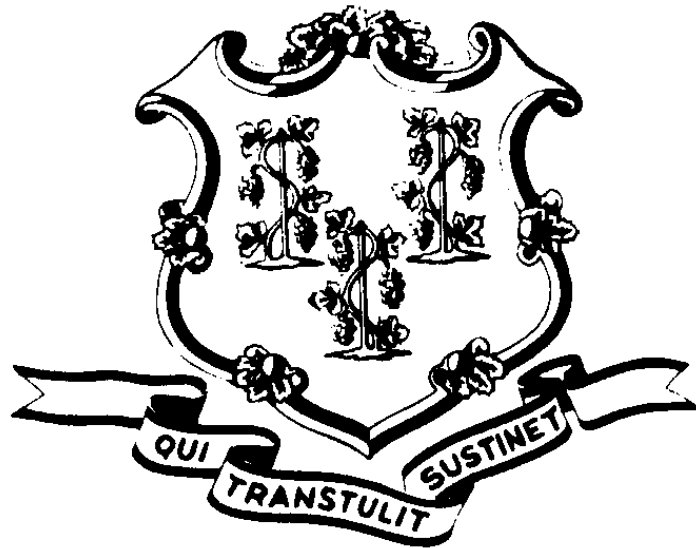


State of Connecticut



Task Force to Study State Education Funding
Interim Report

January 2012

TASK FORCE MEMBERS

Senator Andrea Stillman
Task Force Co-Chair and Co-Chair of the Education Committee

Benjamin Barnes
Task Force Co-Chair and Secretary of the Office of Policy and Management

Mark Benigni
Superintendent of Schools, Meriden

Portia Bonner, Ph.D.
Education Consultant, Wolcott Public Schools and former New Bedford Massachusetts
Superintendent of Schools

Bill Davenport
Director of Ellis Clark Regional Agriscience & Technology Program, Agriscience Teacher,
Nonnewaug High School, Woodbury

Senator Toni Harp
Co-Chair of the Appropriations Committee

Mary Loftus-Levine
Executive Director, Connecticut Education Association

Len Miller
Certified Public Accountant, Co-Founder of Fairfield County Collaborative Alliance, and
Treasurer of Kids in Crisis

Representative Michael Molgano
Member of the Education, Transportation, and Finance, Revenue and Bonding Committees

Dr. Elsa Nunez
President, Eastern Connecticut State University

Theodore Sergi, Ph.D.
Former Connecticut State Education Commissioner

Dudley Williams
Director of District Education Strategy, GE Asset Management

TASK FORCE STAFF

Chris Calabrese, Sue Driscoll, and Kevin Spinella	Education Committee
Brian Mahoney and Kathleen Guay	State Department of Education
Christopher Cordima	Legislative Commissioners' Office
Sarah Bourne and Alan Shepard	Office of Fiscal Analysis
Judith Lohman and John Moran	Office of Legislative Research

TASK FORCE CHARGE

Public Act 11-48, An Act Implementing Provisions of the Budget Concerning General Government, established a task force to study issues relating to state funding for education in the context of state constitutional requirements. The act specifically required the task force to focus on the Education Cost Sharing formula with consideration to state grants to interdistrict magnet schools, regional agricultural science and technology education centers, and funding issues relating to the cost of special education for the state and municipalities.

The task force is required to submit an initial report and a final report. The initial report on its findings and recommendations must be submitted to the governor and the Appropriations and Education committees by January 2, 2012. The task force's final report on its findings and recommendations must be submitted to the governor and the Appropriations and Education committees by October 1, 2012.

The task force terminates on the day it submits its final report.

TABLE OF CONTENTS

INTRODUCTION	1
INTERIM CONSENSUS RECOMMENDATIONS	2
CONNECTICUT'S MAJOR EDUCATION GRANTS	3
Education Cost Sharing	3
Interdistrict Magnet Schools	6
Charter Schools	7
Regional Agriculture Science and Technology Centers	8
Technical High School System	10
Open Choice Program	10
Special Education	11
INTERIM RECOMMENDATIONS	13
Consensus Recommendations	13
Potential Additional Recommendations	14
NEXT STEPS	17
APPENDIX A: Public Act No. 11-48, § 189	18
APPENDIX B: Summary of 2008-09 State Share of Public Elementary and Secondary Education	19
APPENDIX C: The ECS Formula	20

INTRODUCTION

The task force is charged with revising the Education Cost Sharing (ECS) grant formula, through which the state distributes the largest share of its education aid to towns, as well as distribution methods for certain other major state education grants. The task force is required to file an interim report on its activities, with preliminary recommendations, by January 2012 and issue a final report and recommendations by October 1, 2012 (see Appendix A for the full text of PA 11-48, § 189).

The task force recognizes that its efforts under the statute must first reflect the state's commitment to improving student achievement for all students and closing the achievement gap. Further, it must consider education funding in the context of both federal education funding and the state's other commitments to schools and local governments.

The task force began its work in August 2011. So far, it has held 11 meetings and gathered information on (1) education funding methods in Connecticut, (2) education funding methods and formulas used in other states, and (3) the structure and data components of the ECS and other state education funding formulas. The task force also held two public informational hearings, one in Waterford and one in New Haven, to hear ideas from interested and knowledgeable organizations and individuals. A complete list of meetings, presentations, plus related documents submitted to the task force is available on the task force's website: www.cga.ct.gov/ed/CostSharing/taskforce.asp.

This report provides (1) a summary of the state's major education funding programs; (2) the task force's six consensus interim recommendations; (3) a longer list of potential recommendations which, along with possible additional ideas, will be considered in the nine months leading up to the task force's final reporting date; and (4) an overview of the activities the task force plans to undertake before concluding its work.

INTERIM CONSENSUS RECOMMENDATIONS

- The task force supports efforts to increase ECS funding; establish clear year-to-year funding predictability; and collect and use the most recent and appropriate data to measure wealth, poverty, the foundation level, population, and other formula factors.
- In addition to base ECS funding, the state should provide funding for performance incentives tied to state priorities for student achievement, district and school accountability, and transparency in education spending.
- The task force supports equitable state funding for all interdistrict magnet schools, regardless of location in the state.
- Choice programs, including the regional agriscience technology centers, are an important part of Connecticut's public education system and the state should provide fair and reasonable funding for them.
- The state should provide greater access to, and qualitative enhancement of, pre-school and kindergarten programs.
- The state should explore a fairer and more reasonable approach to funding programs and services for students with special educational needs, including students eligible for special education, English language learners, and students identified as gifted or talented.

CONNECTICUT'S MAJOR EDUCATION GRANTS

PA 11-48 requires the task force to focus on several specific state education grants and their funding formulas. The task force began its work by reviewing how each of these funding programs currently works, the factors that govern how their existing formulas allocate state aid for education, and how much state money each one distributes. We summarize this essential background information below. (Appropriations data is provided by the Office of Fiscal Analysis.)

The task force wishes to note, however, that the state has other funding programs that are outside the scope of this study. Among these are assistance for school transportation and school construction; the state-funded Teachers' Retirement System; and categorical grants for specific purposes, such as school readiness programs and aid for priority school districts. A list of these state grants and their current funding is shown in Appendix B.

EDUCATION COST SHARING

Overview

Created in 1988, the ECS formula is intended to equalize state education funding to towns by taking into account a town's wealth and ability to raise property taxes to pay for education. Poor towns receive more aid per student; affluent towns receive less aid per student.

The basic ECS formula multiplies the number of students in each school district (weighted for educational need) by the amount the state has determined a district should spend to provide an adequate education (the foundation) and by an aid percentage determined by the district's wealth. The result is the district's ECS grant. The law then imposes minimum or base aid for all towns and adds supplements for such things as students attending regional school districts.

The formula has been fully funded only rarely in its 23-year history. Over the years there have been attempts to phase-in full funding when state revenues were strong, but financial downturns have often led to interrupting the phase-in and freezing or reducing funding levels. In addition to significantly revamping the formula in 1995 and 2007, the legislature made some adjustment to it nearly every year since it was created. While its primary components remain intact, the cumulative effects of previous aid caps, minimum aid amounts, and out-of-date data elements distort the formula's proper functioning.

ECS funding was frozen at the FY 09 level in FY 10 and FY 11. The current state budget calls for ECS funding to continue at the FY 09 level through FY 13.

Current Appropriation

- FY 12: \$1.89 billion
- FY 13: \$1.89 billion

The ECS Formula and Its Components

Basic Formula. The ECS formula has three main parts:

1. a base aid ratio (or percentage) representing the relationship between each town's wealth (measured by equalized grand list adjusted for income) and a state guaranteed wealth level (GWL);
2. the number of students each town is educating increased to compensate for educational and economic need; and
3. a "foundation" amount representing the level of per-need-student spending that state aid helps towns achieve, which is, ideally, the amount necessary provide an adequate education to each student.

Except for the foundation, which is currently set by state law, the basic formula incorporates various subformulas, which are briefly described below. Each of the subformulas relies on data derived from various sources and dates from various years.

The complete ECS formula, and subformulas, data elements, and sources are shown in Appendix C.

Town Wealth. In the formula, each town's relative wealth is determined by an average of its property tax base and its residents' income. The property tax base is the total of its taxable real and personal property at 100% of market value, averaged over three years. The property tax base is measured on both a per-student (with the number weighted for need-see below) and a per-capita basis. Income is measured on a per-capita and median-household basis and each town's income is compared to that of the highest-income town in the state.

State Guaranteed Wealth Level (GWL). The ECS formula is designed to allow towns to tax themselves to raise a portion of the foundation based on an equalized tax burden, with the state making up any difference between what a town can raise and the foundation, up to the state guaranteed wealth level. The GWL is 75% above the wealth of the median town. A higher GWL increases the state's share of total education funding.

Students and "Need Students." The student factor starts with the number of regular and special education students enrolled in public schools at town expense on October 1 in the year before the grant year ("resident students"). This number is adjusted for the

district's number school days over the statutory 180-day minimum and then weighted for educational and economic need, by increasing a town's resident student counts for students in certain categories to yield a "need student" count.

The formula uses two factors to weight student counts for educational need.

1. Each student from a low-income family who is eligible for federal assistance under Title I of the Elementary and Secondary Education Act as of each October 1 counts an extra 33%.
2. Each limited-English-proficient (LEP) student not participating in bilingual education programs counts an extra 15%.

Foundation. The ECS foundation is set by state law at \$9,687 per-need-student.

Minimum Aid. To avoid having towns whose wealth is higher than the GWL get no state aid, the ECS formula establishes a minimum base aid ratio of 0.09 for most towns and 0.13 for the 20 school districts with highest concentrations of low-income students. Thus, grants for the wealthiest towns (known as "minimum aid towns") are either 9% of the foundation amount for each need student or, for wealthier towns with a high proportion of low-income students, 13%.

Regional Bonus. Towns receive a bonus of \$100 for each student enrolled a K-12 regional district and proportionately lower bonuses for students enrolled in regional districts encompassing grades 7-12 and 9-12.

The ECS Formula Since 2007

The last major changes in the ECS formula were enacted in the 2007 legislative session and took effect July 1, 2007.

PA 07-3, June Special Session, changed the formula to (1) increase the level of per-student spending ECS aid helped towns achieve, (2) provide a higher level of minimum aid, (3) increase student need weightings for poverty and limited-English, and (4) use a more up-to-date measure for the student poverty weighting. That same law simplified the formula and its subformulas by eliminating supplemental aid to towns based on poverty concentrations and higher-than-average population densities. It also eliminated a factor that provided additional aid for low-achieving students. The same act phased in increased state aid, specifying minimum percentage increases of 4.4% each year for FY 08 and FY 09.

The budget acts of 2009 and 2011 each overrode the statutory ECS formula and specified each town's ECS grants for the four years from FY 10 through FY 13. Each town's grant was held constant for each year. Thus, although the ECS formula has not

functioned since FY 09, the amount each town gets today is set according to the amount the ECS formula produced three years ago.

The Minimum Budget Requirement (MBR)

Three requirements apply to any town receiving an ECS grant. The first is that it spend its entire ECS grant for education. The second is that it not use an increase in its ECS grant in any year to supplant local funding for education (the nonsupplant requirement). The third is the MBR, which requires towns to budget at least a minimum amount for education in each fiscal year.

For FY 12 and FY 13, most towns must budget the same amount for education as they budgeted in the previous fiscal year. However, certain towns may reduce their MBRs within certain limits if their school district enrollment has fallen. Towns cannot take advantage of these reductions if their schools districts are not meeting annual state academic performance requirements.

INTERDISTRICT MAGNET SCHOOLS

Overview

The goal of the interdistrict magnet school program is to reduce racial, ethnic, and economic isolation by attracting students from a number of towns to a school with a specialized theme. Connecticut's interdistrict magnet schools operate according to two basic models: "host" magnets, which are operated by the school districts where they are located, and "RESC" magnets, which are operated by regional education service centers (RESCs) or other nonprofit entities, such as colleges and universities, approved by the education commissioner.

Host and RESC magnets are divided into two subcategories: *Sheff* and non-*Sheff* (named after the landmark desegregation court case, *Sheff v. O'Neill*). *Sheff* magnets are interdistrict magnet schools in the Hartford region that help the state meet the requirements it and the *Sheff* plaintiffs agreed to in 2008 and that were incorporated into a stipulated court order in the case. Interdistrict magnet schools located outside the *Sheff* region such as those in New London, New Haven, and Bridgeport, are called non-*Sheff* magnets because they are not part of the settlement.

State Operating Grants

- **Host Magnets Generally:** \$3,000 for each student from the host town/\$6,730 for each student from other towns.
- **Hartford Host Magnets:** \$13,054 for each student from outside Hartford.

- ***Non-Sheff RESC Magnets:***
 - RESC magnets enrolling less than 55% of their students from a single town receive \$7,620 annually for each student.
 - RESC magnets enrolling 55% or more of their students from one town (the dominant town) are treated the same as host magnets and receive \$3,000 for each student from the dominant town and \$6,730 for each student from the other towns.
 - Edison Magnet School in Meriden, which enrolls more than 55% of its students from Meriden, receives \$3,833 for each Meriden student.
- ***RESC-Operated Sheff Magnets:*** A RESC-operated *Sheff* magnet that enrolls less than 60% of its students from Hartford receives \$10,443 for each student.
- ***Part-Time Programs:*** An interdistrict magnet program that operates less than full-time, but at least half time, receives 65% of the above amounts.

Current Appropriation

- FY 12: \$215.9 million
- FY 13: \$235.4 million

ECS Grants

Each sending town, including host towns, receives an ECS grant for any their students enrolled in the magnet school.

Tuition from Sending Districts

- Many magnet schools receive per-student tuition from sending districts. Amounts vary based on the state grants the schools receive. Tuition cannot exceed the difference between the magnet's schools per-pupil operating cost in the previous year and its state operating grant.
- Hartford host magnets are barred from charging tuition through FY 13.

CHARTER SCHOOLS

Overview

A charter school is a nonsectarian public school organized as a nonprofit corporation and operated independently of a local or regional board of education. The State Board of

Education (SBE) grants and renews the charters, usually for five years and, as part of the charter, may waive certain statutory requirements applicable to other public schools.

Connecticut law allows both state and local charter schools, but currently all Connecticut charter schools are state charter schools. Thus, only the funding for state charter schools is described below.

State Operating Grants

- State charter schools receive an annual state operating grant of \$9,400 for each student enrolled in the school.
- If the annual state budget appropriation for charter school grants for any year exceeds \$9,400 per student, per-student grants must be proportionately increased by up to \$70 per student.
- In addition, within appropriations, the education commissioner may provide grants of up to \$75,000 for start-up costs to any newly approved charter school that helps the state meet the desegregation goals of the 2008 settlement and court order for the *Sheff v. O'Neill* Hartford school desegregation case.

Current Appropriation

- FY 12: \$57.1 million
- FY 13: \$59.8 million

ECS Grants

- Charter school students are not counted for purposes of ECS grants.
- Local districts receive no ECS funding for students attending charter schools.

Tuition from Sending Districts

- State charter schools are not allowed to charge tuition.

REGIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY CENTERS

Overview

The law allows local school boards to make agreements to establish regional agricultural science and technology centers, formerly known as vocational agriculture (“vo ag”) centers, for their students in conjunction with their regular public school systems. Local school

boards that do not offer agricultural science and technology training must designate a school that their students interested in such training may attend. The agriculture centers serve secondary school students in grades nine to 12.

State Operating Grants

- Annual grant of \$1,355 for each student enrolled in the center as of October 1 of the preceding year.
- For centers with more than 150 out-of-district students, an additional \$500 per student.
- A center that no longer qualifies for the \$500 supplemental grant receives a gradually decreasing phase-out grant for four successive years after it ceases to qualify.
- For a center that is not eligible for either a full \$500-per-student supplemental grant or a phase-out grant, a supplemental grant of \$60 per enrolled student.
- If any funds remain after the above distributions, all centers receive an additional \$100 per enrolled student.
- Any remaining funds are distributed to districts operating centers with more than 150 out-of-district students. Allocations are based on the ratio of the number of out-of-district students over 150 in each center to the total number of out-of-district students over 150 in all centers in the state.

Current Appropriation

- FY 12: \$5.1 million
- FY 13: \$5.1 million

ECS Grants

Towns receive a regular ECS grant for students attending agricultural centers in their own or another district.

Tuition from Sending Districts

- Up to a maximum tuition of 82.5% of the ECS foundation amount, or \$7,992 per student per year.
- Tuition for students enrolled in shared-time programs is prorated. (In a shared-time program, students take regular high school academic courses at their home high school and agriculture training at the agricultural center.)

TECHNICAL HIGH SCHOOL SYSTEM

Overview

The Connecticut Technical High School System (CTHSS) is a state-run system that provides academic and trade technology instruction. Secondary students receive a comprehensive high school education in conjunction with training 38 trades. Post-secondary students have access to full-time or part-time apprenticeship instruction or training in aviation maintenance or medical and dental occupational areas.

State Funding

- CTHSS school operations are funded by the state through the regular state budget process.
- Preparatory and supplemental programs, including apprenticeship programs, are funded from the nonlapsing Vocational Education Extension Fund, which includes all proceeds from operating the programs plus rental fees for CTHSS facilities.

Current Appropriation

- FY 12: \$149.6 million
- FY 13: \$143.7 million

ECS Grants

- CTHSS students are not counted for purposes of ECS grants.
- Local districts receive no ECS funding for students attending CTHSS schools.

Tuition from Sending Towns

- Sending towns pay no tuition to the CHTSS system when their students enroll in CTHSS schools.
- Certain post-secondary programs, such as the LPN program, charge students tuition.

OPEN CHOICE PROGRAM

Overview

The Open Choice Program is a voluntary interdistrict attendance program that allows students from large urban districts to attend suburban schools and vice versa, on a space-

available basis. Its purpose is to reduce racial, ethnic, and economic isolation; improve academic achievement; and provide public school choice.

State Funding

The state pays a school district that accepts students (“receiving district”) the following grants:

- \$3,000 per student to districts where Open Choice students are less than 2% of the district's total student population,
- \$4,000 per student for districts with 2% to 3% Open Choice enrollment, or
- \$6,000 per student for districts with Open Choice enrollment of at least 3% of total enrollment.

If actual enrollment in the program is lower than the number of students for which funds were appropriated, supplemental grants of up to \$1,000 per student are paid to certain receiving districts. The supplemental grants are distributed pro rata to receiving districts for any students who attend a school that enrolls at least 10 Open Choice students.

Current Appropriation

- FY 12: \$19.8 million
- FY 13: \$20.1 million

ECS Grants

For each Open Choice participant, the sending district receives 50% of its regular per-student ECS grant, while the receiving district receives 50% of its regular per-student ECS grant.

Tuition from Sending Districts

Sending towns pay no tuition to receiving towns for any Open Choice student.

SPECIAL EDUCATION

Overview

Federal and state special education laws require school districts to identify children with disabilities that affect their educational performance and provide them with a “free and appropriate public education” tailored to their individual needs. Federal and state

laws and regulations also impose procedural requirements for implementing the overarching mandate. The requirements cover eligible children between the ages of three and 21.

Although the state and federal government provide assistance, under federal and state laws, local school districts are ultimately responsible for providing, and paying for, special education required by their resident students.

Special Education Excess Cost Grant

The state provides a categorical state grant to help school districts with special education costs. The grant, known as the “excess cost” grant, reimburses school districts for (1) any special education costs for a particular student that exceed 4.5 times the district’s average per pupil expenditures for the preceding year and (2) 100% of special education costs if a student is placed in the district by a state agency and has no identifiable home district in the state. Reimbursable costs include those for special education instructional personnel, equipment and materials, tuition, transportation, rent for space or equipment, and consultant services, all as defined state law.

For the past several fiscal years, the state budget has limited the state’s total expenditures for reimbursing local school districts for excess special education costs to the amount specified in the state budget. If these amounts are not sufficient to pay all the excess costs districts incur, grants are proportionately reduced.

Reimbursements for state-agency-placed children are not affected by this cap and must be paid in full.

Current Appropriation

- FY 12: \$139.8 million
- FY 13: \$139.8 million

ECS Grants

Students receiving special education are counted as resident students for purposes of the ECS grant. The ECS formula includes no special weighting or other factor for such students.

INTERIM RECOMMENDATIONS

The task force reached consensus on six recommendations. These six provide a core upon which to build a vision and future steps toward improving education financing in Connecticut. The task force will continue to consider a longer list of potential recommendations that have received some support (see pp. 14-16). These and other ideas that may arise in the course of further deliberations may receive enough support to be included in the final report.

Consensus Recommendations

ECS Grants

Support efforts to (1) increase ECS funding, (2) establish clear year-to-year funding predictability, and (3) collect and use the most recent and appropriate data to measure wealth, poverty, foundation, population, and other formula factors.

Magnet Schools

Support equitable state funding for all inter-district magnet schools regardless of location in the state.

Choice

Choice programs are an important part of Connecticut's public education and they deserve fair and reasonable funding.

Accountability and Performance

In addition to base ECS funding, the state should provide funding for performance incentives tied to (1) state priorities for student achievement, (2) district and school accountability, and (3) transparency in education spending.

Early Childhood Education

Pursue greater access to, and the qualitative enhancement of, pre-school and kindergarten programs.

Special Educational Needs

Explore ways to provide a fairer and more reasonable approach to funding programs and services for students with special educational needs, including students eligible for special education, English language learners, and students identified as gifted or talented.

Potential Additional Recommendations

Formula Factors and Data

1. **Poverty:** Use free or reduced price lunch data as a measure of poverty in the ECS formula.
2. **Income:** Use Connecticut adjusted gross income (AGI) as the income measure in the ECS formula. Consider requiring other income to be added back to AGI, provided the process is relatively easy.
3. **Wealth:** Give income greater weight in the ECS wealth factor.
4. **Educational Need (student weighting):** Include special education and English language learners as an additional student weight.
5. **Foundation:** Increase the foundation level to reflect the real cost of adequately educating students and index the foundation for changing costs over time.
6. **Foundation:** Define adequate education to include both fiscal responsibility and academic expectation.
7. **Resident Students:** Ensure that the formula accounts for enrollment changes and adjusts aid depending on the changes.
8. **Guaranteed Wealth Level:** Increase the state guaranteed wealth level (GWL) with the goal of reaching 2.0 (i.e., twice the median town wealth).

Funding

1. In the absence of full-funding, use a scheduled phase-in approach to increase funding over time rather than imposing freezes or other arbitrary limits on funding changes.
2. Fully fund the ECS formula.
3. If ECS funding remains frozen, do not change current allocations.
4. Eliminate the minimum budget requirement (MBR) and instead build into ECS the necessary funding commitments.

Performance Factors

1. Consider designating a portion of ECS dollars to award to successful districts or schools. Make funding available to others to replicate the successful model.
2. Funding formula should be tied to increased student performance (not just test scores, but also demonstrated skills attainment), as well as growth from year to year and from September to June.
3. Increase accountability and competition for funding, including consideration of the education commissioner's "Three C's."
4. Provide additional funding, available by invitation, to high poverty districts willing to embrace the State Department of Education's educational reforms.

District Finances

1. Ensure that towns spend money allocated for education on education.
2. Ensure each district's allocation of funding is equitably distributed to the neediest schools.
3. Establish a universal reporting system to better track school district spending. Require all school districts to use the same school budget line item language and methods.
4. Take precautions against district year-end spending to protect entitlements.
5. Establish a user-friendly system that allows the state to review local education expenditure data that is updated on a regular basis.
6. Require districts to submit quarterly reports on expenditures of state and aid and local resources for education.
7. Send education funding directly to the school districts.

Regionalization/Collaboration

1. Review the possibility and impact of regionalization or county system of funding.
2. Provide incentives to regionalize, such as higher school construction grant reimbursement levels.
3. Increase collaboration between high schools and higher education to find out how to better prepare high school students for college. Identify models that work and use grant opportunities to encourage others to adopt the models.

School Choice

1. Provide ECS grants to all types of public schools.
2. Make regional agricultural science center funding equitable with other school choice options.
3. Provide necessary resources to vocational-technical schools so they can educate all students, including low performing students, special education students, and behaviorally challenged students.
4. Require state aid to immediately follow a student who leaves a district during the school year to attend another district.
5. Reject proposals to fold choice schools into the ECS formula.
6. Ensure financial resources are available to the vocational-technical schools to meet workforce training needs.
7. Create a separate board of education for the vocational-technical system.

Early Childhood Education

1. Provide funding for all-day kindergarten in high poverty communities.
2. Steer additional funds to early education by giving greater weight to early childhood education students.

3. Establish a process to make available quality early childhood education to more children.
4. Increase Pre-K offerings by increasing funding for school-readiness grants.
5. Examine the impact of all-day kindergarten and preschool programs on funding.

Special Education

1. Reject proposals to fold special education into ECS.

Data Collection/Surveys

1. Increase data collection and sharing for all schools, using such methods as five-year graduate surveys for high schools to (1) gather feedback on how well their graduates were prepared for their future and (2) improve course selections, teaching methods, graduation rates, and other indicators of a successful high school.

NEXT STEPS

The task force is planning to take a number of steps and activities in the coming months before issuing a final report. There is much more to learn, study, and discuss before all task force members are in a position to come up with a fair and lasting process for the distribution of state education funding to Connecticut's cities and towns.

The task force plans to take the following steps in the upcoming months:

- Solicit presentations from the Connecticut Association of Public School Superintendents, Connecticut Coalition for Justice in Education Funding, UConn's Neag School of Education, Achievement First, and others regarding their ideas for education and education funding in Connecticut.
- Prepare a strong rationale to support the reallocation of grants a revised formula will cause. Those underfunded should benefit and those overfunded should be treated fairly.
- Conduct a complete analysis of how choice programs (charters, *Sheff* magnet schools and non-*Sheff* magnets, regional agricultural science centers, and vocational-technical schools) are funded and whether they belong in the final version of a new ECS formula, giving consideration to the effect on funding levels of both host and sending school districts; consider to what extent need-based funding is necessary and equitable.
- Determine the cost of educating a child in Connecticut.
- Hold hearings in various parts of the state to gather public input.
- Request more information on specific areas of interest as task force members deem necessary.
- Examine the role the minimum budget requirement plays in education financing and whether it needs modification.

This report was written at the task force's direction by:
John Moran & Judith Lohman
Connecticut General Assembly
Office of Legislative Research
2012-R-0063

APPENDIX A

Public Act No. 11-48, § 189

Sec. 189. (*Effective from passage*) (a) There is established a task force to study issues relating to state funding for education in the context of state constitutional requirements. Such study shall focus on the education aid grant formula set forth in section 10-262h of the general statutes, and give consideration to state grants to interdistrict magnet schools, regional agricultural science and technology education centers and funding issues relating to the cost of special education for the state and municipalities.

(b) The task force shall consist of the following members:

- (1) Six appointed by the Governor;
- (2) One appointed by the speaker of the House of Representatives;
- (3) One appointed by the president pro tempore of the Senate;
- (4) One appointed by the majority leader of the House of Representatives;
- (5) One appointed by the majority leader of the Senate;
- (6) One appointed by the minority leader of the House of Representatives; and
- (7) One appointed by the minority leader of the Senate.

(c) Any member of the task force appointed under subdivisions (2) to (7), inclusive, of subsection (b) of this section may be a member of the General Assembly.

(d) All appointments to the task force shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select one chairperson of the task force from among the legislative appointments to the task force, and the Governor shall select one chairperson of the task force from among the executive appointments to the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

(f) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to education shall serve as administrative staff of the task force.

(g) (1) Not later than January 2, 2012, the task force shall submit an initial report on its findings and recommendations to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and education, in accordance with the provisions of section 11-4a of the general statutes.

(2) Not later than October 1, 2012, the task force shall submit a final report on its findings and recommendations to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and education, in accordance with the provisions of section 11-4a of the general statutes.

(3) The task force shall terminate on the date that it submits its final report pursuant to subdivision (2) of this subsection or October 1, 2012, whichever is later.

APPENDIX B

Summary of 2008-09 State Share of Public Elementary and Secondary Education		
	<i>Expenditure</i>	<i>Percent of Total</i>
Education Cost Sharing (ECS) Grant	\$1,889,182,288	45.3%
Capital Grant Programs	693,888,946	16.6%
Teachers' Retirement	588,832,792	14.1%
Other State Grants	583,794,195	14.0%
State Department of Education Leadership and Education Program Support	147,811,644	3.5%
CT Technical High School System	140,270,505	3.4%
Other State School Districts	94,794,799	2.3%
All Other	34,984,699	0.8%
TOTAL STATE SHARE	\$4,173,559,868	100.0%

Source: State Department of Education, Presentation to the Task Force, 9/15/11

APPENDIX C

The ECS Formula

Fully Funded ECS Grant = (Base Aid Ratio x Foundation x Need Students) + Regional Bonus

- **Base Aid Ratio** = Greater of: (a) 1 minus Town Wealth ÷ State Guaranteed Wealth Level (1.75 times the median town wealth) or (b) 0.09 (9 %) for most towns and 0.13 (13%) for towns ranked in top 20 according to Title I Count ÷ Population aged 5-17

$$\text{Town Wealth} = (((\text{ENGL} \div \text{Need Students} + \text{ENGL} \div \text{Population})) \div 2) \times (((\text{PCI} \div \text{HPCI}) + (\text{MHI} \div \text{HMHI})) \div 2)$$

ENGL = Equalized net grand list (three-year average) (CT Office of Policy & Management, Average: 2003/2004/2005)

PCI = Per capita income (U.S. Census Bureau, 1999)

HPCI = PCI for town with highest PCI in the state (U.S. Census Bureau, 1999)

MHI = Median household income (U.S. Census Bureau, 1999)

HMHI = MHI for town with highest MHI in the state (U.S. Census Bureau, 1999)

Population = Total town population (U.S. Census Bureau, 2005)

Need Students = See below

- **Foundation** = \$9,687
- **Need Students** = Resident Student Count + 33% of Poverty Count + 15% LEP Count

Resident student count = Students enrolled in public schools at town expense on the preceding October 1, adjusted for school days under or over 180 in the school year, plus 50% of town students participating in Open Choice (State Department of Education, October 2007)

Poverty count = Number of children aged 5 to 17 from families in poverty as determined under Title I of federal No Child Left Behind Act as of each October 1 (State Department of Education, 2005)

LEP Count = Number of limited-English-proficient students not participating in state-funded bilingual education programs (State Department of Education, October 2006)

- **Regional Bonus** = \$100 per resident student enrolled in K-12 regional districts, \$46.15 for each student enrolled in a 7-12 district, and \$30.77 for each student enrolled in a 9-12 district