

SCHOOL + STATE
FINANCE PROJECT

www.schoolstatefinance.org

SCHOOL FINANCE 101

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

September 15, 2020

About the School and State Finance Project

- Founded in 2015, the School and State Finance Project (formerly known as the Connecticut School Finance Project) is a nonpartisan, nonprofit policy organization, focused on education funding and state finance issues.
- Our organization is committed to providing independent analysis, building public knowledge, improving transparency, and developing fair, sustainable solutions for some of the toughest education funding and state finance challenges.
- Although not a member-based organization, we actively work with a diverse group of stakeholders and communities.
- We aim to serve as a trusted resource for policymakers, school district officials, community leaders, and all individuals looking for transparent, accessible, and approachable information about education funding and state finances.

Our Goals & Objectives

- Serve as a trusted, independent source of accurate data, information, and research
- Increase awareness and build public knowledge about Connecticut's education finance system, state budget, and overall fiscal health
- Improve transparency around Connecticut's education and state finances
- Work collaboratively to develop thoughtful, data-driven solutions that address Connecticut's education funding and state finance challenges
- Provide technical assistance to partner organizations seeking to solve education finance-related challenges.

What We Do

- **Accurate, Independent Data and Analysis**

Accurate data and analysis is the backbone of our organization. We provide up-to-date data with easy-to-understand analysis about 1) how CT funds its public schools and 2) CT's budget and financial state.

- **Reports and Policy Briefings**

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

- **Handouts, Education Materials, and Policy Toolkits**

We create customized, approachable handouts and materials that help communities and stakeholders better understand CT's education and state finances, and then effectively share that information with their neighbors, policymakers, and personal networks.

- **Support ALL Students and Public Schools**

As part of our education finance work, our organization is committed to developing, and raising awareness about the need for, an equitable, unified state education funding formula that treats ALL students fairly based on their learning needs and the needs of the districts and communities that serve them.

What We Don't Do

- **Weigh In on Local Education Finance or Budget Issues & Policies**

While municipalities play an important role in the state's education finance system and have an obligation to appropriately (while considering the town's wealth and needs) contribute funds to the education of their school-age children, we do not work on local education finance or budget issues and policies.

- **Support and/or Endorse Local Initiatives**

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

- **Endorse Elected Office Candidates & Referendums**

As a nonprofit, nonpartisan organization, we do not endorse elected officials, candidates for elected office, and/or referendums/ballot measures. Furthermore, we do not engage in and/or interfere in any election in any way.

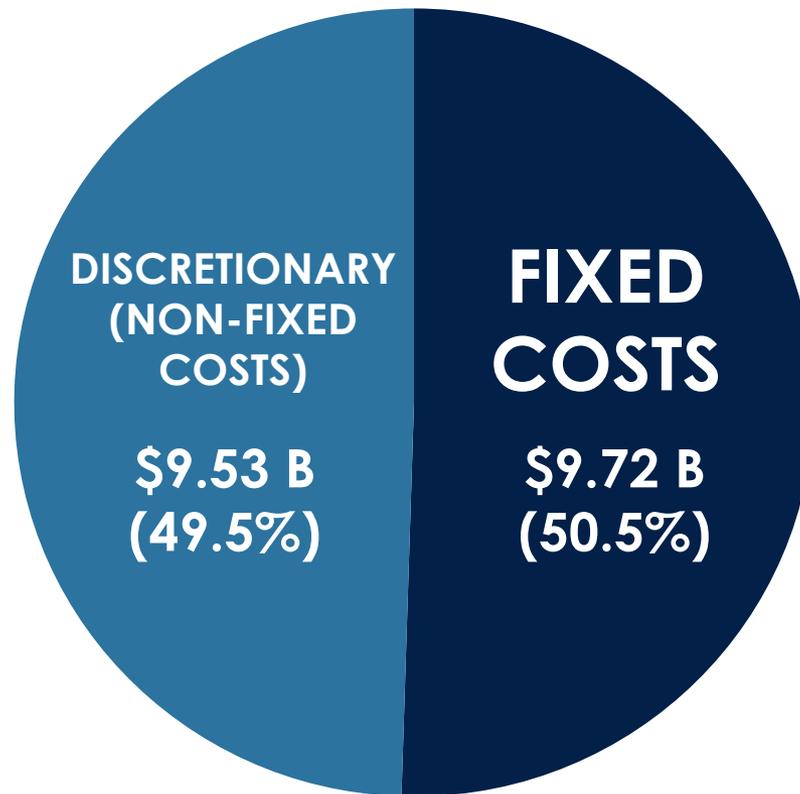
- **Manipulate Data or Present Inaccurate Data Findings**

We never manipulate data, present inaccurate findings, or provide information without proper context. As an independent organization, we also do not change data to show a particular finding or support a policy position. We use official state and federal data as much as possible and all data used is for the most recent year available.

CONNECTICUT'S FISCAL STATE

Fixed costs are crowding out the non-fixed portion of the budget

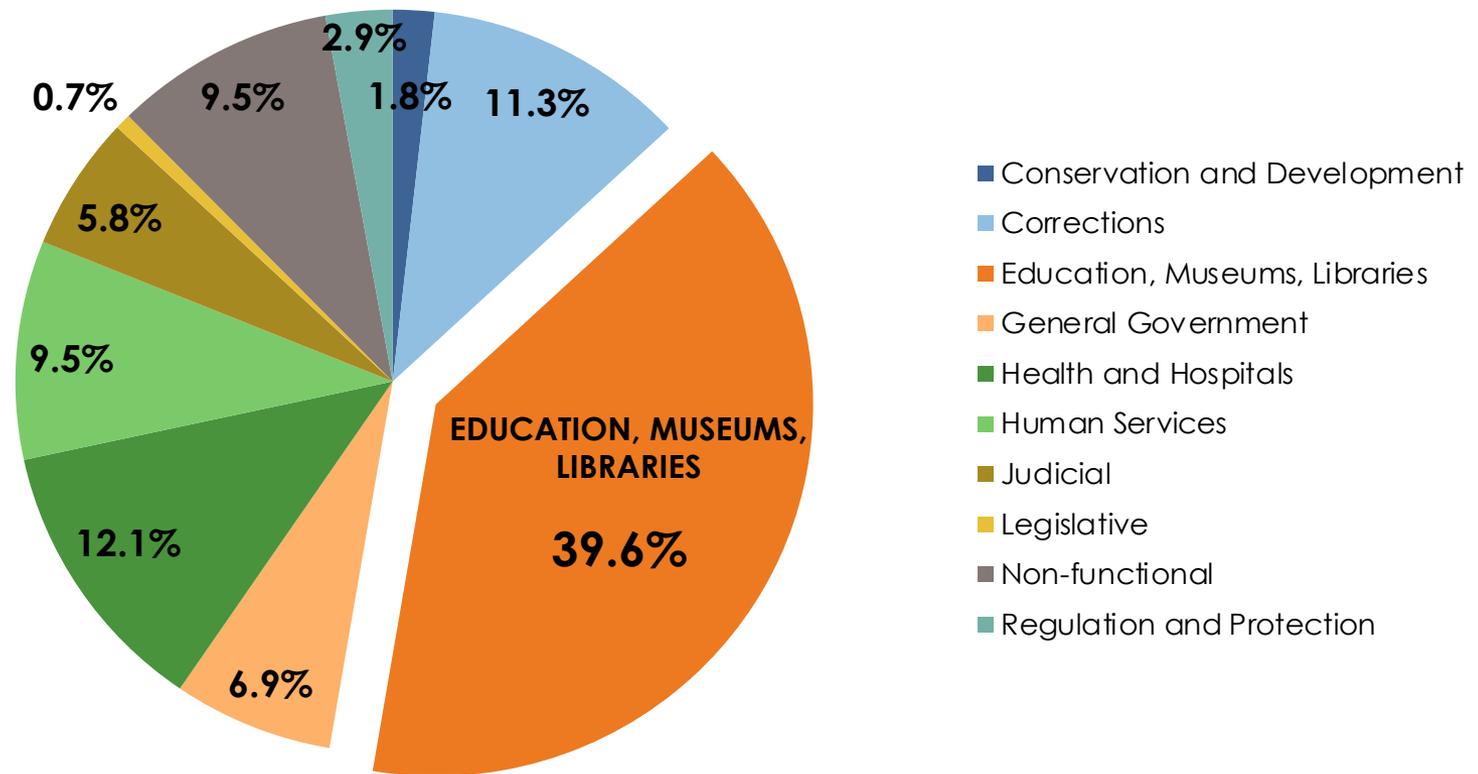
General Fund Expenditures by Service, FY 2019



Sources listed at <http://ctstatefinance.org/spending>.

Education funding makes up, by far, the largest portion of Connecticut's non-fixed costs (does NOT include pensions or capital expenses)

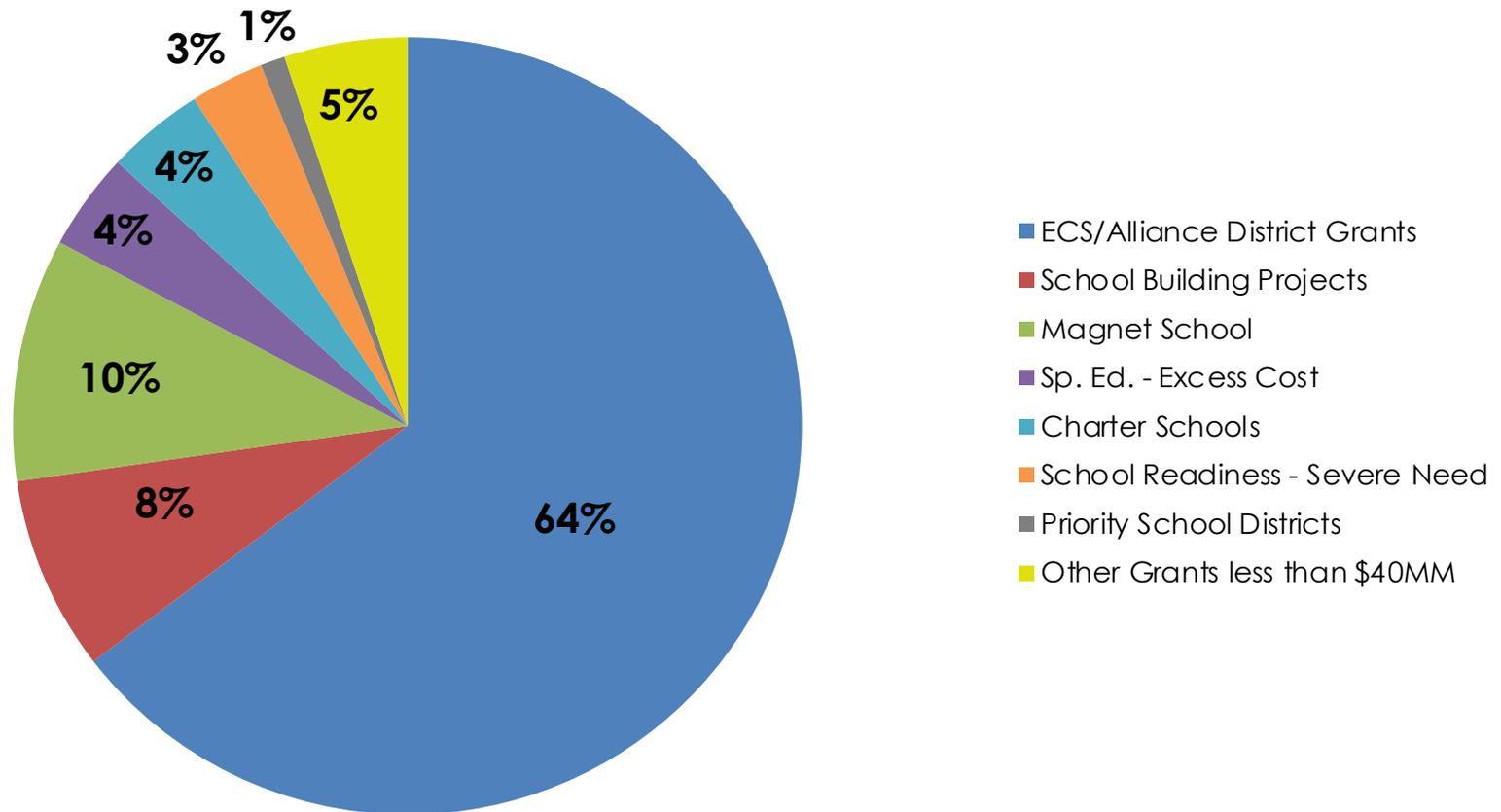
Non-fixed General Fund Expenditures by Service, FY 2019



Sources listed at <http://ctstatefinance.org/spending>.

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

FY 2019 State Funding by Grant (\$Millions)



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 THIS IMPACT SCHOOL FINANCE?

School finance is about...

Kids



Schools



Communities



EQUITY & SCHOOL FINANCE

**Equity looks different for
students versus communities.**

Equality vs. Equity

EQUALITY

VS.

EQUITY



EQUALITY = SAMENESS
GIVING EVERYONE THE SAME THING
It only works if everyone starts from the same place



EQUITY = FAIRNESS
ACCESS TO SAME OPPORTUNITIES
We must ensure equity before we can enjoy equality

Why should we fund students based on their learning needs?

Challenges and potential support for different types of learning needs

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?

Long story short... yes!

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

Source: See Appendix for more information on the research

What does all this mean?

Equitable funding does matter to student success inside and outside of the classroom.

JOSEPH'S STORY

Some notes about the data we use

- All data used in this presentation is official public data from either the Connecticut State Department of Education (CSDE) or other cited state and federal sources.
- Unfortunately, data availability is a frequent challenge when examining education funding in Connecticut.
- We primarily use data from state and federal sources because it is uniformly collected. This is important because we need data to be comparable across districts/municipalities/states.
- The School and State Finance Project always uses the most recently released available data whenever possible. There are often significant delays between data collection and data release by state and federal agencies. In some cases, updates to older data sets are never released again.
- As a result, data years may not be uniform throughout the presentation depending on data availability.
- Additionally, school district officials may have more up-to-date data than is displayed in this presentation. However, because that data is not available for every district, and therefore not comparable, and has not been audited by state/federal agencies, we do not incorporate it into our presentations.

A note about per-pupil expenditures

- Connecticut has shifted to reporting per-pupil expenditures on both a district and school level. This presentation, however, only uses district per-pupil expenditures.
- In reality, districts don't allocate resources equally to all schools or students.

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 goes to school.**

Hamden Public Schools: \$20,210

District Name	Hamden Public Schools
State Contribution (2018-19)	\$4,714
Hamden Contribution (2018-19)	\$14,788
Other Contributions (2018-19)	\$708
Total (2018-19)	\$20,210



Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.

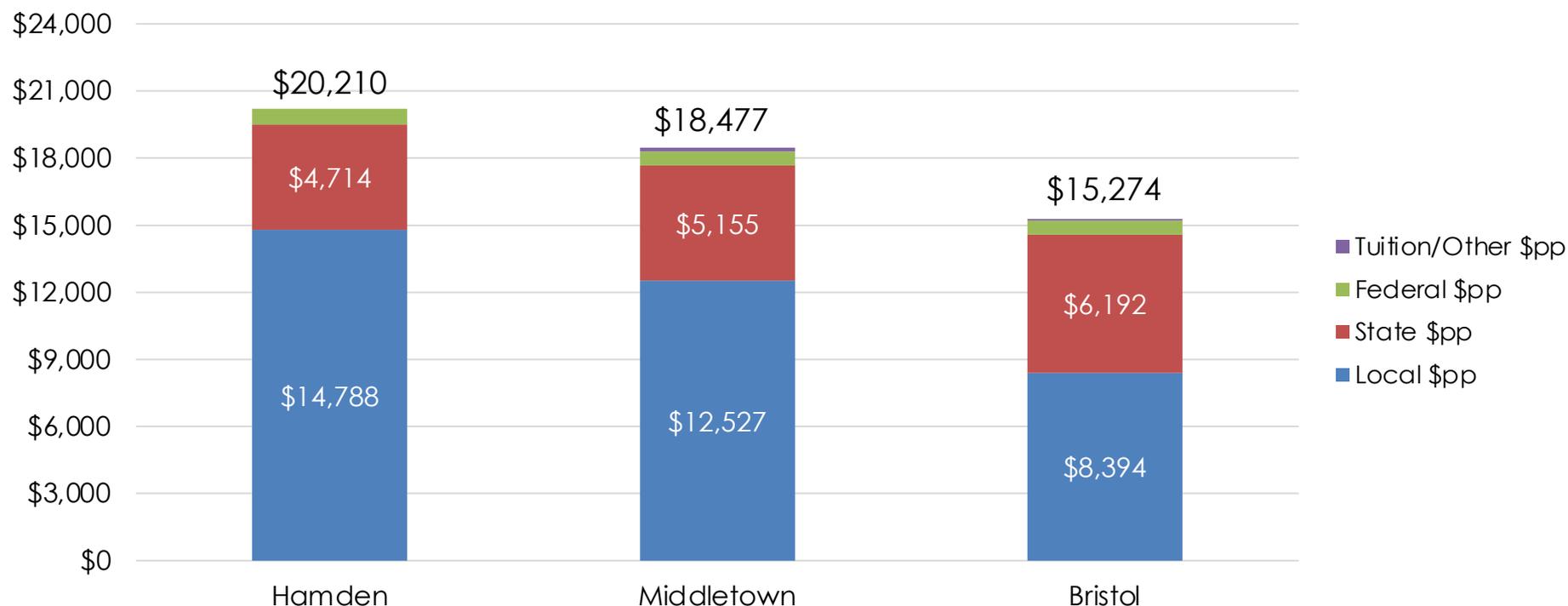
Let's take a look at funding for Joseph at three similar school districts

School District	Hamden Public Schools	Middletown Public Schools	Bristol Public Schools
State Contribution (2018-19)	\$4,714	\$5,155	\$6,192
Town Contribution (2018-19)	\$14,788	\$12,527	\$8,394
Other Contributions (2018-19)	\$708	\$795	\$688
Total (2018-19)	\$20,210	\$18,477	\$15,274

Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
 Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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, 2018-19



Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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. (2019). *FY 2020 Mill Rates*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/FY-2020-Mill-Rates.pdf?la=en>. Connecticut State Department of Education. (n.d.). *Connecticut Public School Expenditures Report 2018-2019*. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.

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.

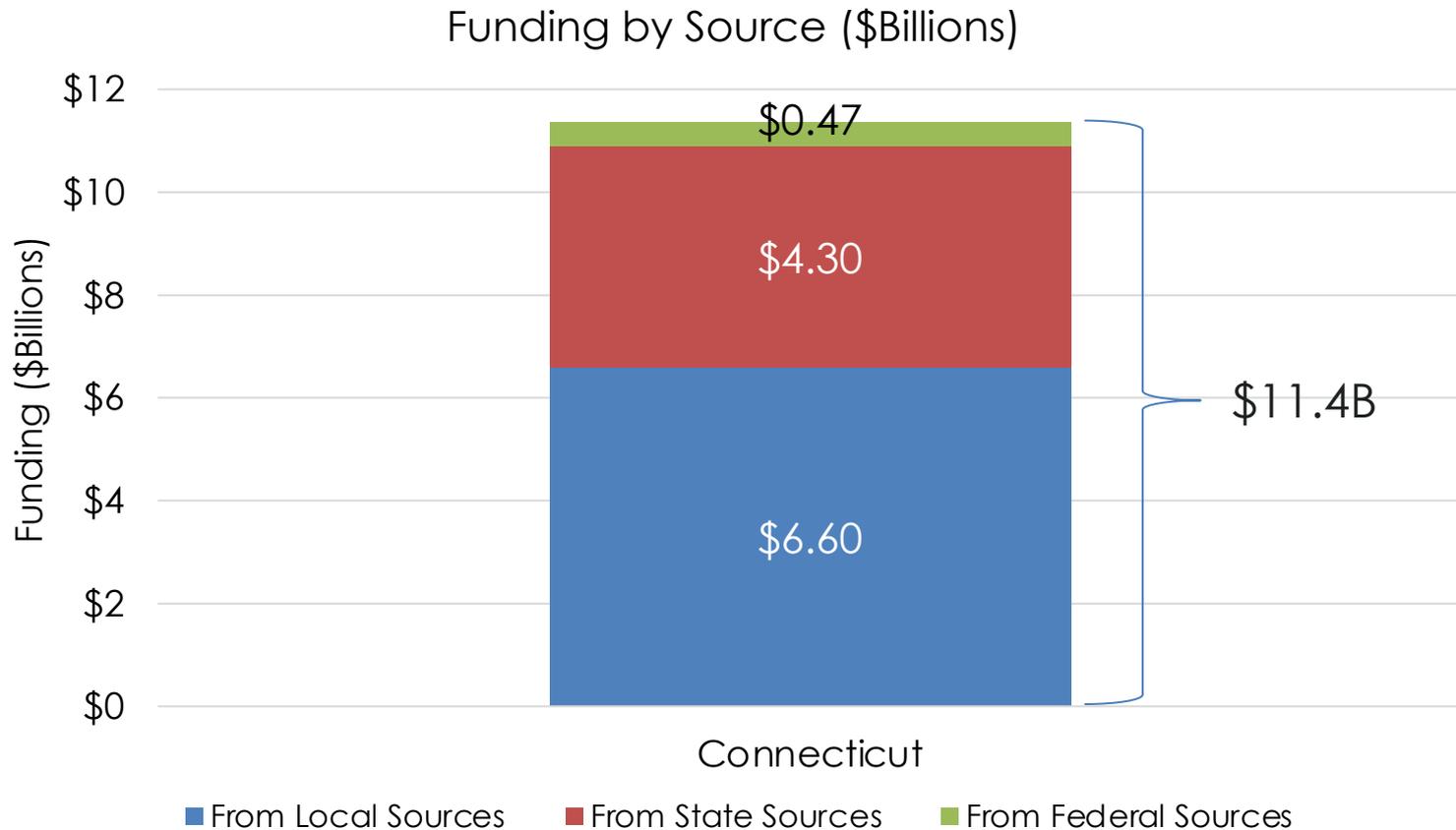
Source: San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973).

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 U.S. 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. (2020). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2018. *2018 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2018/secondary-education-finance/elsec18_sumtables.xls.

Federal funding for CT public education

- Federal funding makes up a small percentage (4.2%) 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 students, students with disabilities, and English Learners.

Source: U.S. Census Bureau. (2020). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2018. *2018 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2018/secondary-education-finance/elsec18_sumtables.xls.

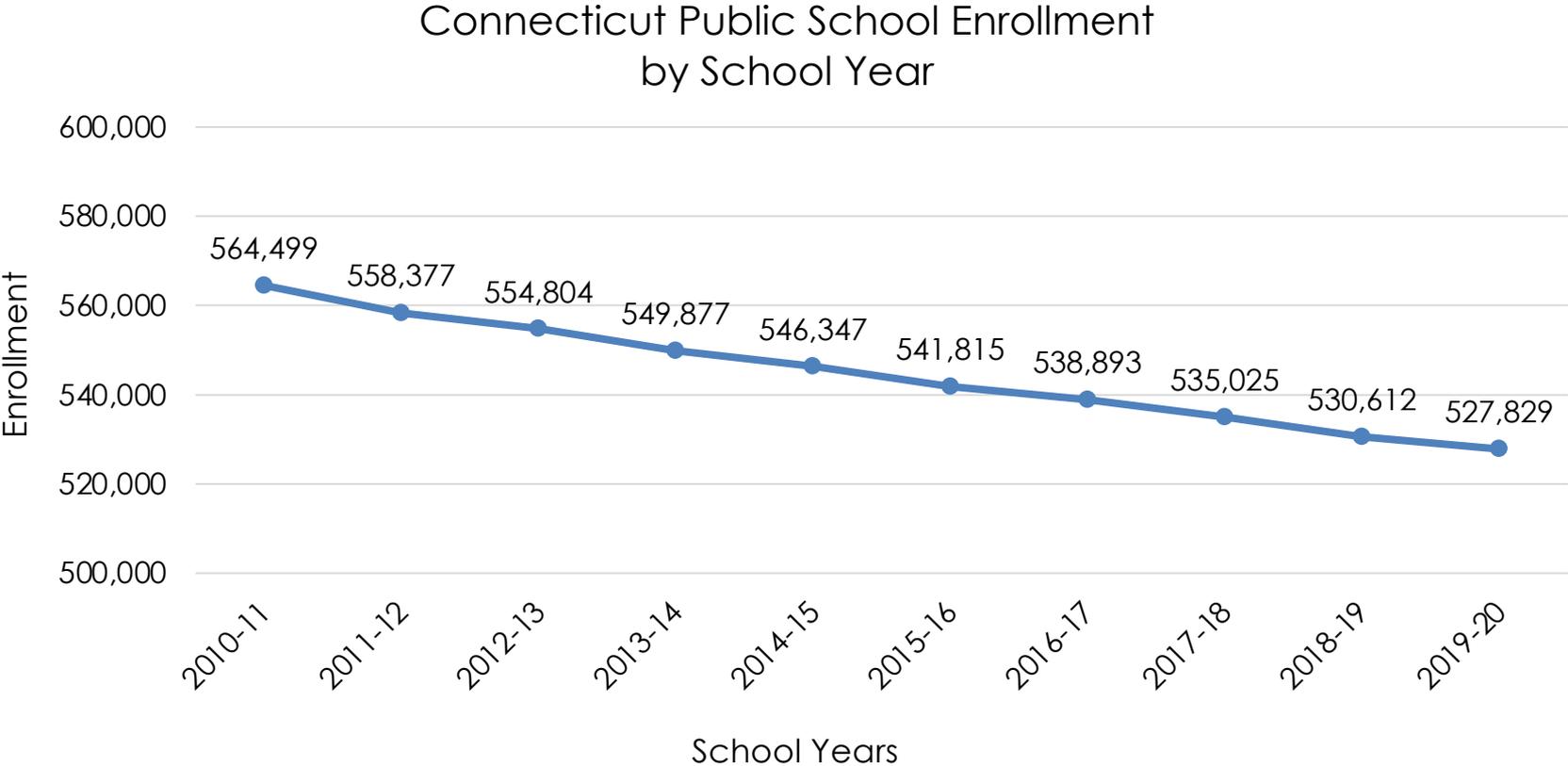
We are going to focus on state and local funding for public education

- This is 96% of the money 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. (2020). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2018. *2018 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2018/secondary-education-finance/elsec18_sumtables.xls.

STATE FUNDING

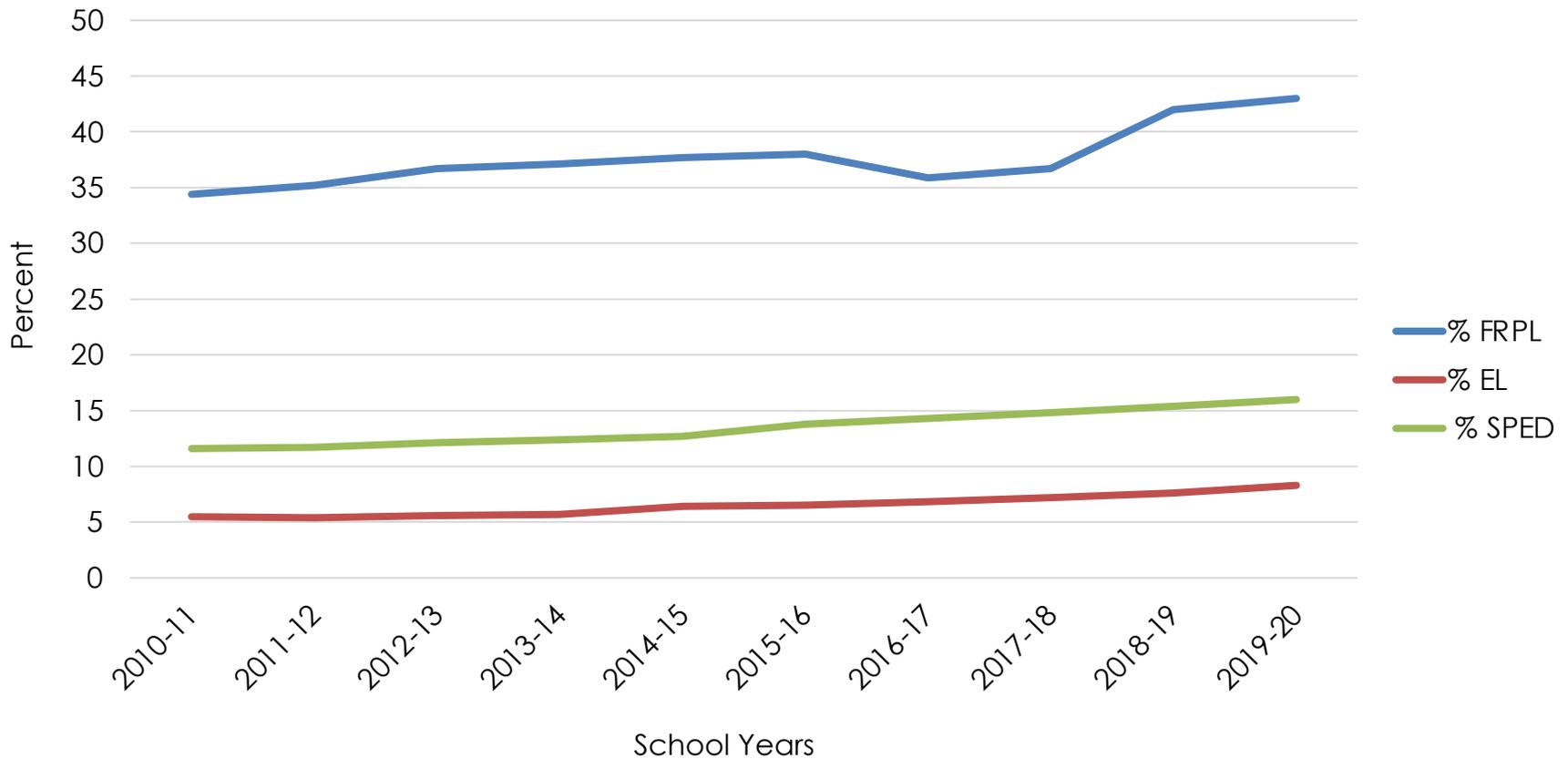
Over the last 10 years, the total number of students in Connecticut public schools has declined by 6.5%



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

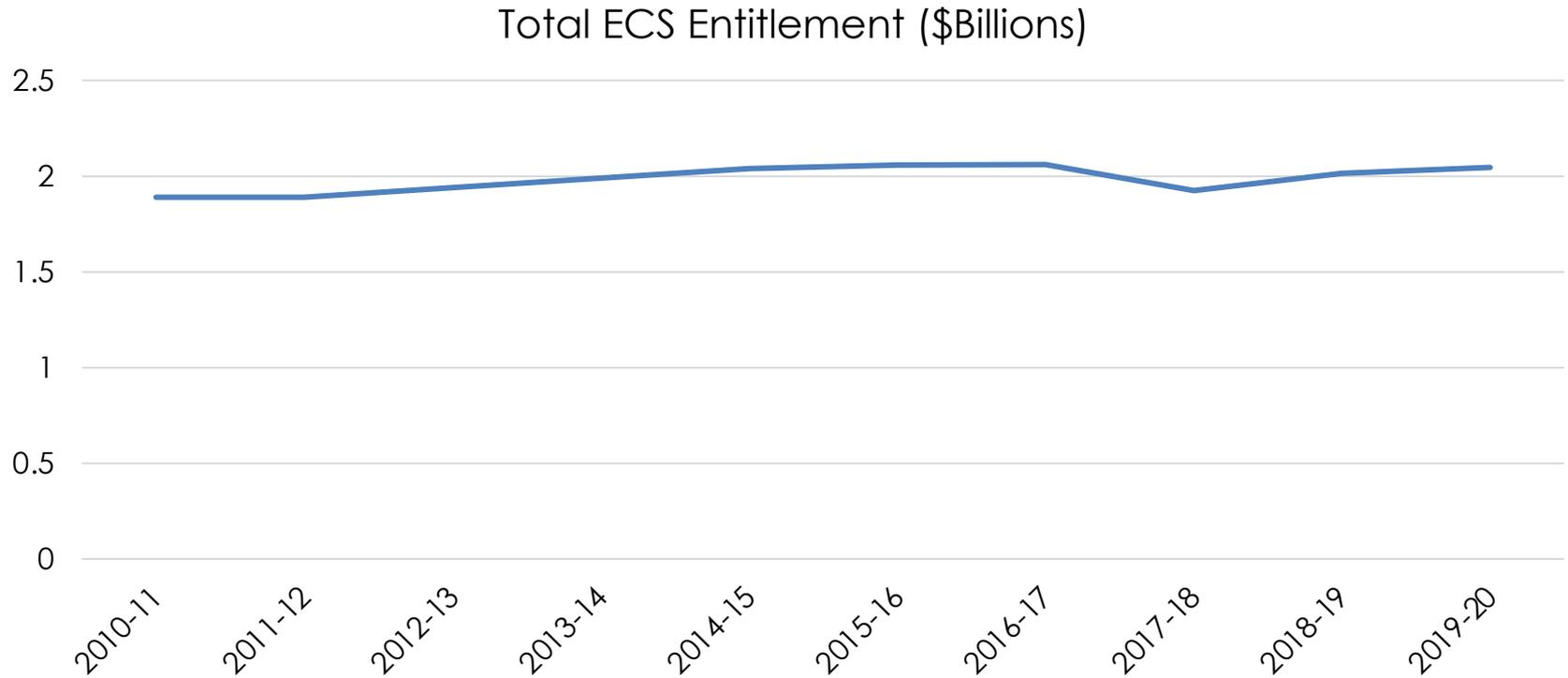
But their needs have increased

Connecticut Public School Demographics



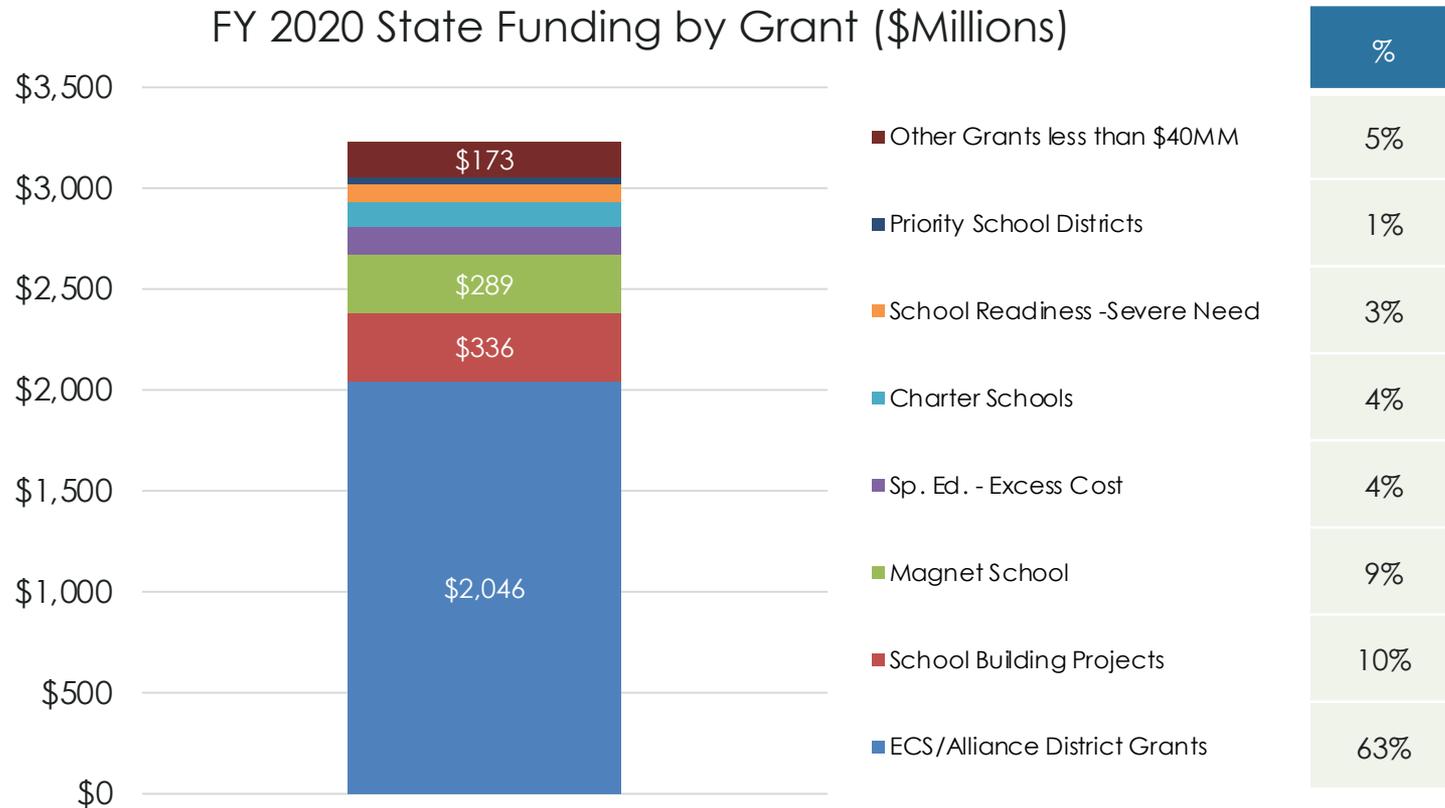
Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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



Source: Connecticut State Department of Education. (2020). *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



Sources: Connecticut State Department of Education. (2020). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.
 State of Connecticut, Department of Administrative Services, Office of School Construction Grants & Review. (2020). *FY 2020 School Construction Grant Progress Payments*. Hartford, CT: Author.

**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 Connecticut uses to distribute approx. \$2 billion in state education funding to local 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>.

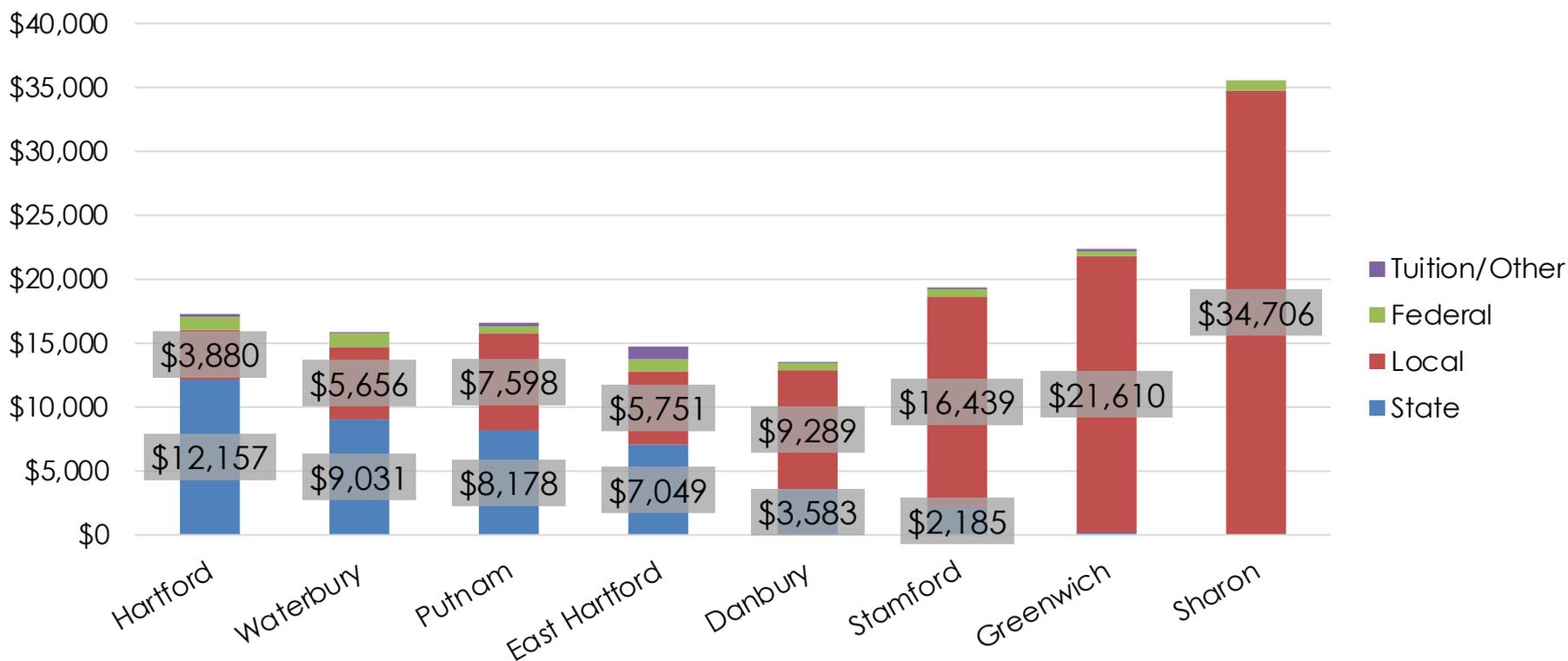
Connecticut's Different Funding Formulas

- 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

Per-student Funding by Source, 2018-19



Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
 Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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>.

Overview of ECS Formula

- Current formula began in FY 2019 and is scheduled to be phased in over 10 years.
 - Increase of \$38.9 million (over FY 2020 ECS funding) in FY 2021
 - Estimated increase of \$33.7 million per year from FY 2021 – FY 2028
 - Estimated total increase, after phase-in, of \$309 million — over FY 2020 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.
- Formula foundation amount = \$11,525 per pupil
- Foundation “incorporates” State’s share of general special education funding.
- Foundation based on past foundation amounts and not derived using verifiable education spending data
 - However, \$11,525 is within a range of reasonable foundation amounts when accounting for the inclusion of special education aid.

Formula Weights

- Formula contains three “need-student” weights, which increase per-pupil state education aid for students with additional learning needs.
- **Low-income student weight**
 - Formula includes a low-income student weight of 0.3
 - **Increases foundation amount by 30 percent** for students who live in **low-income households** as **measured by** eligibility for **free and reduced price lunch** (FRPL)
- **Concentrated poverty weight**
 - Formula **increases per-student funding** for **low-income students who live in districts with high concentrations of low-income students**
 - Concentrated poverty weight is 0.05
 - **Increases foundation amount an additional five percent** (for a total of 35 percent) for low-income students residing in districts with concentrations of low-income students of over 75 percent of district enrollment
- **English Learner weight**
 - Formula includes weight of 0.15 for English Learners
 - **Increases foundation amount by 15 percent for students needing additional English-language skills**

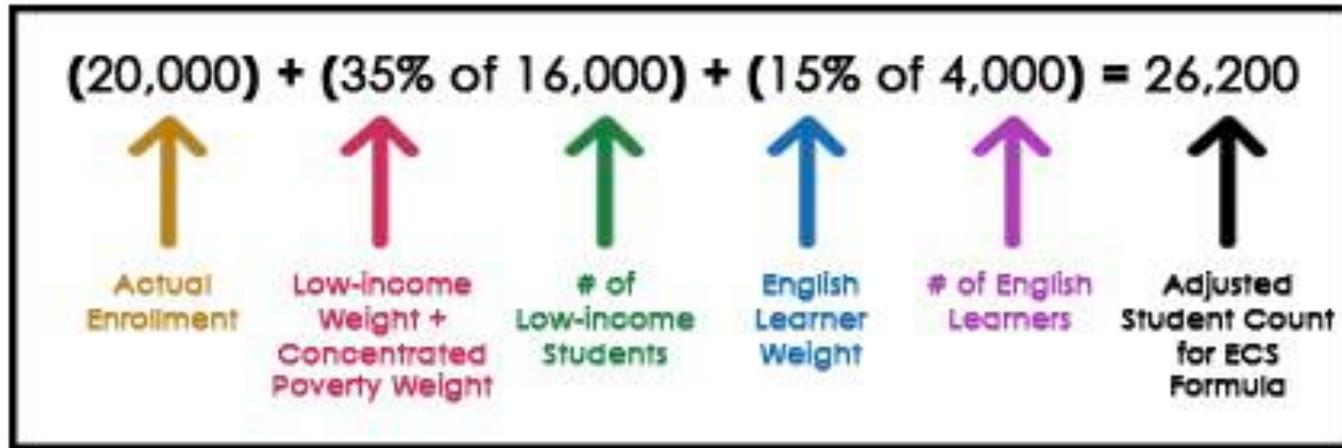
Formula Weights

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
 - **30% Income Wealth Factor**
 - Determined using a town's Median Household Income (MHI), compared to the state median MHI, as calculated by the U.S. Census Bureau's American Community Survey

Additional Funding for Towns in Need

- Formula adds additional funding for communities that have one of the highest Public Investment Communities (PIC) index scores.
 - 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 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

$$\text{Foundation} \times \text{Weighted Student Count} \times \text{Base Aid Ratio} = \text{Town's Entitlement to the ECS Grant}$$

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 2022) compared to if all of the district/town inputs remained constant.

Example Town	FY 2020 Actual	FY 2021 Actual	Estimated FY 2022 if District/Town Inputs Remain the Same	Estimated FY 2022 if District Enrollment Increases 5%
Bristol	\$46,286,500	\$47,425,189	\$48,563,877	\$49,155,886

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

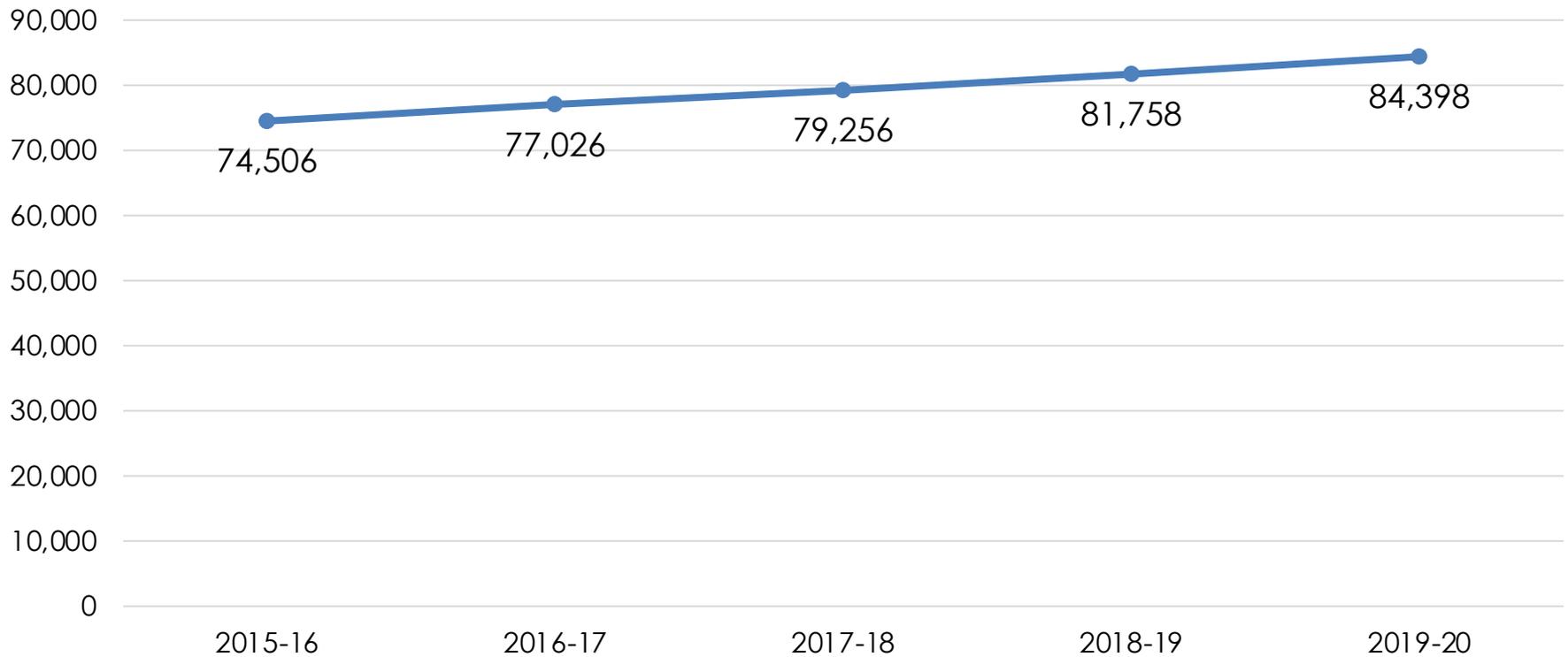
Although the new ECS formula takes steps toward equitable funding, there are several areas where it falls short.

- Maintains more than **10 different formulas** for school funding, based on the type of school.
- Low-income metric **remains a challenge** since it's based on whether a student receives **free or reduced price lunch**, which doesn't always accurately reflect financial needs of district families.
- Funding for **special education isn't disentangled** from the rest of ECS funding, so **any changes** made to ECS funding could **impact special education** and put CT at risk of violating its federal maintenance of support requirement.

SPECIAL EDUCATION

Over the last 5 years, the total number of students with disabilities in Connecticut public schools has increased by 13.3%

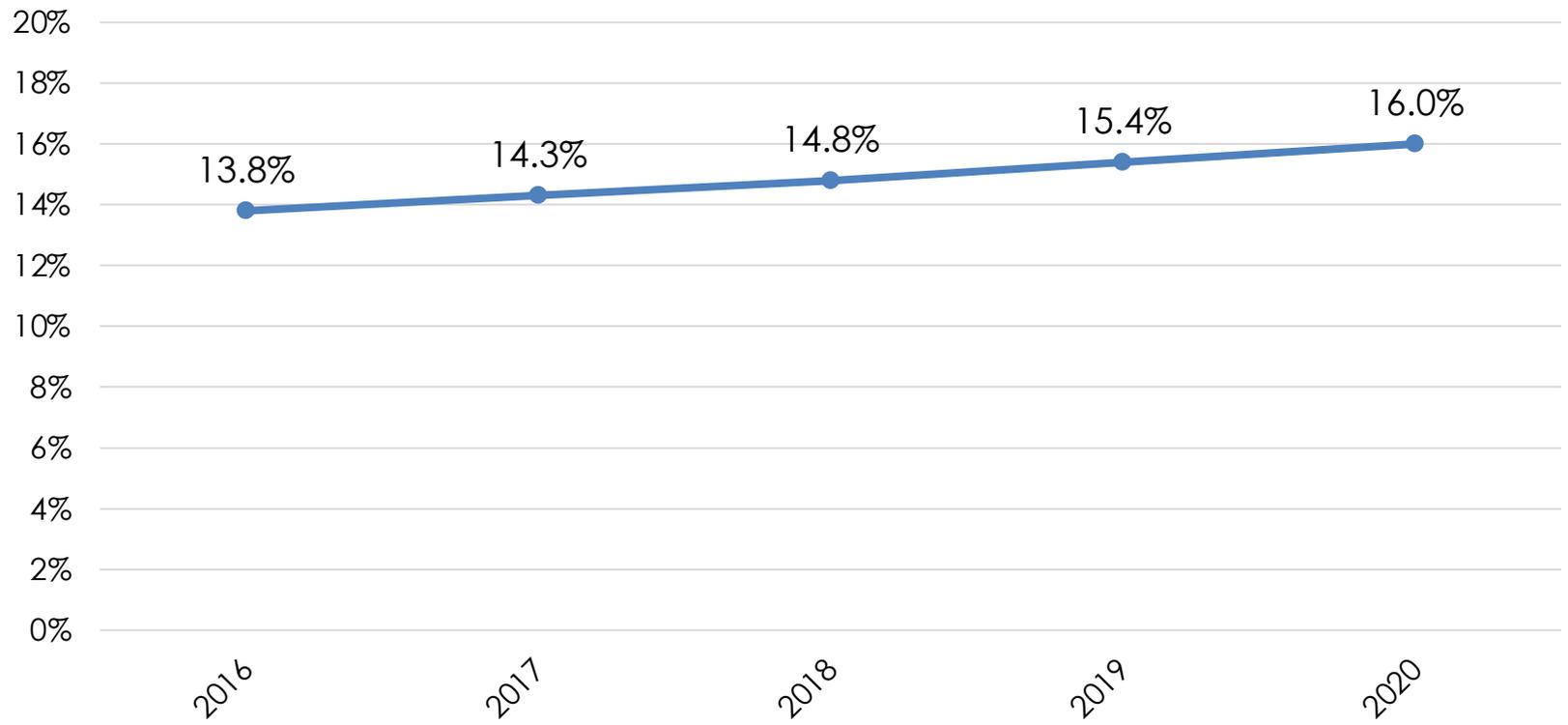
Connecticut Students with Disabilities by School Year



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

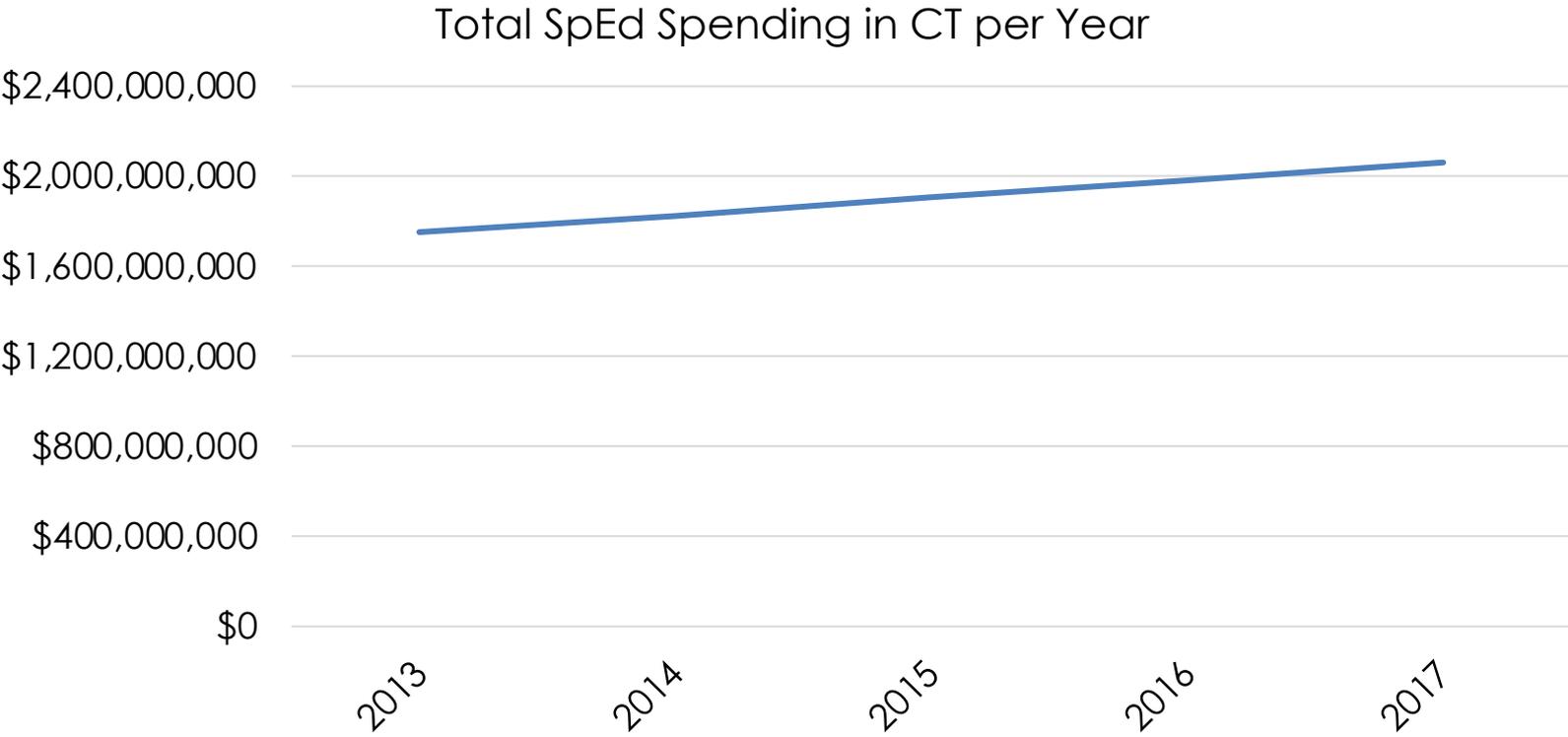
Which translates to an over two percentage point increase in the special education identification rate over the past 5 years

Special Education Percentage of CT Public Enrollment



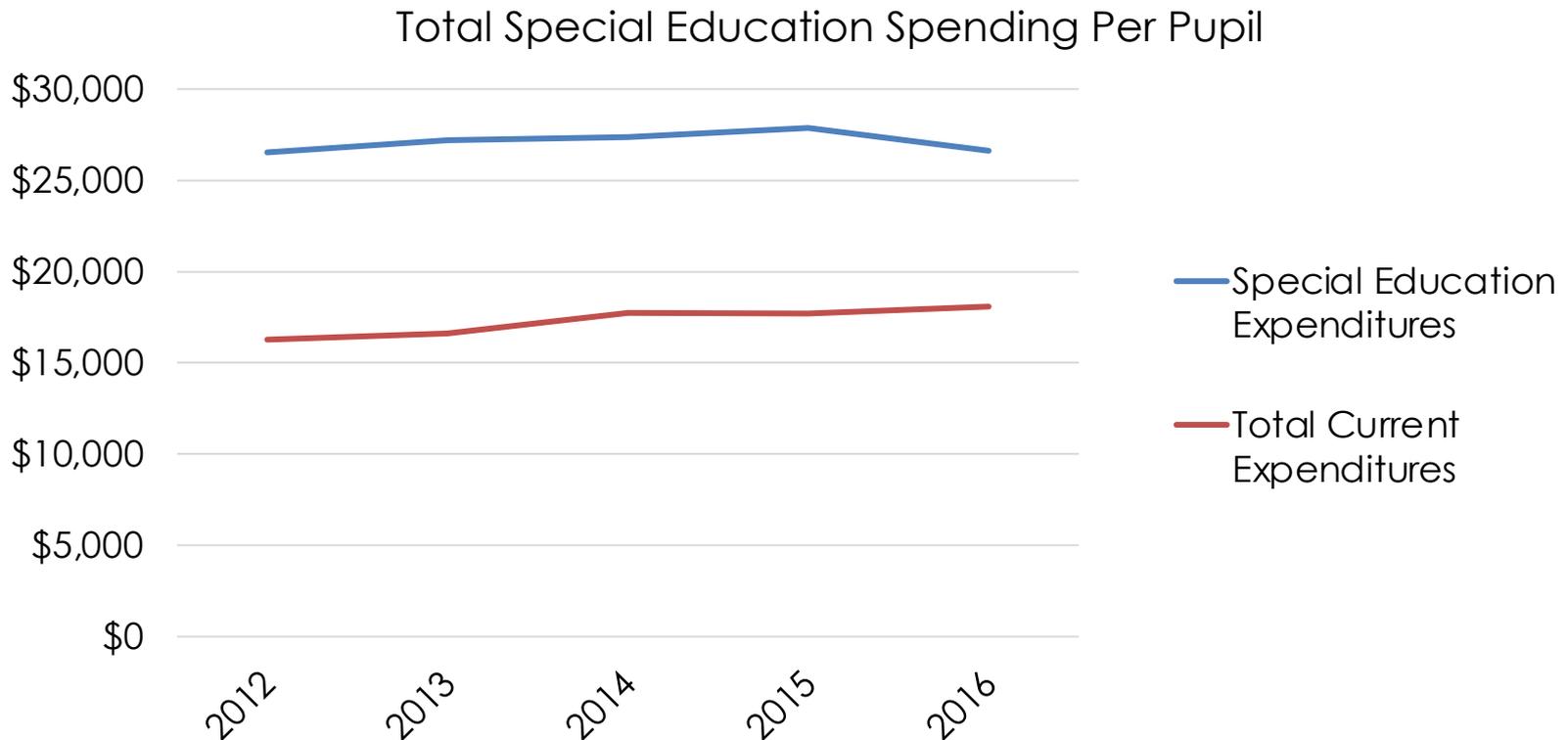
Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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

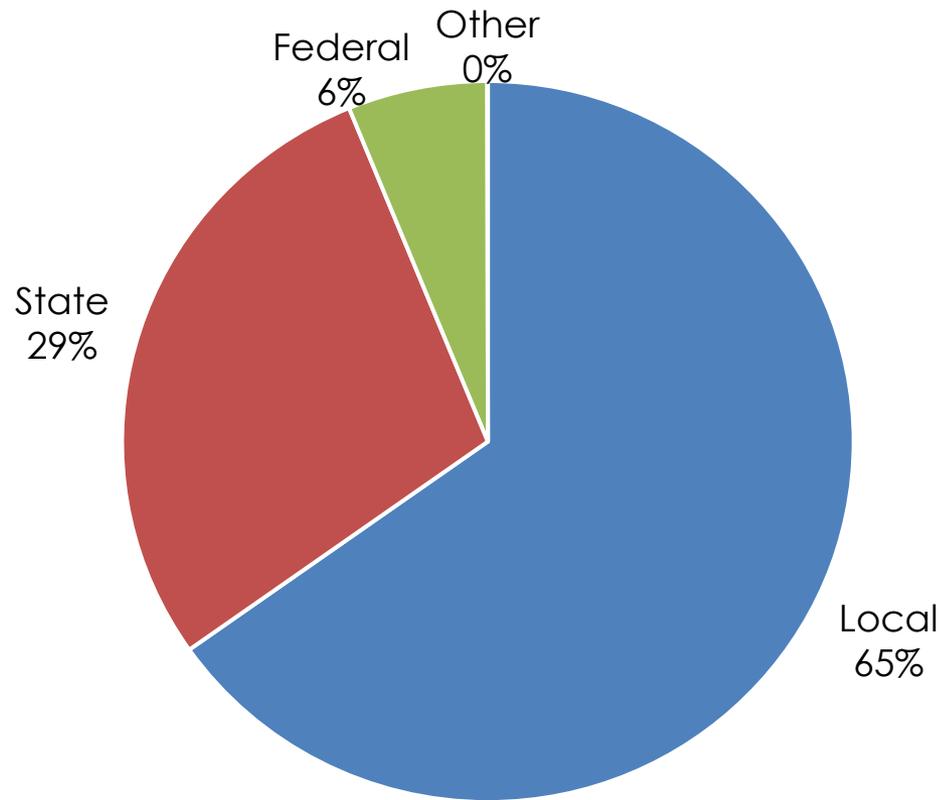


Sources: Connecticut State Department of Education. (2018). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/resources/lea-special-education-expenditures>.

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>.

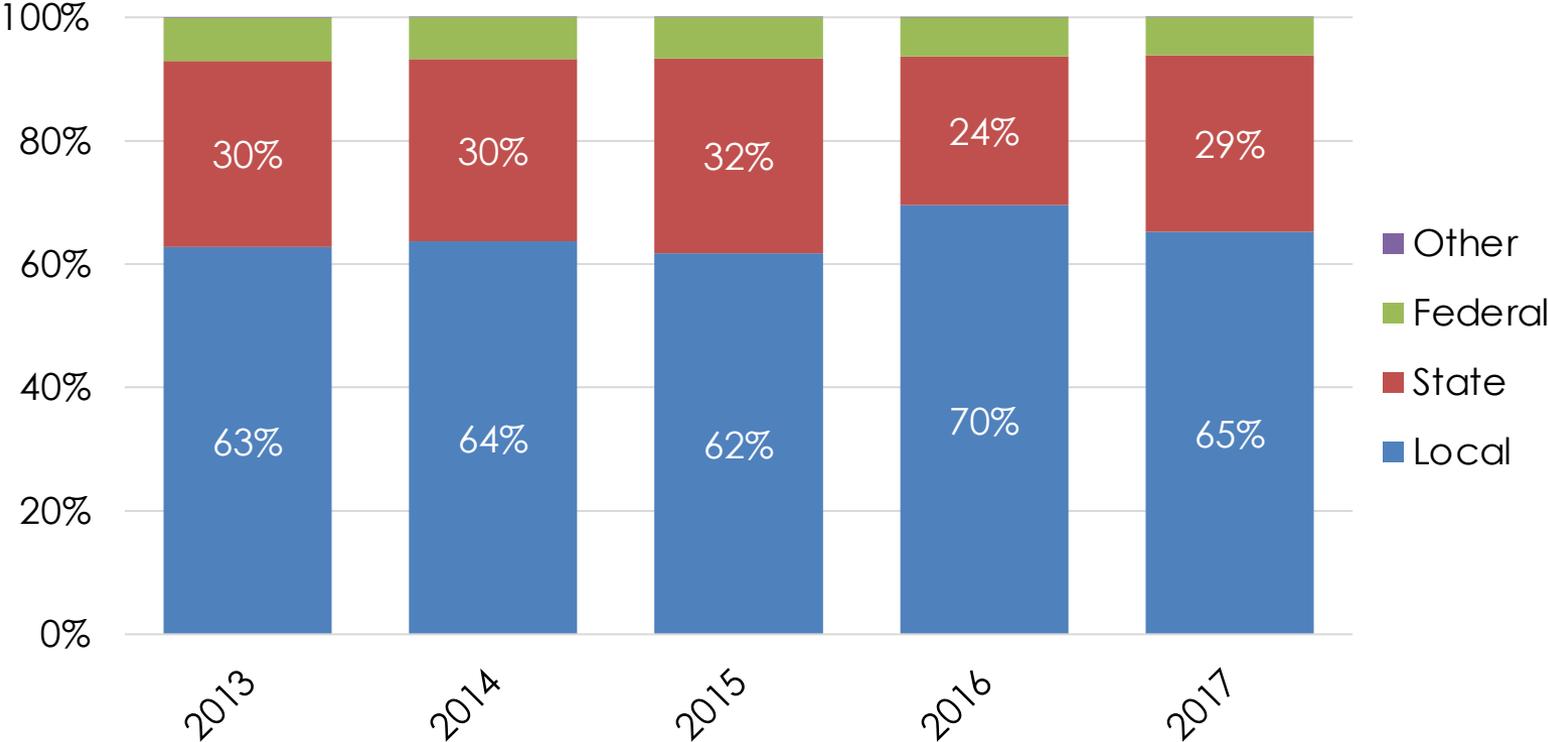
Connecticut special education spending by source, 2016-17



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

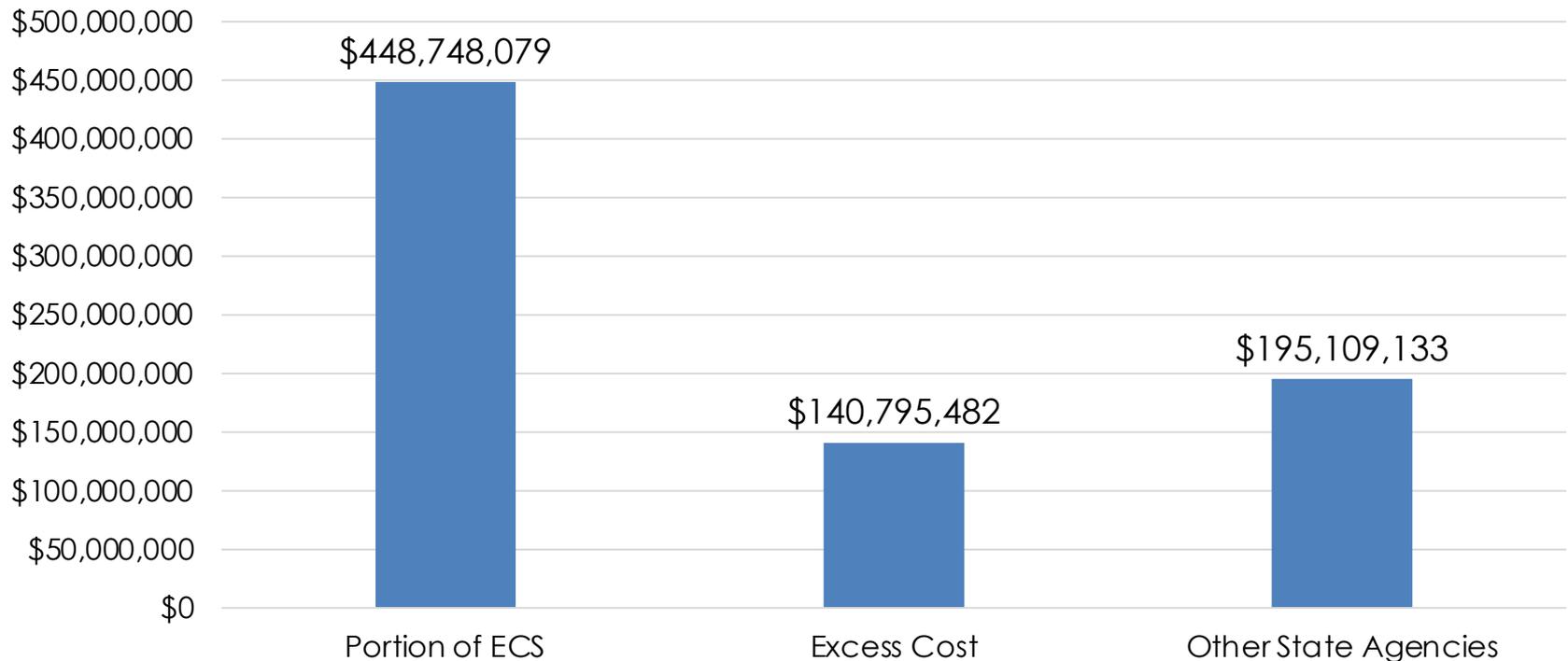
Special Education Funding by Source and School Year



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

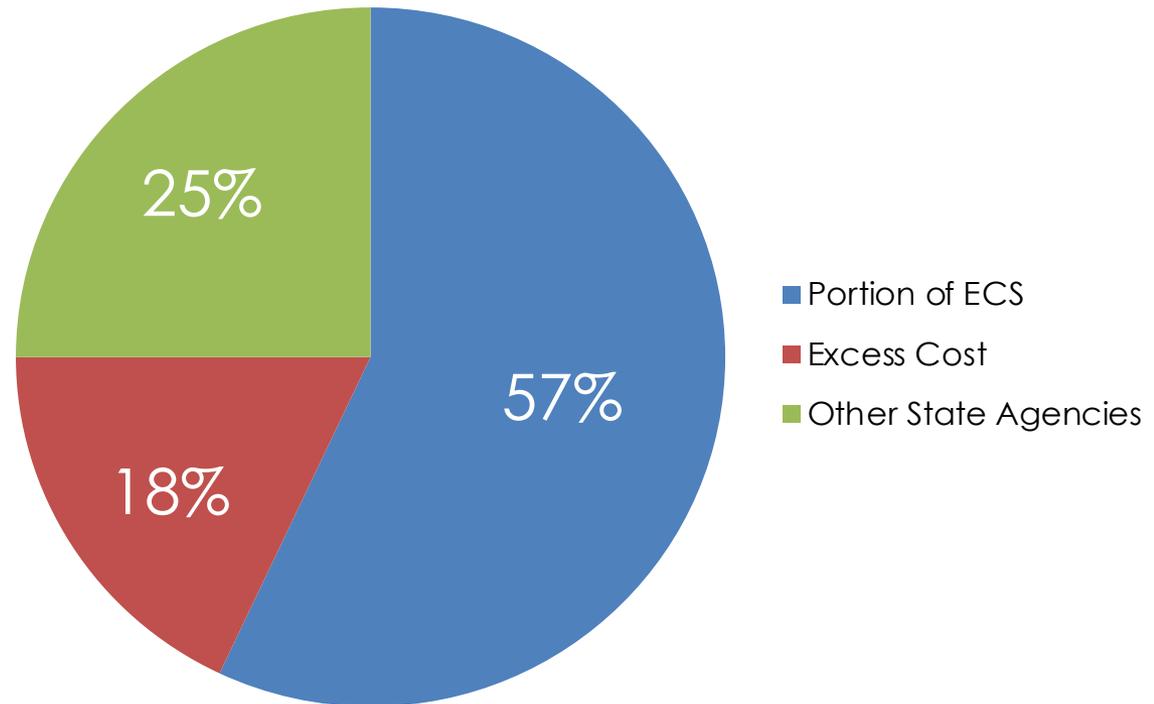


2018-19 IDEA State Maintenance of Support compliance calculated on 2016-17 expenditure data.

Source: Connecticut State Department of Education. (2018). *Individuals with Disabilities Education Act, 2018-19 State Maintenance of Effort*. Available from <http://ctschooffinance.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://ctschoolfinance.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)-76g(b).

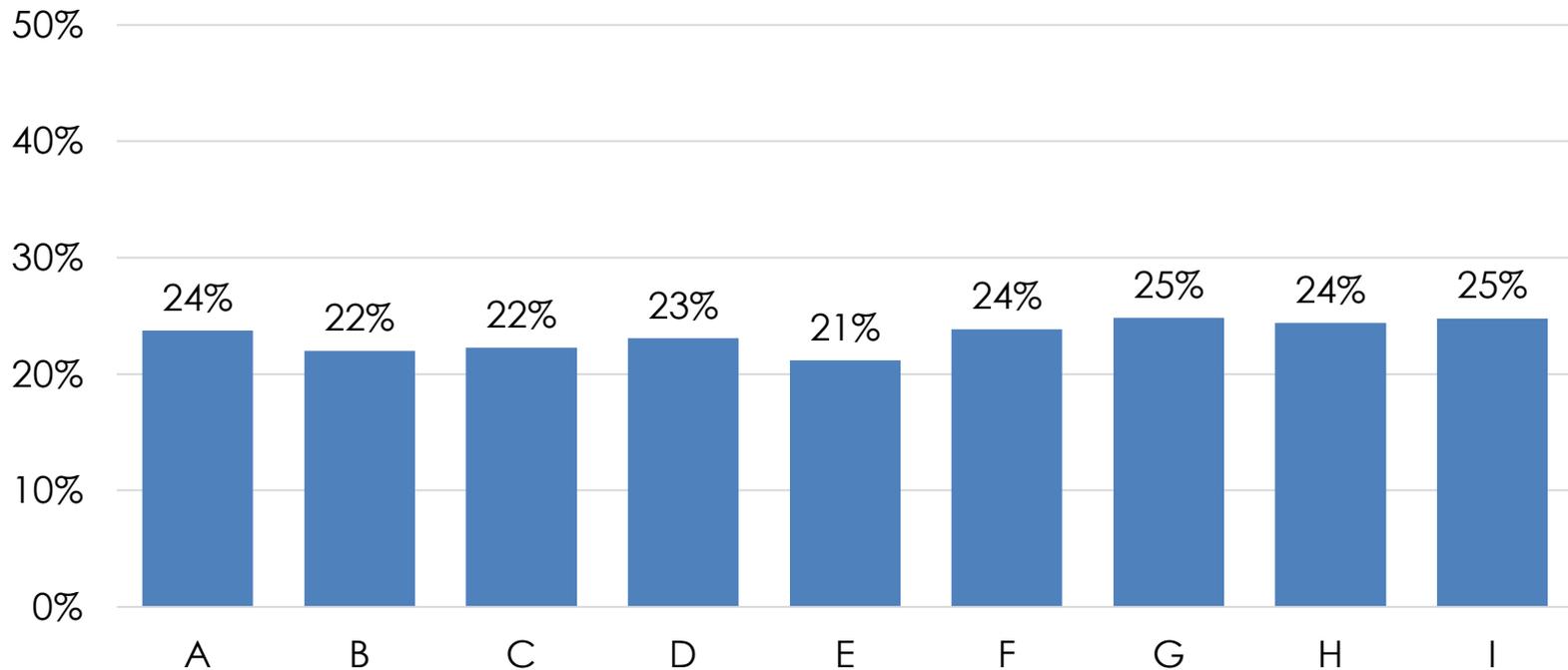
Connecticut State Department of Education. (2018). *Individuals with Disabilities Education Act, 2018-19 State Maintenance of Effort*. Available from <http://ctschooffinance.org/resources/connecticuts-state-maintenance-of-effort-for-the-individuals-with-disabilities-education-act-idea>.

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

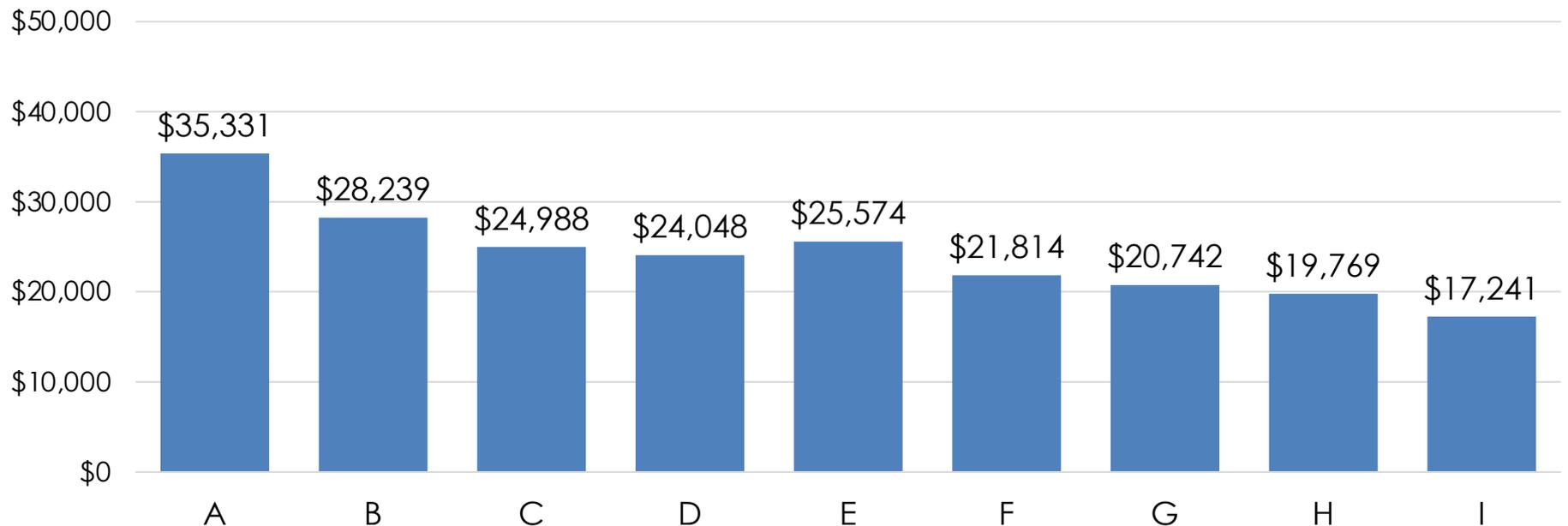
Average SPED % of Total Expenditure by DRG in 2017



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

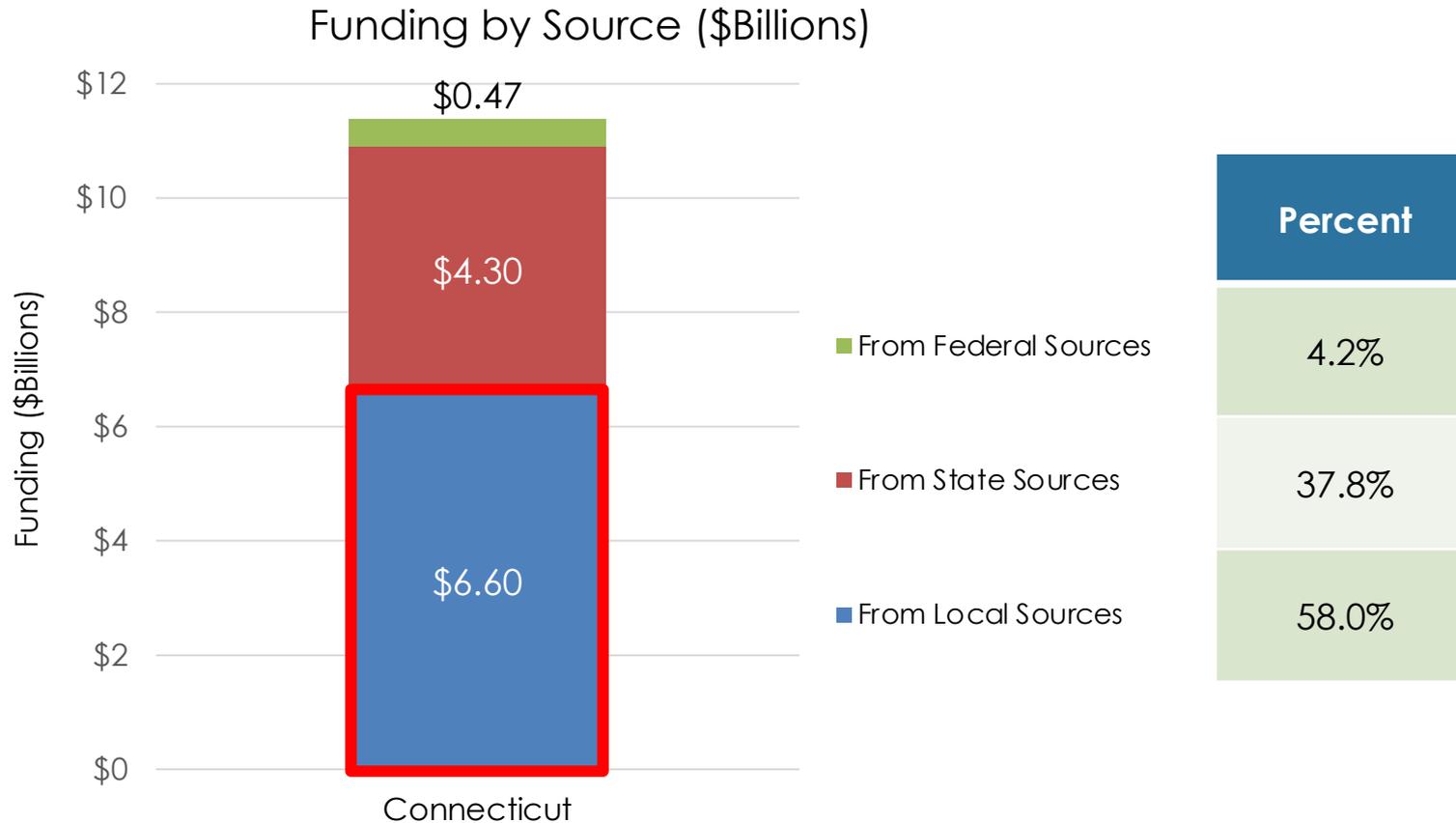
Sources: Connecticut State Department of Education. (2018). *2009-17 ED001s for Local Public Schools*. Hartford, CT: Author. Available from <http://ctschoolfinance.org/resources/ed001s>.

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. (2020). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2018. *2018 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2018/secondary-education-finance/elsec18_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?



District Budget Creation Process

- Much like the State, school districts have fixed and non-fixed costs
- **Fixed costs** at the district level include staff, associated contractual benefits and contractual increases, transportation, and physical plant operations.
- When a school district budget is being created, districts must first look at the growth of their fixed costs.
- Next, districts typically look at the impact of growth in fixed costs on maintaining current services. How much money do we need or have to maintain our services and run all programs at the current level? These are the **non-fixed costs**.
- Finally, districts look at educational priorities and additional budgetary needs to meet educational priorities.

District Budget Management

- Most school districts create a budget in an environment of uncertainty. State funding may not be verified at the time of budget creation, and unique student demographic factors may change.
- Volatility in costs may include special education, as need is uncertain at the time of budget creation.
- Districts manage their budget and respond to these factors through an ongoing budget evaluation process.

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, manufacturing equipment, snowmobiles).
- 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

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.”

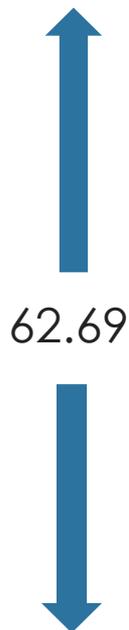
Source: State of Connecticut, Office of Policy and Management. (2018, May 17). Statutes Governing Property Assessment and Taxation. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.

The value of “grand lists” varies widely

Municipality	Equalized Net Grand List GLYR 2017
GREENWICH	\$50,416,714,165
STAMFORD	\$30,661,834,479
NORWALK	\$19,216,599,803
FAIRFIELD	\$16,468,486,024
WESTPORT	\$16,216,507,899
...	...
SPRAGUE	\$238,467,977
EASTFORD	\$235,165,658
HAMPTON	\$226,365,034
SCOTLAND	\$177,539,298
UNION	\$134,726,797

Source: State of Connecticut, Office of Policy and Management. (2020). *Municipal Fiscal Indicators, Fiscal Years Ended 2014-2018*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGP/munfinsr/Municipal-Fiscal-Indicators/FI-2014-18-Final-AsOf1-30-20.pdf?la=en>.

And so do “mill rates”



Municipality	FY 2020 Mill Rate
HARTFORD	74.29*
WATERBURY	60.21*
BRIDGEPORT	53.99*
NEW BRITAIN	50.50*
EAST HARTFORD	49.11*
HAMDEN	48.86*
...	...
SHARON	14.40
WARREN	14.25
WASHINGTON	14.25
GREENWICH	11.682
SALISBURY	11.60

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

Source: State of Connecticut, Office of Policy and Management. (2019). *FY 2020 Mill Rates*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/FY-2020-Mill-Rates.pdf?la=en>.

How are property taxes calculated?



- \$200,000 house in East Hartford
- Mill rate of 49.11

- Property Tax = Value of Property * Assessed Value (70%) * Mill Rate /1000
- Property Tax = $((\$200,000) * (.7) * 49.11) / 1000$
- Property Tax = \$6,875

Source: State of Connecticut, Office of Policy and Management. (2019). *FY 2020 Mill Rates*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/FY-2020-Mill-Rates.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 2020 Mill Rate	Property Tax – \$200K House	Property Tax – 2014 Honda Civic
HARTFORD ⁺	74.29*	\$5,200	\$203
WATERBURY	60.21*	\$8,429	\$203
HAMDEN	48.86*	\$6,840	\$203
NEW HAVEN	42.98	\$6,017	\$150
WEST HARTFORD	41.80	\$5,852	\$146
ORANGE	32.59	\$4,563	\$128
BRANFORD	29.07	\$4,070	\$126
NORWALK	23.315**	\$3,264	\$137
FAIRFIELD	26.79	\$3,751	\$116
GREENWICH	11.682	\$1,635	\$53

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

**For Real & Personal Property only; vehicle mill rate is 30.543

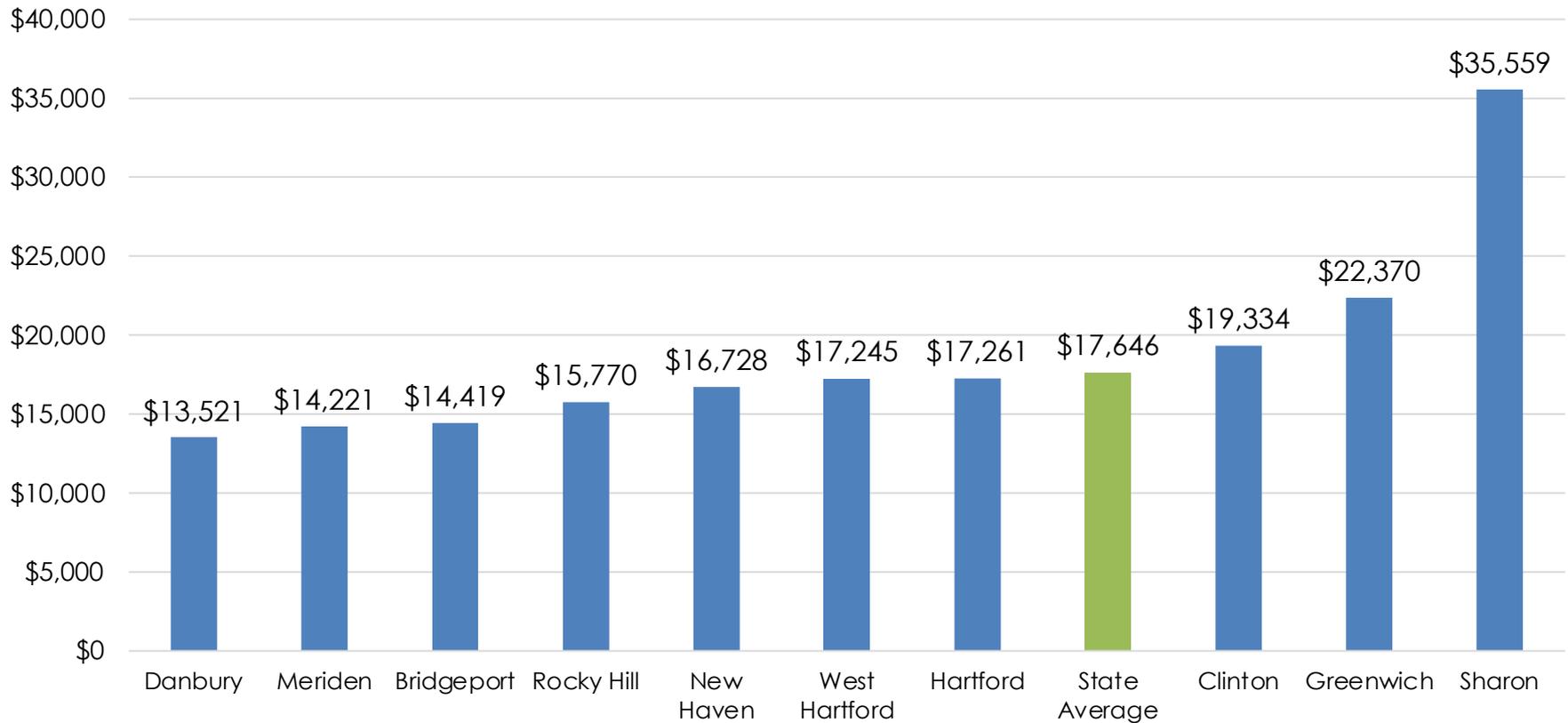
+ Residential property in the city of Hartford is not assessed at the standard rate of 70%. Instead, Hartford's current assessment rate for residential property is 35%. Due to this difference, the property taxes for the house in this example may be lower in Hartford than the taxes in other towns with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

Sources: State of Connecticut, Office of Policy and Management. (2019). FY 2020 Mill Rates. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/FY-2020-Mill-Rates.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

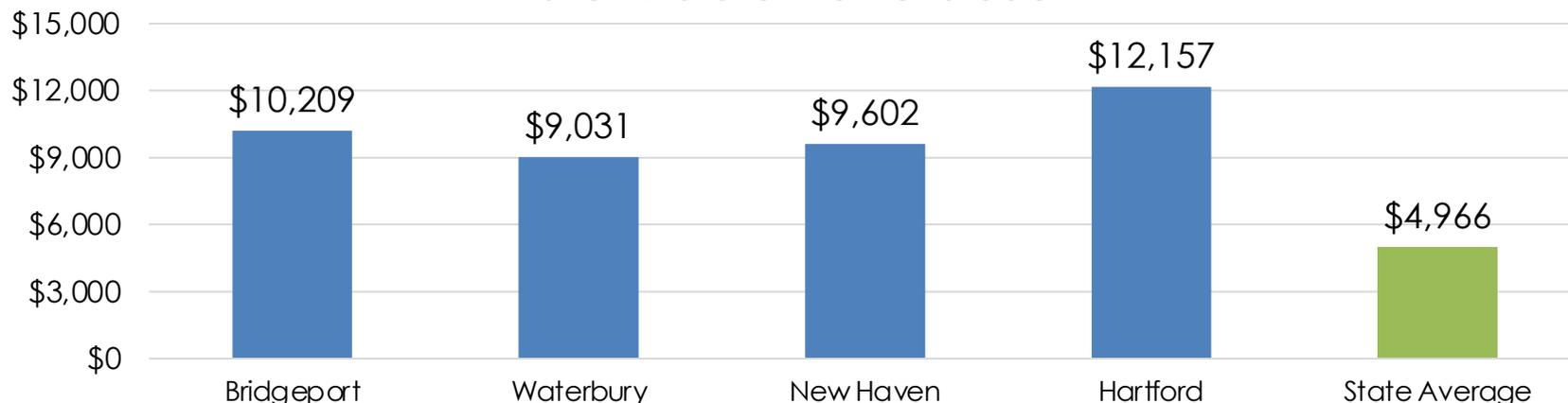
2018-19 District Per-Student Spending



Source: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.

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

2018-19 State Aid Per Student



	Bridgeport	Waterbury	New Haven	Hartford	State Average
% FRPL	72%	81%	66%	79%	43%
% EL	20%	16%	17%	21%	8%
% SPED	19%	19%	16%	20%	16%
MHI	\$45,441	\$41,617	\$41,142	\$34,338	\$76,106*
ENGLPC	\$65,083	\$54,845	\$72,142	\$47,424	\$139,451*

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

* State median used rather than state average

Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.

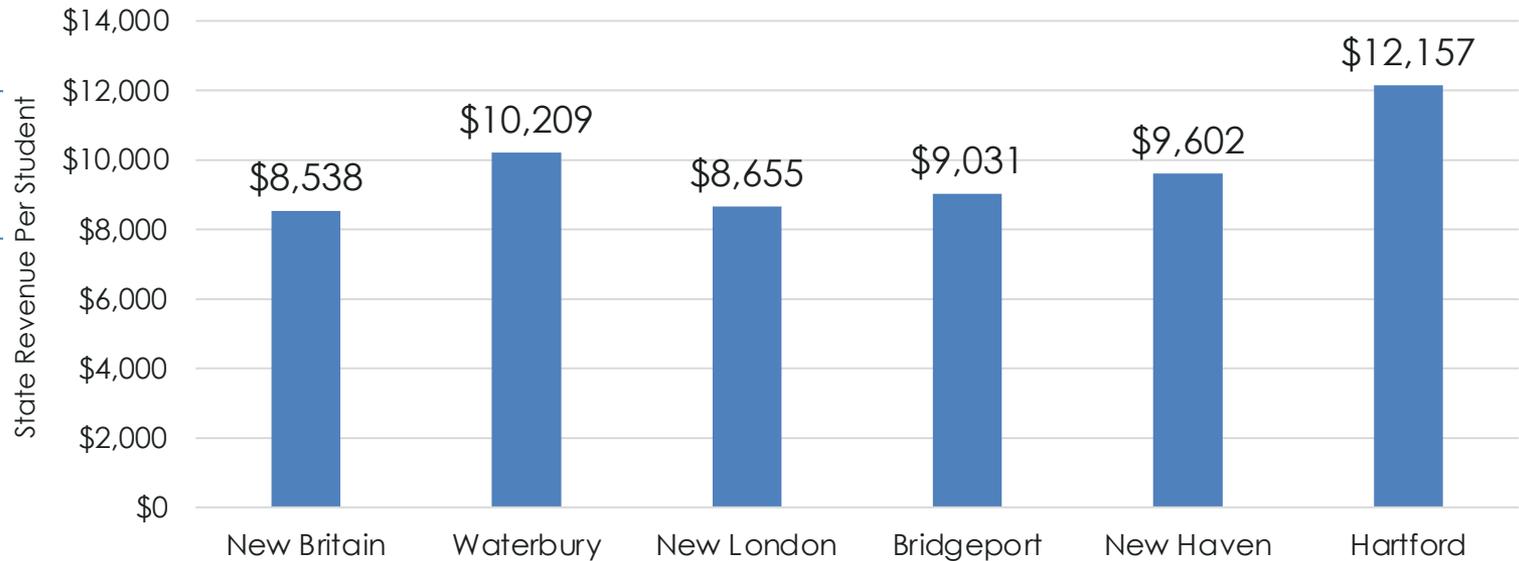
Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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. (2020). *Municipal Fiscal Indicators, Fiscal Years Ended 2014-2018*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGP/munfinsr/Municipal-Fiscal-Indicators/FI-2014-18-Final-AsOf1-30-20.pdf?la=en>.

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

2018-19 State Revenue (Exc. Construction) Per Student

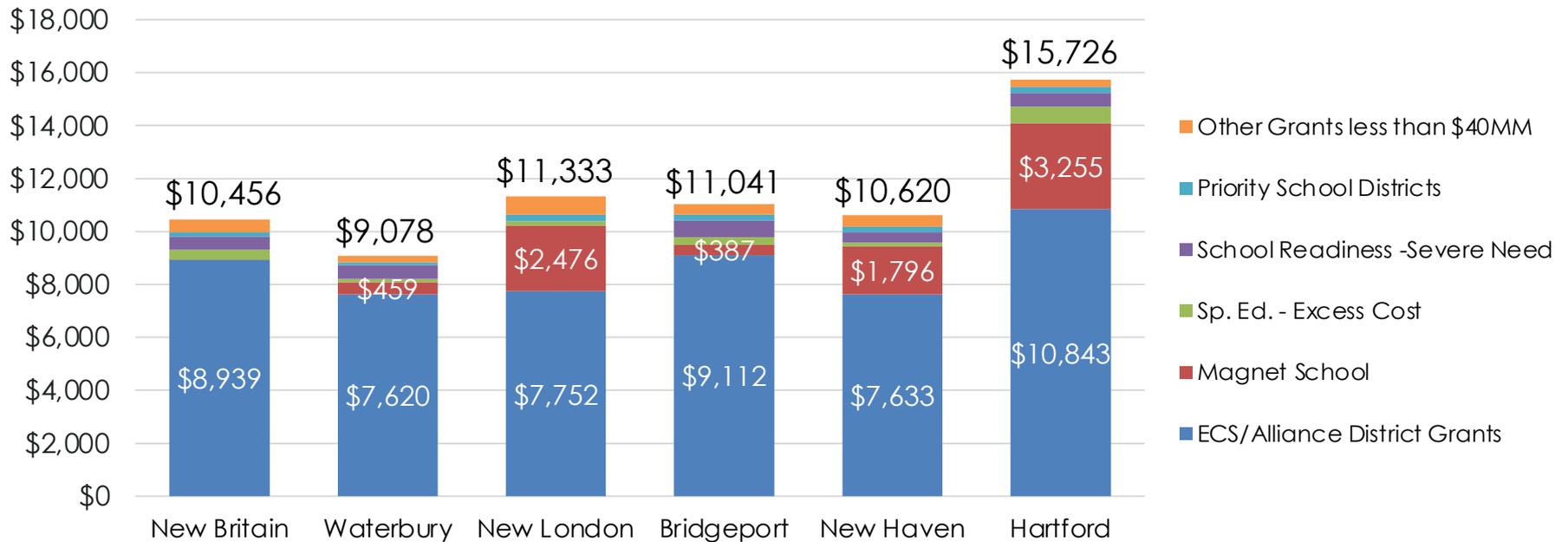


	New Britain	Waterbury	New London	Bridgeport	New Haven	Hartford
% FRPL	74%	81%	81%	72%	66%	79%
% EL	17%	16%	22%	20%	17%	21%
% SPED	22%	19%	18%	19%	16%	20%

Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
 Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.
 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 2020 State Funding Per Pupil by Grant and by District

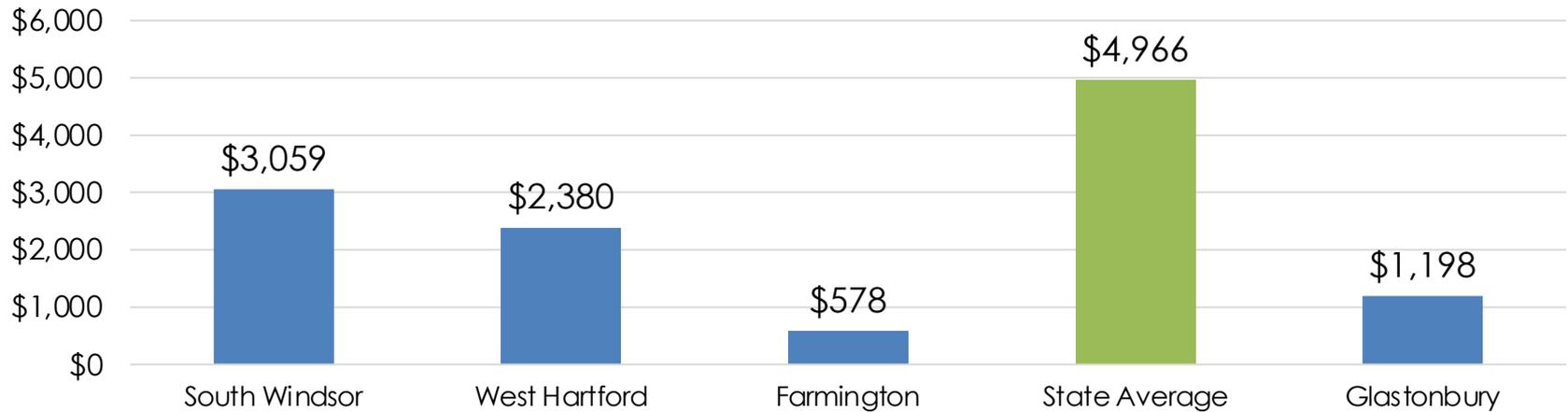


	New Britain	Waterbury	New London	Bridgeport	New Haven	Hartford
% FRPL	74%	81%	81%	72%	66%	79%
% EL	17%	16%	22%	20%	17%	21%
% SPED	22%	19%	18%	19%	16%	20%

Sources: Connecticut State Department of Education. (2020). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.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

2018-19 State Aid Per Student



	South Windsor	West Hartford	Farmington	State Average	Glastonbury
% FRPL	18%	27%	17%	43%	9%
% EL	7%	7%	4%	8%	2%
% SPED	13%	14%	12%	16%	12%
MHI	\$107,088	\$99,280	\$94,606	\$76,106*	\$116,625
ENGLPC	\$150,153	\$141,532	\$215,366	\$139,451*	\$178,887

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

* State median used rather than state average

Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.

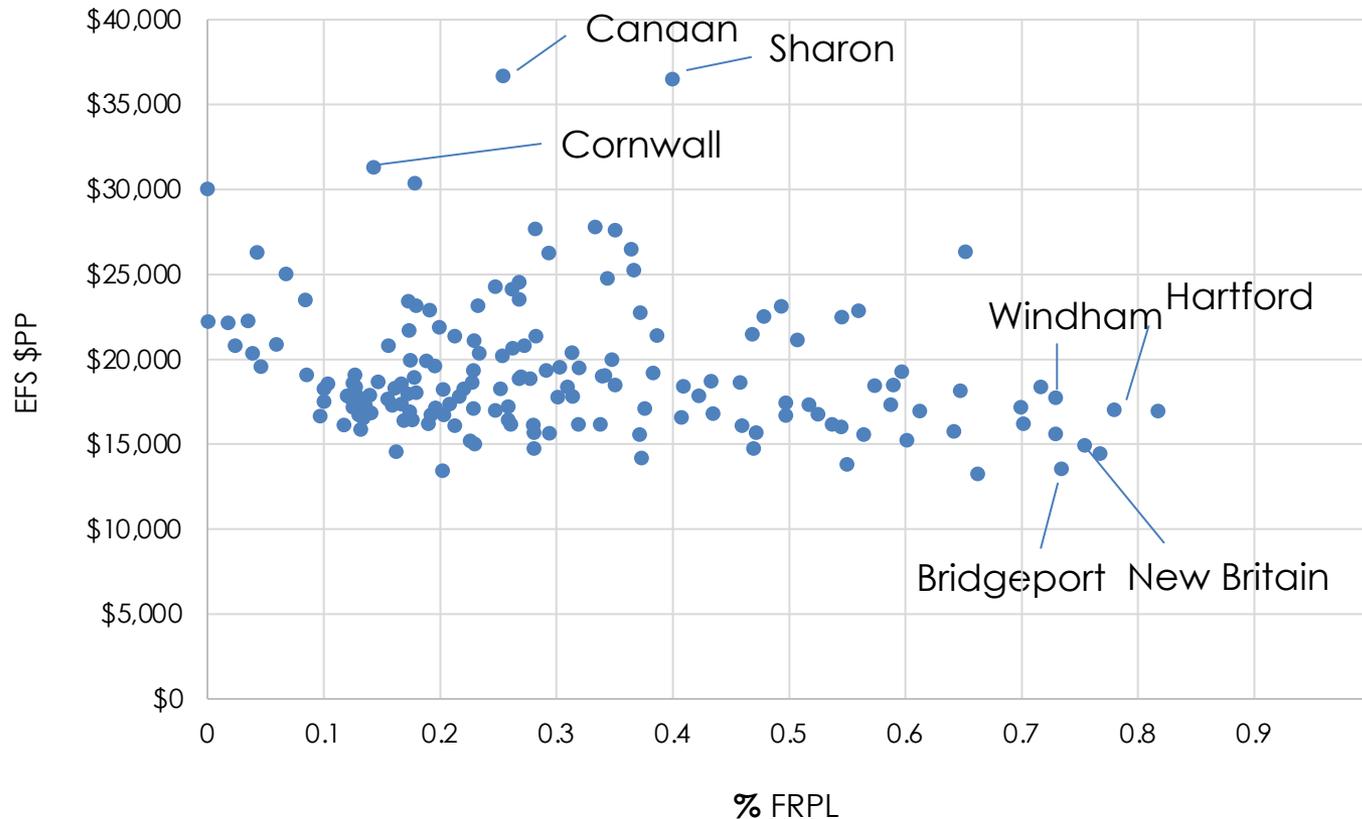
Connecticut State Department of Education. (2020). EdSight: Fiscal Resources, Percentage of Revenue by Source - 2017-18. Available from <http://edsight.ct.gov/SASPortal/main.do>.

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. (2020). *Municipal Fiscal Indicators, Fiscal Years Ended 2014-2018*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/IGP/munfinsr/Municipal-Fiscal-Indicators/FI-2014-18-Final-AsOf1-30-20.pdf?la=en>.

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

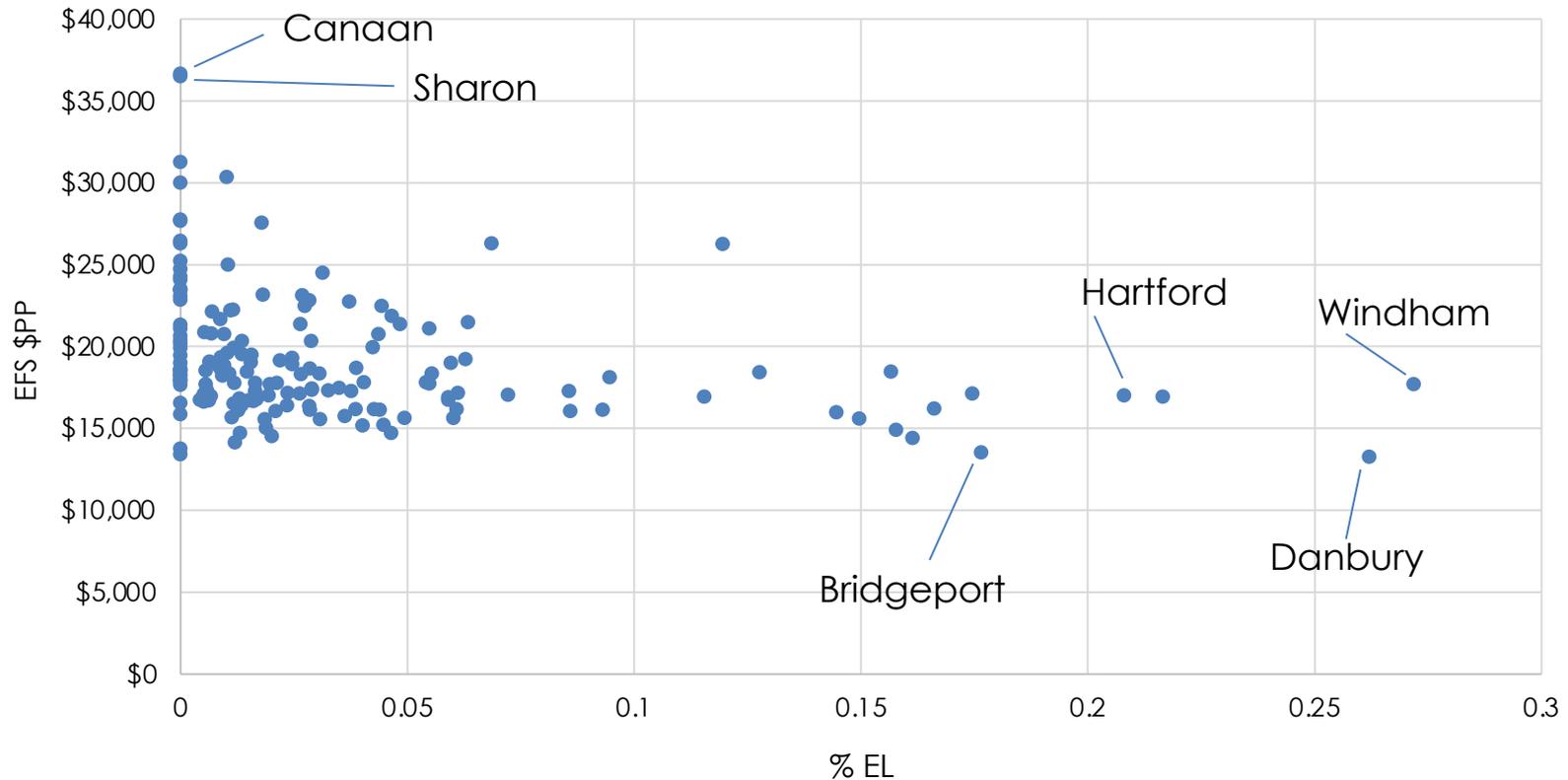
Per-student Spending versus % FRPL 2018-19



Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
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-student spending

Per-student Spending versus % EL 2018-19



Sources: Connecticut State Department of Education. (n.d.). Connecticut Public School Expenditures Report 2018-2019. Retrieved from <https://portal.ct.gov/SDE/Fiscal-Services/Connecticut-Public-School-Expenditures-Report-2018-2019>.
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

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.

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>.

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

Research regarding how funding impacts students

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 following slide for sources

Sources: Research on how funding impacts students

- Coleman, J., et. al. (1966). *Equality of Educational Opportunity* (OE-38001). Washington, DC: National Center for Educational Statistics. Retrieved from <http://files.eric.ed.gov/fulltext/ED012275.pdf>.
- Hanushek, E.A. (2003). The failure of input-based schooling policies. *The Economic Journal*, 113, F64-F98. Retrieved from <http://hanushek.stanford.edu/sites/default/files/publications/Hanushek%202003%20EJ%20113%28485%29.pdf>.
- Jackson, C.K., Johnson, R., & Perisco, C. (2016). The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms. *The Quarterly Journal of Economics*, 131(1), 157-218. doi:10.1093/qje/qjv036.
- Lafortune, J., Rothstein, J., & Schanzenbach, D.W. (2016). *School Finance Reform and the Distribution of Student Achievement* (NBER Working Paper No.22011). Cambridge, MA: The National Bureau of Economic Research. Retrieved from <http://www.nber.org/papers/w22011>.
- Candelaria, C.A., & Shores, K.A. (2017). *Court-Ordered Finance Reforms in the Adequacy Era: Heterogeneous Causal Effects and Sensitivity*. Stanford, CA: Stanford University Center for Education Policy Analysis. Retrieved from <https://cepa.stanford.edu/sites/default/files/cofr-efp.pdf>.

Terms to Know

- **Alliance Districts** – The 33 lowest-performing school districts in Connecticut as designated by the commissioner of the State Department of Education and determined by various measures of student performance.
- **Base Aid Ratio** – Variable in the Education Cost Sharing (ECS) formula that determines each community's ability to financially support its public schools. The Base Aid Ratio uses property wealth (weighted at 70 percent) and income (weighted at 30 percent) to determine each community's ability to raise money from property taxes to pay for its local public schools.
- **Equalized Net Grand List per Capita (ENGLPC)** – Amount of taxable property (at 100 percent of fair market value) per person in a city or town. ENGLPC values are the primary measure used in the Base Aid Ratio portion of the ECS formula to determine how much state education funding is owed to a given town.
- **Minimum Budget Requirement (MBR)** is a statutory requirement that towns commit no less municipal funding to their local public schools than the previous fiscal year, with some very limited exceptions.

Terms to Know

- **Median Household Income (MHI)** – Refers to the income level earned by a given household where half of the homes in the area earn more and half earn less. MHI is used in the Base Aid Ratio as a representation of a town's income wealth.
- **Public Investment Communities (PIC) index** – Calculated annually by Connecticut's Office of Policy and Management, the PIC index measures the relative wealth and need of Connecticut's towns by ranking them in descending order by their cumulative point allocations based on: per capita income; adjusted equalized net grand list per capita; equalized mill rate; per capita aid to children receiving Temporary Family Assistance benefits; and unemployment rate.
To learn more, visit:
<https://portal.ct.gov/OPM/IGPP-MAIN/Services/Public-Investment-Community-Index>
- **Sheff v. O'Neill** – A 1996 Connecticut Supreme Court case that determined the State has an affirmative obligation to provide Connecticut's school children a racially- integrated education. The lawsuit specifically names 22 districts in the greater Hartford region, and is the impetus for the creation of a number of magnet schools in Hartford and the surrounding towns.
- **Special Education Excess Cost Grant** – A state grant that provides funding to local school districts for special education students whose services cost in excess of 4.5 times the school district's net current expenditures per pupil (NCEP). The Excess Cost grant is the only defined mechanism by which the State of Connecticut funds special education.