

# Education Funding 101

Office of Fiscal Analysis  
Office of Legislative Research

Sarah Bourne, John Moran and  
Marybeth Sullivan

# Presentation Overview

## ECS Grant

- History
- Funding Formula

## School Choice

- Choice Models
- Funding Formulas

## After School Programs

- Program Types
- Impact and Funding

# **EDUCATION COST SHARING GRANT**

# Education Cost Sharing (ECS) Grant

- Major form of state education aid to towns
- ECS topics:
  - ✓ Legal history
  - ✓ Formula components
  - ✓ Additional aspects
  - ✓ Full-funding targets

# Creation of ECS: Legal History



- *Horton v. Meskill* (1977): Connecticut Supreme Court held that it is unfair for public education to be primarily funded with municipal property taxes, because that meant less wealthy cities and towns had less education dollars
- The court ordered the state to construct a fairer funding formula where the state could act as an equalizer to make up the difference between property-wealthy and property-poor towns
- The Legislature responded by enacting the Guaranteed Tax Base (GTB), the first major education equalization formula in Connecticut, and the precursor to the ECS formula
- First version of ECS enacted in 1988 (effective FY 1989-90)

# Education Cost Sharing (ECS) Grant

- Formula's Three Main Factors:

**Need Student Count**

X

**Per-Student Foundation**

X

**State Aid Percentage** (a.k.a. Aid Ratio)

= **Full Funding** (a.k.a. Target Aid)

ECS Formula =  
**Student Need Count** X **Foundation** X **State Aid Percentage**

- **Student Need Count = Resident Students + Weighting for Poverty Students**
  - Resident Students (as of each Oct. 1) plus 30% added weight for each student eligible for Free and Reduced Price Lunch (FRPL)
  - Example: 100 FRPL students = 130 students in Student Need Count

ECS Formula =  
**Need Student Count** X **Foundation** X **State Aid Percentage**

- **Foundation:**

- The level of weighted per-student spending that ECS grants help towns achieve
- Current foundation: \$11,525
- Foundation is not a promise for \$11,525 per student in state aid as each town must contribute its local share



ECS Formula =  
**Need Student Count** X **Foundation** X **State Aid Percentage**

- **State Aid Percentage** (Aid Ratio):
  - A numerical representation of a town's property wealth with a small adjustment for town income
  - Based primarily on the town's equalized net grand list per capita
  - Property poor towns have higher percentages than property wealthy towns

# Examples: Two Hypothetical Towns

Town	Need Students	Foundation	State Aid Percentage	Fully Funded ECS Aid (Target Aid)*
Property Wealthy Town	1,000	\$11,525	0.3	\$3,457,500
Property Poor Town	1,000	\$11,525	0.9	\$10,372,500

\* Most towns do not receive full funding.

# Other Aspects of the ECS Formula

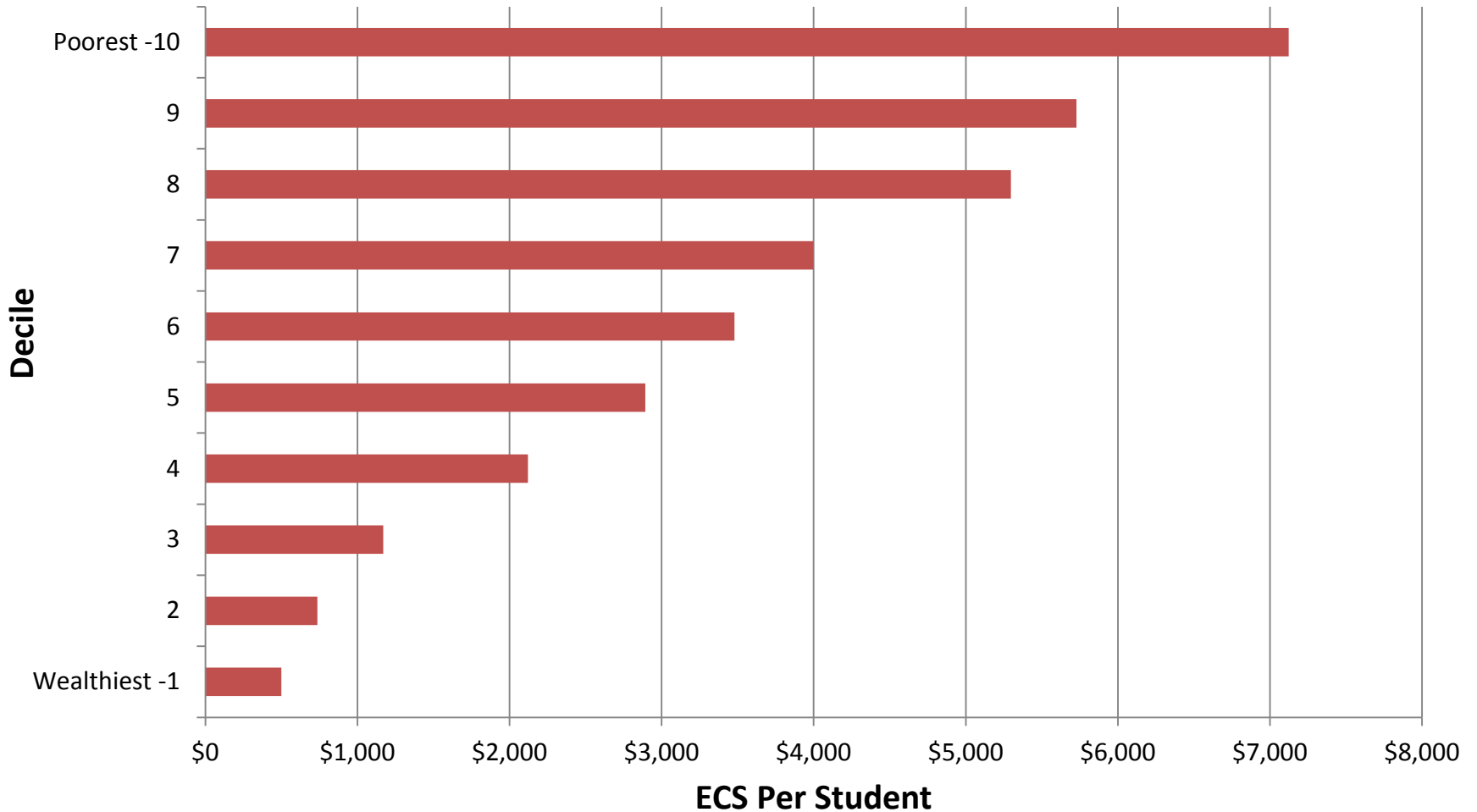
- Guaranteed minimum State Aid Percentage:
  - 10% for Alliance Districts
  - 2% for all other districts
- Each town's aid at least flat funded (held harmless)
- Most towns do not receive full funding

# Last Year's Budget Act: PA 14-47

- ECS allocations based on formula with a few minor exceptions
- Printed ECS allocations by town
- Removed phase-in language for grant increases

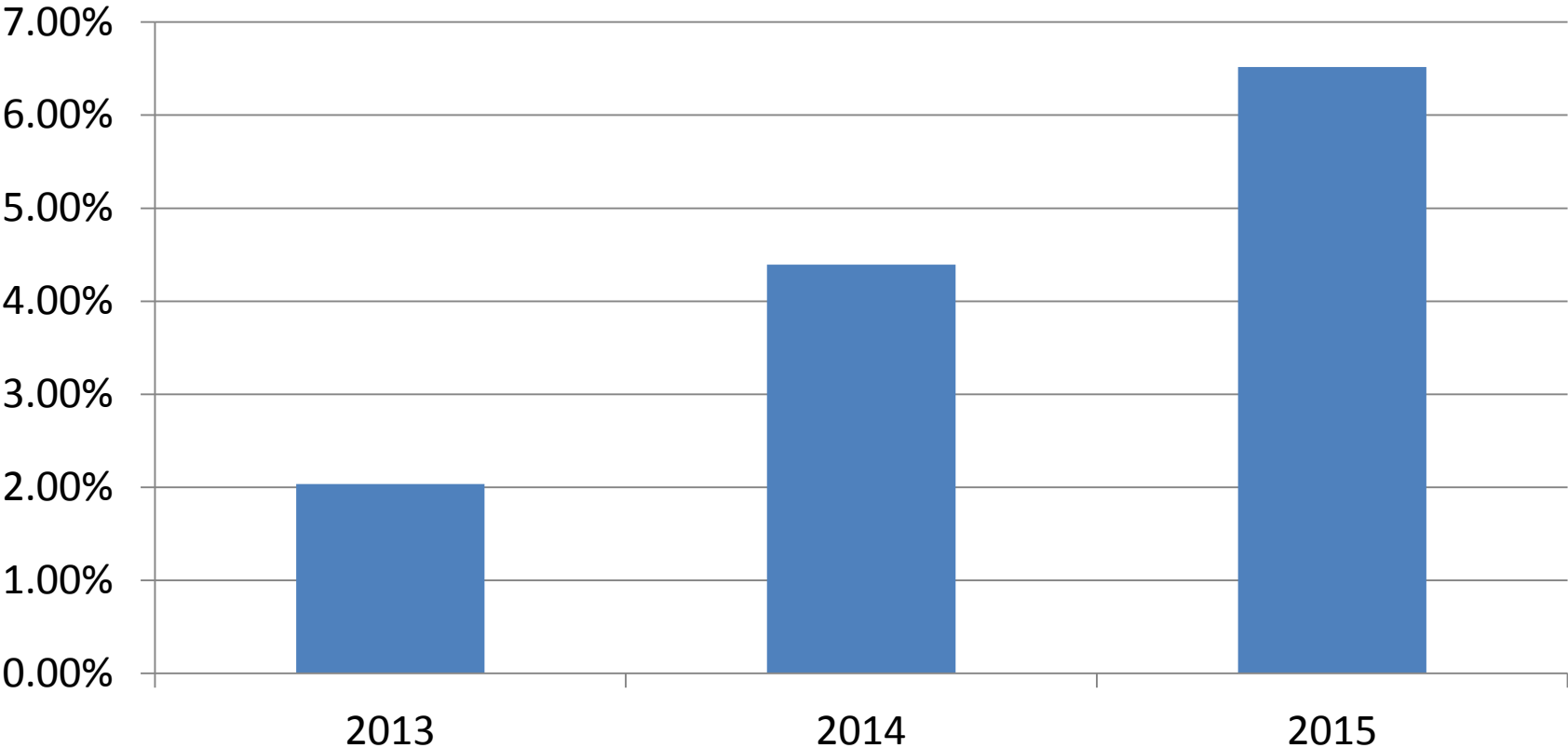
# Equalization Effect of ECS

## FY 15 ECS Aid Per Student by Wealth Deciles



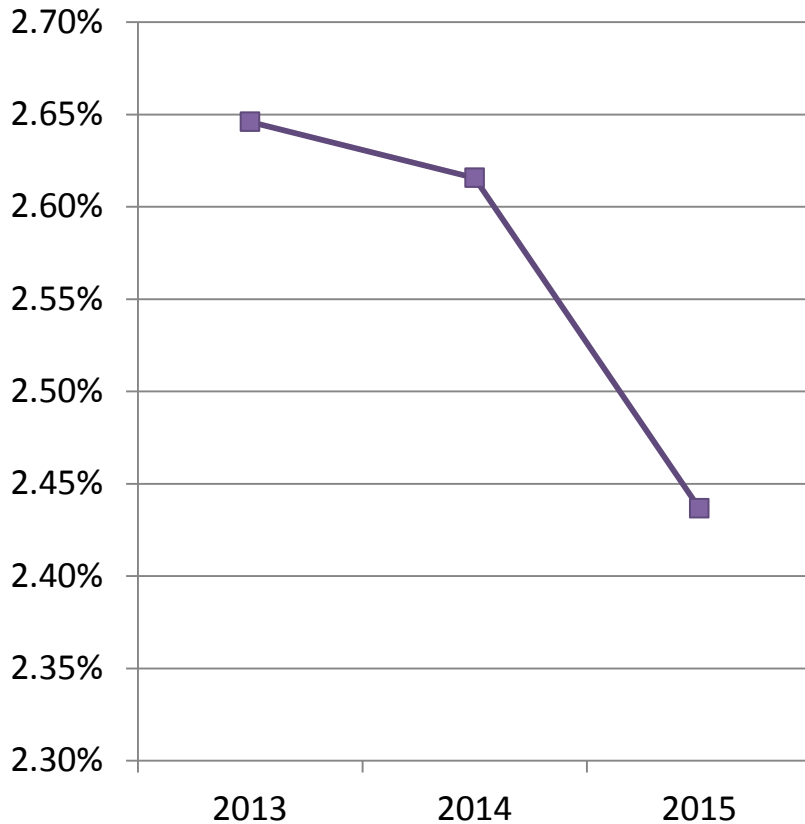
# FY 14-15 ECS Phase-In: Alliance vs. Non-Alliance Districts

**% Alliance of Total ECS Funding by FY**

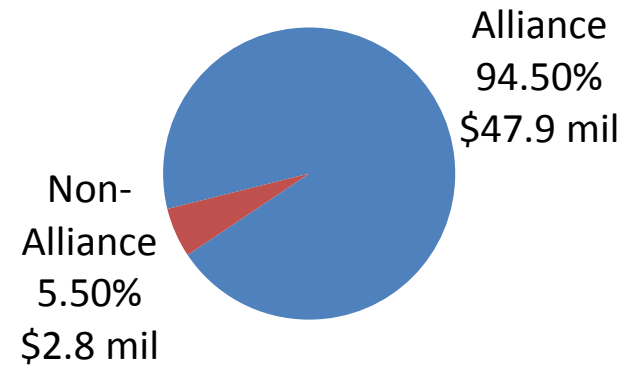


# FY 14-15 ECS Phase-In: Alliance vs. Non-Alliance Districts

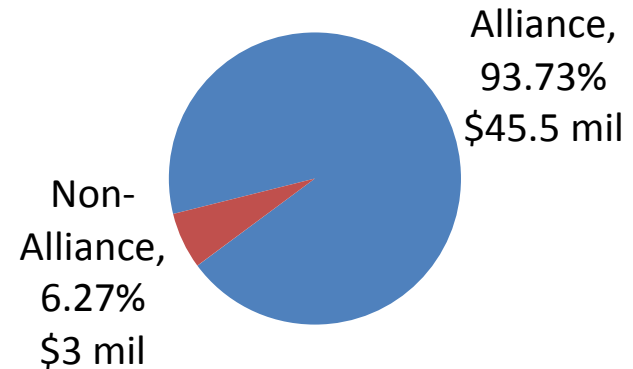
### Year-over-year Growth of ECS



### Distribution of ECS Growth in FY 14



### Distribution of ECS Growth in FY 15



# ECS Grant Full-Funding Targets

In FY 14 total target ECS aid was: \$2.67 billion

In FY 14 total ECS aid was: \$1.99 billion

In FY 14 ECS was funded at 74.9% of full funding



# **SCHOOL CHOICE FUNDING**

# Education School Choices



Charter School Programs

Inter-district Magnet Schools

CTHSS/Technical High Schools

Regional Agricultural Science Centers (Vo-Ag)

Open Choice Program

# Charter Schools

## CGS § 10-66aa

### Characteristics

- Public, non-sectarian, nonprofit
- Established under a charter granted by the State Board of Education (state charters) or a local board of education and the state board (local charters)

### Operators

- Any person, association, corporation, college or university, or regional education service center (RESA)

# Charter School Funding

- State grant – per student basis for state charters
- \$11,000 per student for FY 15
- Charter students not counted in town's ECS calculations

# Magnet Schools

CGS § 10-264/

## Characteristics

- Public, inter-district
- Designed to promote racial, ethnic, and economic diversity
- Special, themed curriculum

## Operators

- Local or regional boards of education, RESCs, or other entities

# Magnet Student Funding

## Hartford Region: Per-Student Grants Show by Sample Towns

**Chart 1: RESC-Operated Sheff Magnet:  
> 60% of Total Enrollment from Hartford**

Sending Town	State		
	Magnet <sup>1</sup> Grant \$	ECS \$ <sup>1</sup>	Total State Aid \$
Hartford	3,000	9,217	12,217
W. Hartford	7,085	1,777	8,507
Granby	7,085	2,739	9,469

**Chart 2: RESC-Operated Sheff Magnet:  
< 60% of Total Enrollment from Hartford**

Sending Town	State		
	Magnet <sup>1</sup> Grant \$	ECS \$ <sup>1</sup>	Total State Aid \$
Hartford	10,443	9,217	19,660
W. Hartford	10,443	1,777	12,220
Granby	10,443	2,739	13,182

**Chart 3: Hartford Host Magnet**

Sending Town	State		
	Magnet <sup>2</sup> Grant \$	ECS \$ <sup>2</sup>	Total State Aid \$
Hartford	3,000	9,217	12,217
W. Hartford	13,054	1,777	14,831
Granby	13,054	2,739	15,793

<sup>1</sup>The magnet operating grant is payable to the RESC, while the ECS grant is payable to the sending town. The sum of the two represents the state aid for each student attending an interdistrict magnet school, but does not represent the total state aid that goes to the school.

<sup>2</sup>Hartford receives a magnet operating and an ECS grant for each student from Hartford, plus a magnet grant for each student from outside Hartford who attends a Hartford host magnet. Sending towns receive ECS grants for their students attending Hartford host magnets.

\*Starting with FY 11, RESCs must charge tuition equal to the difference between the school's average per pupil expenditure for the prior fiscal year and the sum of (1) the state magnet school operating grant and (2) any revenue the school receives from other sources, calculated on a per-pupil basis. Because per-pupil expenditures vary from school-to-school, tuition charged to sending districts also varies.

\*\*State law prohibits Hartford from charging tuition for students enrolled in interdistrict magnet schools it operates.

# Magnet Student Funding

## New Haven/New London Region: Per-Student Grants Show by Sample Towns

**Chart 4: RESC-Operated Non-Sheff Magnet: > 55% of Total Enrollment from New Haven/New London<sup>1</sup>**

Sending Town	State		
	Magnet <sup>2</sup> Grant \$	ECS \$ <sup>2</sup>	Total State Aid \$
New Haven	3,000	8,209	11,209
Waterford	7,085	500	7,585
Oxford	7,085	2,232	9,317

**Chart 5: RESC-Operated Non-Sheff Magnet: < 55% of Total Enrollment from New Haven/New London**

Sending Town	State		
	Magnet <sup>2</sup> Grant \$	ECS \$ <sup>2</sup>	Total State Aid \$
New Haven	7,900	8,209	16,109
Waterford	7,900	500	11,912
Oxford	7,900	2,232	10,132

**Chart 6: New Haven/New London Host Magnet**

Sending Town	State		
	Magnet <sup>3</sup> Grant \$	ECS \$ <sup>3</sup>	Total State Aid \$ <sup>3</sup>
New Haven	3,000	8,209	11,209
Waterford	7,085	500	7,585
Oxford	7,085	2,232	9,317

<sup>1</sup>To simplify the table, we assumed that the town with more than 55% enrollment in the magnet school is New Haven, but by law any non-Sheff RESC magnet school that has more than 55% of its enrollment from one town gets \$3,000 for each of those students. One exception is the Wintergreen Magnet School in Hamden.

<sup>2</sup>The magnet operating grant is payable to the RESC, while the ECS grant is payable to the sending town. The sum of the two represents the total state aid for each student attending an interdistrict magnet school, but does not represent the total state aid that goes to the school.

<sup>3</sup>A host town receives both a magnet operating and an ECS grant for each of its students, plus a magnet grant for each student from outside the host town who attends the host magnet. Sending towns receive ECS grants for their students attending host magnets. To simplify the table, we assumed that the host magnet is operated by the New Haven school district.

\*Starting with FY 11, RESCs must charge tuition equal to the difference between the school's average per pupil expenditure for the prior fiscal year and the sum of (1) the state magnet school operating grant and (2) any revenue the school receives from other sources, calculated on a per-pupil basis. Because per-pupil expenditures vary from school-to-school, tuition charged to sending districts also varies.

\*\*Although, unlike Hartford, New Haven is not prohibited by law from charging sending towns tuition to attend a New Haven host magnet, it has traditionally not done so.

# Technical High Schools

CGS § 10-95 to -99g

## Characteristics

- Serve regions of multiple districts
- Provide vocational education for specific careers as well as standard curriculum

## Operators

- Exclusively state-operated



# CTHSS/Technical Schools Funding

- Appropriated from state \$156.7 million
- CTHSS students are not counted in their town's ECS calculation

# Regional Agriscience Centers

CGS § 10-64 to -66

## Characteristics

- Typically embedded in existing public school
- Vocational agricultural or aquaculture science as well as standard curriculum
- Serve regions of multiple districts

## Operators

- Host public school districts

# Regional Vo-Ag Center Funding

- Center receives \$3,200 per student
- Centers charge sending districts tuition of \$6,822 per student
- Students are counted within the ECS formula

# Open Choice Program

CGS § 10-266aa

## Characteristics

- Voluntary, statewide, inter-district
- Allows students from large urban districts to attend suburban schools and vice versa, on a space-available basis
- Purpose is to reduce racial, ethnic, and economic isolation and improve academic achievement

## Operator

- Public school districts

# Open Choice Funding

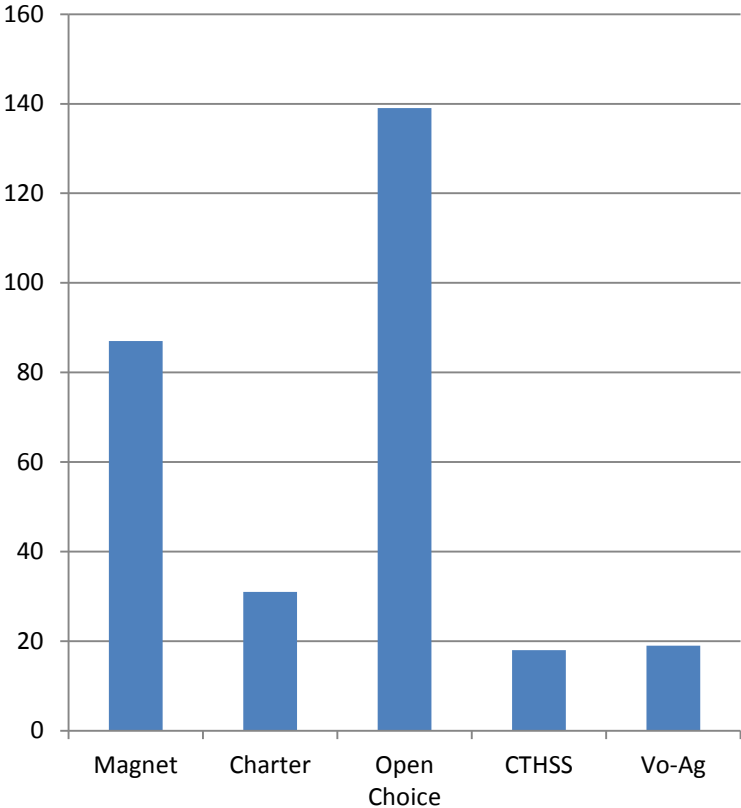
- Open Choice Grant:

<b>% of Open Choice students out of total population of the receiving district</b>	<b>Reimbursement Amount per Student to Receiving District</b>
< 2%	\$3,000
2% to <3%	\$4,000
3% to <4%	\$6,000
> 4%	\$8,000

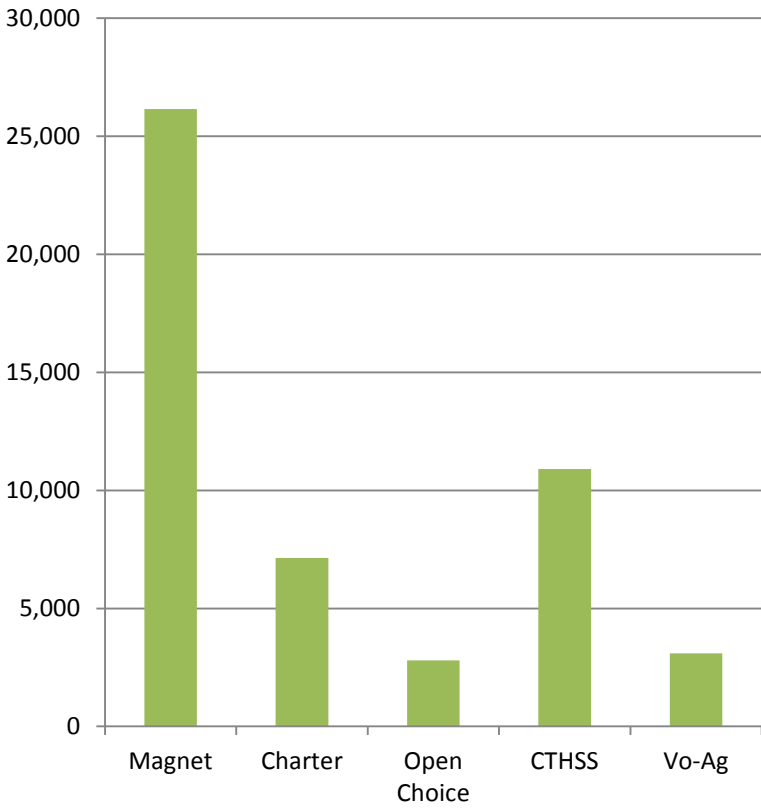
- In addition, both the sending and receiving districts may count  $\frac{1}{2}$  of each student participating, in their ECS calculation.

# Number of Students and Schools Participating in Choice Programs

**# of schools**

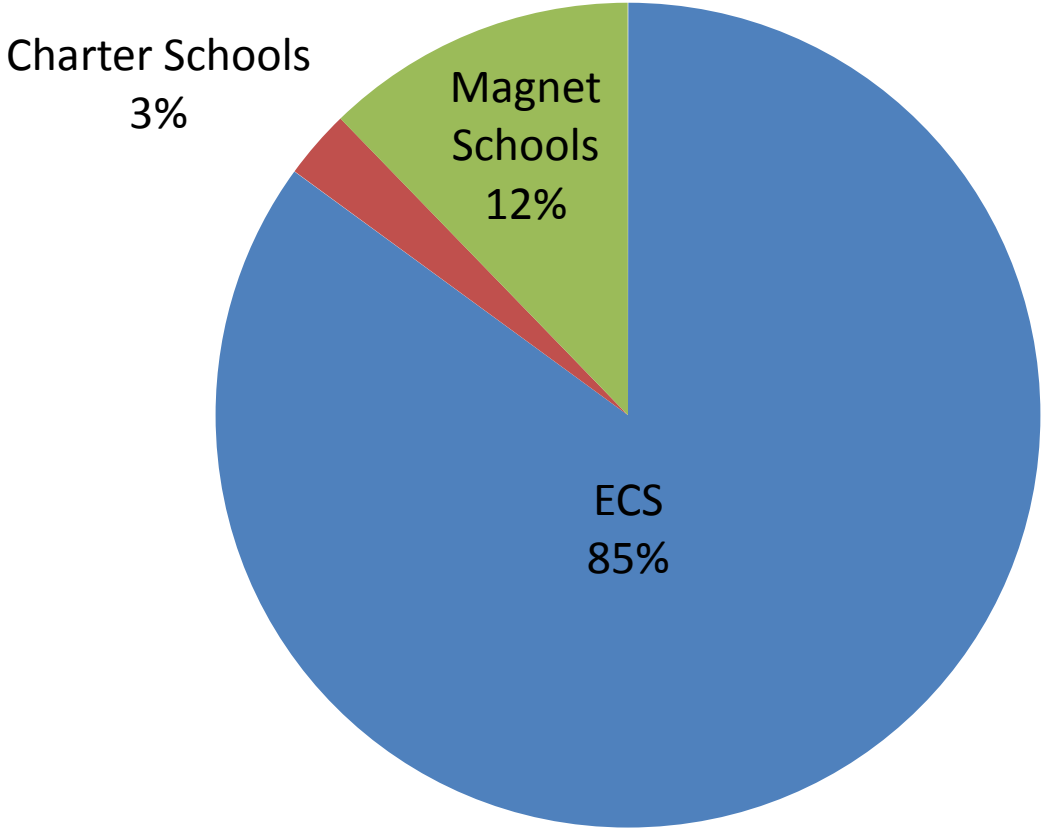


**# of students**



School Choices	# of schools	# of students
Magnet	87	26,151
Charter	31	7,132
Open Choice	139	2,800
CTHSS	18	10,900
Vo-Ag	19	3,100

# School Funding Comparing: ECS, Magnet and Charter Schools



# **AFTER SCHOOL PROGRAMMING**



# After School Program

After School  
Programs

Inter-district  
Cooperative  
Programs

Priority School  
District  
Extended Hours

# After School Programs

## CGS § 10-16X

- Eligible grant recipients:
  - Local and regional boards of education
  - Municipalities
  - Nonprofit organizations (501(c)(3))
- Characteristics:
  - Provides educational, enrichment, recreational activities
  - Serves grade K-12 students
  - Has parent involvement component

Fiscal Year	# of Students	Grant Amount
2013-2014	5894	\$6,513,147
2014-2015	4173	\$6,200,086

# Inter-district Cooperative Programs

CGS § 10-74d

- Eligible grant recipients:  
Assisting local and regional boards of education; regional educational service centers (RESCs); and nonsectarian nonprofit organizations.
- Characteristics:  
Academically sound enrichment activities, observable and measureable academic achievement, focus on academic tutoring, personal and academic counseling, an understanding of how culture affects teaching and learning.

2014-2015 Profile	
State Appropriated Grant	\$9,112,199
Students Served	41,488
Hartford Minority Students	5,591

# Priority School District (PSD) Extended Hours

## CGS § 10-266q

- Eligible grant recipients:
  - Local boards of education in districts designated as “priority school districts”
- Characteristics:
  - Offers academic enrichment, tutorial, and recreational programs or activities
  - Activities may take place before school, after school, weekends, or school vacations
- 14 Priority School Districts
- \$2,994,752 appropriated for FY14
- Benefits approximately 23,868 students

Questions?