



East  
Hartford  
Public  
Schools

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## TESTIMONY

### SB 11116: S.B. No. 1116 (RAISED) AN ACT CONCERNING EXPENDITURES FOR THE PROGRAMS AND SERVICES OF THE DEPARTMENT OF EDUCATION.

Good morning Representative Walker, Senator Bye and members of the Appropriations Committee. Thank you for the opportunity to testify today. My name is Paul Mainuli, Business Service Director for East Hartford Public Schools (EHPS).

I am here to ask you to amend SB 1116, an act concerning expenditures for the programs and services of the department of education. By amending this act, you will address a significant issue regarding magnet schools and the financial hardship for local school districts to fund escalating tuition costs for district students attending these magnet systems.

It should be noted with clarity that this testimony does not intend to single out any RESC or organization that has benefited from the current funding structure. Neither is this testimony designed to question the result of the Sheff decision, the widely agreed notion of a parent's right to choose where their child goes to school. Rather, the intention of this report is to **question the funding solution** that has been applied over the past decade and expose the unintended financial consequences in local districts as reflected by EHPS. In short, this testimony provides a critical snapshot of this regional issue from a local level and concludes with a solution option that should be considered for remediation.

While my written testimony will not be able to do justice to the issue in the time allotted, I urge you to consider the attached documents that contain a wealth of data that both detail the challenge and itemize the solution. In the time I have now, I wish to lay out both the financial burden that has resulted from this structure as well as examine a solution that should be considered in the amendment to SB 1116.

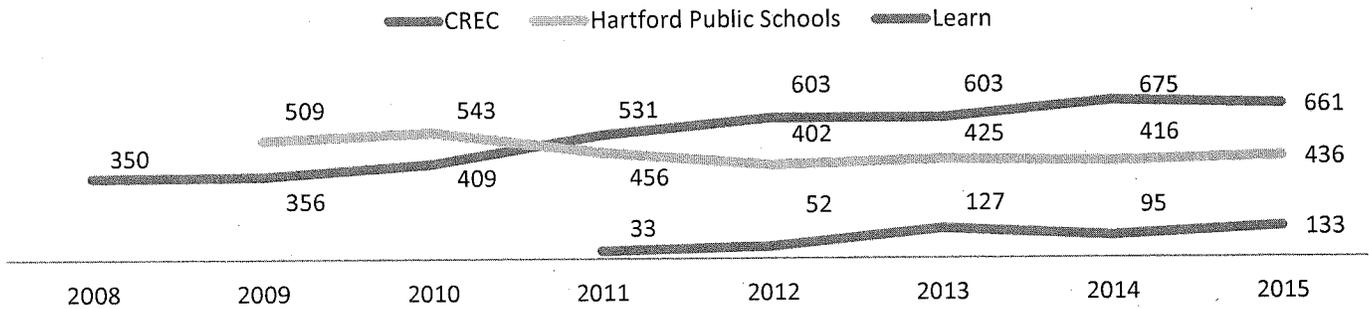
#### **THE CHALLENGE:**

In regards to the expenditures for programs and services by the Department of Education, I want to focus your attention on the programmatic demand that the magnet school system places on local districts to fund the tuitions of students who do not attend the traditional town or municipal schools. While I understand that the current magnet structure was largely driven to meet the needs of the Sheff decision, I want to make you aware that the current expenditure requirements are beginning to bankrupt local town and board of education budgets with financial requirements that are unable to be met. To fully understand the cause and scope of the unintended impacts of the current fiscal solution, it is important to look at both the dramatic changes in enrollment and resulting financial impact of tuition payments for several Connecticut districts in the Hartford area.

Since 2008, the participation/enrollment of East Hartford students in the magnet program has steadily increased to an all-time record of 1,328 students in 2014-2015. While this population represents over 18.6% of the total population of students enrolled in EHPS (7,133), this number represents a significant cost and drain to district resources. It should be noted that while the number of students attending magnet schools has steadily grown due to magnet school expansion in the greater Hartford region, student population for EHPS has remained relatively stable between 7,100-7,200 students for the past decade thereby not allowing for a reduction of schools or services and related efficiencies. The

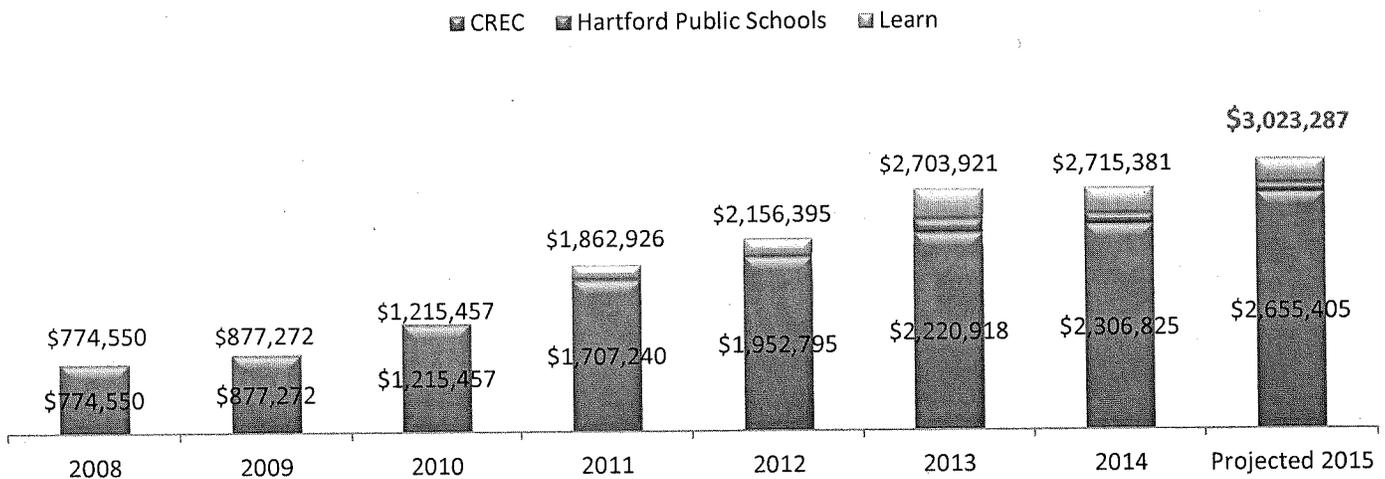
following chart represents East Hartford student participation in the magnet school program over time. This chart portrays a 270% increase in the numbers of students attending magnet schools from 2007-2008 to the current date.

**Enrollment Impact of East Hartford Students Attending Magnet Schools over Time**



Shifting our focus from escalating enrollments brings to light the financial impact that local districts bear to make the required tuition payments. Specifically, the projected net annual magnet school tuition payments made by EHPS of \$3,023,287 has increased by over \$2,248,737 from 2008. These payments represent 3.5% of the total annual adopted operating budget for SY14-15 of \$87,266,419. For context, it should be noted that this percentage of budget funding used to cover magnet school tuitions exceeds the percentage of budget funding used to cover school supplies, textbooks and technology equipment (2.73%) combined for EHPS students.

**EHPS Magnet School Tuition Payments**



While the original intent of the settlement agreement focused on providing a high quality educational experience for Hartford students, the unintended consequences of funding obligations for surrounding urban districts has eroded the development and improvement of many local public school systems. Simply put, the Sheff v. O'Neill suit was intended to help provide equity in opportunity for Hartford students—not inequity for Hartford ring town students who have not had good fortune in the lottery process. The increase in tuition payments has created a financial drain that is unable to be estimated, and unable to be accurately budgeted for in the cycle of town and board practice. It is clear that not only is this financially unsustainable but more realistically, left to its current status, the funding requirements of the magnet school program will bankrupt the fiscal abilities of the board and town budget.

**THE SOLUTION:**

The following concept has been proposed as a solution for the funding issue stemming from disproportionate enrollment of children in the greater Hartford area magnet schools as a result of the Sheff v. O'Neill settlement and should be considered as an amendment for SB 1116.

The legislature should develop and pass legislation that will provide local boards of education stability and predictability in regards to the financial obligations that are a result of disproportionate enrollment of students in the magnet school system. As a part of this solution, a district would not be financially obligated for funding the tuition payments for students enrolled in magnet schools if the number of resident students attending magnet schools was in excess of an established percentage cap of total district students.

The chart on the last page of this testimony provides a detailed listing of how this solution would play out for the 6 Connecticut towns and cities that are impacted by this challenge.

In this chart you will note that this is a financially doable, reasonable amendment to SB116 that will not only provide both a fiscal relief to several Connecticut towns but also a sense of stability and predictability for all Connecticut towns if magnet school enrollment continues to escalate. As a point of explanation, this chart includes all CT towns or cities that have over 5% of their district students in magnet schools. As you move to the right side of the chart, you can note the cost to the state should the cap limit be placed at 5%, 7%, 8% or 9%. We ask you to note that a 5% cap would only cost the state \$2,927,520.00. While we certainly understand the financial limits in this current phase of the bi-annual budget, we urge you to consider this issue carefully and take action.

The proposed solution and amendment to SB116 is reasonable for the following reasons:

- The solution provides stability and predictability of funding for all Connecticut municipalities and school districts
- The solution provides a financial fix to a funding solution that has unfairly placed the burden on local boards of education
- The solution allows the local district the opportunity to maximize local resources to create local change and improve the larger system for families and children

I thank you as a legislature and Appropriations Committee for the bold steps you have taken over the last few years to provide direction, support and funding for Connecticut's schools, specifically the Alliance District. I urge you to consider the feasibility of this solution that would ease the financial burden of magnet school tuitions on the impacted districts. If real change is going to happen at the local level in Connecticut school districts, this is a solution that must be acted upon.

Thank you for your careful review of this serious issue that has such a significant financial impact on our school district and the resources that we provide for the children of East Hartford. Please do not hesitate to contact me with any questions or requests for further information.

Respectfully,

Paul Mainuli  
*Director of Business Services*  
East Hartford Public Schools

Attachment 1: Testimony  
Attachment 2: Proposed District Cap Solution  
Attachment 3: Magnet School Enrollment Report



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#### REPORT TOPIC:

The unintended consequences of magnet school tuition payments on East Hartford Public Schools (EHPS)

#### EXECUTIVE SUMMARY:

The following report has been developed to reflect the disproportionate enrollment of East Hartford students in the region's magnet school program and the concurrent financial obligation on the district for magnet school tuition payments. This report attempts to capture the unintended financial burden that has resulted from the funding solution for the 1989 lawsuit, *Sheff v. O'Neill*. While the original intent of the settlement agreement focused on providing a high quality educational experience for Hartford students, the unintended consequences of funding obligations for surrounding urban districts has eroded and will continue to erode the development and improvement of many local public school systems. As a portion of this report, a specific emphasis has been placed on East Hartford students enrolled in Capitol Region Education Council (CREC) Magnet Schools. While it should be noted that East Hartford magnet school students are enrolled in other *Sheff* participating magnet schools (Bloomfield/21, Learn/133 Hartford Public Schools/436), 661 or 50% of East Hartford students attending magnet schools are enrolled in CREC schools. This focus is intentionally placed to reflect the district struggle with the resultant financial obligation of tuition payments to CREC. For students attending Bloomfield (starting 2013) and Hartford Public Schools (with the exception of Great Path Academy), tuition is not charged to East Hartford Public Schools (EHPS).

It should be noted with clarity that this report does not intend to single out any RESC or organization that has benefited from the current funding structure. Neither is this report designed to question the result of the *Sheff* decision, the widely agreed notion of a parent's right to choose where their child goes to school. Rather, the intention of this report is to question the funding solution that has been applied over the past decade and expose the unintended financial consequences in local districts as reflected by EHPS. In short, this report provides a critical snapshot of this regional issue from a local level and concludes with several solution options that may be considered for remediation.

#### A CASE STUDY/ EHPS:

The town of East Hartford, population 51,171, is located directly across from Hartford, Connecticut on the eastern bank of the Connecticut River. The town is composed of a mix of neighborhoods, low income housing and industry and most famously, Pratt and Whitney, a United Technologies Company. The per capita income of the town is \$25,356 as compared to the State's average of \$37,627. With over 16% of families at or below the poverty line and 1.91% of town residents receiving temporary assistance for families in need, (compared to the State average of 1.05%), East Hartford ranks within the top poorest towns in Connecticut. Despite these financial challenges, EHPS proudly serves 7,058 (2014) students at 16 site schools. District demographics portray a diverse student body with 42% Hispanic, 35% Black, 18% White and 5% Asian. Over 69% of students qualify for free and reduced lunch.

In regards to student achievement, EHPS has chronically underperformed as measured by the Connecticut Mastery Test and Connecticut Academic Performance Test. In 2012, EHPS was named an Alliance District and targeted as a district needing significant growth and improvement. In response to this welcomed state level intervention, EHPS has broadly and aggressively embraced the reform work led by the Connecticut State Department of Education. Specifically, East Hartford has been an early adopter and strong ally of the efforts being made within Connecticut to be sure all students have access to a high quality education. In addition, EHPS has been added to the Commissioner's Network.

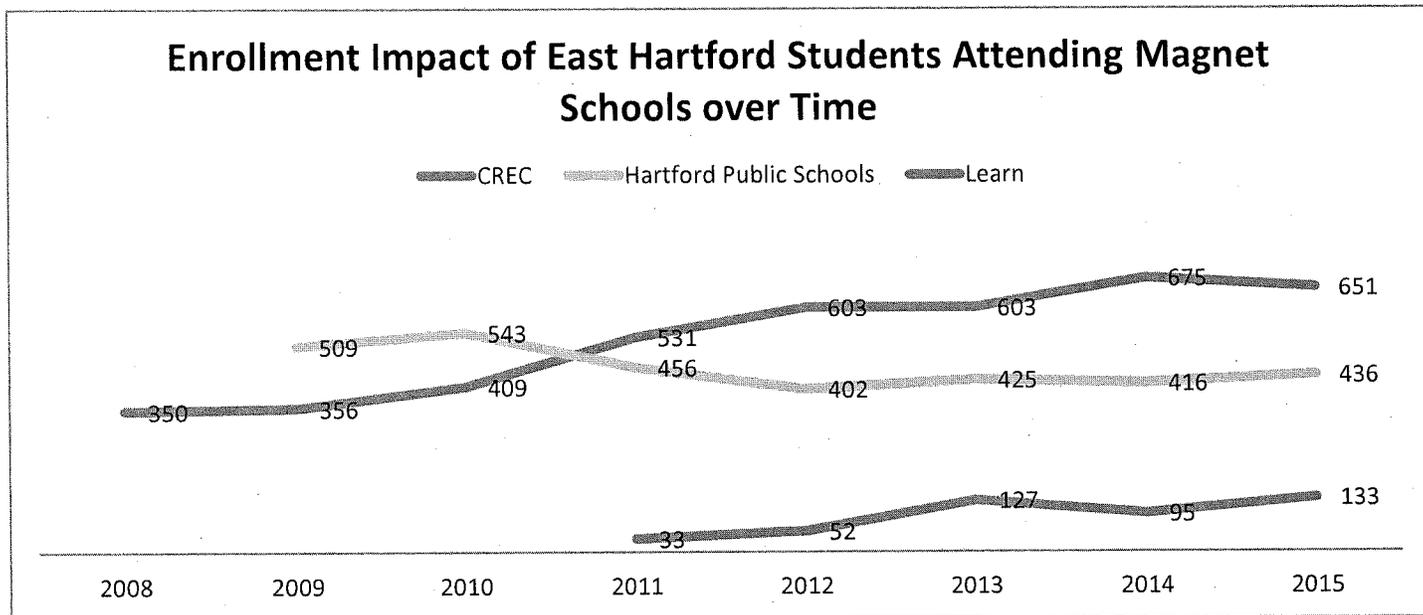
While EHPS has been slated as an Alliance District and entitled to specific funding with the intention of district improvement, resources continue to be siphoned off to meet the financial demands of the magnet school tuition payments. For example, over the past three years, the district received \$7.1 million appropriated by legislation for district improvement; in turn, magnet school payments escalated to over \$2.7 million. In 2014-2015, over \$7.1 million were appropriated specifically for district and school improvement; in turn, the district projects over \$3.02 million to be spent

on magnet school tuitions. In 2014, legislation passed in the session prompted EHPS to use the \$637,000 bump in Alliance funding to subsidize inflated magnet school tuitions. While the intention of the Alliance funding is to provide the necessary resources to foster and grow student achievement, the existing financial demands limit and mitigate the impact that this funding could have on the district. This example illustrates the need for identifying a new solution for funding a landmark settlement that does not place the burden of financial responsibility on a neighboring town that is also saddled with many of the same issues facing Hartford schools.

**EAST HARTFORD MAGNET SCHOOL PARTICIPATION/ENROLLMENT:**

Since 2008, the participation/enrollment of East Hartford students in the magnet program has steadily increased to an all-time record of 1,328 students in 2014-2015. While this population represents over 18.6% of the total population of students enrolled in EHPS (7,133), this number represents a significant cost and drain to district resources. Specifically, the projected net annual magnet school tuition payments made by EHPS of \$3,023,287 represents 3.5% of the annual adopted operating budget of \$87,266,419. For context, it should be noted that this percentage of budget funding used to cover magnet school tuitions exceeds the percentage of budget funding used to cover school supplies, textbooks and technology equipment (2.73%) combined for EHPS students.

The following chart represents East Hartford student participation in the magnet school program over time. This chart portrays a 270% increase in the numbers of students attending magnet schools from 2007-2008 to the current date.



**ENROLLMENT OF EHPS STUDENTS AT MAGNET SCHOOLS:**

It should also be noted that despite the efforts of the Regional School Choice Office (RSCO) lottery to determine enrollment in an equitable manner and weight the participation of towns by zip code, EHPS students continue to over enroll magnet schools. The following chart represents the distribution of EHPS students in the CREC schools and significant increases in the numbers of students enrolled at particular schools despite the so called “weighting” of the lottery system. While an explanation has been sought at various levels regarding how EHPS students continue to work their way through the RSCO lottery with the exception of sites where existing operational agreements mandate seat declarations (Two Rivers Magnet Middle School/Glastonbury-East Hartford Elementary Magnet School), to date an adequate answer has not been provided. In addition, the increasing numbers of students enrolling at various schools within the first month of the school year (9/11/13 vs. 10/2/13) should be noted. This flux of numbers is equally troubling for EHPS.

CREC School	2013/2014 Enrollment (9/11/13)	2013/2014 Enrollment (10/2/13)	2014/2015 Enrollment (3/25/15)
Aerospace and Engineering PK-12	22	24	27
Ana Grace Academy of the Arts Elementary School			6

Arts Academy, PK-12	18	23	14
Discovery Academy	13	13	17
Glastonbury-East Hartford Magnet School	132	134	112
Greater Hartford Academy of Math & Science Half-Day Program	3	16	4
IMS Global Citizenship	52	53	52
Medical Professions & Teacher Prep Academy	31	33	34
Metropolitan Learning Center	35	35	45
Montessori Magnet School	18	18	19
Museum Academy	21	22	24
Public Safety Academy	40	40	42
Reggio Magnet School	2	2	4
Two Rivers Magnet High School	60	61	86
Two Rivers Magnet Middle School	143	145	145
University of Hartford Magnet School	12	13	20

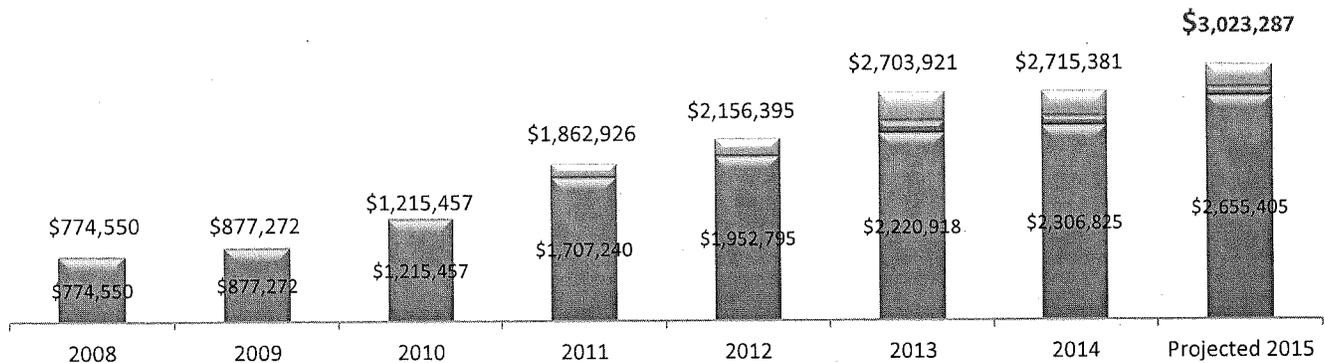
\*Discrepancies in data are due to variations between reported and actual enrollements over time

#### FINANCIAL IMPACT:

For school year 2013-2014, the aforementioned magnet school tuition payments for EHPS total over \$2.7 million. Reviewing an eight year history of this practice reveals a startling increase in the number of East Hartford children selecting out of district schools to over 18% in 2014. This increase in enrollment has resulted in an according increase in tuition payments which creates a financial drain that is unable to be estimated, unable to be reduced and finally, unable ever to be accurately budgeted for in the cycle of town and board practice. Despite the aims of this design, it is clear that not only is this financially unsustainable, but more realistically, left to its current status, the funding requirements of the magnet school program will bankrupt the fiscal abilities of the board and town budget. The following chart provides a powerful snapshot of an aggressive trend line that captures the financial obligation of EHPS in regards to magnet school tuition payments.

#### EHPS Magnet School Tuition Payments

■ CREC ■ Hartford Public Schools ■ Learn



#### A REVIEW OF COUNTER-CLAIMS:

While this concern has been voiced at multiple levels and through multiple channels, the problem has historically persisted to the detriment of the students who attend EHPS. The most common response to the discussion of the inequity and impact of this issue is a shared acknowledgement of the problem with little input regarding the solution. However, despite this general understanding, certain individuals have persistently provided several counter-claims that must be

challenged as they are not reflective of the true nature of school budgeting and financing. In the section below, two of these counter-claims are portrayed and questioned.

The first and most common counter-claim to the challenge of funding the magnet school program is the perceived financial benefit for EHPS based on the gap between the ECS allotment (\$5,928/student) and the average tuition requirement of magnet schools (\$4500/student). Proponents of this counter-claim state that the district projects a savings of nearly \$1,045,428 based on the calculation of \$1,428 (difference between ECS/Child and the magnet school tuition) multiplied by the tuition students (730). In light of this argument, it should be noted that this position is lacking a practical understanding of how financial resources are allocated within a school district. As a result of a budget activity review conducted by EHPS, it was noted that many of the students participating in the magnet program could be returned to the local district at little cost to the district based on current class sizes and current resource allocations. For example, if the 123 students currently slotted to attend the Glastonbury-East Hartford Magnet School were returned to the district, the district could absorb these students into the nine district elementary schools with minimal to no additional district hires. Furthermore, due to the steady enrollment of EHPS over the past five years (despite the growth in magnet school enrollment), EHPS has not been able to shrink the existing plant or infrastructure and close schools as a cost saving measure.

Another counter argument regarding the merit of the funding structure of magnet schools misrepresents a financial benefit for EHPS based on the fact that tuition is not paid by the district for the students attending Hartford Public Magnet Schools (HPS). This argument states that while EHPS pays over \$2.7 million in tuition payments for students attending RESC Magnet Schools, the district realizes a savings of over \$5.1 million for the 436 students attending a HPS as multiplied by the district expenditure per student - \$11,771. This argument also lacks solid financial sense or historical perspective in regards to the concepts behind the ECS grant. It should be noted that while EHPS enrollment has maintained roughly between 7,000-7,200 students and while the ECS grant has also remained flat at \$41,710,817, tuition payments have increased from \$774,550 in 2007-2008 to \$3,023,287, \$2.5million that must be funded by the local budget in 2014-2015 and \$637,000 funded from the Alliance Grant for FY 2014-15. Based on the flat funding of the ECS grant, it would defy common sense or logical financial practice to argue there is any financial benefit to the magnet school funding solution that is exercised upon the local school district.

Furthermore, and in addition to, it should be noted that in the 2014 report published by the Office of Policy and Management, EHPS Education Expenditure ranks 160 out of 169 towns. While this issue cannot be viewed as a result of the magnet school program, this data illustrates the need to reconsider the burden the program places on an extremely strained Board of Education budget.

#### **FURTHER COSTS OF THE MAGNET SCHOOL PROGRAM ON THE LOCAL BUDGET:**

Finally, beyond the burden that magnet school tuitions place on EHPS, it should also be noted the additional burdens that the requirement to maintain transportation for district students attending magnet schools within the town place on the local school budget. East Hartford is the geographic host to Two Rivers Magnet Middle School, Connecticut River Academy, Goodwin College Early Childhood and Hartford Board of Education's Pathways to Technology. As a result, the district is required to provide transportation for students attending those programs. Currently, EHPS has had to increase its current fleet by multiple buses at a cost of nearly \$55,000/bus to provide transportation for students attending these magnet school programs. With projections for increasing enrollment at many of these schools, it is expected that these numbers will continue to elevate in the future.

#### **CURRENT STEPS TOWARDS A SOLUTION:**

As a solution for this extreme financial consequence regarding disproportionate magnet school enrollment and financial burden, EHPS has engaged in the following activities:

- Improved the quality of local schools for East Hartford children with a specific emphasis on student achievement, teacher quality, school resources and infrastructure development.
- Partnered with the CSDE at the EHPS intra-district magnet CIBA as a new *Sheff* Partner.
- Actively limited partnership agreements at both Two Rivers Magnet Middle School and the Glastonbury-East Hartford Magnet School.
- Appealed to CSDE for support regarding current practice.
- Appealed to local area superintendents to form a coalition that could provide a voice and lobbying power to repeal the current practice.
- Appealed to the local legislative representatives for policy support and change.

**POTENTIAL SOLUTIONS:**

The following concepts have been proposed as potential solutions for the funding issue stemming from disproportionate enrollment of East Hartford children in magnet schools. These solutions are not ranked in order of district preference or financial impact, but are rather intended to start a conversation regarding options to the current structure.

**SOLUTION:**

**APPROXIMATE COST:**

Seek and obtain legislation that would provide local boards of education stability and predictability in regards to the financial obligations that are a result of disproportionate enrollment of students in the magnet school system. This solution proposes that a district would not be financially obligated for funding the tuition payments for students enrolled in magnet schools if the number of resident students attending magnet schools exceeds an established percentage cap of total district students. \*Please note this percentage is subject to recalculation/determination based on state ability to pay.

Approximate Cost: Cap solution would impact six Connecticut districts.

Cap	Approx. Cost to State
5%	\$2,927,500
7%	\$1,207,602
8%	\$609,900
9%	\$4,231

*Data provided by SDE 2014*

Receive financial relief from billed tuitions from RESC Magnet programs enrolling disproportionate numbers of East Hartford students (cap the limit on billing for East Hartford students at a reasonable number and have RESC absorb cost).

Approximate Cost: This funding solution would place the onus of tuition for students exceeding a cap on the RESC.

Require the RESCs to adopt the "Hartford Funding Model" and not bill local districts for tuition. This solution could be framed to only target Alliance districts in alignment with the SDE focus on closing the achievement gap.

Approximate Cost: Unknown

Partner with the CSDE in the remedy for the *Sheff* Settlement as a partner district in place of the current RESC solution.

Approximate Cost: Unknown

- Use *Sheff* funding to improve local public schools that have regional attendance of Hartford students.
- Require RESCs to partner as the managing operator of schools within the local district rather than creating an additional school district

**CONCLUSION:**

Reviewing and revising the current funding solution for magnet schools is the necessary next step for advancing educational reform and ultimate success of EHPS students. While the current model was designed to focus and solve the concept of providing an equitable and high quality education for the students represented by the *Sheff* case, the unintended financial consequences are having clear and devastating impacts on students that remain in the local district. While the result of this landmark case was to level the playing field, the financial solution has created a clear line of "have" and "have not's" for EHPS students. It also should be noted that although this report has solely focused on the context of East Hartford Public Schools, it is suggested that this same issue exists for other districts that are similarly geographically located and who share like challenges in regards to improving student achievement and providing equitable and adequate access to a high quality educational environment. By boldly moving to make these just and necessary changes, policy makers provide a strong statement as to their ultimate belief in the power of local school districts to reshape and transform education systems.

**SOLUTION:**

Seek and obtain legislation that would provide local boards of education stability and predictability in regards to the financial obligations that are a result of disproportionate enrollment of students in the magnet school system. This solution proposes that a district would not be financially obligated for funding the tuition payments for students enrolled in magnet schools if the number of resident students attending magnet schools exceeds an established percentage cap of total district students. \*Please note this percentage is subject to recalculation/determination based on state ability to pay.

**SOLUTION GRID: Numbers and Calculations Provided by SDE based on SY13-14**

Impacted Towns (Towns that have at least over 5% of students enrolled in a Town/City funded tuition magnet school)	District Total Enrollment	Enrollment in Town/City Funded Tuition Magnet School (RESC/Hartford etc.)				% of Resident Students enrolled in Town/City Funded Tuition Magnet Schools	Average Tuition Per Student Cost	Total Tuition Cost to District	Costs to State based on proposed % Caps (represents the number of students and associated cost above the % cap)											
		Enrollment in Town/City Funded Tuition Magnet School (RESC/Hartford etc.)			Total				5% Cap			7% Cap			8% Cap			9% Cap		
		CREC	Learn	Hartford					Other	# of Students above cap	Cost to State	# of Students above cap	Cost to State	# of Students above cap	Cost to State	# of Students above cap	Cost to State			
East Hartford	7,810	581	72	28		681	\$2,768,946	290	\$1,179,140	134	\$544,844	56	\$227,696	0	0	0	0			
Manchester	6,794	345	35	86		466	\$1,894,756	126	\$512,316		0		0		0		0			
Windsor	3,805	335	11	5		351	\$1,427,166	161	\$654,626	85	\$345,610	47	\$191,102	9	\$1,449					
Bloomfield	2,031	205	3	1		209	\$849,794	107	\$435,062	67	\$272,422	47	\$191,102	26	\$2,782					
New Britain	10,806	324	21	12		357	\$1,451,562		0		0		0		0		0			
East Windsor	1,247	85	9	4		98	\$398,468	36	\$146,376	11	\$44,726		0		0		0			
<b>Total Cost to State</b>									\$2,927,520.00		\$1,207,602.00		\$609,900.00		\$4,231.00					