



CGA Education Committee
Public Hearing March 15, 2013
SB 1098 AA Concerning the Education Cost-Sharing Formula
Comments Submitted by Katherine Wilson, School Finance Specialist, League of Women Voters
of Connecticut

The League of Women Voters of Connecticut appreciates the opportunity to comment today in support of SB 1098, which requires the State Department of Education to conduct a study of issues relating to the Education Cost-Sharing Formula (ECS). Since the bill does not specify the nature, scope, or goal of this study, we would like to offer some suggestions in the context of both the recent work done by the ECS Task Force and the recommendations contained in Governor Malloy's budget bills, HB 6350 and HB 6357.

As noted in our testimony on the Governor's bills, the League believes the state should provide 50% of the overall statewide cost of local elementary and secondary education through grants to towns. Because the state share currently falls well below that 50% mark, we certainly welcome the Governor's proposed increase in the ECS grant, which provides the bulk of state aid to local public education. However, we cannot support the new ECS formula used to generate that increase, nor the way the new formula would be phased in. We hope the SDE study put forward in this bill might remedy the shortcomings we perceive in the new formula and phase-in as follows:

- Perform an adequacy study in order to determine an educationally and financially appropriate Foundation amount. Based on state average per pupil costs of \$13,991 in 2011, we believe the Governor's proposed \$11,754 Foundation is too low and that this amount was arrived at arbitrarily by the ECS Task force in order to produce a predetermined total grant. The Foundation has previously been based on 80th percentile spending three years prior, and we could support continuing on that basis, but would prefer to see it based on both desired outcomes and prior outlays. We would also like to see the methodology for calculating the Foundation encoded in statute.
- Determine research-based weightings for student poverty, students not proficient in English, and perhaps other indicators of student need for inclusion in the formula. While we support the proposed measure of student poverty based on eligibility for Free or Reduced Price Lunch (FRPL), as long as that data can be adequately verified, we question the .30 additional weighting for FRPL students recommended by the Task force and adopted by the Governor because it appears to have been determined without supporting evidence. We would like to see an additional weighting for English Language Learners restored to the formula in the belief that such students also require additional educational resources. We also hope SDE will explore whether additional weightings should be added to reflect the level of resources required to adequately educate other categories of students, such as those receiving special education services.

- Set the State Guaranteed Wealth Level at 2.0, so that the formula produces the long-sought goal of a 50% state cost-share and treats all towns fairly. In our view, the 1.5 level proposed by the Governor and recommended by the Task Force drives a disproportionate share of funds to low-wealth towns and undercuts the formula's historic objective of equalizing each town's ability to finance school programs at the Foundation level with a comparable tax effort. We believe that proper weightings for student need will drive sufficient funds toward low-achieving school districts and, together with a 2.0 Guaranteed Wealth Level, will strike the appropriate balance between town fiscal capacity and student need.
- Re-evaluate the "Median household income adjustment factor" and the "Equalized net grand list adjustment factor." We believe these were set by the ECS Task Force at the levels contained in the Governor's bill solely to produce a predetermined end result, rather than to achieve the formula's traditional objective cited above.
- Rebalance the phase-in of the new ECS formula. The phase-in of the new formula proposed by the Governor divides towns into two groups: Alliance Districts (the 30 lowest performing school districts in the state) and all others. For FY 14 Alliance districts get an increase equal to 10% of the difference between their current ECS grant and their fully funded grant under the new formula, on the condition that they apply to SDE for the money and receive approval of required improvement plans; all other districts get 1% of the difference with no conditions. Increases for FY 15 are 20% and 2% respectively. While the League supports driving a greater proportion of state aid to towns with the greatest educational need, we believe the disparity in treatment among towns as proposed in this budget is too great—too much of the Alliance Districts' increases is conditional; the size of the increases for all other districts is too small. This is money all towns should already be receiving in order to equalize their ability to finance school programs, and such conditional and disparate treatment violates the basic principles upon which the ECS formula was founded over twenty years ago.

In summary, the League believes that the ECS Task Force and Governor's recommendations have laid out some solid conceptual changes to the ECS formula, but that many of the new formula's quantitative elements could be improved by adoption of the suggestions we have outlined here. Thank you for allowing us to share our ideas on this important aspect of education funding with you today.