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National Education Association

Task Force on School Funding

Presentation by Ray Rossomando

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Senator Stillman, Secretary Barnes, and the honorable members of
the Task Force on School Funding,

Thank you for providing the Connecticut Education Association, which represents more than 40,000 teachers, this opportunity to present on the importance of a suitable education funding formula in Connecticut. My name is Ray Rossomando and I am here today on behalf of CEA to present some findings, analyses and conclusions regarding education funding in Connecticut.

Connecticut, like the rest of the nation, faces the challenge of continually improving its schools – it's about a continual struggle for economic opportunity and justice centuries old. CEA stands, as we long have, as advocates for a just society – one where equal opportunity exists for all. We believe today, as we long have, that educational opportunity is the path to such a society. And, we share with you a commitment to ensure that our schools continually improve in order to reach this goal.

Since the 1960s, our schools have responded to the challenge of increasing access to all, regardless of physical or developmental disabilities, language barriers, unequal preparedness, or other special needs. An opportunity for a high school diploma once out of reach for many generations, was made available to future ones. Today, we strive to provide educational opportunity so that more young adults can achieve the higher goals demanded by today's global job market.

More recently, our local, state, and federal legislative bodies have asked our schools to continue to do everything they've done for the past 30-40 years, and have since added to that the challenge of meeting the needs of increased competitiveness and complexity of the world economy. Our curricula are more rigorous and we have sought more substantial outcomes from our schools. Escalating poverty, increased mobility, and ever-prevalent English language needs have made the goal of maximizing educational opportunity for each student even more challenging.

Readiness is also a factor, and perhaps the most significant one. Research has pointed out that when pre-school children have interacted with more adults, they have a fuller understanding of the world. If they are taught their colors, letters, and numbers they have advantages over those who haven't begun that process until they first step foot in a public school. When they understand more words, they understand more concepts, and when they have the opportunity to travel, attend enriching activities, and go to museums, the interaction builds more awareness and knowledge that enhances learning.

Everyone knows that when so many children start school without the early childhood opportunities experienced by others, the achievement gap is born. Our schools inherit this gap and strive to close it. But our teachers, who are asked to compensate for these differences, must do so when resources are dwindling. Surveys of our members indicate that each year, teachers spend hundreds of dollars (some in excess of \$1,000) out-of-pocket to provide basic provisions in their schools (examples returned in the survey include paper, pencils, lab materials, books, color copies, notebooks, maps, computer drives, and even lunch for students). It is difficult to equalize and maximize educational opportunity when there are such disparities in preparedness and the resources to address them.

But the goal of equalizing educational opportunity was precisely why the ECS formula was implemented.

As has been pointed out by others who have testified before this panel, the ECS formula is significantly underfunded. If we are to meet the constitutional goal of ensuring substantially equal educational opportunity, we must correct the ECS formula by returning its core factors to those envisioned in its original design.

Included in the materials we are presenting tonight is the report "Improving the ECS Formula" conducted by economist Dr. Ed Moscovitch, who has provided valued insight to previous discussions on the ECS formula. At the core of this report is the recognition that changes to the ECS formula have been driven by politics and not policy, leaving the formula significantly underfunded and shortchanging our schools by \$762 million to \$1.27 billion. In fact, even though the legislature set the per student foundation level at (an albeit inadequate) \$9,687 statutorily, underfunding has effectively reduced the foundation amount to \$6,897 per student.

The impact of this underfunding is exacerbated by rising educational costs associated with the increasing demands that have been placed on our schools. Education inflation (which has run at an annual rate of about 4.42% recently in Connecticut) has traditionally outpaced consumer price indices. Yet the foundation, which was initially envisioned to keep pace with inflationary increases to the real costs of education, has been frozen and effectively decreased. If the foundation truly represented the actual costs of schooling, it would have been \$11,518 for the 2010-11 budget¹ – failure to adjust the foundation has meant \$768 million less in state aid for our local schools.

As has also been noted in earlier task force meetings, the Moscovitch report notes that Connecticut has chosen to account for poverty in its formula by using Title I data, a choice that significantly underestimates poverty in our urban areas. Data regarding free and reduced priced lunch, a factor used in other states, would far better estimate poverty and help orientate the distribution of the ECS formula more consistent with the constitutional goals recognized in *Horton v. Meskill* guaranteeing a substantially equal educational opportunity for Connecticut children. The failure to accurately account for poverty has meant \$497 million less in state aid for our local schools.

Tragically, distortions to the ECS formula have disproportionately impacted communities where challenges to close the achievement gap are most prevalent. As the report points out: “The shortfall in the inner-city districts is \$5,333 per student – roughly twice the \$2,679 shortfall in the ‘other’ districts and two and a half times the \$2,142 shortfall in the wealthiest districts.”

In addition to the findings in the Moscovitch report, an analysis we have done further shows that these distortions have compromised the formula’s ability to correct for municipalities’ ability to pay.²

In Graph 1 below, the blue bubbles represent towns under the current ECS formula. The vertical axis is ECS per pupil and the horizontal axis is ECS Town Wealth (ability to pay)³. The red bubbles represent the formula if key factors are set to their original values. The state guaranteed wealth level (SGWL) is set to 2.0, minimum aid ratio to zero⁴, and the foundation to \$12,027⁵. The town with the greatest ability to pay, Greenwich, is on the far left and the least able to pay, Hartford, on the far right.

¹ Based on the educational expenditures of the 80th percentile town averaged over 3-years. Note: the foundation for 2011-12 would be approximately \$12,027.

² Graphs shown in this document highlight certain municipalities. A table representing the data for all municipalities is attached.

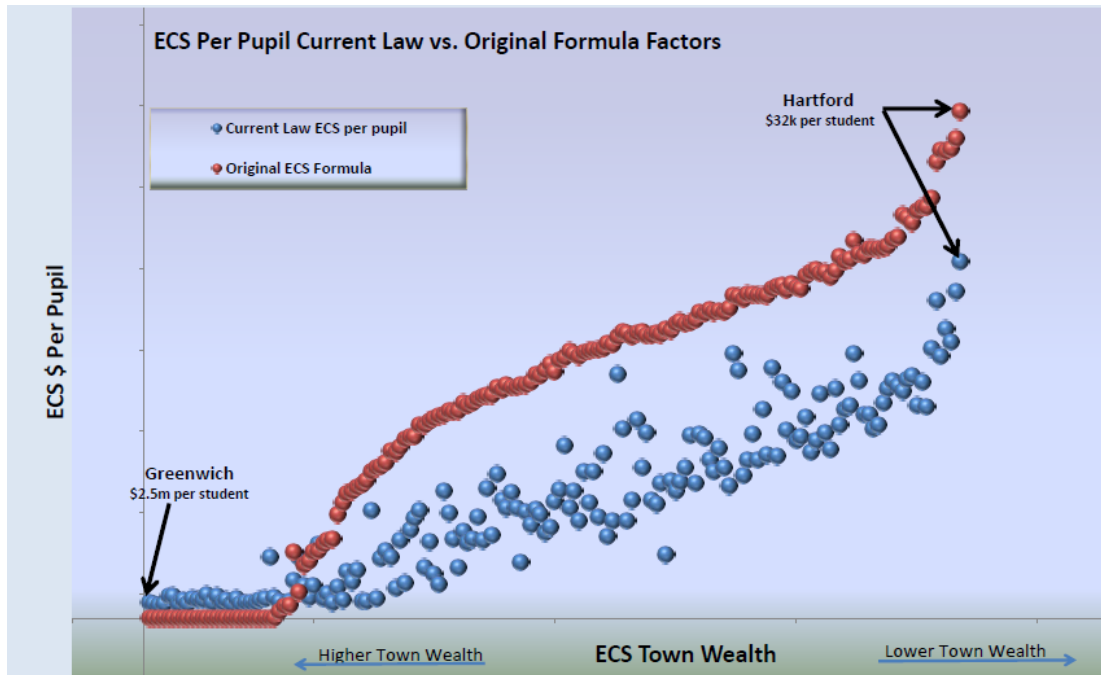
³ Town Wealth is calculated by using the adjusted equalized net grand list per capita adjusted for the number of students, household income, and personal income.

⁴ The minimum aid ratio had initially been zero, but was set at 6% by the legislature in 1999 and increased to 9% in 2007.

⁵ The educational expenditures of the 80th percentile town averaged over 3-years and estimated using Connecticut’s educational inflation of 4.42% identified in the Moscovitch report.

Not surprisingly, both show that there is a positive relationship between lower wealth and higher per pupil ECS amounts. The graph also indicates a more linear relationship when the formula is allowed to operate as designed (red bubbles).

Graph 1



In Graph 2 below, we have adjusted the size of the bubbles to represent the Title 1 poverty count used in the formula. We have also identified certain towns for convenience and indicated their Town Wealth factor. Greenwich, with \$2.5 million per student in Town Wealth represents the wealthiest community and Hartford (not labeled) represents the least wealthy with \$31,475 per student in Town Wealth.

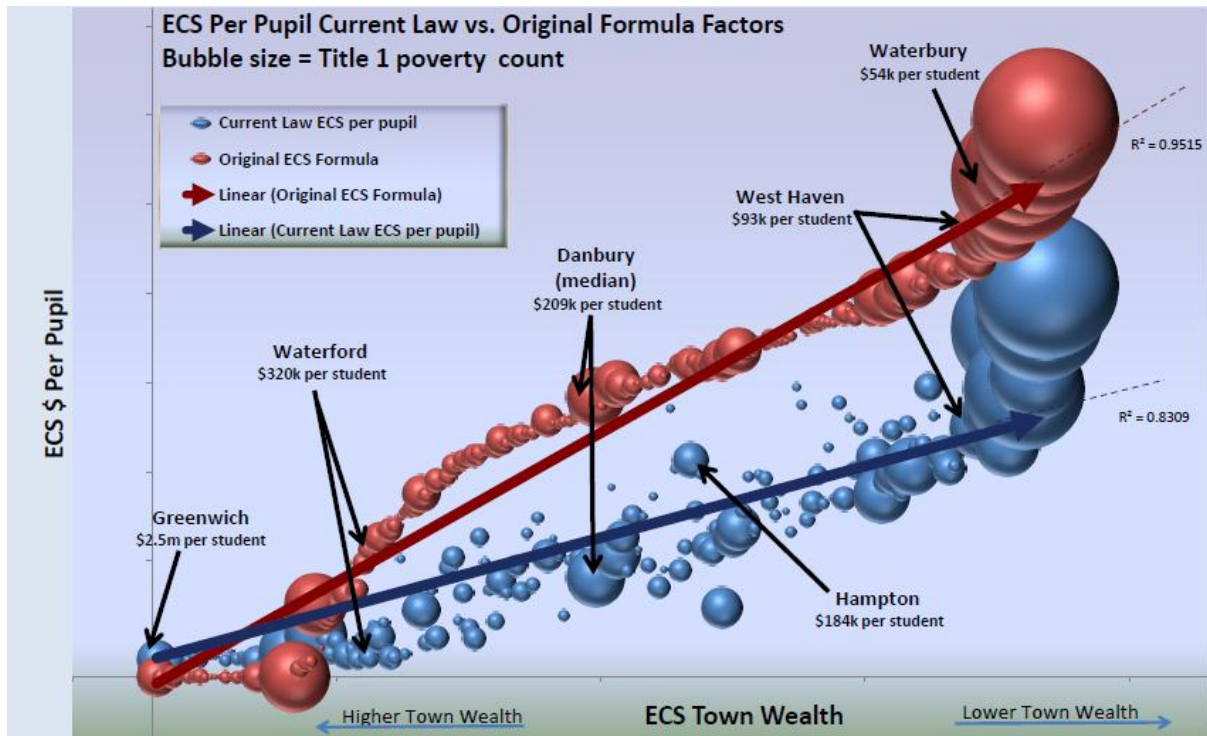
We have also applied a trend-line that more clearly illustrates the disparities caused by political changes to the original formula. Clearly the slope of the red bubbles is steeper, showing a more robust distribution of ECS dollars to districts more in need. The flatter slope of blue bubbles shows that the changes to the formula tilt the balance toward wealthier districts. In short, despite certain factors in place to protect least wealthy districts from losing funds (e.g. the hold-harmless provision), the impact of altering formula factors has redistributed ECS dollars to wealthier communities.⁶

Another key finding represented in this graph is that when you compare the “fit” of the variables (i.e. ECS per pupil) to the trend line, towns under the current formula are

⁶ This is partly because even though a hold-harmless provision was in place to protect the neediest communities from a loss of funds due to declining enrollment, the loss of funds from freezing the foundation has shortchanged them significantly more.

more scattered.⁷ This is an indication that the critical factor “ability to pay” is not as strong of a predictor of each town’s ECS under the current formula as it is in the original formula. Such distortions compromise the formula’s goal of responding to Horton V. Meskill. Moreover, in the climate of underfunding, such changes can shift dollars away from needier areas.

Graph 2



In Graph 3 below, the current poverty factor (Title I) was used for the blue and red bubbles.⁸ For the green bubbles, this has been replaced with Free and Reduced Priced Lunch (FRPL). For each student in poverty, the current formula adds .33 to the student count. We preserve this weighting in the graph below and use it also for the green FRPL poverty bubbles. Since the weighting is .33 and not one-for-one, the effect of this change is tempered, but implementing it would direct funds to areas more representative of actual poverty.

Our analysis is consistent with the conclusion in the Moscovitch report, “Improving the ECS Formula” report, which points out:

“Looking just at the high-poverty inner-city districts, the poverty definition currently defined in the ECS formula applies to only 30% of their students. Yet 87% of the

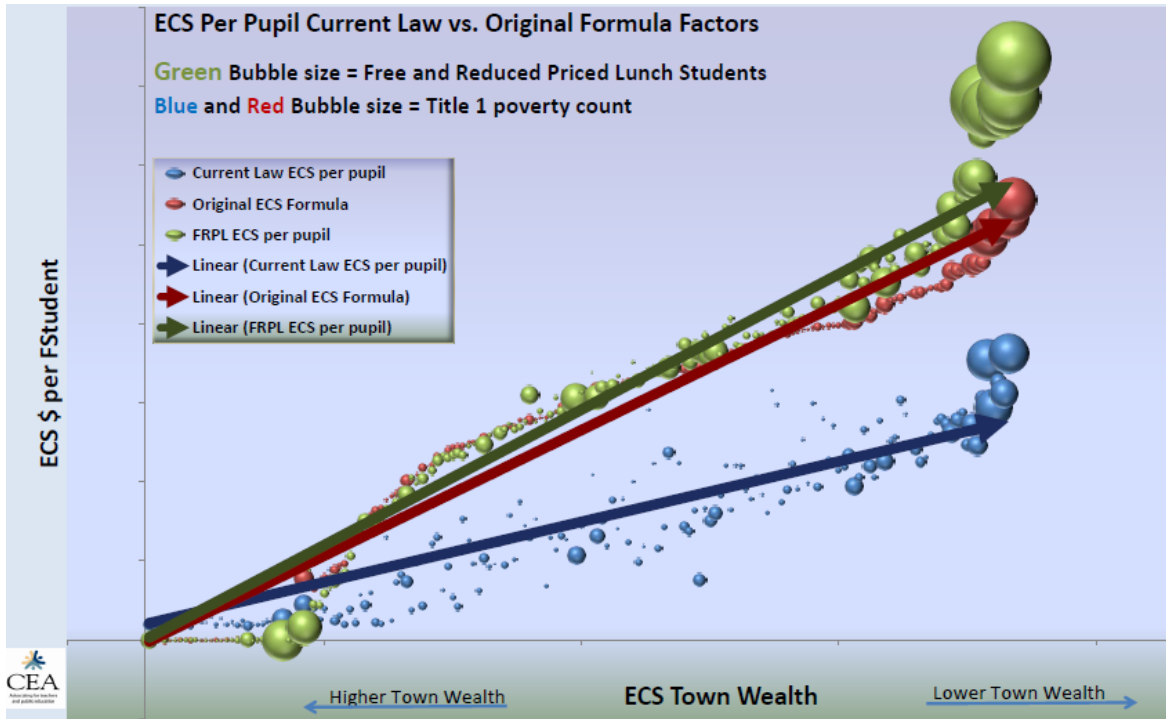
⁷ Statistically, the original formula shows that the relationship between wealth and per pupil ECS is more significant, with a $R^2 = .9515$, compared to the current formula $R^2 = .8309$

⁸ The ECS formula initially accounted for poverty using AFDC and TANF data. The legislature determined that since these measures were quickly outdated, a more frequently updated data series would be preferable.

students actually enrolled in those districts are eligible for free and reduced cost lunch under the federal government's definition of poverty. Can anyone doubt that the current formula vastly understates the needs of these districts?"

Graph 3

(REVISED 10/28/11)



In considering our state's funding challenges, we ask members to recognize all that we ask of our schools. We ask them to do much more than simply build strong skills in academic disciplines. Through our schools, we ask that our children become good citizens; that they can actively participate in our representative democracy; that they practice tolerance and are not doomed to repeat some of humanity's more troubling lessons of history. We ask that they learn how to lead healthy, more active lives. We seek to inspire their creativity, an asset that has been recognized as one of our strongest economic competitive advantages. And, we ask that our schools be safe, clean, and beacons of our community. In short, opportunity in our society is about more than a score.

As this Task Force continues its work, we urge that members strongly support restoring the formula to its more efficacious state. Clearly, there is much that we seek from our schools. If Connecticut is truly going to provide substantially equal educational opportunity and continually enhance its economic competitiveness, it is incumbent on the state to meet its financial commitment to sufficiently, fairly, and fully fund its schools.

Thank you.

