



**Testimony on S.B. 1195, An Act Concerning School Finance Reform
Jennifer Alexander, Director of Research and Policy, ConnCAN**

Good evening, Chairwomen Harp and Walker, Vice Chairs and Ranking Members of the Committee. Thank you for the opportunity to testify in support of Senate Bill 1195, An Act Concerning School Finance Reform.

I am so pleased to testify about this bill because it presents us with an opportunity to fix a fundamentally broken education funding system that, for too long, has failed to put students and their learning needs first.

Our current school funding system is broken.

Despite outspending almost every other state in the country on education, Connecticut distributes over \$7 billion a year by using an inefficient and unfair formula that:

- Funds student need inconsistently;
- Fails to direct resources to the students and districts that need them most;
- Restrains public school choice; and
- Discourages transparency, efficiency and improvement.

With a \$3.7 billion deficit and zero job growth, we need to be sure that our precious education dollars are maximized. Education is the most important investment we make in our state's future, but it's where we're getting the worst return on our money. We outspend almost every other state in the country on education per student, yet, we have the largest achievement gap in the country.¹ Connecticut's top performing students are behind the top students in Massachusetts and students in 29 other countries in international comparisons.²

Our system is systematically failing far too many Connecticut students, who slip through our fingers every year. They can't wait any longer, and neither should we. But it seems to me that in this time of financial crisis, Connecticut has two choices: we can perpetuate the current broken education funding system by once again failing to take advantage of an opportunity to implement a better solution, and hope for the best, or we can turn this challenge into an opportunity to do better. The time has come for Connecticut's adults to make the right choice for our children, and S.B. 1195 is a great choice.

¹ National Center for Education Statistics

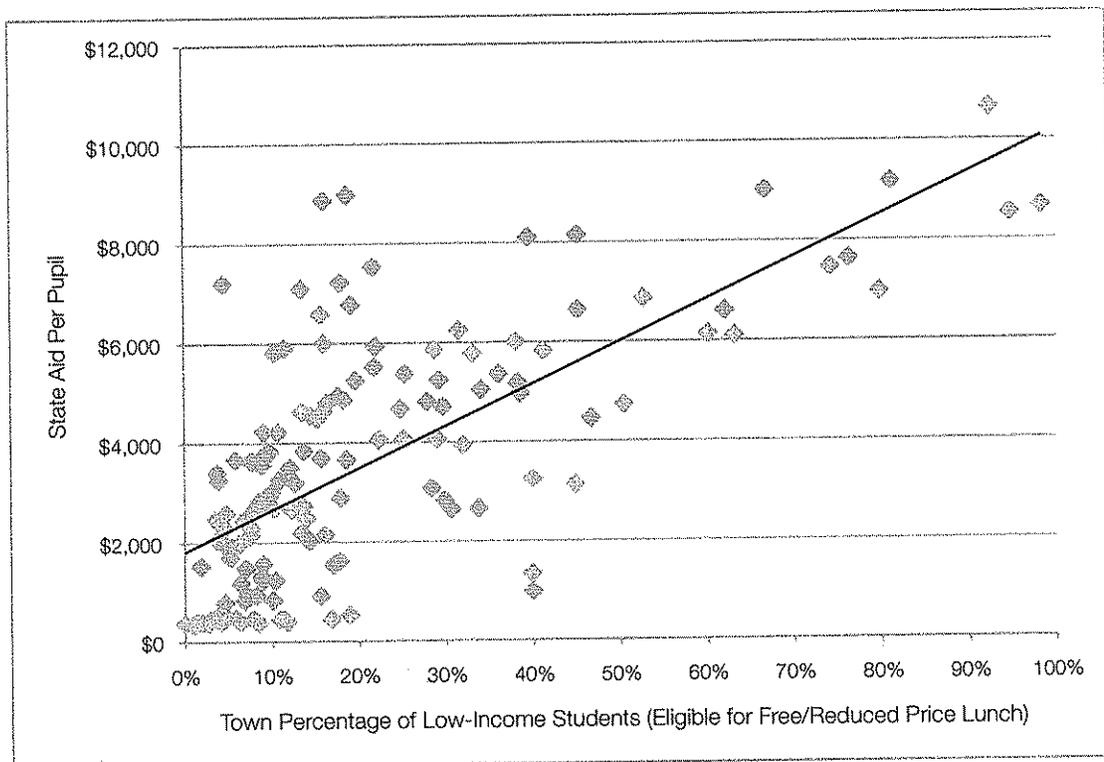
² National Center for Education Statistics; and Hanushek, Petersen, and Woessmann. "U.S. Math Performance in Global Perspective." http://www.hks.harvard.edu/pepg/PDF/Papers/PEPG10-19_HanushekPetersonWoessmann.pdf

I have spent just over a year studying Connecticut's school finance system very closely, poring over data and consulting with national experts on school finance. Our work has built on several years' worth of careful study that started even before I came to ConnCAN. Based on this work, and given the urgent need to produce better results for our students, I believe that we can, and must do better. S.B. 1195 offers us the opportunity to do just that.

Specifically, S.B. 1195 offers a carefully crafted, rigorously researched road map for fixing the following fundamental problems with our current funding system, driven largely through the Education Cost Sharing (ECS) formula. Our current system:

- Fails to provide similar amounts of state aid for children with equivalent learning needs.** Our analyses have revealed dramatic differences in state aid for similar students, even in towns with similar wealth. Figure 1 shows that students in towns with comparable wealth receive widely varying amounts of state aid, from under \$2,000 to over \$8,000 per student, even when they have the same learning needs. For example, a student in Naugatuck receives a total of \$6,002 a year in state aid for his education. But if that same child lived in Bristol, he would get a total of only \$4,967 in state aid – even though his learning needs haven't changed and the cities have comparable wealth and poverty levels.

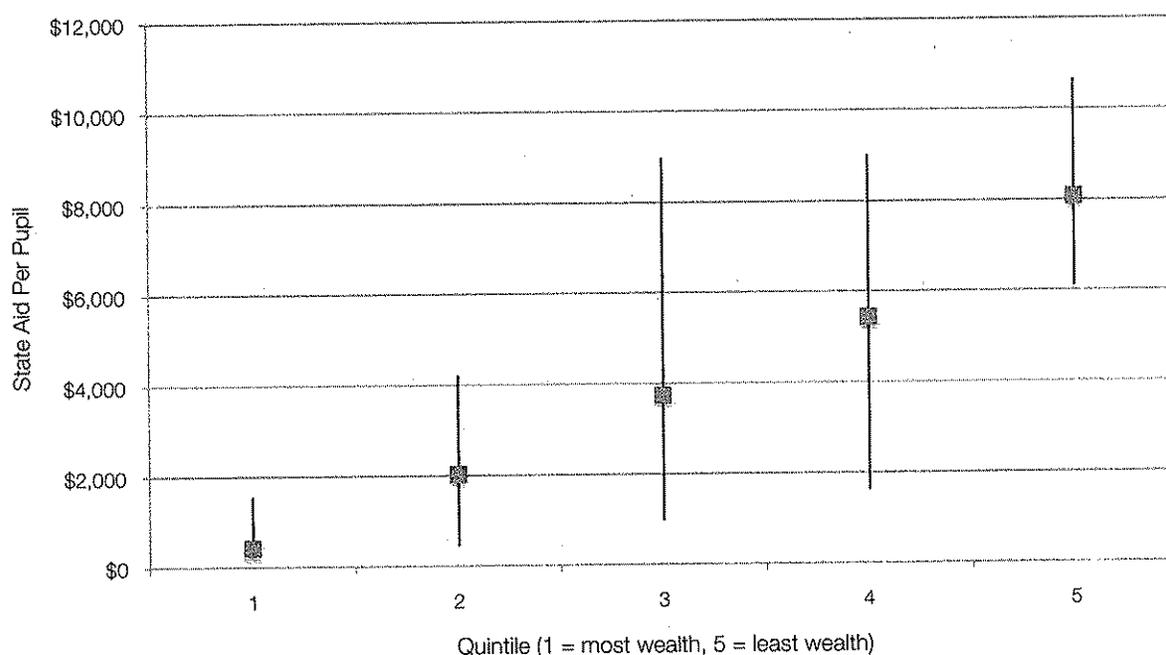
Figure 1. Distribution of Current State Education Aid by Percentage of Low-Income Students



- Fails to adequately account for town wealth.** As you know, Connecticut is a

state of extreme wealth and extreme poverty, and as a result some communities face far greater student learning challenges with far fewer local resources to devote to education. But our current system fails to reflect these differences. Our current system was designed to direct 33 percent more dollars to students in towns with high poverty, but actually provides only 11.5 percent more funding for these students.³ As a result, we found that some of our poorest towns receive only as much or less per student from the state as our middle-class and wealthiest towns.

Figure 2. Distribution of Current State Education Aid by Town Wealth (red box = median)



- Restrains public school choice.** Many of our public charter and magnet schools are delivering some of the highest student performance in the state,⁴ and Connecticut families are increasingly demanding more education options.⁵ Yet, Connecticut charter schools are funded at only 75 cents on the dollar compared with traditional public schools.⁶ This funding disparity unfairly penalizes students attending nontraditional public schools.

³ ConnCAN, *The Tab*, pg. 18

⁴ ConnCAN 2010 Top Ten Lists:

http://www.conncan.org/sites/default/files/ConnCAN%20Top%2010%20Lists%20_2010_.pdf

⁵ According to the Connecticut State Department of Education, between 2000 and 2009, enrollment in charter, magnet, and technical schools increased by 63%. In the school year 2009-10, charter schools enrolled 5,170 students and 5,286 students were on charter school wait lists

⁶ ConnCAN, Connecticut's Charter School Law and Race to the Top,

<http://www.conncan.org/sites/default/files/research/CTCharterLaw-RTTT2010-Web-2.pdf>

- **Wastes precious education dollars.** Because Connecticut funds public schools of choice separately and does not account for students where they actually attend school, we often pay twice for students in school choice programs: once in the district where the student resides and once in the school where the student is enrolled.⁷ This dual approach is careless and wasteful, and discourages competition among schools for students.
- **Discourages transparency, efficiency and improvement.** Taxpayers have a right to know how schools and districts use their tax dollars. Parents have a right to know whether their children's education is funded adequately and equitably. Yet Connecticut's funding system is a tangled mess that is difficult for both public officials and ordinary citizens to understand. Without transparency, it is also difficult for district, city, and state leaders to compare and share best practices. In addition, the current system discourages districts from improving their spending practices. Under the current system, the state can simply reclaim any savings that the district achieves by finding efficiencies. As a result, districts have no incentive to pursue new systems. An updated funding system could give districts incentives to share services, collaborate, and economize.

In sum, our current funding formula is an illusion. Since its creation decades ago, the ECS formula has been repeatedly modified and distorted thirty-one times. In some instances, key components, such as the foundation amount, have never been fully implemented. For example, by law, the foundation amount is set at \$9,687 per student, in reality it is only \$6,987. In other instances, when successful politicking brought education funds to some districts, the formula has been virtually ignored or manipulated beyond repair.

We have a history of studying this issue and delaying action. S.B. 1195 offers an opportunity to take action this year to fix our funding formula.

Some Committee members may be aware that the proposed House Bill 6385, An Act Implementing the Budget Recommendations of the Governor, recommends a Task Force to study issues relating to our school funding system, with the requirement of developing a new system by the end of this year. It is encouraging that governor has made it clear we need to revamp our system of school finance. However, Connecticut has a history of studying this issue and doing nothing.

This proposal is based on extensive study by and consultation with experts in Connecticut and around the country. It is modeled closely after the nationally watched Rhode Island funding formula that was enacted last year.

S.B. 1195 is also in line with the recommendations of other state policy groups, including the Connecticut Commission on Educational Achievement⁸ and the state's Ad Hoc

⁷ ConnCAN, *The Tab*, pg. 28

⁸ www.ctachieve.org

Committee to Study Education Cost Sharing and Choice Funding, which spent nearly a year studying this issue and agreed by majority on a set of design principles aligned with a student-based budgeting approach.⁹ Unfortunately, our State Board of Education decided to table the vote on the design principles. This decision came on the heels of their decision last year that they weren't ready to make recommendations to fix our school finance system and instead appointed the broad-based Ad Hoc Committee to study the issue and come back with a plan.

Connecticut voters support a student-based funding system like the one proposed in S.B. 1195.

A large majority of Connecticut voters support a smarter system of funding Connecticut's students. ConnCAN's 2010 Education Survey shows that nearly all voters (91%) agree that "Connecticut needs a simple, transparent, and fair state funding system that funds students based on their needs, regardless of what public school they attend." A large majority (75%) also agree that "state funding for public education should follow individual students to whatever public school they choose to attend, including magnet, charter, technical, and traditional public schools outside of their own district or neighborhood."¹⁰

S.B. 1195 offers a student-based approach to fix our school funding system now.

Sticking with the existing broken system – in the state with the nation's largest achievement gap – will have a devastating impact on the students with the greatest need, and will constrain opportunities for innovation in the delivery of public education in all of our communities. We cannot continue to pour our precious public dollars into a fundamentally broken funding system that is failing far too many students. They can't wait any longer, and neither should we. We need to consistently fund the needs of all students, across all our public schools, and we need to do it now. I urge members of the Committee to pass S.B. 1195 so that we can focus our school funding system squarely where it should be: on student need and student achievement. Thank you for the opportunity to testify today.

⁹ http://www.sde.ct.gov/sde/lib/sde/pdf/board/minutes2011/minutes_adhoc_funding_012411.pdf

¹⁰ ConnCAN: "New Survey Reveals Connecticut Voters Want Change in Public Education"
<http://www.conncan.org/learn/research/achievement-gap/2010-conncan-education-survey>