

CONNECTICUT
SCHOOL FINANCE
PROJECT

SCHOOL FINANCE 101

*How Connecticut's school funding system
impacts Regional School District #7
and its surrounding communities*

Contact Us

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

Katie Roy, Director and Founder

Email: katie.roy@ctschoolfinance.org

Cell: 860-912-0775

Twitter: @eduKATEmatters

To learn more about the
Connecticut School Finance Project, visit us at:

www.ctschoolfinance.org

Follow us on Twitter:

@CTSchoolFinance

About the CT School Finance Project

- The way Connecticut funds its schools is broken. The current system is unfair to students, schools, and communities across the state.
- Founded in 2015, the nonprofit Connecticut School Finance Project aims to fix this broken 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

- 1) Build knowledge about how the current school funding system works,
- 2) Bring together stakeholders who are impacted by how schools are funded, and
- 3) 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



STEPHANIE'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.

Stephanie



- Stephanie lives in New Hartford
- She is an 8th grader
- When she grows up, she wants to become an architect.

**How much funding does
Stephanie's school district
receive to educate her?**

**It depends on where
she goes to school.**

**Lets take a look at funding
for Stephanie at three similar
school districts.**

Regional District #7: \$16,860

District Name	Regional District #7
State Contribution	\$3,355
Local Contribution	\$12,527*
Other Contributions	\$978
Total	\$16,860



*This represents the average local contribution for students attending the regional school district. Actual local contributions may vary based on the student's resident town.

Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

Litchfield Public Schools: \$17,328

District Name	Litchfield Public Schools
State Contribution	\$1,594
Local Contribution	\$15,387
Other Contributions	\$347
Total	\$17,328



Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

Regional District #1: \$26,836



District Name	Regional District #1
State Contribution	\$4,428
Local Contribution	\$21,630*
Other Contributions	\$778
Total	\$26,836

*This represents the average local contribution for students attending the regional school district. Actual local contributions may vary based on the student's resident town.

Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

How much funding does Stephanie's school district receive to educate her?

It depends on where she attends school.

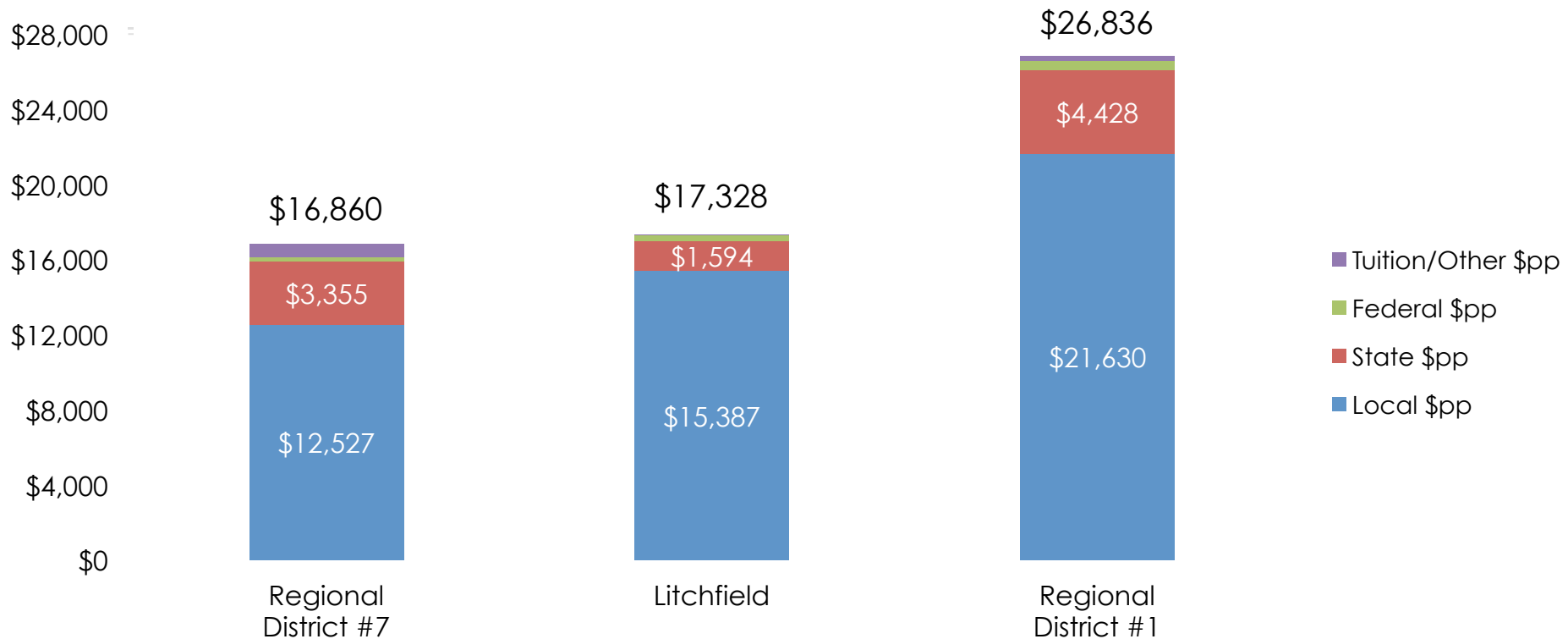
School District	Regional District #7	Litchfield Public Schools	Regional District #1
State Contribution	\$3,355	\$1,594	\$4,428
Local Contribution	\$12,527*	\$15,387	\$21,630*
Other Contributions	\$978	\$347	\$778
Total	\$16,860	\$17,328	\$26,836

*This represents the average local contribution for students attending the regional school district. Actual local contributions may vary based on the student's resident town.

Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

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

Funding Per Student by School District, 2014-15



Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

Why?

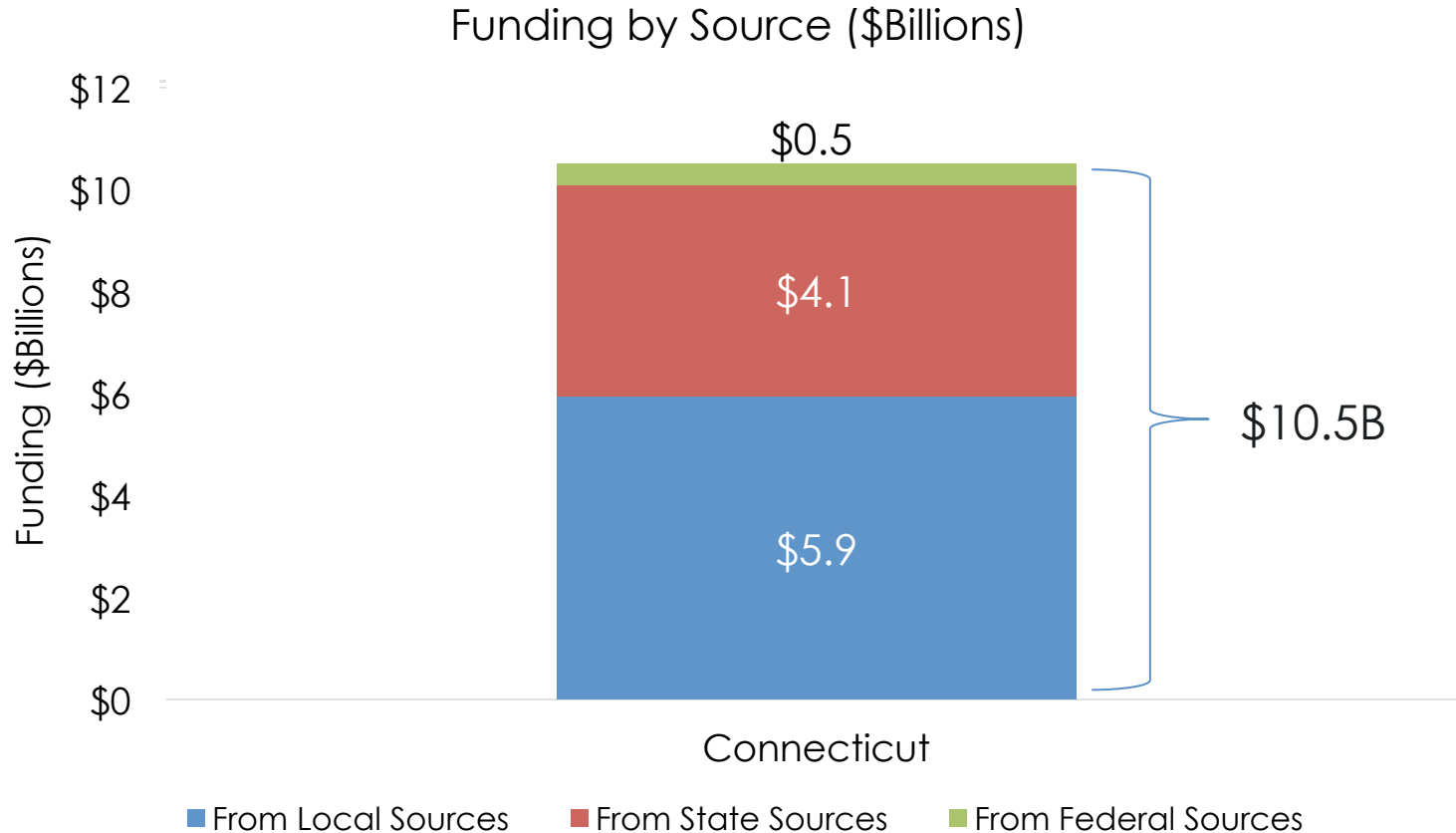
OVERVIEW

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).

What are the funding sources for public education in Connecticut?



Source: U.S. Census Bureau. (2016). *Public Education Finances: 2014*. Retrieved from <http://www.census.gov/content/dam/Census/library/publications/2016/econ/g14-aspef.pdf>.

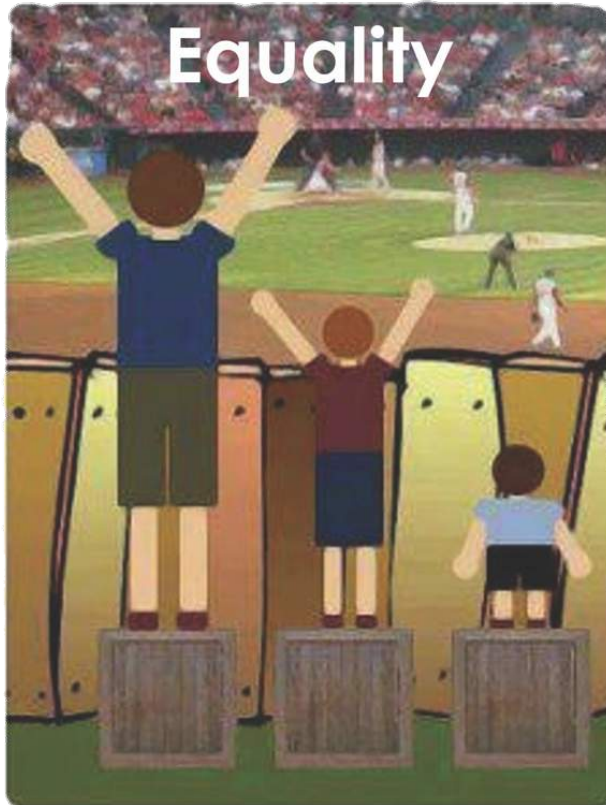
Federal funding for CT public education

- Federal funding makes up a small percentage (<5%) 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.

Sources: U.S. Census Bureau. (2016). *Public Education Finances: 2014*. Retrieved from <http://www.census.gov/content/dam/Census/library/publications/2016/econ/g14-aspef.pdf>.
U.S. Department of Education. (2013). *10 Facts about K-12 Education Funding*. Retrieved from <http://www2.ed.gov/about/overview/fed/10facts/index.html?exp>.

Why should we fund students based on their learning needs?

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
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.**"

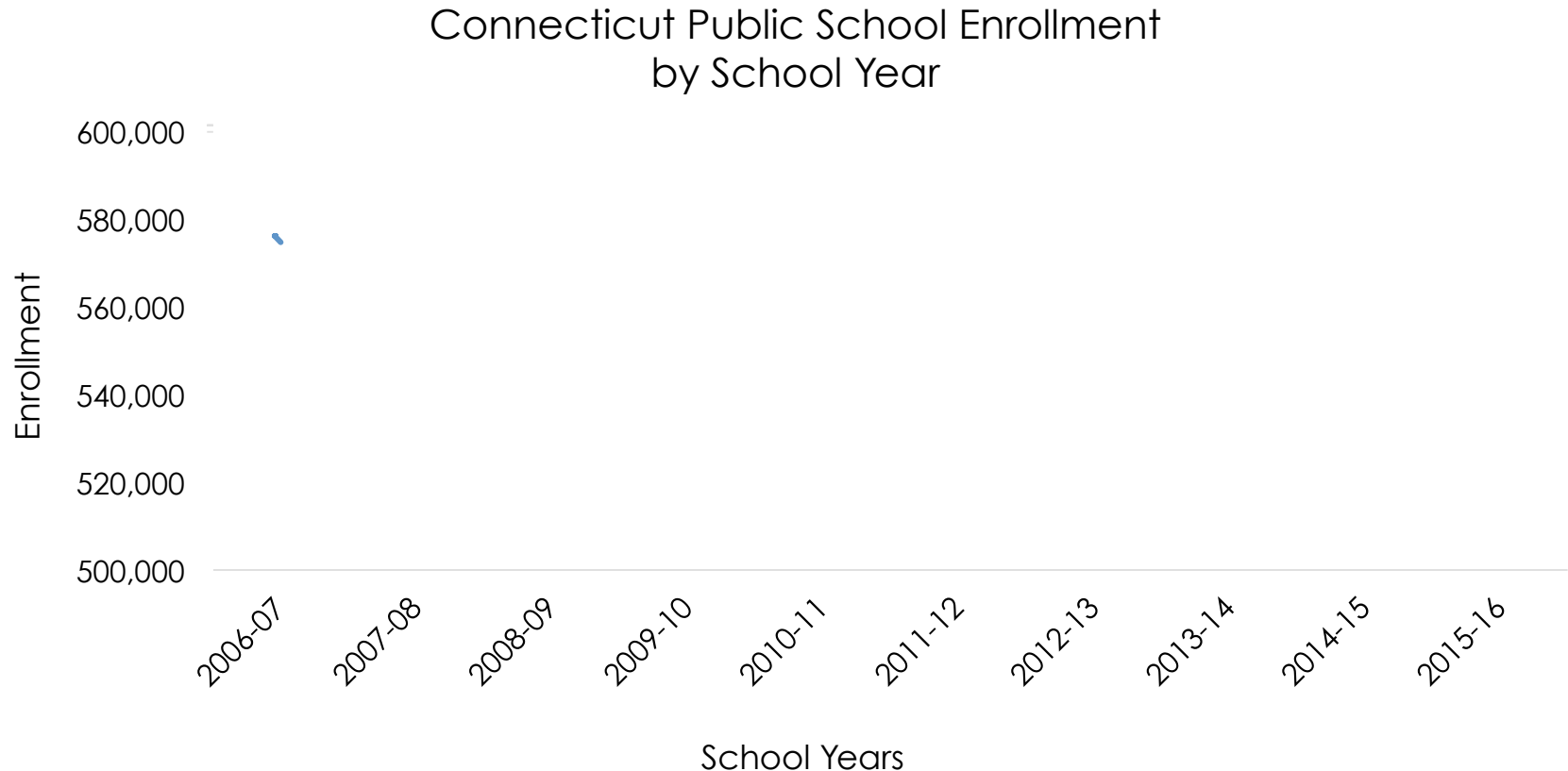
Recent studies:

- Jackson/Johnson/Perisco (Northwestern/Berkeley 2015): "For low-income students a **10 percent increase in per-pupil spending** each year for all 12 years of public school is **associated with 0.43 additional years of completed education, 9.5 percent higher earnings, and a 6.8 percentage-point reduction in the annual incidence of adult poverty.**"
- Candelaria & Shores (Stanford 2015): "Seven years after reform, the **highest poverty quartile** in a treated state experienced a **4 to 12 percent increase in per-pupil spending** and a **5 to 8 percentage point increase in graduation rates.**"
- Lafortune, Rothstein, and Schanzenbach (Berkeley 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....**"

Sources: See Appendix for list of sources.

STATE AND REGION #7 OVERVIEW

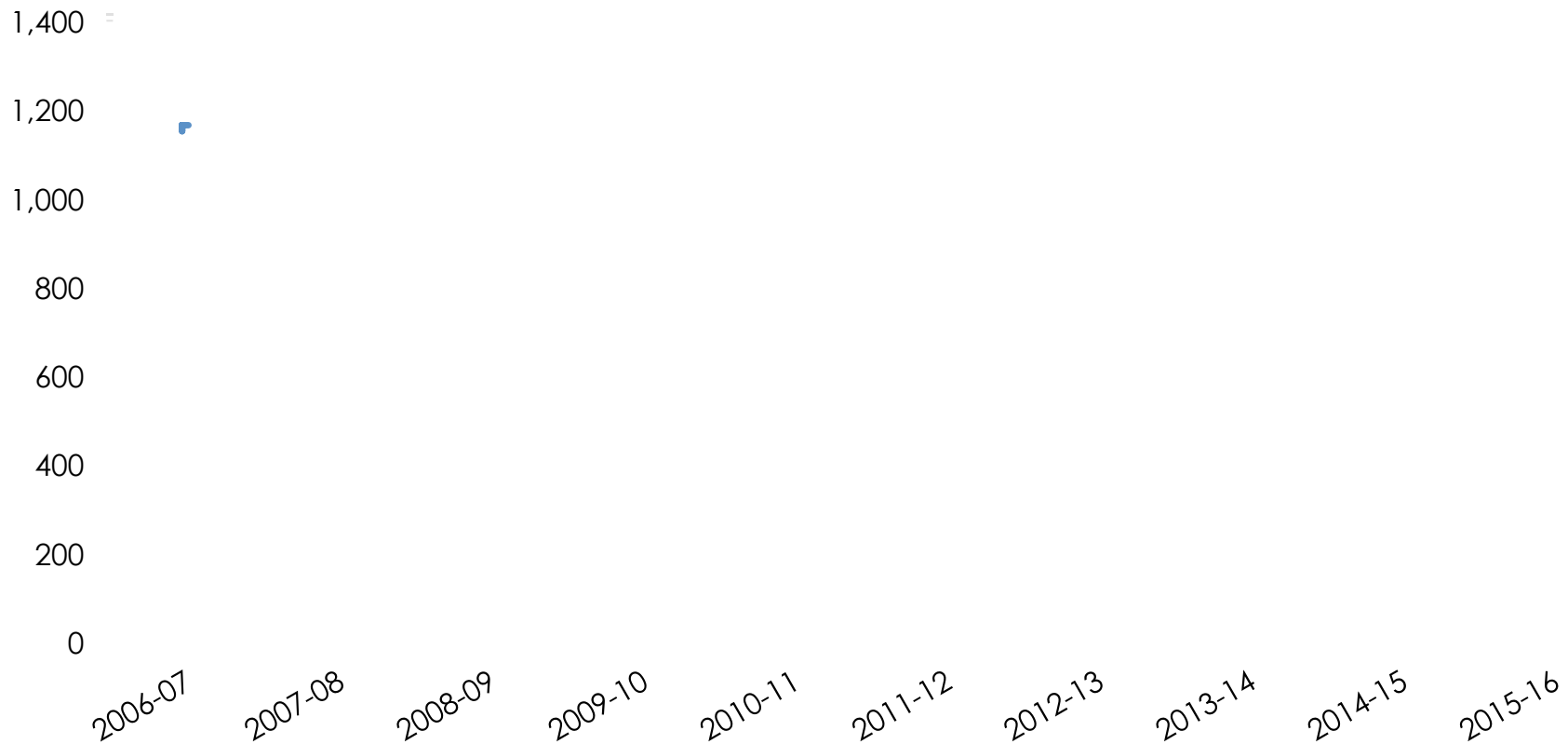
Over the last 10 years, the total number of students in Connecticut public schools has declined



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

Regional District #7's enrollment has remained consistent over the past 10 years

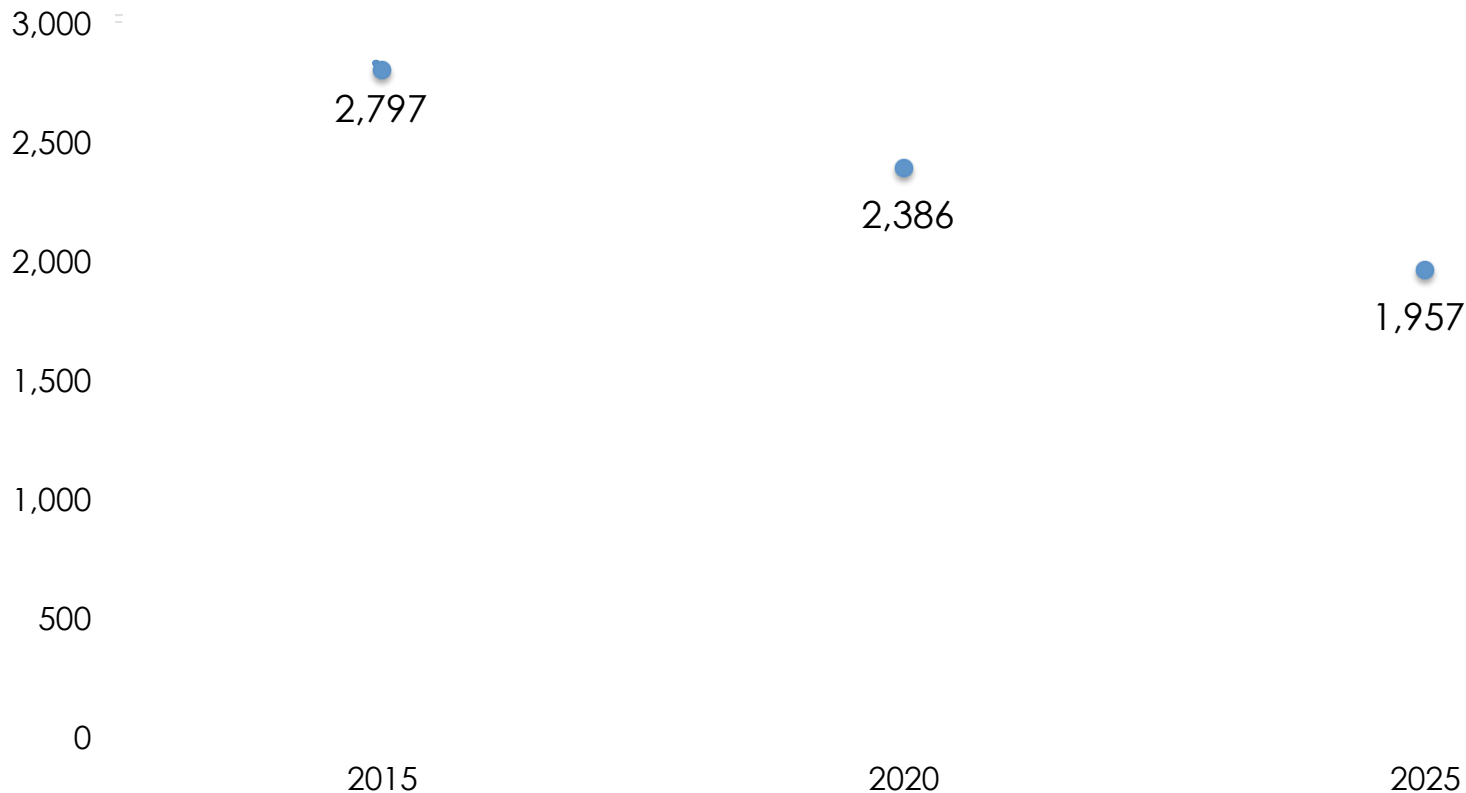
Regional District #7's Enrollment by School Year



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

But Regional District #7's school-age population is projected to decline over 30% over the next decade

Regional District #7's Projected School-Age Population
(5-19-year-olds)

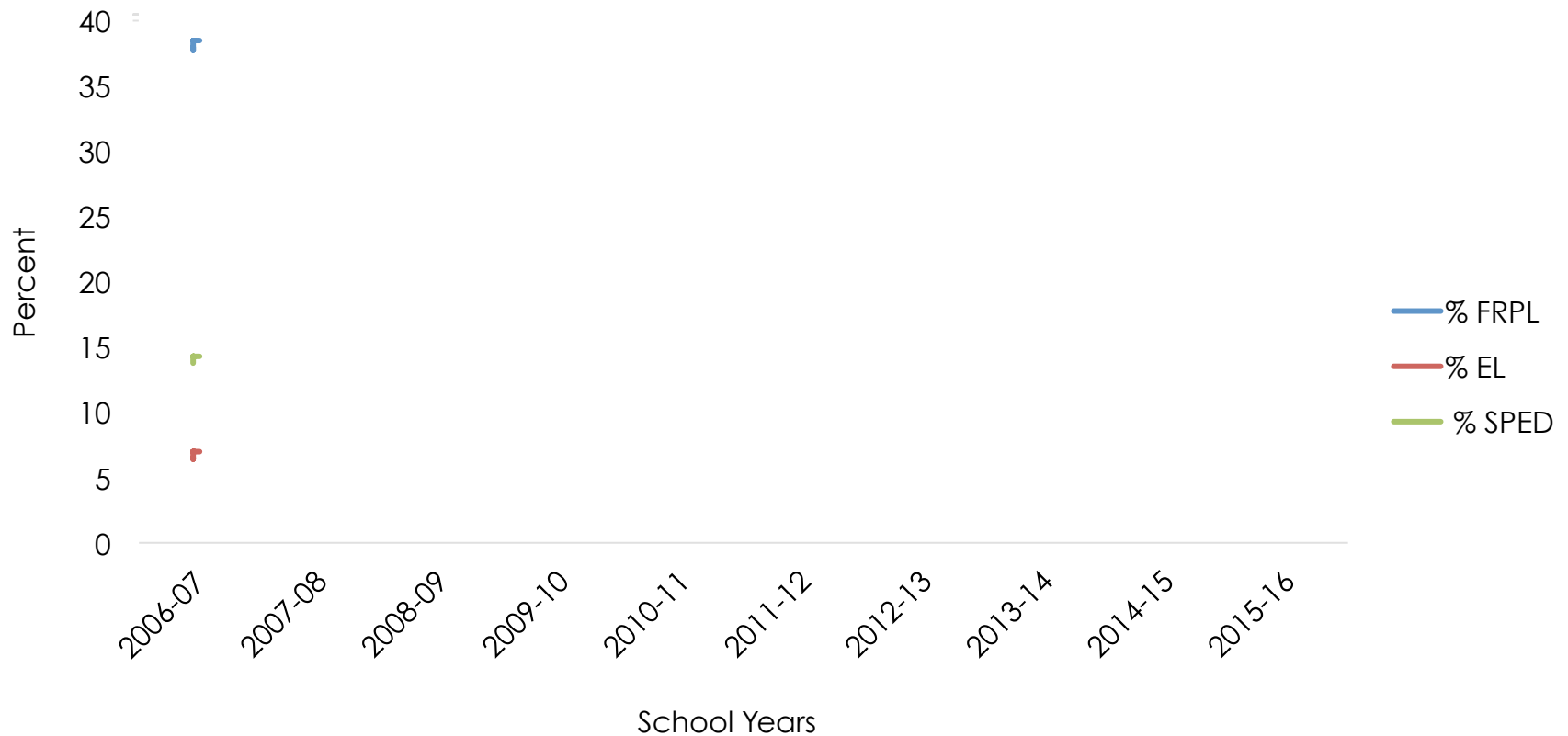


Source: Batt, S., Guarino, Z., & Zheng, Q. (2015). *Demographic Change in Connecticut School Districts* [Data visualizations]. Storrs, CT: Connecticut State Data Center. Retrieved from <http://blogs.lib.uconn.edu/outsidetheneatline/2015/07/24/demographic-change-in-connecticut-school-districts/>.

While student need has increased across the state, it has remained consistent in Regional District #7

CT's low-income, EL, and special education populations have increased over the past 10 years

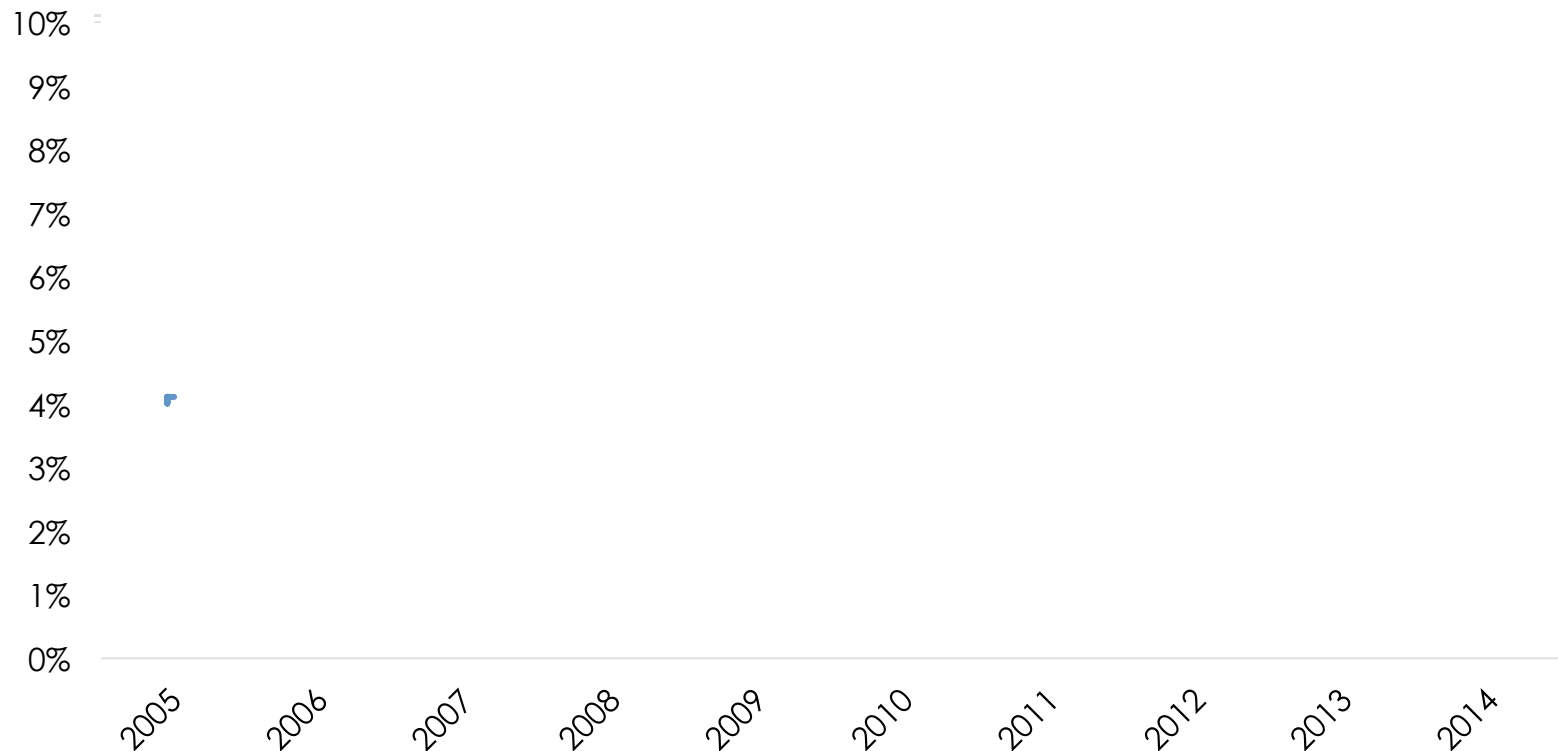
Connecticut Public School Demographics



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

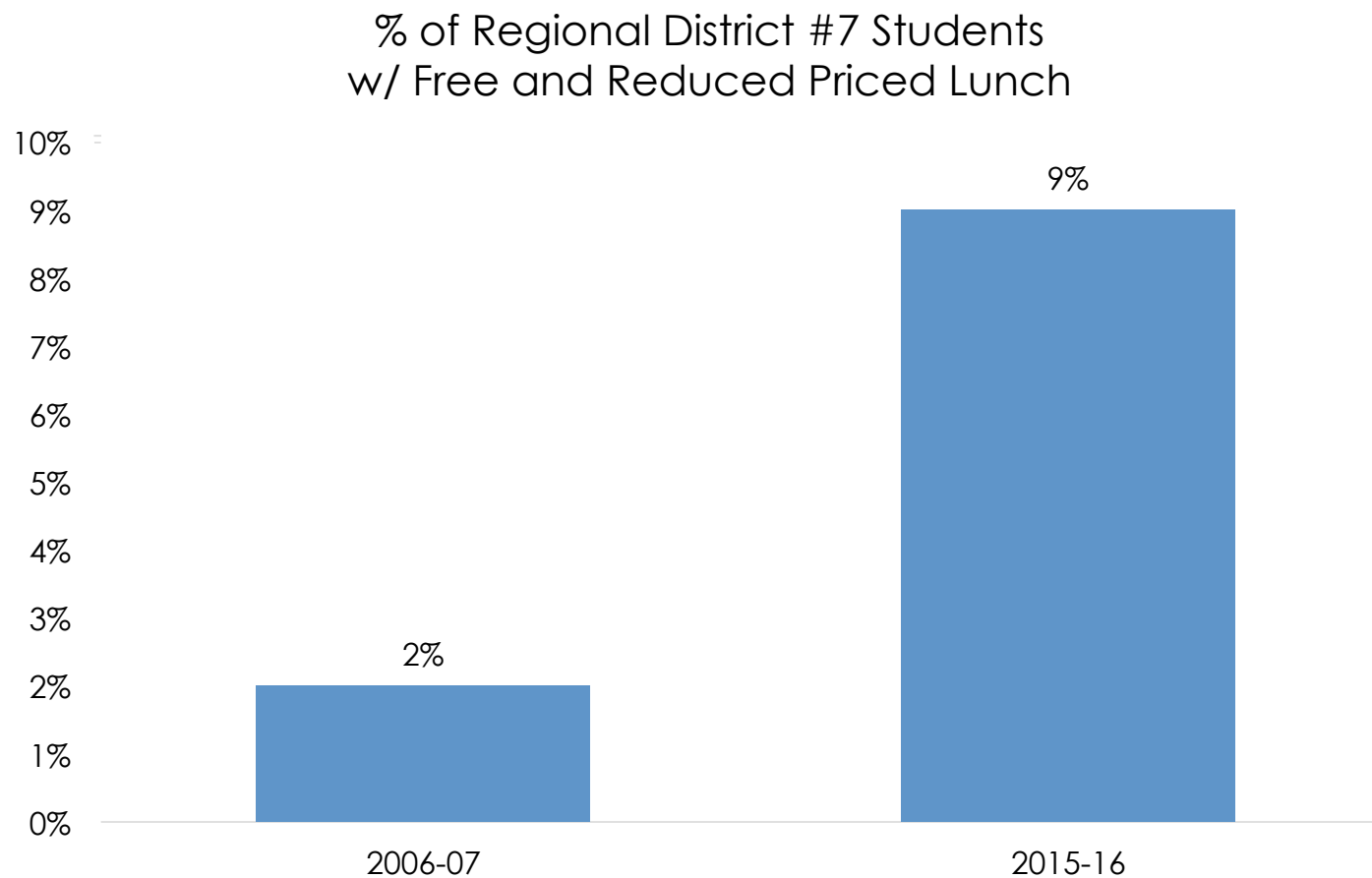
Student poverty in Regional District #7 has remained low over the past 10 years

Estimated % of Students in Poverty



Source: U.S. Census Bureau. (2016). *U.S. Census Bureau Small Area Income & Poverty Estimates, 2014*. Retrieved from <http://www.census.gov/did/www/saipe/data/schools/data/2014.html>.

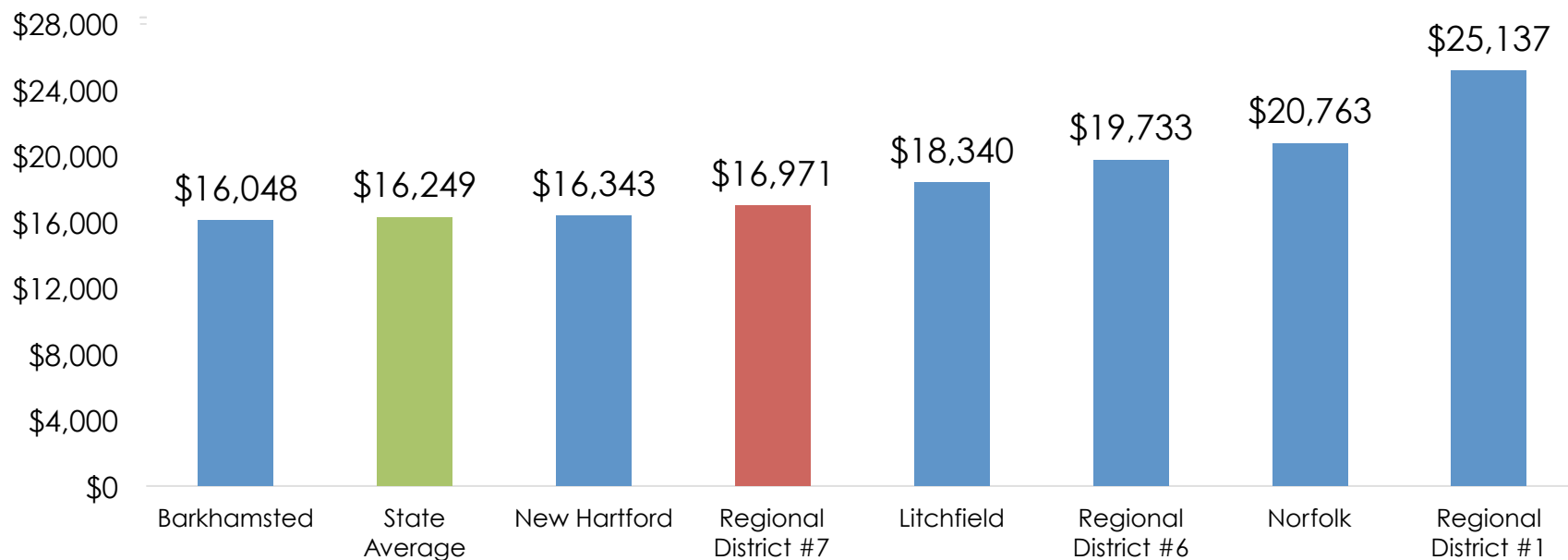
The number of FRPL-eligible students that Regional District #7 serves has increased by 14 percentage points over the past 10 years



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

Regional District #7 spends a similar amount per student as comparison districts and the state average

2015-16 Spending Per Student



	Barkhamsted	State Average	New Hartford	District #7	Litchfield	District #6	Norfolk	District #1
% FRPL	*	38%	11%	9%	11%	14%	22%	23%
% EL	0%	6%	*	0%	*	1%	0%	*
% SPED	18%	14%	13%	12%	12%	15%	16%	18%

*Due to the small number of students identified under this need, data is suppressed to ensure student confidentiality.

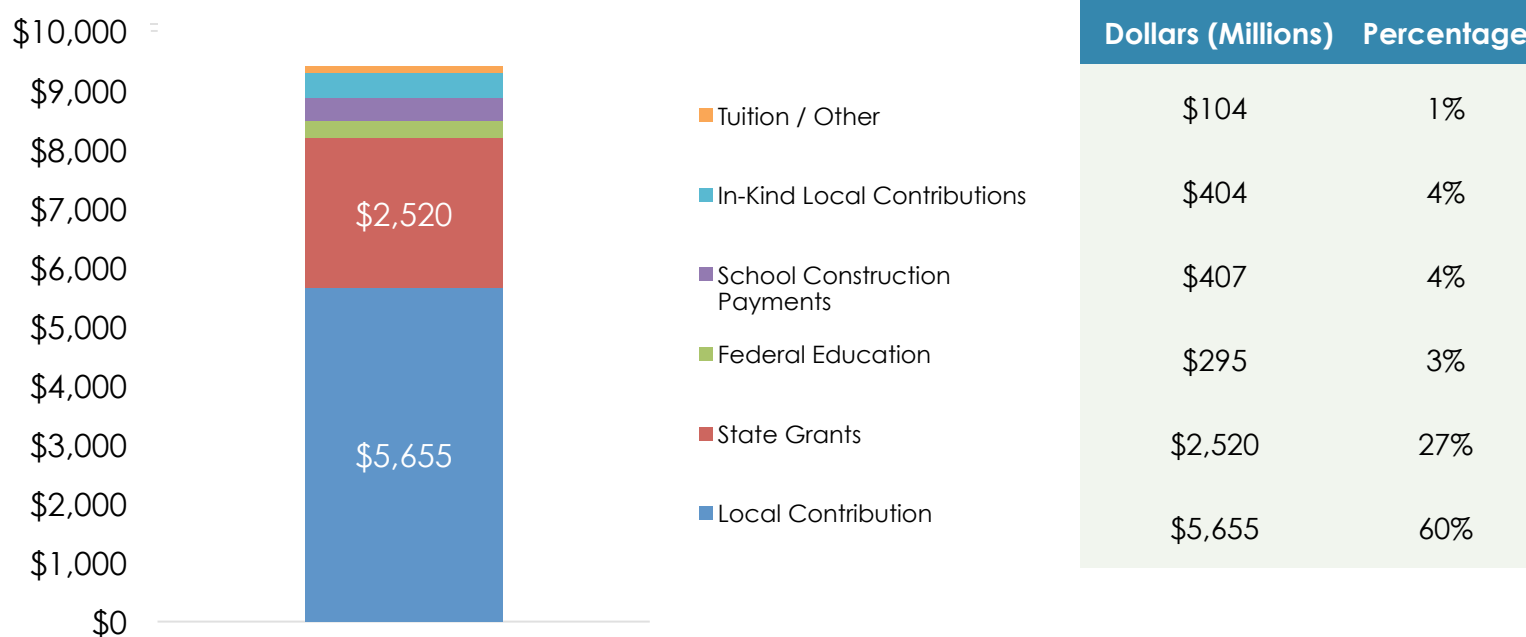
Sources: Connecticut State Department of Education. (2016). *2015-16 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2015-16>.

Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

HOW IS REGIONAL DISTRICT #7 FUNDED?

State and local communities share the responsibility for funding local public school districts

FY 2014-15 Revenues for
Local Public Schools (\$millions)



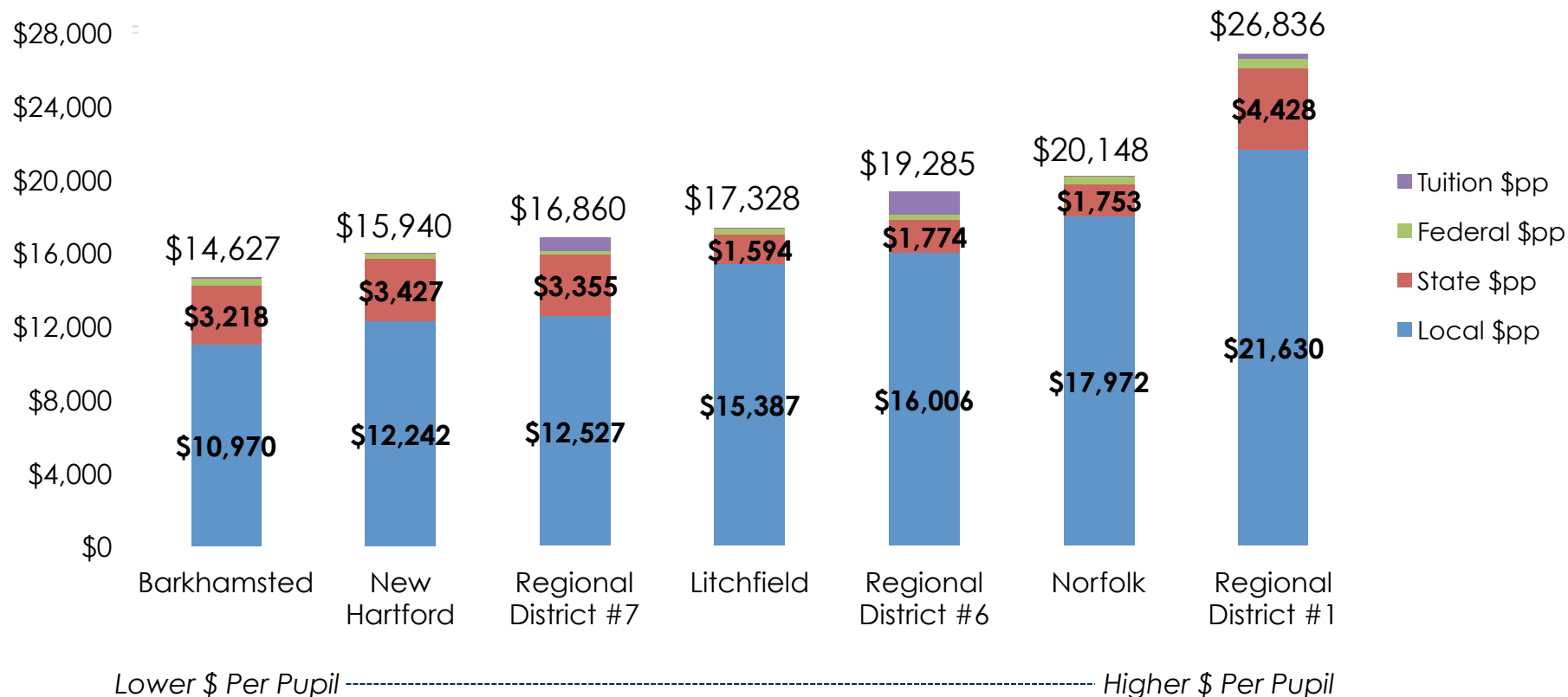
Sources: Connecticut State Department of Education. (2016). *Connecticut End of School Year Reports (ED001s) for Local Public School Districts, 2014-15*. Available from <http://ctschoolfinance.org/data/ed001s-local-districts>.

Connecticut State Department of Education. (2016). *Connecticut Local Public School District Expenditures by Revenue Source, 2006-15*. Available from <http://ctschoolfinance.org/data/connecticut-local-school-district-expenditures-by-revenue-source>.

Connecticut State Department of Education (2016). *Grant Payment Report*. Available from Connecticut State Department of Education Web site: <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.

District funding sources differ greatly across Regional District #7's peers

Per-Pupil Funding by Source, 2014-15



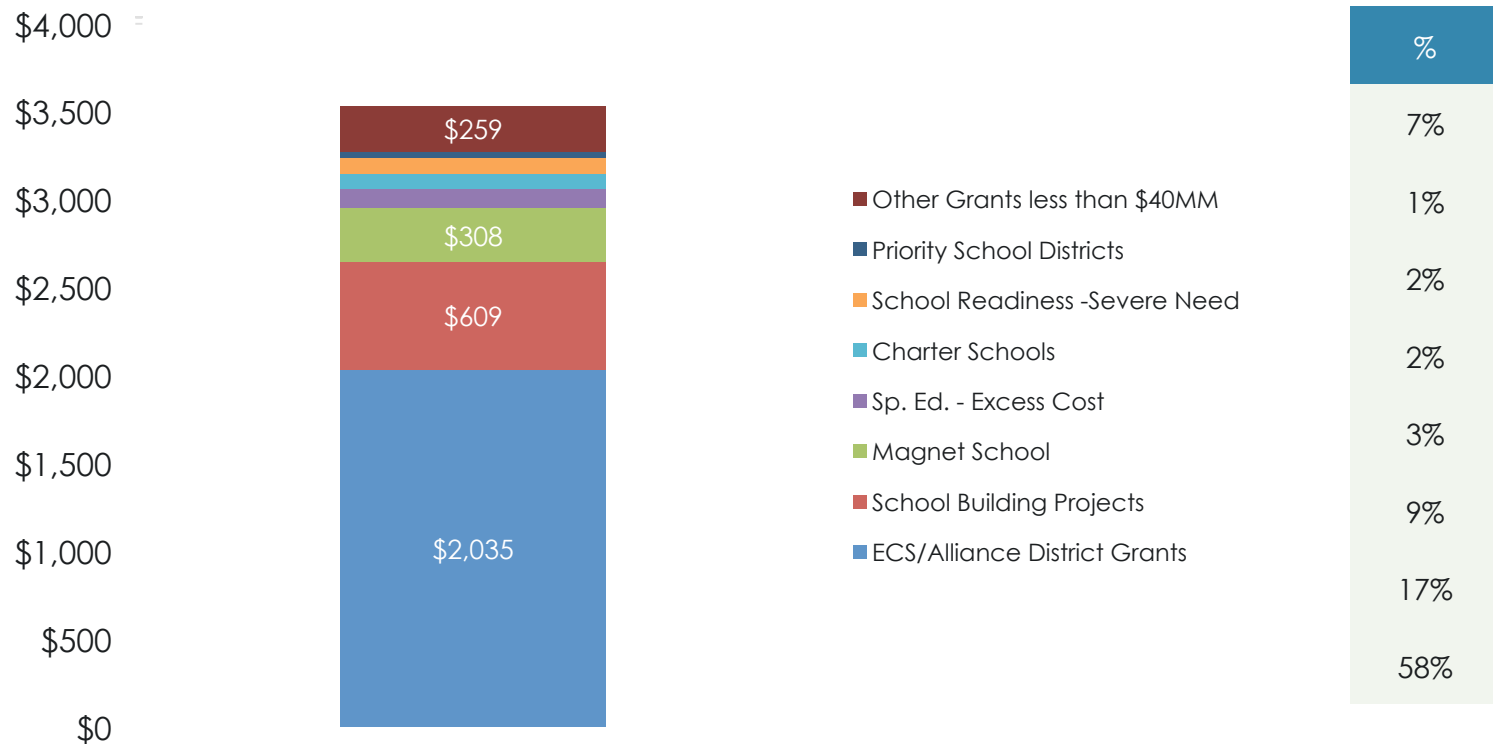
Sources: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

Connecticut State Department of Education. (2016). *2014-15 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2014-15>.

STATE FUNDING

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

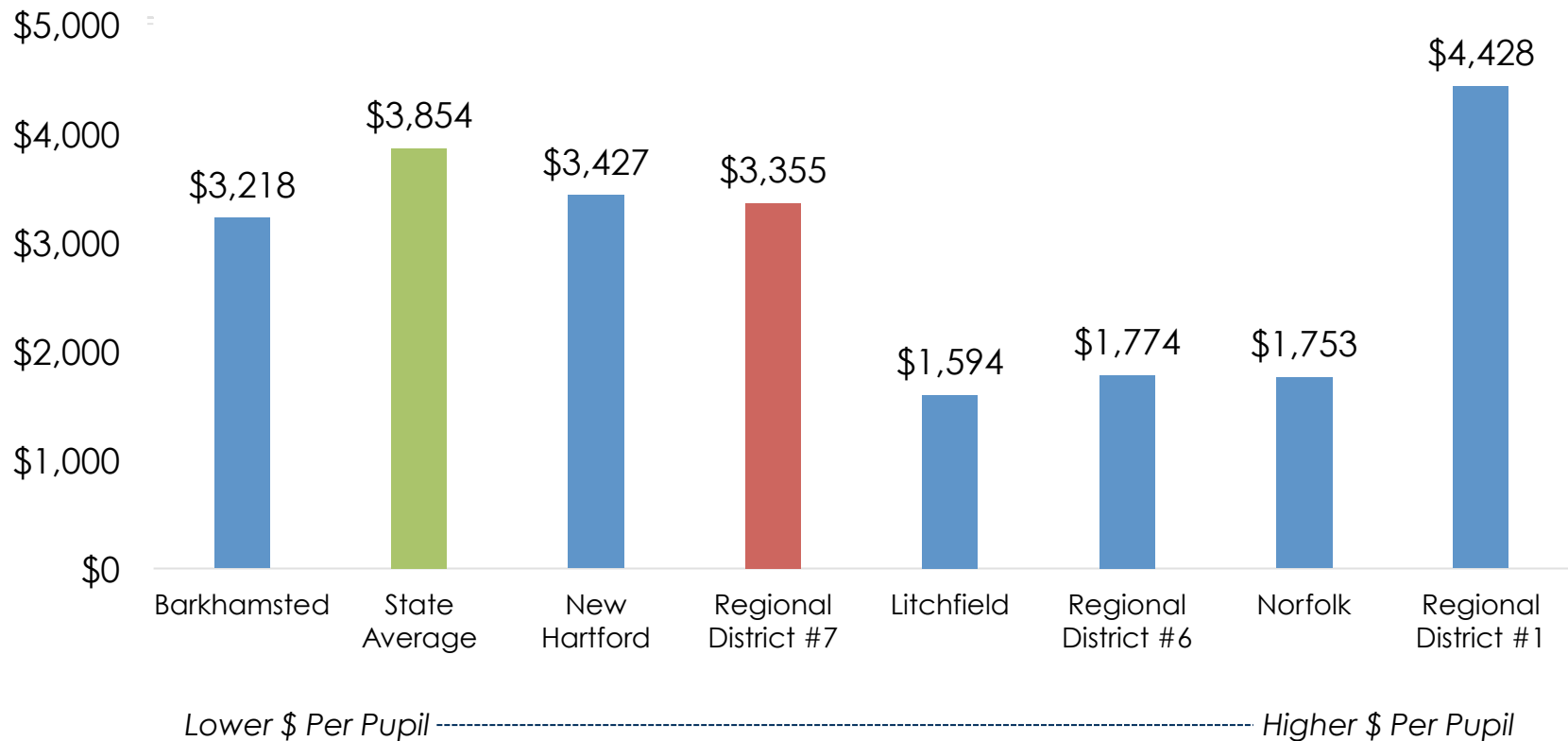
FY2015 State Funding by Grant (\$Millions)



Source: Connecticut State Department of Education (2015). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.

Regional District #7 receives \$3,355 per pupil in education funding from the state

2014-15 State Contribution Per Pupil



Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

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

CT has 11 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, § 10-262h (2013).

Moran, J. (2014). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools* (2014-R-0257). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.

Conn. Acts 16-2 (May Special Session).

11 Different Funding Formulas

- ECS (Traditional districts)
- State Charter Schools
- Local Charter Schools
- CT Technical High School 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

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 then.
 - 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>.

How does the ECS formula work?

- Connecticut uses three variables to determine how much a community must raise from its property taxes to pay education costs, and how much the state must contribute to offset these costs:
 - **The Foundation:** The average estimated cost of educating a child.
 - **Need Students:** A calculation that considers the number of students within a town, including groups of students that are typically more costly to educate because they have greater needs.
 - **Base Aid Ratio:** Each community's ability to financially support education.

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

The ECS Formula

$$\text{Foundation} \times \text{Needs Students} \times \text{Base Aid Ratio} = \text{Town's Entitlement to the ECS Grant}$$

Source: Conn. Gen. Statutes ch. 172, § 10-262h (2013).

But the ECS formula has some complications

#1: It doesn't fund all students based on their learning needs

- The ECS formula only provides extra funding for students who are low-income (as measured by eligibility for free and reduced price lunch).
- Many students have other special learning needs that require additional resources to give them access to the same opportunities.
 - EL students
 - Students with disabilities

Sources: Conn. Gen. Statutes ch. 172, § 10-262f (2013).
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>.

#2: The state can't fully fund the ECS formula

- Fully funding the 2013 formula would cost Connecticut \$600+ million more than the state is currently spending.
- CT is in a fiscal crisis, and as a result, does not have additional funds available.
- CT does not have enough money to pay each city and town the amount it is owed under ECS.
 - Therefore, most cities and towns actually get far less money than they are entitled to under the formula.

Sources: Conn. Gen. Statutes ch. 172, § 10-262h (2013).

Guay, K., & Perkins, N. (2014). *The ABCs of ECS*. New Haven, CT: Connecticut Council for Education Reform. Retrieved from <http://ctedreform.org/2014/04/abcs-ecs/>.

Conn. Acts 16-2 (May Special Session).

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.

#3: CT **stopped** using ECS in 2013

- The state stopped using the ECS formula to distribute education funding to school districts in 2013.
- This opens the door to funding schools based on politics, rather than the needs of kids and communities.

Sources: Conn. Acts 14-47.
Conn. Acts 16-2 (May Special Session).
Conn. Acts 16-3 (May Special Session).

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.

#4: ECS grant amounts are now based on historical precedent

- ECS grant amounts to districts **do not change** as a result of changes in the number of students the district serves, the learning needs of those students, or the community's ability to pay.
 - If the number of students in a district goes up or down, the ECS grant amount does not change accordingly.
 - If the number of low-income students a district is serving goes up or down, the ECS grant amount does not change accordingly.
 - If the ability of a community to contribute to its district's education budget goes up or down, the ECS grant amount does not change accordingly.
- Instead, ECS grant amounts are increased or decreased on a percentage basis from the amount the district received last year.

Sources: Conn. Acts 16-2 (May Special Session).
Conn. Acts 16-3 (May Special Session).

#5: The result isn't equitable

- Some towns get more than they are entitled to, while most communities get less than they should.
 - Groton: \$4.1 million (+19%)
 - Barkhamsted: -\$571,674 (-26%)
- Communities with similar needs receive different amounts of state education funding.
 - More than \$5,000 per pupil gap between New Britain and Hartford.
- It doesn't apply to all kids in all schools.
 - The ECS formula only applies to local public schools. Other types of schools are funded using 10 more formulas.

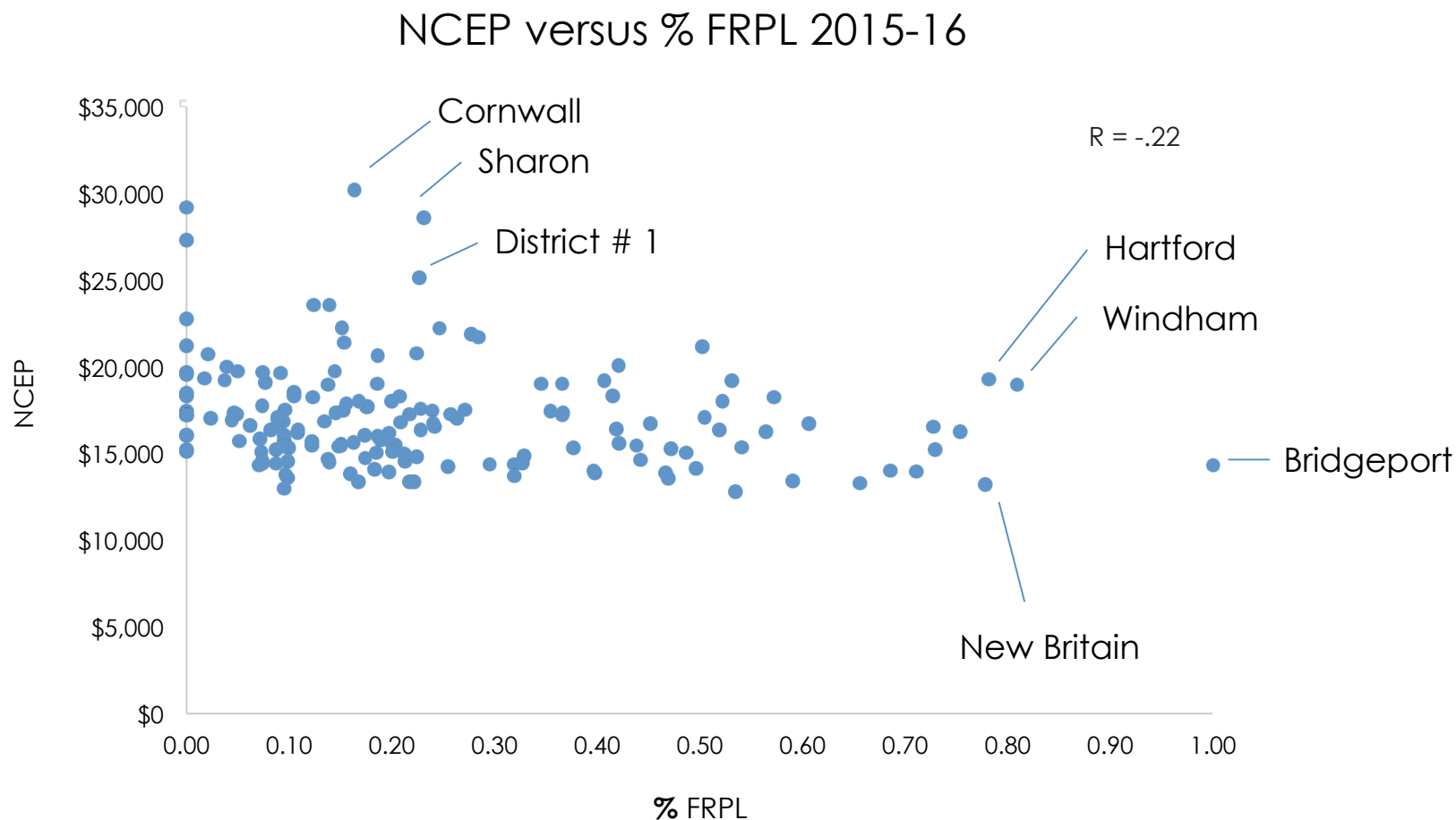
Sources: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

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. Acts 16-2 (May Special Session)

The full funding total was simulated by Kathleen Guay based on data provided by the Connecticut State Department of Education.

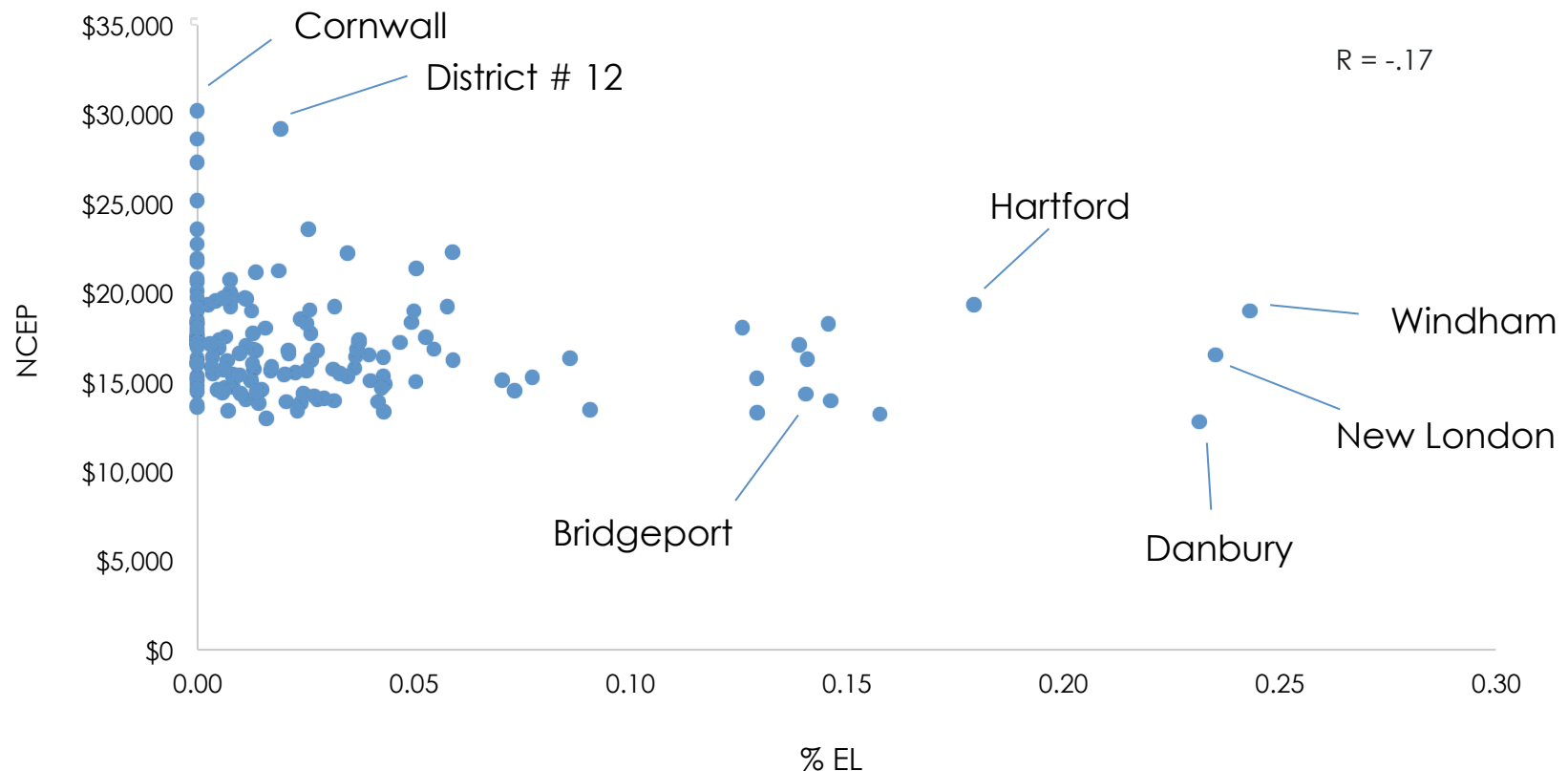
There is no correlation between the percentage of low-income students a district serves and per pupil expenditures



Sources: Connecticut State Department of Education. (2016). *2015-16 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2015-16>.
Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

There is also no correlation between the percentage of English Learners a district serves and per pupil expenditures

NCEP versus % EL 2015-16



Sources: Connecticut State Department of Education. (2016). *2015-16 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2015-16>.
Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

**How does this impact cities
and towns?**

Some cities and towns receive *less than* they should from ECS

Town	The Most the Town Should Get Based on ECS Formula FY 2016-17	FY 2016-17 ECS Funding	Dollars Underfunded FY 2016-17	Percentage Underfunded FY 2016-17
Waterbury	\$192,973,086	\$133,856,066	(\$59,117,020)	-31%
Bridgeport	\$224,410,246	\$181,355,390	(\$43,054,856)	-19%
New Britain	\$119,994,478	\$86,445,269	(\$33,549,209)	-28%
Danbury	\$61,498,434	\$31,540,480	(\$29,957,954)	-49%
Hartford	\$228,465,417	\$200,768,244	(\$27,697,173)	-12%
East Hartford	\$68,257,323	\$49,315,667	(\$18,941,656)	-28%
Hamden	\$45,085,761	\$27,195,481	(\$17,890,280)	-60%
New Haven	\$171,765,368	\$154,551,977	(\$17,213,391)	-10%
Manchester	\$51,040,015	\$34,690,424	(\$16,349,591)	-32%
West Hartford	\$37,057,032	\$21,362,490	(\$15,694,542)	-42%

Source: Conn. Acts 16-2 (May Special Session).

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.

While other cities and towns receive *more* than they should from ECS

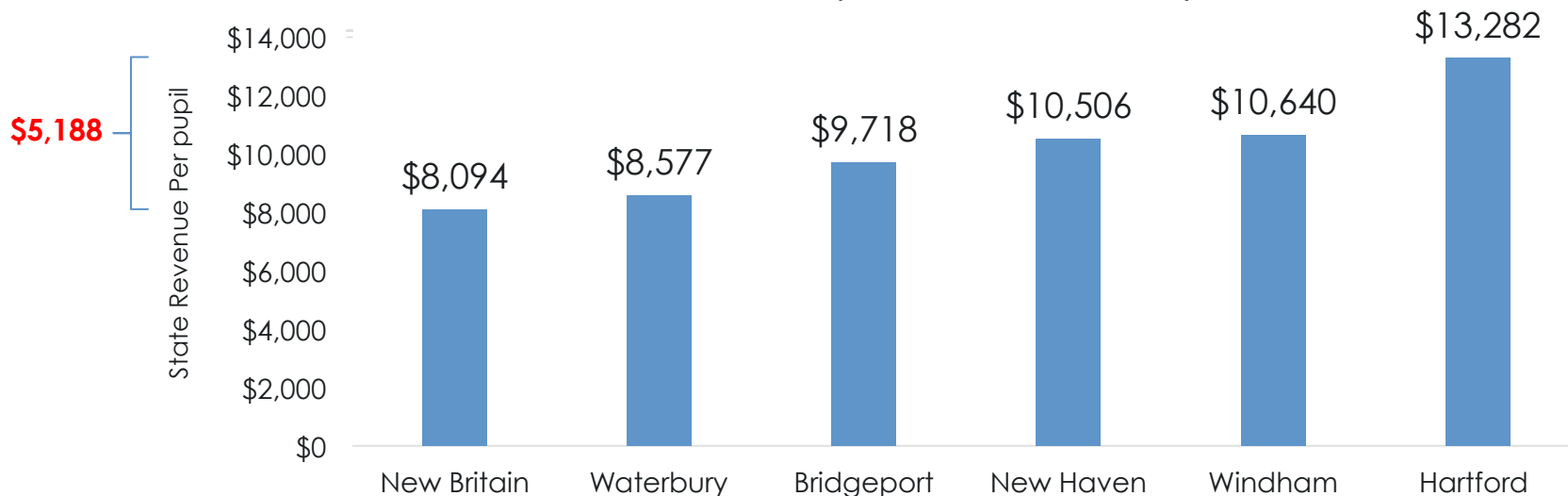
Town	The Most the Town Should Get Based on ECS Formula FY 2016-17	FY 2016-17 ECS Funding	Dollars Overfunded FY 2016-17	Percentage Overfunded FY 2016-17
Groton	\$21,207,527	\$25,287,526	\$4,079,999	19%
Clinton	\$4,984,274	\$6,416,984	\$1,432,710	29%
Lisbon	\$2,565,865	\$3,544,878	\$979,013	38%
Guilford	\$2,107,946	\$2,912,239	\$804,293	38%
Stonington	\$1,081,353	\$1,792,984	\$711,631	66%
Canterbury	\$4,085,382	\$4,691,736	\$606,354	15%
Ashford	\$3,524,860	\$3,881,522	\$356,662	10%
Farmington	\$954,560	\$1,289,833	\$335,273	35%
Lebanon	\$5,128,904	\$5,451,755	\$322,851	6%
Voluntown	\$2,196,954	\$2,516,563	\$319,609	15%

Source: Conn. Acts 16-2 (May Special Session).

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.

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

FY2015 State Revenue (Exc. Construction) Per Pupil



	New Britain	Waterbury	Bridgeport	New Haven	Windham	Hartford
% FRPL	78%	73%	100%	57%	81%	78%
% EL	16%	13%	14%	15%	24%	18%
% SPED	17%	18%	15%	13%	16%	17%

Sources: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

Connecticut State Department of Education. (2016). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

What determines how much funding a school or district receives?

1) Historical precedent

- The amount of money the school/district has received in the previous year, regardless of changes in enrollment, need, or community wealth.

2) The type of school it is

- Different types of schools – local district, magnets, charters, etc. – have different funding formulas or statutory per student allocations.

3) Where the school is located

- Schools in the Hartford (*Sheff*) region are often treated differently than schools in other areas of the state.

4) Political power

- Communities with powerful political leaders are more likely to receive funding increases.

A note about special education funding

- CT does provide some funding to offset the cost of educating children with severe disabilities. Once a student's education costs are more than 4.5x the district's per pupil expenditure, the district can apply for funding through the **Excess Cost grant**.
 - However, the Excess Cost grant is not fully funded – it is funded at 68%.* As a result, districts don't get back all of the money they are eligible to receive.
- No matter which school a child attends, the local school district in which the child lives must pay the special education costs for the student.
 - This means that local school districts must reimburse schools of choice (charter schools, magnet schools, etc.) for special education costs.

*The % funded was calculated by Kathleen S. Guay based on Capped Funding/Full Funding.

Sources: Conn. Gen. Statutes ch. 164, § 10-76g (a) & (b).

Conn. Acts 16-2 (May Special Session).

Conn. Acts 16-3 (May Special Session).

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

HOW ARE OTHER TYPES OF PUBLIC SCHOOLS FUNDED?

With 10 more formulas!

- CT 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 High School System (1 formula)
 - Agriscience schools (1 formula)
 - Open Choice (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. (2014). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools (2014-R-0257)*. Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.

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 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. (2014). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools (2014-R-0257)*. Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.

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 (\$11,000) per student. They receive no 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 (2013).

Other Choice School Formulas

- **Agriscience Programs: Mix of state and local funding**
 - State funding: \$3,200 + potential for supplemental funding; sending district receives ECS funding for the student
 - Local funding: The sending district can be charged up to \$8,622.80 per student
- **Connecticut Technical High School System: State funding only**
 - State funding: 100% state funding; estimate per pupil amount is: \$15,141 (appropriation only-does not include fringe benefits of employees)
- **Open Choice: Mix of state and local funding**
 - State funding: \$3,250 and a subsidy to the receiving district based on the percentage of students taken; sending and receiving district each receive 50% of ECS for the student.
 - Local funding: The receiving district pays the remaining cost to educate the child.

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. (2014). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools (2014-R-0257)*. Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.
Conn. Gen. Statutes ch. 164, § 10-64 and 10-65 (2016).
Conn. Gen. Statutes ch. 164, § 10-95 (2013).
Conn. Gen. Statutes ch. 172, § 10-266aa (1998).
Conn. Acts 16-2 (May Special Session).
Conn. Acts 16-3 (May Special Session).

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	\$3,200 + potential for supp. funding	Yes, up to \$8,622.80	Yes
Charter, Local	\$3,000 + district per student costs	No but get district per student costs	Yes
Charter, State	\$11,000	No	No
CTHSS	\$15,141	No	No
Magnet, RESC, Sheff	Varies from \$7,900 - \$10,443	Yes, up to cost of educating student	Yes
Magnet, RESC, non-Sheff	Varies from \$3,000 - \$7,900	Yes, up to cost of educating student	Yes
Magnet, District, Sheff	\$3,000 (host district); \$13,054 (interdistrict)	No	No, but get ECS for in-district students
Magnet, District, non-Sheff	\$3,000 (host district); \$7,085 (interdistrict)	Yes*	Yes
Open Choice	Varies from \$3,000-\$8,000 per student	No	50% to sending; 50% to receiving

Note: Connecticut is not faithfully following the ECS formula, which means the number of students included in the ECS calculation does not have a direct impact on the amount of funding a district is receiving. This has ripple effects throughout the school finance system because all of these formulas in some way impact a district's ECS student count.

*Conn. Acts 16-139 prohibits host magnet schools from charging tuition in FY 2015-16 (or any year subsequent to this) 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 (2013).

Conn. Gen. Statutes ch. 164, § 10-95 (2013).

Conn. Gen. Statutes ch. 164, § 10-64 and 10-65 (2016).

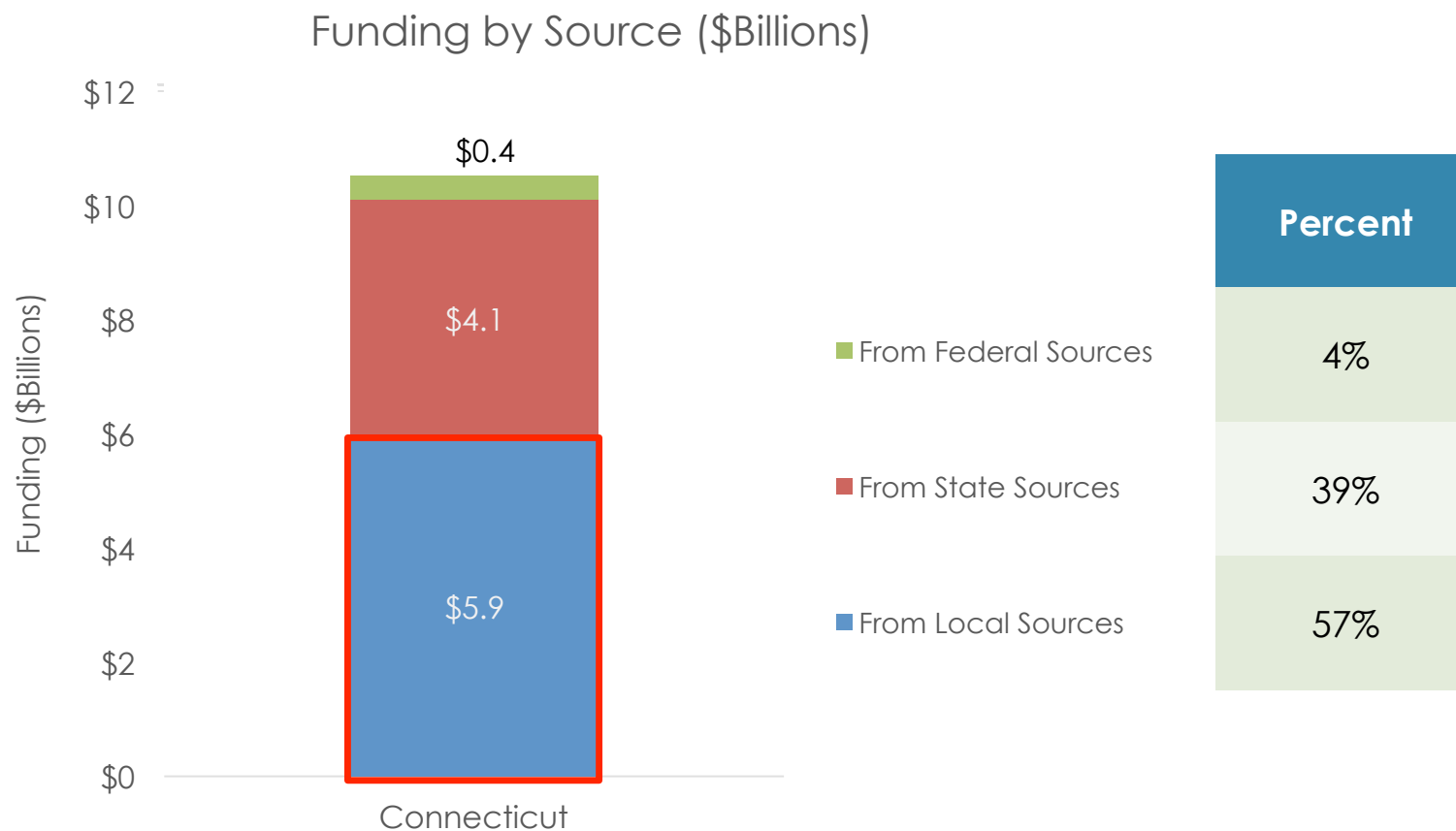
Conn. Gen. Statutes ch. 172, § 10-266aa (1998).

Conn. Gen. Statutes ch. 172, § 10-264l (2016).

Conn. Gen. Statutes ch. 172, § 10-264l, as amended by Section 307 of Conn. Acts 15-05 (June Special Session) (2015).

LOCAL FUNDING

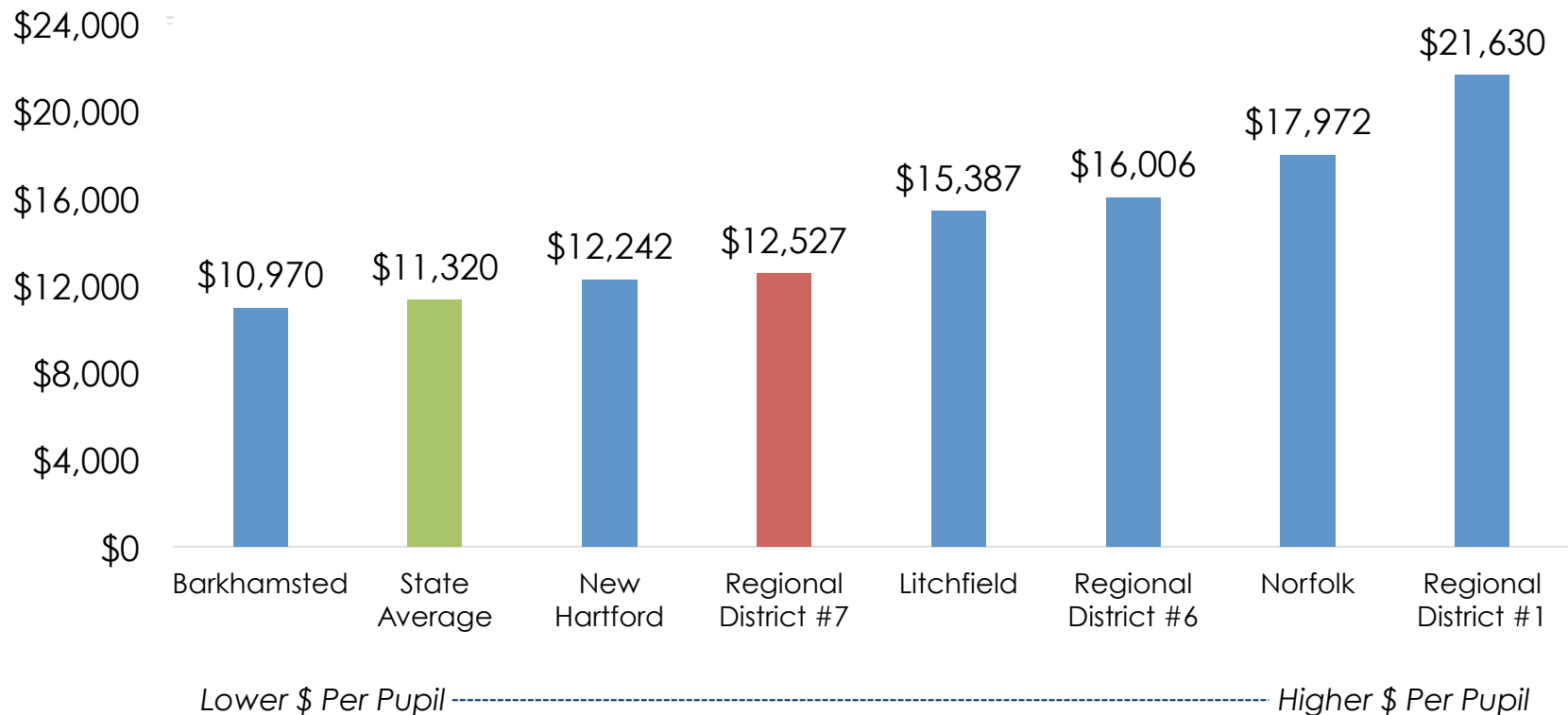
How much do CT's cities and towns contribute to funding public schools?



Source: U.S. Census Bureau. (2016). *Public Education Finances: 2014*. Retrieved from <http://www.census.gov/content/dam/Census/library/publications/2016/econ/g14-aspef.pdf>.

Regional District #7 receives a local contribution of \$12,527* per student

2014-15 Local Contribution Per Pupil



**This represents the average local contribution for students attending the regional school district.
Actual local contributions may vary based on the student's resident town.*

Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

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?

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

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

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

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

Source: Conn. Gen. Statutes ch. 164, § 10-51 (2012).

Is there a minimum budget amount?

- CT has a “minimum budget requirement”, also known as the “MBR,” which all communities must adhere to in providing funding to their local school districts.
- In general, the rule is that a municipality must provide its local school district with **no less local support in the current year than in the prior year**, plus or minus any increase/decrease in ECS funding.
 - However, Alliance District-specific funding is not part of the MBR calculation. Consequently, an Alliance District's total budget can be reduced by the difference between FY 2015-16 and FY 2016-17 Alliance District funding without violating a community's MBR.
- During the 2015 legislative session, some changes were made that allow non-Alliance District communities to lower their MBRs under some circumstances. Additionally, the percentage MBR for Alliance Districts was removed from statute. As a result, communities are no longer required to provide a minimum percentage of their school district budget.

Source: Conn. Gen. Statutes ch. 164, § 10-262i, 10-262f as amended by P.A. 15-99 (2015); Conn. Acts 16-03, section 125 (May Special Session).

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.

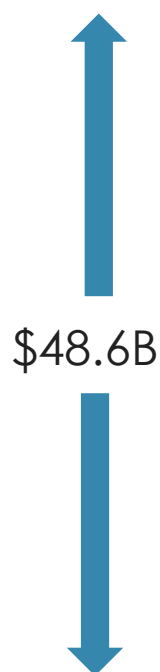
Source: State of Connecticut, Office of Policy and Management. (2011). *Statutes Governing Property Assessment and Taxation*. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.

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. (2011). *Statutes Governing Property Assessment and Taxation*. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.

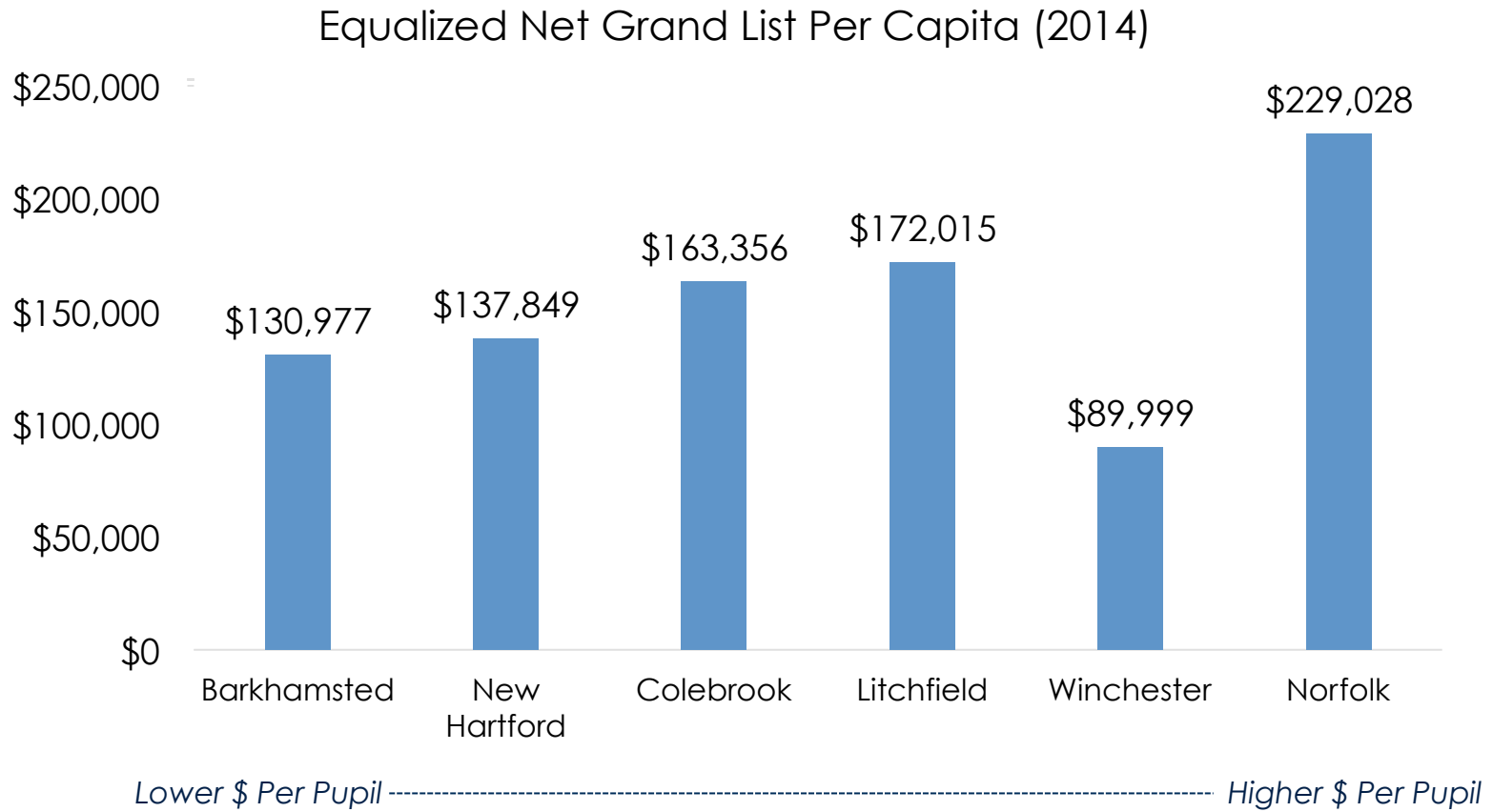
The value of “grand lists” varies widely



Municipality	Equalized Net Grand List GLYR 2013
GREENWICH	\$48,731,135,496
STAMFORD	\$31,452,286,889
NORWALK	\$16,956,223,841
FAIRFIELD	\$16,319,163,696
WESTPORT	\$16,108,614,141
CHAPLIN	\$212,812,929
EASTFORD	\$201,866,589
HAMPTON	\$178,744,406
SCOTLAND	\$161,392,096
UNION	\$128,390,261

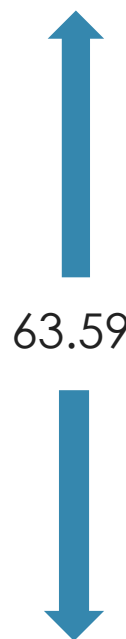
Source: State of Connecticut, Office of Policy and Management. (2016). *Municipal Fiscal Indicators*. Available from http://www.ct.gov/opm/lib/opm/FL_2010-2014_AsOf_4-19-16.pdf.

The Equalized Net Grand List Per Capita (ENGLPC) represents the value of taxable property per resident. The ENGLPCs for communities feeding into Regional District #7, and those for neighboring communities, are similar.



Source: State of Connecticut, Office of Policy and Management. (2016). *Municipal Fiscal Indicators*. Available from http://www.ct.gov/opm/lib/opm/FI_2010-2014_AsOf_4-19-16.pdf.

“Mill rates” vary significantly too

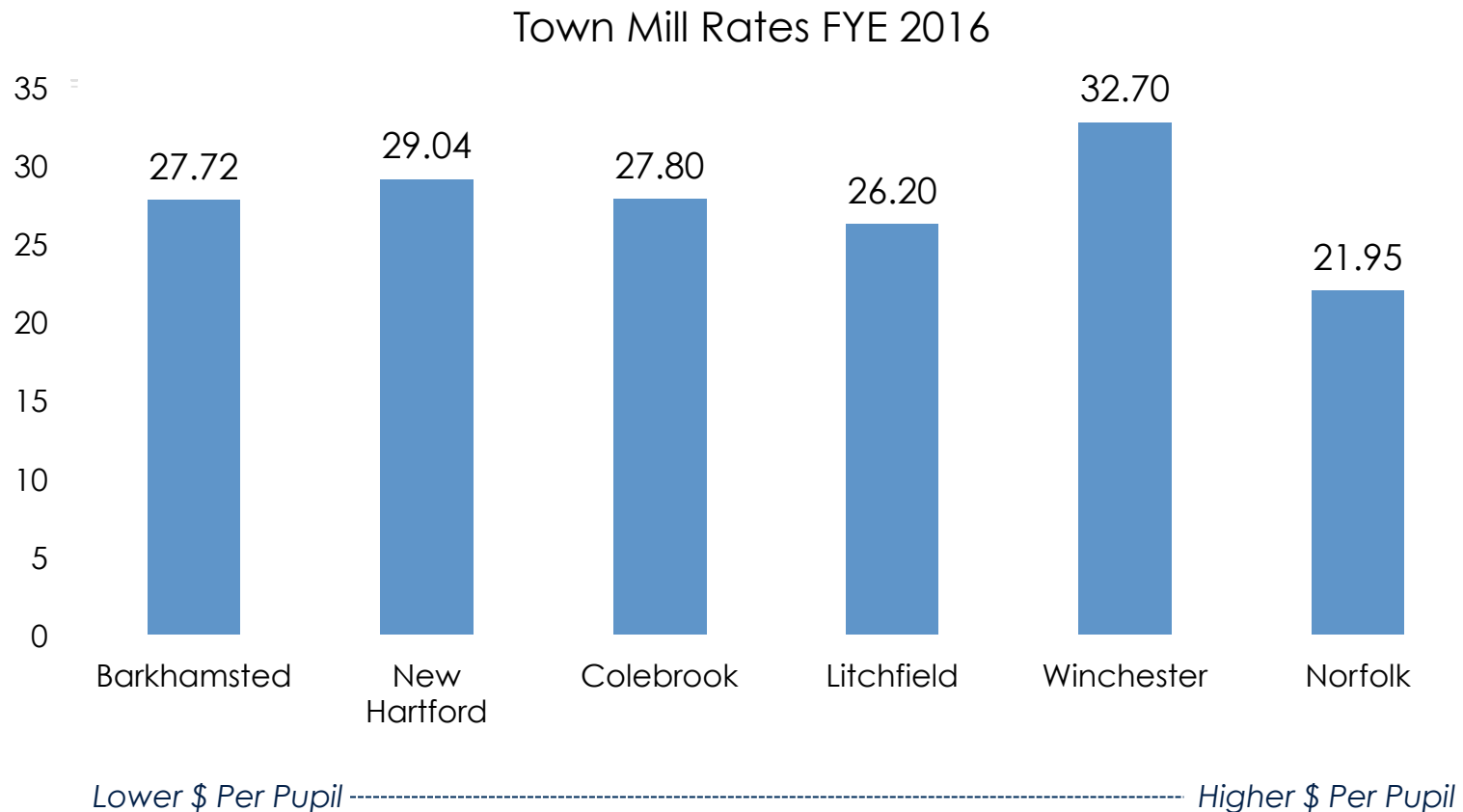


63.59

Municipality	FYE 2016 Mill Rate
HARTFORD	74.29
WATERBURY	58.22
NEW BRITAIN	49.00
EAST HARTFORD	45.86
TORRINGTON	45.75
NAUGATUCK	45.57
...	...
WASHINGTON	13.75
ROXBURY	13.70
SHARON	13.70
GREENWICH	11.27
SALISBURY	10.70

Source: State of Connecticut, Office of Policy and Management. (2016). *Municipal Fiscal Indicators*. Available from http://www.ct.gov/opm/lib/opm/FL_2010-2014_AsOf_4-19-16.pdf.

The mill rates for communities feeding into Regional District #7, and those of neighboring communities, are similar too



Source: State of Connecticut, Office of Policy and Management. (2016). *Municipal Fiscal Indicators*. Available from http://www.ct.gov/opm/lib/opm/FL_2010-2014_AsOf_4-19-16.pdf.

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

Municipality	FY16 Mill Rate	Property Tax - 200k House	Property Tax - 2010 Honda Civic
HARTFORD	74.29	\$4,457	\$170
WATERBURY	58.22	\$8,151	\$311
NEW BRITAIN	49.00	\$6,860	\$261
BRIDGEPORT	42.20	\$5,908	\$225
NEW HAVEN	41.55	\$5,817	\$222
NEW HARTFORD	29.04	\$4,066	\$155
COLEBROOK	27.80	\$3,892	\$148
BARKHAMSTED	27.72	\$3,881	\$148
NORFOLK	21.95	\$3,073	\$117
GREENWICH	11.27	\$1,578	\$60

Source: State of Connecticut, Office of Policy and Management. (2016). *Municipal Fiscal Indicators*. Available from http://www.ct.gov/opm/lib/opm/FI_2010-2014_AsOf_4-19-16.pdf.

KBB value for 2010 Honda Civic DX Sedan 4D, good condition.

APPENDIX

Calculating Expenditures per School Type

- Individual children receive different amounts of funding based on learning needs. Stephanie is an illustrative vehicle for conveying differences in funding amounts between schools, and has been given the average spending per pupil for each school accordingly.
- For all school types, the following have been excluded:
 - School construction – capital, not general operating costs
 - Loans – not income
- The individual items used to calculate state, local, and other contributions for each school type are found on the following slide.

Calculating Expenditures per School Type

	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. (2016). Connecticut Local Public School District Expenditures by Revenue Source, 2006-15. Available from <http://ctschoolfinance.org/data/connecticut-local-school-district-expenditures-by-revenue-source>.

Connecticut State Department of Education. (2016). Connecticut *End of Year School Reports (ED001s) for RESCs and Charters, 2014-15*. Available from <http://ctschoolfinance.org/data/connecticut-end-of-year-school-reports-ed001s-for-rescs-and-charters-2014-15>.

Sources: Does money matter?

- Candelaria, C.A., & Shores, K.A. (2015). *The Sensitivity of Causal Estimates from Court-ordered Finance Reform on Spending and Graduation Rates* (working paper). Stanford University. Retrieved from https://cepa.stanford.edu/sites/default/files/shores_candelaria_causal_estimate.pdf.
- 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>.
- Hyman, J. (2014). *Does Money Matter in the Long Run? Effects of School Spending on Educational Attainment* (Doctoral dissertation). University of Michigan. Retrieved from http://www-personal.umich.edu/~jmhyman/Hyman_JMP.pdf.
- Jackson, C.K., & Johnson, R., Perisco, C. (2015). *The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms* (NBER Working Paper No. 20847). Cambridge, MA: The National Bureau of Economic Research. Retrieved from <http://www.nber.org/papers/w20847>.
- 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>.

Example of how ECS is calculated

$$ECS \text{ Funding} = \text{Foundation} * [\text{Enrollment} + (\text{Enrollment} + \text{Percent FRPL} * \text{Weight})] * \left[1 - \left[\frac{\frac{ENGL}{\text{Population}}}{\text{Median ENGL Per Capita} * 1.5} * .9 \right] - \left[\frac{\text{Median Household Income}}{\text{Median of Median Household Income} * 1.5} * .1 \right] \right]$$

Norwalk

Town Variables

	Amount	State Median	Weight
Equalized Net Grand List	\$16,572,378,408		
Equalized Net Grand List Per Capita	\$188,803	\$134,012	0.9
Median Household Income	\$74,728	\$80,160	0.1
Population	87,776		

Formula Variables

Foundation	\$11,525
Enrollment	11,072
Poverty Weight	0.3
% Poverty	0.47
Threshold	1.5

Calculations

Need Students	12636
Town Income Wealth	0.85
Town Property Wealth	0.06
Base Aid Ratio	0.09
Fully Funded ECS Grant	\$13,476,040

Source: State of Connecticut, Office of Policy and Management. (2016). *Municipal Fiscal Indicators*. Available from http://www.ct.gov/opm/lib/opm/FL_2010-2014_Asof_4-19-16.pdf.