

**Funding Connecticut's Schools:  
Topics for Consideration by the ECS Task Force**

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## Key Questions for Consideration

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### I. Where should the line be drawn between state and local responsibility for funding public education?

▶ *Related question:*

- ▶ *To what extent is the reliance on a town-based local property tax system an appropriate mechanism for financing public schools?*



## EDUCATION COST SHARING

Perhaps the primary challenge encountered in funding public education in Connecticut is the large inequities across towns in wealth and poverty, and the need to supplement or redistribute wealth to ensure schools have adequate resources. Addressing this challenge is complicated by the State's strong tradition of local control for schools and corresponding reliance on town funds – notably local property taxes - as the primary source of revenue for public schools.

Historically, in Connecticut the majority of education costs have disproportionately fallen to local towns. Among states, for the 2009-10 school year, Connecticut ranked 8<sup>th</sup> in local burden for shouldering education costs, with school districts contributing approximately 60% of education funds, as a percentage of total local and state revenues. (It is important to note that the local share can vary from district-to-district across the State.) Still, in terms of its educational tax effort, the State ranks near the bottom in the amount spent on education per \$1,000 of personal income. This latter statistics suggests that there is capacity in Connecticut to spend more on education. However, relying on solely on local taxes to generate additional revenues has the potential to widen disparities in the relative share of local contributions to education spending. In this context, the Commission faces the difficult choices of:

- 1) Redistributing wealth across towns; or
- 2) Identifying additional state-level revenue sources to support increased educational spending.

## Key Questions for Consideration

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2. At the present time are existing funds (in aggregate) sufficient to meet the State's constitutional obligations to provide all students with an adequate education?
  - ▶ *Related questions:*
    - ▶ *If existing funding levels are sufficient:*
      - *How might the ECS Formula be reformed address documented discrepancies in inter- and intra-district resources?*
    - ▶ *If existing funding levels are insufficient:*
      - *How much additional funding is needed?*
      - *From where will these existing funds come?*
      - *What mechanism will be used to determine individual districts' funding needs? And, how will funds be distributed across and within districts?*



EQUITY & ADEQUACY

## Core Principals for Reform

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▶ **Adequacy**

- ▶ *School districts need to have sufficient resources to ensure an adequate education for all students. Additionally, there needs to be a recognition that districts serve distinct student populations with varying educational needs.*

▶ **Simplicity & Transparency**

- ▶ *A future State funding mechanism should be straightforward and transparent in its approach to establishing funding levels for towns and districts.*

▶ **Predictability**

- ▶ *Effective and efficient resource allocation decisions on the part of policymakers and practitioners at the State and local levels require a stable and predictable approach to education funding.*
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## Funding Reforms – Necessary but Perhaps Insufficient

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- ▶ Education funding reforms alone may be insufficient to address resource differences across and within districts
  - ▶ Variations/gaps in educational outcomes across and within districts may not be overcome by increased (or redistributed) educational spending alone
  - ▶ Additional educational policy reforms may be required
  - ▶ *Example Resource-related Reform Areas for Consideration:*
    - ▶ Tax reform
    - ▶ Teacher Policy
      - Inter-district variations in teacher compensation
      - State-level policies to increase the supply of qualified teachers in shortage areas, and distribute teacher talent (inter- and intra-district) to classrooms where it is most needed
    - ▶ State leadership in providing or coordinating educational programs across districts – particularly for special student populations (e.g., special education, ELL)



Can't look to ECS to solve everything – variations/gaps in educational outcomes cannot be overcome by school spending alone

## Funding Special Education

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- ▶ State's "excess cost grant" is particularly problematic
  - ▶ District incentives
    - ▶ Reimbursement – at the margin
  - ▶ Encroachment
    - ▶ Potential to penalize districts for student characteristics
  
- ▶ Considerations
  - ▶ Per pupil/weighted student formula
  - ▶ Census based approach, with cost reimbursement for "extraordinary costs"



## Contact Information

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