Testimony Regarding
S.B. 816: An Act Establishing a Minimum Level of Funding Under the Education Cost Sharing Formula
Kenneth Feder and Rachel Leventhal-Weiner, PhD
Committee on Appropriations
April 2, 2015

Senator Bye, Representative Walker, and distinguished members of the Committee:

We are testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

Connecticut Voices for Children supports increasing Education Cost Sharing (ECS) grant funding for towns that have seen large student poverty increases but have not received concurrent ECS grant increases. However, these increases must not come at the expense of Connecticut's poorest school districts, which remain the most underfunded and require significant additional State education aid.

A well designed education funding formula targets State education aid to school districts with high costs, because their students have significant educational need, but little ability to pay on their own. Students who grow up in poverty, students who do not speak English as a first language, students with disabilities, and students who grow up involved with the foster care and juvenile justice systems all typically require additional supports in schools because of their unique needs, and hence require greater investment from the school districts serving them. Furthermore, if towns were left to finance schools on their own, with no State support, towns with a weak property tax base would quickly be outspent by more affluent towns that easily can raise significant revenue while still charging a low tax rate. The ECS grant is supposed to use a formula to provide the greatest aid to districts with high student need but a weak tax base, to ensure all districts can provide an equal education. (A brief summary of the structure of the formula, as well as example calculations, are presented in Appendix A.)

Failure to actually follow a formula to allocate ECS grants has weakened the relationship between actual ECS grants and a town's need or ability to pay. The State has never paid out 100% of the amount required according to the ECS formula. It also has not simply "pro-rated" town's grants (i.e., if the State appropriates half of the funding required to fully fund the ECS grant, then all towns receive half of their "fully funded" grant). Instead the State historically has used the following system to allocate grants:[1]

1. If, according to the ECS formula, a town should receive *less* money than it received the prior year – because of declining enrollment, declining poverty, or a growing tax base – it simply receives the same grant payment it received the prior year.
2. If, according to the ECS formula, a town should receive *more* money than it received the prior year – because of increasing enrollment, increasing poverty, or a shrinking tax base – it receives the grant payment it received the prior year *plus* some fraction of the difference between the prior year grant and the fully funded grant calculated by the formula.

This system of allocating grants is highly ineffective, because towns with rising enrollment and poverty receive only part of the grant increase they need each year, and as a result their state aid falls further and further behind where it needs to be to provide an adequate education without charging exorbitant property tax rates. By contrast, towns with falling enrollment and poverty become more and more overfunded each year because their grants are never reduced; since this excess money is not really needed to support the schools, it likely simply becomes a property tax subsidy for already wealthy towns.

The consequences of deviating from the ECS formula can be seen be seen by comparing the ECS grant allotments proposed in the FY16 budget (which are unchanged from FY15) to the most recent "fully funded" grant targets calculated for FY14 (in FY15, no formula was used, and grant amounts were simply written into law):
- On average, towns will receive 77% of their fully funded grant.
- Towns range from receiving as little as 23% of their fully funded grant (Orange) to 710% percent of their fully funded grant (Canaan).
- 16 towns will receive less than 50% of their fully funded grant.
- 50 towns will receive more than 100% of their fully funded grant.

(A full list of proposed ECS grants and fully funded grants is included in Appendix B.)

The proposed bill would increase ECS funding for towns that have been "left behind" because grant increases have not kept up with increases in resident student poverty, and they now receive less than 50% of their fully funded grant. According to the most recent iteration of the formula, this would affect 16 towns – Branford, Glastonbury, Haddam, Middlebury, Milford, Newtown, North Haven, Orange, Rocky Hill, Shelton, Simsbury, Southbury, Trumbull, West Hartford, Wethersfield, and Woodbury. Many of these towns are suburbs that have seen poverty migrate in from urban centers over the course of the last decade. According to the State's own calculation, these towns require significantly more aid to provide an adequate education to their students without imposing exceptionally high property tax rates.

While these towns require increases in education aid, it is essential these increases do not come at the expense of Connecticut's highest-poverty towns, which still are by far the most needy, and also need significant increases in State education aid. While the State's decision to ignore the ECS formula year after year is harmful, the formula itself is also flawed, and inadequately targets aid at high need districts. This is chiefly because the formula considers only student poverty, and would provide no additional funding for students identified as English Language Learners (ELL), students with special education needs, and students in foster care or the juvenile justice system, all of whom impose significant additional cost on schools. (The State does operate separate grant programs to support bilingual education and special education, but these programs are very small compared to the ECS grant, and are also capped, so towns receive only a fraction of the reimbursement for which are eligible.[2]) Because the ECS grant does not account for 0these additional factors, ECS "fully funded" grant targets greatly underestimate the level of State support required in districts that enroll many students in poverty *and* enroll many students who do not speak English as a first language *and* enroll many students with special education needs.

Connecticut's most under-resourced schools remain overwhelmingly concentrated in urban centers with very high child poverty rates. In a recent Connecticut Voices report, we sorted Connecticut's public schools into five equally sized groups based on their average kindergarten class sizes, and again by their average years of teaching experience. Research shows that, all other things

being equal, students benefit from smaller kindergarten classes and more experienced teachers, but both resources can be expensive for districts. **In 2013, 61% of public schools with the largest kindergarten classes, and 47% of public schools with the least experienced teachers, were located in just 10 towns – the ten towns with the highest child poverty rates**. This is in spite of the fact that less than a fifth of all the State's public schools are located in these towns. These poor towns also already pay some of the highest property tax rates in the State.[3] A recent U.S. Department of Education Data release provides further evidence that inadequate funding for high-poverty towns is at the root of these disparities – after accounting for local, state, and federal funding, Connecticut towns with the lowest poverty rates outspend towns with the highest poverty rates by over $1,200 per pupil. Simply put, Connecticut's public school finance system does the least for those students who have the greatest need; additional State education aid is required to help these needy towns reduce kindergarten classes and hire more experienced teachers. Yet all of these high-poverty towns receive more than 50% of their fully funded ECS grant. Clearly, the calculation of fully funded grants is itself flawed. **The State should increase education aid to inner-ring suburbs that are underfunded because they have seen poverty increase, but it should *also* increase aid to high-poverty districts, which continue to have the greatest need for education aid.**

A natural short-term source of funding for ECS increases is reallocating grants from towns that are receiving over 100% of their fully funded ECS grant. Currently, 50 towns receive more than 100% of their most recent fully funded ECS target grant, and by the State's own calculation are collectively overfunded by $21 million. Most of these are small towns or extremely wealthy suburbs that have seen enrollment or poverty decline but have never seen their grants decreased (in fact Greenwich, Darien, and Westport all receive over 100% of their fully funded grant). Reallocating this $21 million is unlikely to harm students in these 50 towns, because right now this money essentially functions as a property tax subsidy, and these towns can afford to raise property tax rates to make up for the loss of State aid. Reallocating this money to other towns – high poverty urban centers, and towns that have seen poverty increase but have not received concurrent aid increases – will therefore both increase the quality of education in these more needy communities *and* improve the fairness of Connecticut's tax structure.

For all these reasons, Connecticut Voices for Children supports increasing State education aid to towns that have become underfunded because grant increases have not kept up with increases in poverty *and* increasing aid to high poverty towns that remain the most under-resourced in the State. In the long term, we urge the General Assembly to develop and follow a new ECS formula, one that more appropriately targets education aid to school districts with the greatest need but least ability to pay, so that all students receive an equally well-resourced education regardless of where they may live.

Contact
Kenneth Feder
(203) 498-4240 x. 117 (office)
(215) 266-3615 (cell)
kfeder@ctvoices.org

Appendix A: Summary of ECS Fully Funded Grant Calculation and Examples

A town's "fully funded" ECS grant is calculated according to a formula that follows this general outline:[4]

1. Determine an amount called the "foundation" which represents the estimated cost of educating an individual student ($11,525 in the most recent iteration of the formula)
2. Count up the number of students in each town that the town is responsible for providing an education (the "resident student" count).
3. Weight more heavily students who are low-income, and therefore are presumably more expensive to educate. For example, in the most recent iteration of the formula, students eligible for Free or Reduced Price Meals (FRPM) were counted as 1.3 students instead of 1.
4. Multiply the foundation amount by the weighted student count, to determine what the State considers the cost of providing an education in that town. Let's call this amount the "estimated cost of education" (term not used in statute).
5. Construct a measure of the town's ability to pay for education on its own, by comparing its equalized net grand list and median household income to that of a typical Connecticut town. Towns with higher grand lists and median household incomes have greater ability to pay for their own schools, and therefore should receive a smaller percentage of their estimated cost of education covered by the State.
6. Multiply the "estimated cost of education" by a larger percentage if the town has little ability to pay, and by a smaller percentage if the town can easily pay for education on its own.
7. Add to this number a "bonus" amount if the town is part of a regional school district.

This is a town's "fully funded" ECS grant. In this way, the formula is supposed to target aid to towns with great need but little ability to pay.

Example 1: Town A has 30 resident students, 20 of whom are eligible for FRPM and 10 of whom are not. Town A has a relatively small grand list and relatively low median income, and after comparing the town's tax base to that of other towns, it is determined that the State should cover 70% of the town's education costs. According to the formula described above, Town A's fully funded ECS grant would be:

$$\$11,525*(10 + 20*1.3)*0.7 = \$290,430$$

Example 2: Town B has 30 resident students, 2 of whom are eligible for FRPM and 28 of whom are not. Town B has a relatively large grand list and relatively high median income, and after comparing the town's tax base to that of other towns, it is determined that the State should cover 25% of the town's education costs. According to the formula described above, Town B's fully funded ECS grant would be:

$$\$11,525(28 + 2*1.3)*0.25 = \$88,166.25$$

So, if the ECS formula were followed, even though Town A and Town B have the same number of resident students, Town B would appropriately receive a larger grant because its student body is more expensive to educate, and it has a weaker tax base.

Appendix B: ECS Grants and Fully Funded Formula Targets by Town

Town	Fully Funded ECS Target (FY 2014)	Proposed ECS Grant (FY 2016)	Funded Percentage
Andover	$3,038,742.00	$2,379,549.00	78%
Ansonia	$22,264,940.00	$16,548,642.00	74%
Ashford	$4,018,107.00	$3,933,350.00	98%
Avon	$1,266,380.00	$1,233,415.00	97%
Barkhamsted	$2,437,720.00	$1,668,460.00	68%
Beacon Falls	$5,211,406.00	$4,128,939.00	79%
Berlin	$8,023,474.00	$6,311,635.00	79%
Bethany	$2,560,162.00	$2,053,378.00	80%
Bethel	$9,013,919.00	$8,261,688.00	92%
Bethlehem	$1,307,335.00	$1,319,337.00	101%
Bloomfield	$9,333,801.00	$6,230,536.00	67%
Bolton	$3,391,740.00	$3,046,046.00	90%
Bozrah	$1,625,289.00	$1,249,912.00	77%
Branford	$6,137,057.00	$1,911,260.00	31%
Bridgeport	$211,305,113.00	$178,900,148.00	85%
Bridgewater	$64,908.00	$137,292.00	212%
Bristol	$56,870,513.00	$45,348,587.00	80%
Brookfield	$1,584,587.00	$1,555,658.00	98%
Brooklyn	$8,657,684.00	$7,087,589.00	82%
Burlington	$6,548,536.00	$4,394,032.00	67%
Canaan	$29,474.00	$209,258.00	710%
Canterbury	$4,255,176.00	$4,754,383.00	112%
Canton	$5,441,158.00	$3,457,436.00	64%
Chaplin	$1,902,175.00	$1,893,763.00	100%
Cheshire	$16,582,513.00	$9,506,203.00	57%
Chester	$1,129,400.00	$675,408.00	60%
Clinton	$5,183,598.00	$6,502,667.00	125%
Colchester	$15,816,597.00	$13,761,528.00	87%
Colebrook	$603,586.00	$508,008.00	84%
Columbia	$3,118,332.00	$2,573,616.00	83%
Cornwall	$38,749.00	$85,322.00	220%
Coventry	$9,868,816.00	$8,935,142.00	91%
Cromwell	$8,347,647.00	$4,499,307.00	54%
Danbury	$58,801,145.00	$29,554,523.00	50%
Darien	$1,132,163.00	$1,616,006.00	143%
Deep River	$2,176,132.00	$1,720,239.00	79%
Derby	$12,008,726.00	$7,905,484.00	66%
Durham	$4,362,453.00	$3,993,506.00	92%
East Granby	$2,735,151.00	$1,377,206.00	50%
East Haddam	$4,552,303.00	$3,779,206.00	83%

Town	Fully Funded ECS Target (FY 2014)	Proposed ECS Grant (FY 2016)	Funded Percentage
East Hampton	$8,965,454.00	$7,690,997.00	86%
East Hartford	$65,408,995.00	$48,811,203.00	75%
East Haven	$24,392,630.00	$20,004,233.00	82%
East Lyme	$7,203,162.00	$7,138,163.00	99%
East Windsor	$6,287,475.00	$5,789,350.00	92%
Eastford	$1,092,969.00	$1,116,844.00	102%
Easton	$358,322.00	$593,868.00	166%
Ellington	$13,684,753.00	$9,722,237.00	71%
Enfield	$37,874,167.00	$28,973,638.00	76%
Essex	$251,835.00	$389,697.00	155%
Fairfield	$2,449,127.00	$3,590,008.00	147%
Farmington	$1,495,248.00	$1,611,013.00	108%
Franklin	$921,749.00	$948,235.00	103%
Glastonbury	$14,048,429.00	$6,552,432.00	47%
Goshen	$137,417.00	$218,188.00	159%
Granby	$8,746,541.00	$5,536,473.00	63%
Greenwich	$2,097,370.00	$3,418,642.00	163%
Griswold	$12,946,310.00	$10,922,908.00	84%
Groton	$22,638,780.00	$25,625,179.00	113%
Guilford	$2,055,362.00	$3,058,981.00	149%
Haddam	$4,355,470.00	$1,823,044.00	42%
Hamden	$44,779,658.00	$27,018,047.00	60%
Hampton	$1,088,677.00	$1,339,928.00	123%
Hartford	$227,334,478.00	$200,830,551.00	88%
Hartland	$1,338,751.00	$1,358,660.00	101%
Harwinton	$3,525,159.00	$2,774,080.00	79%
Hebron	$9,564,703.00	$7,016,070.00	73%
Kent	$77,592.00	$167,342.00	216%
Killingly	$17,307,188.00	$15,871,254.00	92%
Killingworth	$2,653,050.00	$2,245,206.00	85%
Lebanon	$5,491,277.00	$5,524,550.00	101%
Ledyard	$14,065,183.00	$12,178,128.00	87%
Lisbon	$2,955,382.00	$3,927,193.00	133%
Litchfield	$1,988,389.00	$1,517,026.00	76%
Lyme	$104,039.00	$145,556.00	140%
Madison	$802,004.00	$1,576,061.00	197%
Manchester	$47,574,634.00	$34,476,141.00	72%
Mansfield	$11,390,432.00	$10,186,654.00	89%
Marlborough	$4,850,409.00	$3,201,941.00	66%
Meriden	$75,179,523.00	$59,964,898.00	80%
Middlebury	$1,878,757.00	$738,899.00	39%

Town	Fully Funded ECS Target (FY 2014)	Proposed ECS Grant (FY 2016)	Funded Percentage
Middlefield	$2,668,032.00	$2,142,785.00	80%
Middletown	$32,050,094.00	$19,648,776.00	61%
Milford	$29,577,821.00	$11,381,824.00	38%
Monroe	$6,575,405.00	$6,613,738.00	101%
Montville	$15,635,052.00	$12,768,219.00	82%
Morris	$114,215.00	$657,975.00	576%
Naugatuck	$36,415,487.00	$30,805,615.00	85%
New Britain	$113,617,376.00	$85,008,849.00	75%
New Canaan	$984,034.00	$1,495,604.00	152%
New Fairfield	$4,689,652.00	$4,468,243.00	95%
New Hartford	$4,312,545.00	$3,187,717.00	74%
New Haven	$180,410,850.00	$154,577,620.00	86%
New London	$32,675,268.00	$25,677,518.00	79%
New Milford	$14,651,165.00	$12,127,127.00	83%
Newington	$20,251,163.00	$13,031,837.00	64%
Newtown	$9,099,975.00	$4,441,264.00	49%
Norfolk	$57,614.00	$381,414.00	662%
North Branford	$9,728,824.00	$8,252,689.00	85%
North Canaan	$1,961,169.00	$2,091,790.00	107%
North Haven	$7,849,178.00	$3,393,016.00	43%
North Stonington	$2,411,817.00	$2,906,538.00	121%
Norwalk	$14,754,985.00	$11,275,807.00	76%
Norwich	$44,618,539.00	$36,195,392.00	81%
Old Lyme	$390,006.00	$605,586.00	155%
Old Saybrook	$358,049.00	$652,677.00	182%
Orange	$5,200,554.00	$1,185,863.00	23%
Oxford	$5,233,602.00	$4,677,464.00	89%
Plainfield	$17,522,426.00	$15,600,016.00	89%
Plainville	$13,208,098.00	$10,405,528.00	79%
Plymouth	$11,928,547.00	$9,913,763.00	83%
Pomfret	$3,495,899.00	$3,136,587.00	90%
Portland	$6,930,511.00	$4,394,272.00	63%
Preston	$2,929,599.00	$3,077,693.00	105%
Prospect	$6,948,602.00	$5,405,931.00	78%
Putnam	$9,268,846.00	$8,471,318.00	91%
Redding	$405,657.00	$687,733.00	170%
Ridgefield	$1,231,804.00	$2,063,814.00	168%
Rocky Hill	$8,765,021.00	$3,587,753.00	41%
Roxbury	$88,124.00	$158,114.00	179%
Salem	$2,872,625.00	$3,114,216.00	108%

Town	Fully Funded ECS Target (FY 2014)	Proposed ECS Grant (FY 2016)	Funded Percentage
Salisbury	$95,038.00	$187,266.00	197%
Scotland	$1,304,997.00	$1,450,663.00	111%
Seymour	$13,340,239.00	$10,072,953.00	76%
Sharon	$60,947.00	$145,798.00	239%
Shelton	$12,121,166.00	$5,286,265.00	44%
Sherman	$136,502.00	$244,327.00	179%
Simsbury	$12,172,536.00	$5,633,072.00	46%
Somers	$8,707,066.00	$6,024,473.00	69%
South Windsor	$15,479,727.00	$13,071,926.00	84%
Southbury	$7,836,635.00	$2,631,384.00	34%
Southington	$28,831,075.00	$20,361,334.00	71%
Sprague	$3,119,253.00	$2,641,208.00	85%
Stafford	$11,497,201.00	$9,958,369.00	87%
Stamford	$20,585,471.00	$10,605,319.00	52%
Sterling	$4,318,760.00	$3,231,103.00	75%
Stonington	$589,614.00	$2,079,926.00	353%
Stratford	$37,085,434.00	$21,391,105.00	58%
Suffield	$10,797,943.00	$6,267,018.00	58%
Thomaston	$7,089,108.00	$5,737,258.00	81%
Thompson	$8,108,320.00	$7,682,218.00	95%
Tolland	$12,889,528.00	$10,902,485.00	85%
Torrington	$33,478,355.00	$24,565,539.00	73%
Trumbull	$8,770,545.00	$3,310,992.00	38%
Union	$243,920.00	$241,791.00	99%
Vernon	$27,449,311.00	$19,650,126.00	72%
Voluntown	$2,401,411.00	$2,550,166.00	106%
Wallingford	$24,550,209.00	$21,769,831.00	89%
Warren	$58,723.00	$99,777.00	170%
Washington	$123,953.00	$240,147.00	194%
Waterbury	$180,175,738.00	$132,732,623.00	74%
Waterford	$732,531.00	$1,485,842.00	203%
Watertown	$15,399,382.00	$11,951,602.00	78%
West Hartford	$55,057,970.00	$18,181,174.00	33%
West Haven	$60,630,882.00	$45,496,942.00	75%
Westbrook	$213,003.00	$427,677.00	201%
Weston	$559,631.00	$948,564.00	169%
Westport	$1,341,144.00	$1,988,255.00	148%
Wethersfield	$19,469,164.00	$8,518,846.00	44%
Willington	$4,166,031.00	$3,718,418.00	89%
Wilton	$995,712.00	$1,557,195.00	156%
Winchester	$8,279,000.00	$8,187,980.00	99%

Town	Fully Funded ECS Target (FY 2014)	Proposed ECS Grant (FY 2016)	Funded Percentage
Windham	$32,966,208.00	$26,753,954.00	81%
Windsor	$16,110,784.00	$12,476,044.00	77%
Windsor Locks	$6,932,890.00	$5,274,785.00	76%
Wolcott	$14,276,403.00	$13,696,541.00	96%
Woodbridge	$1,361,313.00	$732,889.00	54%
Woodbury	$3,291,559.00	$942,926.00	29%
Woodstock	$5,995,275.00	$5,463,651.00	91%

[1] See P.A. 13-247 secs. 152 and 153.
[2] See, respectively, CGS 10-17g and CGS 10-76g.
[3] See, Kenneth Feder, Sarah Iverson, and Cyd Oppenheimer, "Unequal Schools: Connecticut's Racial, Socioeconomic, and Geographic Disparities in Kindergarten Class Size and Teaching Experience," *Connecticut Voices for Children*. March, 2015. Available at
[4] See P.A. 13-247 secs. 152 and 153.