

TESTIMONY OF THE
CONNECTICUT COALITION
FOR **JUSTICE**
IN EDUCATION FUNDING
TO THE
APPROPRIATIONS COMMITTEE

March 24, 2011

The Connecticut Coalition for Justice in Education Funding appreciates this opportunity to submit comments pertinent to **Raised Bill No. 1195 — An Act Concerning School Finance Reform**.

Summary of Testimony

Raised Bill 1195 is an inherently flawed and incoherent money-follows-the-child funding scheme that has been inappropriately borrowed from Rhode Island and shoved together with portions of the current ECS formula.

Raised Bill 1195 would ...

- inadequately weight the ECS formula for student poverty
- not include any formula weights for English language learners or SPED students
- result in dramatic decreases in state aid for municipalities
- shift the lion's share of the funding burden for charter schools and all other choice programs from the state to cities and towns
- mandate the use of local tax dollars to support independently run schools outside the control of local taxpayers and which are exempt from many requirements of traditional public schools, seemingly including federal and state laws pertaining to racial integration and the provision of equal educational opportunity for ELL and SPED students
- establish Connecticut as an open-enrollment state with a school finance system driven primarily by the needs of "schools of choice"
- circumvent democratic processes necessary to effect major school finance change
- preempt Governor Malloy's stated intentions to lead school finance reform

The bill's crude, unfinished nature and its lack of vital details prevents any meaningful costing out, despite the huge impact on both the funding and quality of Connecticut education that its enactment would have. Nevertheless, the bill's content makes clear that local tax dollars will not be able to keep up with a funding scheme that works in this manner. SB 1195 is little more than a fiscal disaster in the making.

Rationale

Raised Bill 1195: An Inherently Flawed and Incoherent Cut-and-Paste Scheme Borrowed from Rhode Island

This bill does not present a legitimate school funding proposal. Rather, its contents are a poorly executed cut-and-paste version of a flawed school aid formula that has not yet been implemented in Rhode Island, shoved together with portions of our current ECS formula to make an incoherent whole.

The Rhode Island formula is already facing widespread objections, possible legislative amendments, and legal challenges even though it has yet to be implemented.¹ That formula's primary intent was to devise a revenue-neutral redistribution of current state aid. In our view, the Rhode Island formula distorts, even risks discounting entirely, the concepts of educational adequacy and equity. Its proponents appear to believe, despite clear and compelling evidence to the contrary, that "money doesn't matter," that even the state's lowest performing schools are adequately financed and/or should look to their fiscally strapped municipalities for any further aid, and that "charterization" of the public schools is the magic bullet for closing the achievement gap.

Thus SB 1195 is replete with unacceptable provisions "borrowed" from Rhode Island, including the provision of a "student success factor" as the sole student needs weight in the formula. That "student success factor" is used as a proxy for student poverty, which in Rhode Island's formula is weighted at a mere 40 percent. The irony of this misnomer is that much, much more than can ever be captured by any formula weight goes into ensuring student success — not to mention that SB 1195's version sets the minimal threshold for such a weight at just 35 percent. A weight this low is completely insufficient for covering the marginal cost of adequately educating the 185,000 Connecticut schoolchildren who receive free or reduced-price meals.

In addition, it is shocking that the SB 1195 formula does not include a separate weight for the additional costs of adequately educating Connecticut's 30,000 English language learners. Equal educational opportunity for our ELL students, who speak some 133 dominant languages, requires extra resources beyond the marginal cost of poverty.² This is unjust and completely at odds with the state and nation's understanding of the learning challenges faced by ELL students and the costs of providing them with an adequate and equitable education.

Precisely the same argument can be made for the failure of SB 1195 to account for the marginal costs associated with educating Connecticut's nearly 69,000 mild, moderate, and extraordinary needs Special Education PK-12 students. There is no mention of funding for these costly-to-serve students. Federal and state laws and the Connecticut constitution, as explained by the Supreme Court in *CCJEF v. Rell*, afford these groups special protections that must be adequately reflected in the state aid formula.

¹ The Rhode Island formula is available at

http://www.ride.ri.gov/Finance/Funding/FundingFormula/Docs/H8094Aaa_FINAL_6_10_10.pdf

² Connecticut demographic figures are from the State Department of Education's November 2010 *Bulletin* for the 2009-10 school year, accessed at http://sdeportal.ct.gov/Cedar/WEB/ct_report/DTHome.aspx.

Overlooking any number of additional fatal omissions, inconsistencies, and careless errors in SB 1195, there remain additional questions for this Committee: With all due respect to our neighbor to the east, is Connecticut suddenly now in a race to the bottom and willing to embrace a formula whose knowledgeable critics claim will institutionalize existing funding inequities and mediocrity of student performance in that state? In every demographic category on the 2009 reading administration of the National Assessment of Educational Progress (NAEP), Connecticut's 8th graders significantly outperformed their Rhode Island counterparts; this included white, black, Hispanic, free/reduced lunch, and students not eligible for free/reduced lunch.³ Is a lower standard being inadvertently proposed by this attempt to mimic an unproven new formula written explicitly for Rhode Island and aimed at not costing the state any more money than what's already being invested in education?⁴

Raised Bill 1195: A Prescription for the State to Burden Municipalities and Their Local School Districts with a Greater Share of Education Costs

Notwithstanding the untimely computer glitch that has made vital submenus of the State Department of Education's Grants Management website inaccessible since SB 1195 was first publicly posted last week and the bill's omission of specific vital details (e.g., the foundation level), the bottom line is all too clear:

Under SB 1195, current education aid to cities and towns will decrease dramatically. Municipalities and their school districts will be mandated to provide the lion's share of charter school aid. Furthermore, if the bill were fully enacted, magnet school students and all other students attending choice programs (including the Technical High School system) would eventually receive most of their funding from municipalities rather than the state.

SB 1195 would put into place a state aid system wherein local tax dollars would be required to support independently run schools, located anywhere, over which locally elected representatives (e.g., town councils and local boards of education) would have no control. These independent charter schools are not held to the same public school mandates and accountability standards required of traditional public schools. Equally objectionable, charter schools do not have to comply with the same desegregation laws and racial balancing rules — despite *Sheff v. O'Neill's* clear reinforcement of the U.S. Supreme Court's *Brown v. Board of Education* ruling that racially segregated schools are

³ Connecticut's 8th graders scored higher than 41 states/jurisdictions, not significantly different from those in 10 states/jurisdictions, and lower than no other state/jurisdiction, whereas the average score of Rhode Island 8th graders was higher than just 9 states/jurisdictions, not significantly different from those in 10 states/jurisdictions, and lower than 32 states/jurisdictions. NAEP data for all states available at http://nationsreportcard.gov/reading_2009/.

⁴ In all fairness to Rhode Island, no state aid formula is ever intended to be portable beyond it's own borders, as the cost structures the formula needs to capture, the unique demographic composition of its schools and municipalities, the degree of urbanicity, distribution of wealth across the state, and the state's own economic condition are just some of the deep-seated reasons why school aid formulas, along with state tax/revenue structures, are unique to that place.

unconstitutional.⁵ The school finance system changes proposed in SB 1195 would thus move Connecticut in an unfortunate and possibly unconstitutional direction.

This bill seeks to control the flow of more than \$6 billion of state and local education aid annually that directly impacts the availability of resources and thus the quality of education for some 563,000 PK-12 students across the state. **The paucity of critical details in SB 1195 that would have allowed for an immediate preliminary costing out of the bill is irresponsible and indicative of the crude, unfinished nature of the endeavor.** Virtually the entire contents of this bill — from its page 1 definitions to its success factor, calculation of town wealth and state and local share ratios, down to its proposed education reimbursement account and school funding advisory council — is suspect for all the reasons we have already stated. Its focus on establishing Connecticut as an open-enrollment state with a school finance system driven primarily by the needs of independently run charter schools and other “schools of choice” is misguided. Previous attempts at winning state support for similar funding schemes have failed.⁶

Charter schools are not local or regional boards of education, nor should they necessarily be funded on a parity basis using public tax dollars, given their independently operated status and the explicit assumptions set forth in the initial legislation for charter schools came about. At that time, charter founders claimed they could do what the public schools do, only better and cheaper, and that private-sector funding would help keep their costs lower than the urban districts where they intended to locate. Now, some 15 years later, there is no definitive independent research showing that students actually do better in these schools than their district counterparts (nationally, charters do not), and there are serious equity concerns about their failure to serve ELL and SPED students, their higher than expected enrollment turnover and/or the push-out of lower-achieving students, and the nearly all-minority enrollments of many of these schools.

By the State Department of Education’s own calculations, charter schools already enjoy funding that exceeds the average adjusted net current expenditure per pupil of the 11 districts whose students represent over 90 percent of charter enrollments. Also noteworthy, in several of these 11 cities in which most charters are now located, the municipalities voluntarily make sizeable cash contributions, rent or have sold facilities to charter organizations at below-market rates, and make other generous in-kind contributions. That charters are able to achieve this level of state and private-sector support is to be lauded, but also to be expected of any private-public venture.

Had the misguided money-follows-the-child scheme proposed in last year’s bill been implemented, those 11 districts would have lost in excess of \$72.6 million from their ECS grants as “tuition” for their 4800 students who were enrolled in charter schools plus an estimated \$9 million more for “charter debt service.” Last year’s charter funding scheme allowed the home

⁵ That public tax dollars at the state level already abet the avoidance of desegregation rules by charter schools is unjust and an issue that ought to be addressed by this legislature, but that local tax dollars should now also be diverted from public schools to sustain and propagate segregated charter schools is potentially inviting still another Connecticut school finance lawsuit along with other legal actions.

⁶ The most recent “money follows the child” defeat was at the State Board of Education on February 9, 2011; tabled by the SBE was a “Core Values and Design Principles” document produced by an ad hoc committee, the contents of which would have framed the choice funding policies included in SB 1195. (Notably, several ad hoc committee members strongly repudiated that document’s contents and intent.) The 2010 legislature also killed a bill (HB 5493) that would have charged public school districts tuition and fees for charter students residing in their communities.

“sending” districts to count charter students as resident pupils, trimming the total net loss to the 11 districts to a still-hefty \$52 million.⁷ By contrast, SB 1195 awards charters their own resident count, so that ECS funds for those children go directly to those schools rather than to the sending districts. Because ECS grants in such small schools would presumably be much less than the state’s current \$9,300 per pupil grant to charters,⁸ the provisions in this bill would result in municipalities actually having to contribute a greater share of local tax dollars to charters than they would be contributing to their home-resident public schools. In effect, the state’s total charter school tab would be lessened by pushing more of the costs of charter schools onto cities and towns. And it gets worse: Charters seek to expand, grow, multiply, and SB 1195 would extend these same money-follows-the-child provisions to all other forms of school choice.

Local tax dollars will not be able to keep up with a funding scheme that works in this manner. Already, state revenue amounts to just 29.6 percent of school district operating expenditures, compared with local revenue, which accounts for a whopping 65.5 percent.⁹ SB 1195 is little more than a fiscal disaster in the making!

Raised Bill 1195: Inappropriate and Divisive Proposed Legislation

After winning the landmark *CCJEF v. Rell* Supreme Court decision, and after investing in years of high-caliber school finance research led by nationally prominent experts, CCJEF has not approached this General Assembly with our own proposal for adequately and equitably funding our schools. Why not? Because we realize that there’s a necessary public process based upon sound democratic principles and Yankee town hall traditions to be followed and respected in the redesign of any school finance system — and that our new Governor is the rightful leader of that process. Governor Malloy staked out that intention during his campaign and even more clearly in his February 16, 2011 budget address. We eagerly await his direction and are fully prepared to cooperate with him, his representatives, and this esteemed legislature. **Raised Bill 1195 preempts democratic processes and the Governor’s own stated intentions to lead school finance reform.**

⁷ Those annual net costs were estimated as follows: Bloomfield, \$1.0 million; Bridgeport, \$8.7 million; East Hartford, \$0.6 million; Hamden, \$1.4 million; Hartford, \$8.4 million; Manchester, \$1.6 million; New Haven, \$18.7 million; New London, \$1.2 million; Norwalk, \$3.3 million; Norwich, \$2.6 million, and Stamford, \$4.6 million.

⁸ We can only assume that the state per pupil ECS grant to charters would be less than the \$9,300 per pupil they currently receive, inasmuch as no public school district (even the largest and poorest) receives ECS aid at that high a level. But, of course, the level of detail needed to definitively assert this is absent in the bill.

⁹ Source: http://sdeportal.ct.gov/Cedar/WEB/ct_report/FinanceDTVviewer.aspx. The percentages cited pertain only to revenues for PK-12 public schools and do not include state bond funds, State Department of Education expenditures, the Connecticut Technical High School system, teacher’s retirement costs, or unified school district expenditures. When all state revenues on behalf of public elementary and secondary education are included, CCM estimates that the state’s FY11 share will be 37.8 percent of total expenditures. While this latter figure is most commonly cited, it is the state revenue share of districts’ operating budget that is more directly impacted by a money-follows-the-child scheme.

We call upon members of the Appropriations Committee to reject this flawed bill in its entirety.

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The Connecticut Coalition for Justice in Education Funding (CCJEF) is a broad-based coalition of municipalities, local boards of education, statewide professional education associations, unions, and other pro-education advocacy organizations, parents and Connecticut schoolchildren aged 18 or older, and other concerned Connecticut taxpayers. Member school communities are home to more than 45 percent of public school students, including some three-fourths of all minority students, those from low-income families, and students from homes where English is not the primary language.