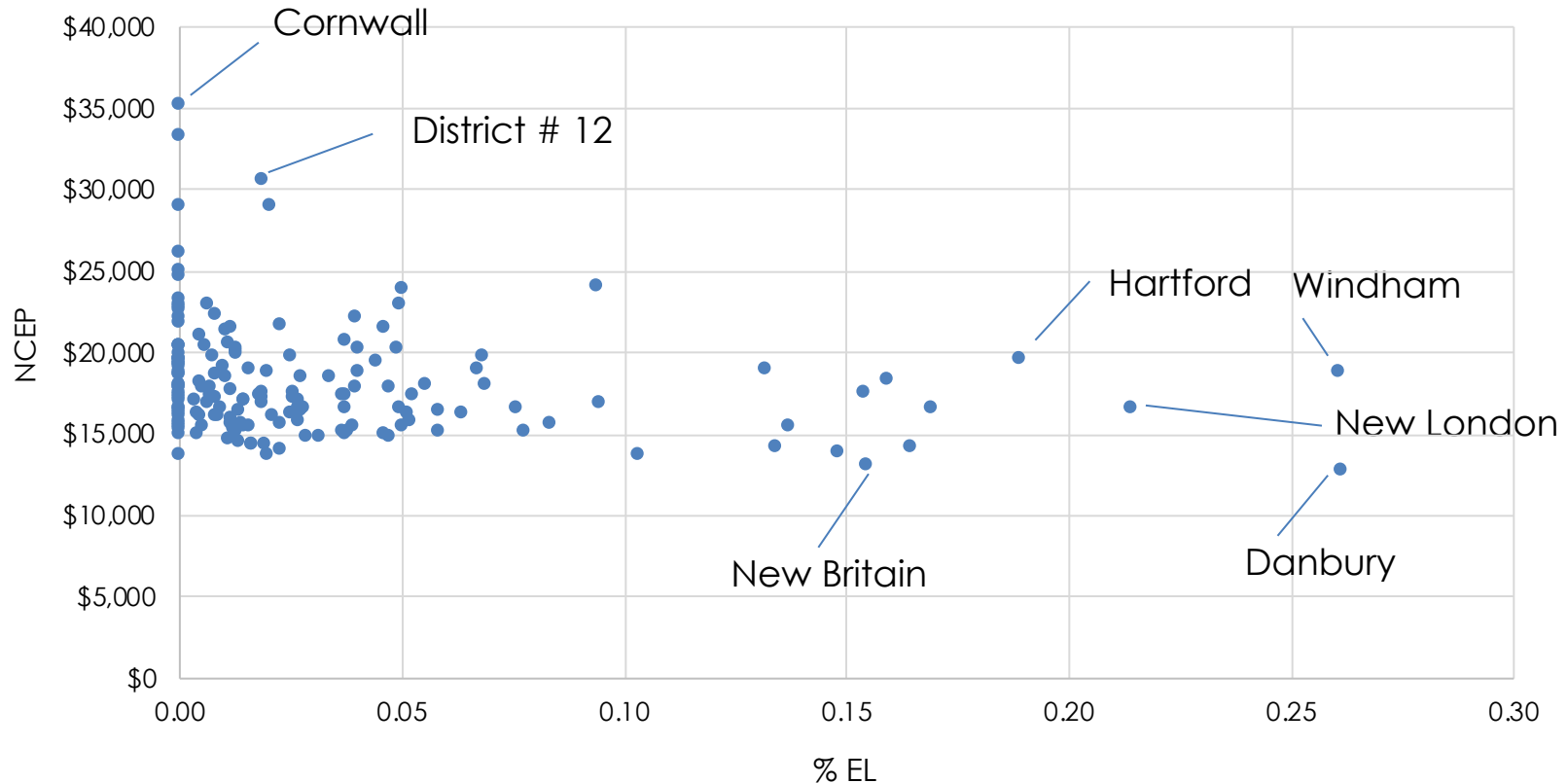
NCEP versus % FRPL 2017-18



Sources: Connecticut State Department of Education. (2019). *2017-18 Net Current Expenditures (NCE) per Pupil (NCEP) and 2018-19 Special Education Excess Cost Grant*. Retrieved from <http://ctschoolfinance.org/assets/uploads/files/2017-18-Net-Current-Expenditures-Per-Pupil.pdf>.
Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

Nor is there a correlation between the percentage of English Learners a district serves and per-pupil expenditures

NCEP versus % EL 2017-18



Sources: Connecticut State Department of Education. (2019). *2017-18 Net Current Expenditures (NCE) per Pupil (NCEP) and 2018-19 Special Education Excess Cost Grant*. Retrieved from <http://ctschoolfinance.org/assets/uploads/files/2017-18-Net-Current-Expenditures-Per-Pupil.pdf>.
Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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)

Sources: Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.
Moran, J.D., & Bolger, A. (2018). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools (2018-R-0030)*. Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0030.pdf>.

Connecticut's other education funding formulas are not based on student learning needs

Formula	Low-income Students	English Learners	Students with Disabilities
ECS (local school districts)	✓	✓	X
State Charter Schools	X	X	X
Local Charter Schools	X	X	X
CT Technical Education and Career System	X	X	X
Regional Agriscience Centers	X	X	X
Hartford Host Magnet Schools	X	X	X
RESC-Operated Sheff Magnet Schools	X	X	X
Edison Magnet School	X	X	X
Non-Sheff RESC Magnet enrolling less than 55% of students from 1 town	X	X	X
Non-Sheff RESC Magnet enrolling 55% of students or more from 1 town	X	X	X
Non-Sheff Host Magnet School	X	X	X

Sources: Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>. Conn. Gen. Statutes ch. 172, § 10-262f.

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.

Sources: Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.
Moran, J.D., & Bolger, A. (2018). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools (2018-R-0030)*. Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0030.pdf>.

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 not required to receive local funding.
- *Local* charter schools receive:
 - Local per student costs
 - An additional \$3,000 per student from the State

Source: Conn. Gen. Statutes ch. 164, § 10-66ee.

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 for 2017-18 school year (most recent year of available data) was \$17,321 (appropriation includes fringe benefits for 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.

Sources: Moran, J.D., & Bolger, A. (2018). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools* (2018-R-0030). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0030.pdf>.

Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.

Conn. Gen. Statutes ch. 164, § 10-64-65.

Conn. Gen. Statutes ch. 164, § 10-95.

Conn. Gen. Statutes ch. 172, § 10-266aa.

Whimbey, J. (2018). *Connecticut Technical Education and Career System (CTECS) Report of School Expenditures For School Year 2017-18*. Hartford, CT: Connecticut Technical Education and Career System. Retrieved from <http://ctschoolfinance.org/resources/uploads/files/CTECS-Report-of-School-Expenditures-2017-18.pdf>.

Choice Schools Funding Formulas Summary

Type of School	State funding per pupil	Can the school charge tuition to the sending district?	Does the city/town where the student lives get ECS for the student?
Agriscience	\$4,200 + potential for supp. funding	Yes, up to \$6,822.80	Yes
Charter, Local	\$3,000 + district per student costs	No but get district per student costs	Yes
Charter, State	\$11,250	No	No
CTECS	\$17,321*	No	No
Magnet, RESC, <i>Sheff</i>	Varies from \$8,058 - \$10,652	Yes, up to cost of educating student	Yes
Magnet, RESC, non- <i>Sheff</i>	Varies from \$3,060 - \$8,058	Yes, up to cost of educating student	Yes
Magnet, District, <i>Sheff</i>	\$13,315 (interdistrict)	No	No but get ECS for in-district students
Magnet, District, non- <i>Sheff</i>	\$3,060 (host district); \$7,227 (interdistrict)	Yes**	Yes
Open Choice	Varies from \$3,000 - \$8,000 per student	No	50% to sending; 50% to receiving

* 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, § 10-264l(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.

Sources: Conn. Gen. Statutes ch. 164, § 10-66ee.

Conn. Gen. Statutes ch. 164, § 10-95.

Conn. Gen. Statutes ch. 164, § 10-64-65.

Conn. Gen. Statutes ch. 172, § 10-266aa.

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

Whibbey, J. (2018). *Connecticut Technical Education and Career System (CTECS) Report of School Expenditures For School Year 2017-18*. Hartford, CT: Connecticut Technical Education and Career System. Retrieved from <http://ctschoolfinance.org/resources/uploads/files/CTECS-Report-of-School-Expenditures-2017-18.pdf>.

APPENDIX

Calculating Expenditures per School Type

- Individual children receive different amounts of funding based on learning needs. Joseph 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

	Local Public	Charter	Sheff RESC Host Magnet
State Contribution	<ul style="list-style-type: none"> 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 Voag Your Portion of Services/Expenditures from Consortium Grant Payment Arrangement 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> State Magnet School Grant State Magnet Transportation Two Rivers receives a separate state subsidy for magnet school transportation. Other State Grant Funds
Local Contribution	<ul style="list-style-type: none"> Local Share is Total less State+Other 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> LEA Regular Tuition LEA Special Education Tuition/Transportation
Other Contribution	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Federal Funds

Sources: Connecticut State Department of Education. (2018). *2009-17 ED001s for Local Public Schools*. Hartford, CT: Author. Available from <http://ctschoolfinance.org/resources/ed001s>.

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