



# EDUCATION FUNDING 101

## ECS Grant and Choice Schools

A Presentation by the  
Office of Fiscal Analysis  
and the  
Office of Legislative Research

February 1, 2023



# PRESENTATION OVERVIEW

## Today's roadmap

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1

### EDUCATION COST SHARING GRANT

Legal history  
Formula overview  
Full funding phase-in



2

### CHOICE SCHOOL FUNDING

History and tensions  
School choice options  
Funding mechanisms



3

### BIG PICTURE STATE COSTS

Total funding per program  
Per program state education funding %



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# EDUCATION COST SHARING GRANT

# EDUCATION COST SHARING GRANT

Commonly referred to as "ECS"

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Largest source of state aid to municipalities

Accounts for approximately 40% of total appropriated aid to municipalities in FY 23

One of the largest single General Fund appropriations

\$2.179 billion FY 23 appropriation



# LEGAL HISTORY OF ECS

Created after a series of court rulings

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## **Horton v. Meskill (1974; 1977)**

- Unfair system of funding public schools in Connecticut
- State ordered to construct a formula to address the variance in property values among towns

## **Guaranteed Tax Base (1975)**

- Precursor to ECS formula

## **ECS formula (1988)**

- First applied to FY 90



# ECS FORMULA OVERVIEW

Three main components:

Weighted Student Count

**X**

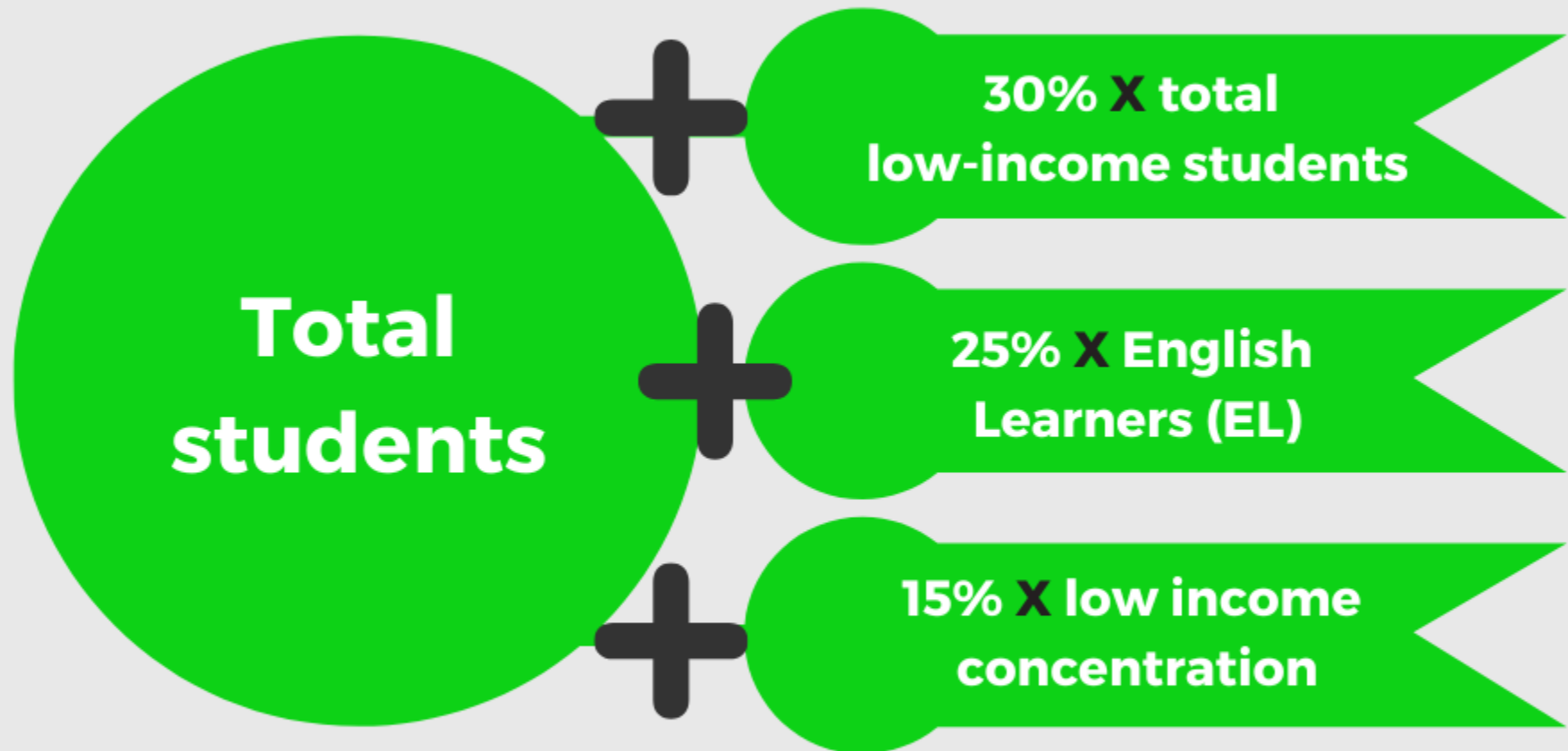
Foundation

**X**

State Aid Percentage

**= FULL FUNDING**

# ECS: WEIGHTED STUDENT COUNT



**= WEIGHTED STUDENT COUNT**

# **ECS: FOUNDATION AMOUNT**

**\$11,525**

- Foundation level was last increased in FY 14 and has not changed since
- Represents the estimated cost of educating a student who is not low-income or an English learner



# ECS: STATE AID PERCENTAGE

The state's share of education costs (according to the formula) in each town is determined by two primary factors:

## **70% Property Wealth**

Comparison of a town's property wealth to median town's property wealth

Defined by Average  
Equalized Net Grand List  
Per Capita (AENGLPC)

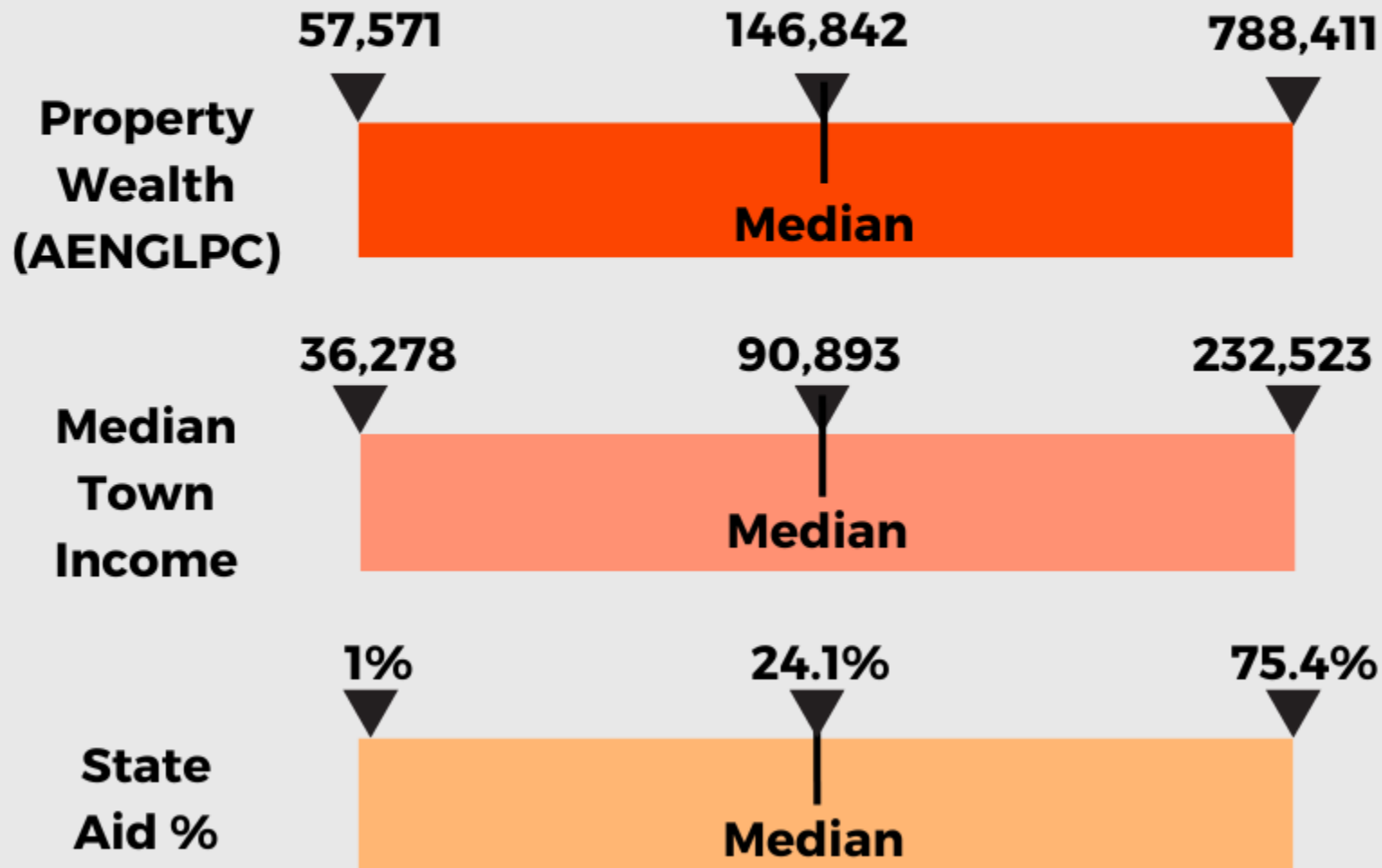


## **30% Income Wealth**

Comparison of a town's income wealth to median town's income wealth

Defined by median  
household income

# ECS FY 23 STATE AID PERCENTAGE: WEALTH FACTOR RANGES



# ECS: ADDITIONAL COMPONENTS

## State Aid Percentage Adjustments

- Minimum required state aid percentage  
10% for alliance districts and priority school districts  
1% for all other districts
- Percentage point increases for low-wealth communities based on Public Investment Community measure (PIC index)

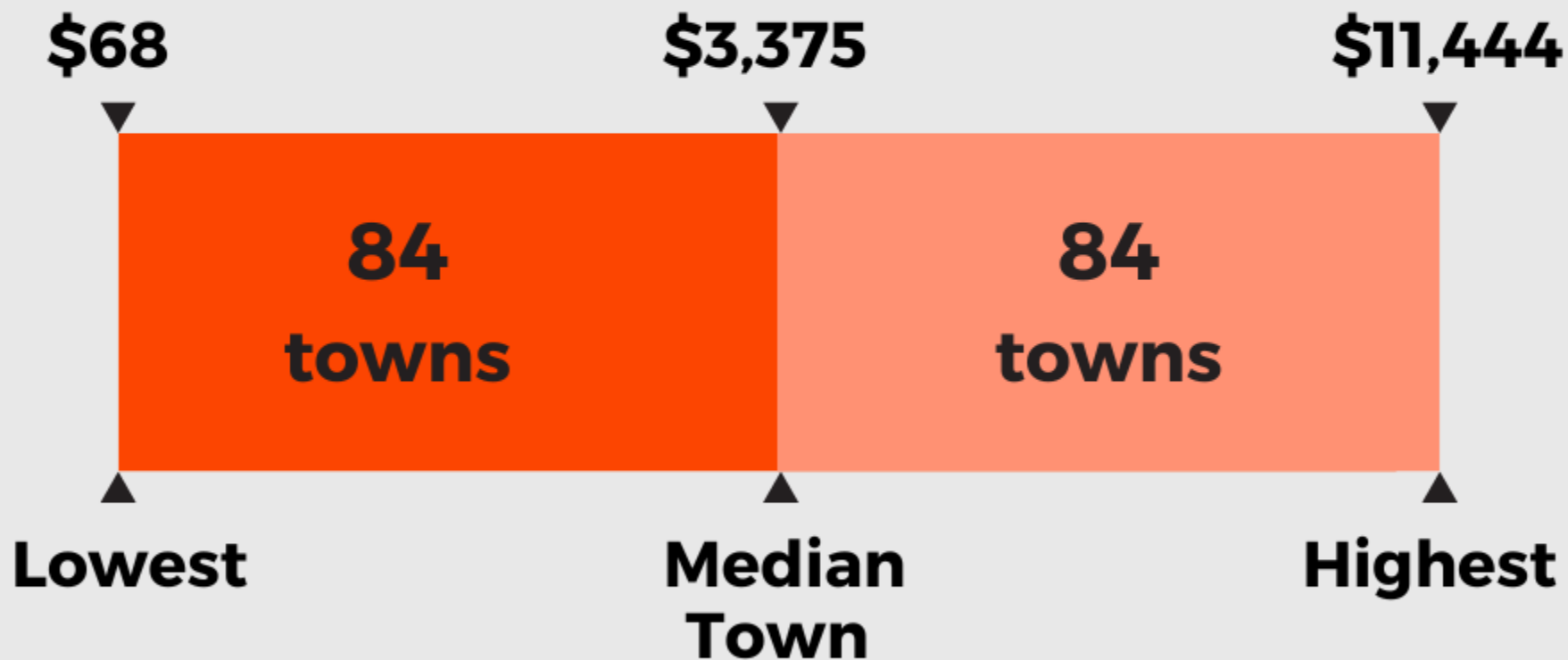
## Regional District and Endowed Academy Bonuses

- $\$100 \times \# \text{ students} \times \# \text{ of grades}$

# ECS: CALCULATION ILLUSTRATION

<b>Factors</b>	<b>Town A</b>	<b>Town B</b>
Student Count	1,000	1,000
30% * 100 Low Income Students	30	30
25% * 20 ELL Students	5	5
Low Income Concentration	0	0
<b>Weighted Student Count</b>	<b>1,035</b>	<b>1,035</b>
X		
<b>Foundation</b>	<b>11,525</b>	<b>11,525</b>
X		
<b>State Aid Percentage</b>	<b>44%</b>	<b>62%</b>
=		
<b>Total ECS Grant</b>	<b>5,248,485</b>	<b>7,395,593</b>

# **RANGE OF ECS FY 23 TOWN GRANTS PER PUPIL**





# ECS FULL FUNDING PHASE-IN

Current progress toward the goal

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ECS formula rarely fully funded

PA 17-2, June Special Session (the FY 18 and FY 19 biennial budget), implemented a 10-year phase-in

- On hold for overfunded towns per the FY 22- FY 23 budget

In FY 23:

- 81 towns are underfunded
- 88 towns are overfunded, including 11 alliance districts that are held harmless from losses



# ECS PHASE-IN TO DATE

<b><u>Fiscal Year</u></b>	<b><u>Grants</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
FY 18	1,927,967,202	----	----
FY 19	2,013,828,619	88,761,480	4.6%
FY 20	2,054,638,032	40,809,413	2.0%
FY 21	2,093,587,133	38,949,101	1.9%
FY 22	2,139,188,165	45,601,032	2.2%
FY 23	2,178,565,995	39,377,830	1.8%

## **ECS PHASE-IN ESTIMATES**

**(in millions \$ as of FY 23)**

<b>FY</b>	<b>Increase for underfunded towns</b>	<b>Decrease for overfunded towns</b>	<b>Net Change \$</b>
FY 23	39.4	----	39.4
FY 24	39.7	(7.6)	32.1
FY 25	39.4	(7.6)	31.8
FY 26	39.4	(7.6)	31.8
FY 27	39.4	(7.6)	31.8
FY 28	39.4	(7.6)	31.8
FY 29	----	(7.6)	(7.6)
FY 30	----	(7.6)	(7.6)



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# CHOICE SCHOOL FUNDING

# MANY CHOICES = MANY TENSIONS

## Public schools of choice

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Broad spectrum of school choice programs serve different educational goals

Different types of choice programs exist in addition to neighborhood public schools

Multitude of choices create certain tensions





# WHY SO MANY CHOICES?

Over 100 years of school choice

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Each type of school has its own legislative history:



**1917:** Statewide  
Technical High School  
System

**1955:** Statewide  
Vocational  
Agriculture Program

**1996:** Charter Schools

**1993:** Interdistrict  
Magnet Schools

**1997:** Open Choice

# WHY SO MANY CHOICES?

Over 100 years of school choice

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Once each program is established, it:

- becomes a part of the Connecticut education landscape
- develops constituencies of students, parents, teachers, and administrators who come to depend on, and often advocate for, the program



# SCHOOL CHOICE TENSIONS

The direct consequences of choice

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1

## Competition for students

Students leaving for choice programs means fewer enrolled at the local (sending) district.

A shrinking statewide student body means heightened competition for students.

2

## Competition for funds

Some choice programs impact the sending town's Education Cost Sharing (ECS) grant.

Choice programs also compete for funds in the state budget process.



# SCHOOL CHOICE TENSIONS

The direct consequences of choice

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3

## **Tuition and other costs**

Participation in some choice programs means the local (sending) district must pay tuition and other costs to the receiving choice program.

4

## **Demand outpaces supply**

Demand for placement is greater than available slots.

Long waits on waiting lists lead to frustration/disillusionment with programs.





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# TECHNICAL HIGH SCHOOLS



# TECHNICAL HIGH SCHOOLS

Formally "CTECS" (Connecticut Technical Education and Career System)

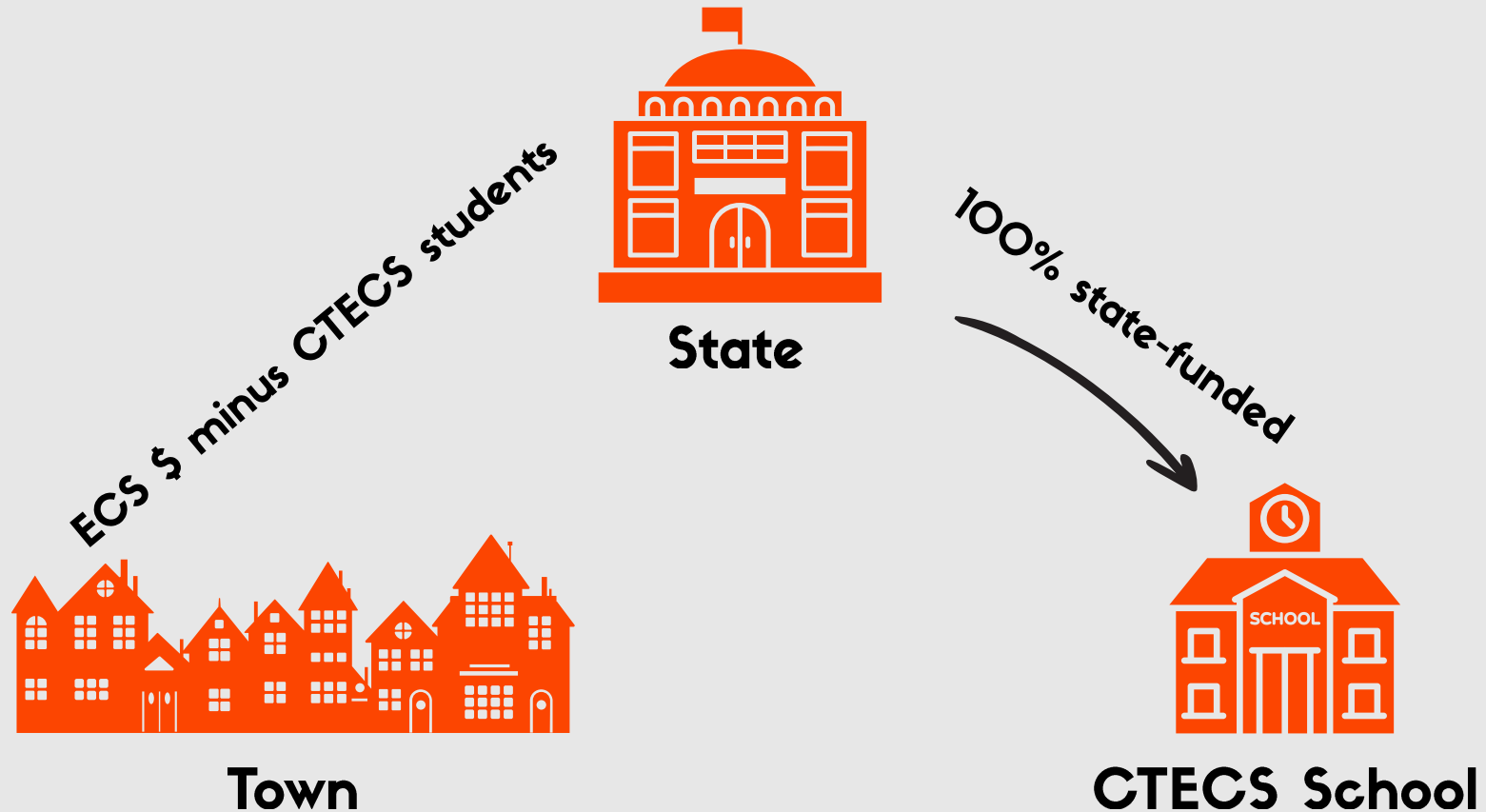
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## DESCRIPTION

- |                    |   |
|--------------------|---|
| Curriculum:        | Traditional high school curriculum with technical and career instruction                            |
| Organization:      | State-run system that became a state agency independent of SDE in the 2022-23 school year           |
| Special education: | CTECS implements the student's IEP and covers the cost  |
| Transportation:    | Sending district provides transportation, even if school is located outside of the sending district |



# Technical High School Funding



**TAKEAWAY:** Town pays no tuition to CTECS but loses ECS \$ for sent students.



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# CHARTER SCHOOLS

# CHARTER SCHOOLS

Operating under public charters with private leadership

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## DESCRIPTION

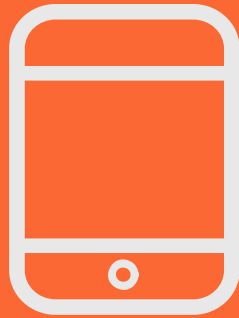
- |                    |   |
|--------------------|---|
| Curriculum:        | Traditional curriculum; many have college preparation focus   |
| Organization:      | School governing council made up of private citizens; state charters are independent of local districts, while a local charter school must be part of a local district                                    |
| Special education: | Charter school implements the student's IEP; sending district covers the amount above the reasonable cost of educating the student, minus any per-pupil state or federal grants to the receiving district |
| Transportation:    | Sending district provides transportation if charter school is located in district; out-of-district transportation optional  |



# State Charter School Funding



**TAKEAWAY:** Town pays no tuition to state charter school but loses ECS \$ for sent students.



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# MAGNET SCHOOLS

# MAGNET SCHOOLS

## Assisting in racial and ethnic desegregation

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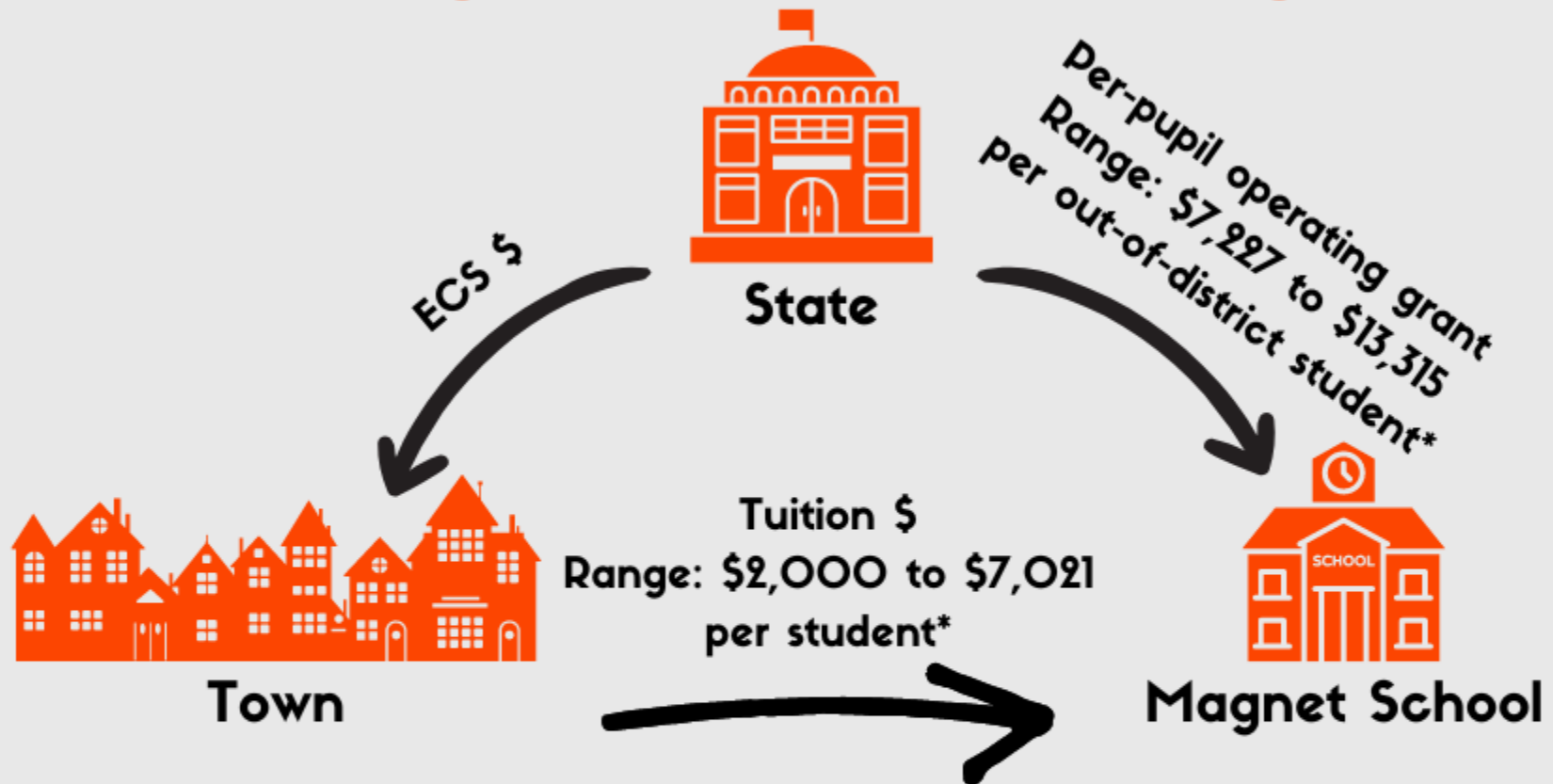
### DESCRIPTION

- Curriculum:** Themed curriculum designed to draw students from multiple school districts to promote racial, ethnic, and economic diversity
- Organization:** Operated by school districts ("host magnets") or regional education service centers or other nonprofit entities ("RESC magnets")
- Special education:** Sending district responsible for cost above the reasonable cost of educating the student, minus any per-pupil state or federal grants the magnet school receives; magnet school must implement the IEP
- Transportation:** For sending districts usually through the RESC





# Magnet School Funding



**TAKEAWAY: Town receives ECS \$ for students it sends but must pay tuition to the magnet school.**

\* Tuition and state grant funding vary based on the type of magnet school and the sending town. Some magnets are not allowed to charge tuition, and some magnet operators also receive a grant for in-district students.



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# AGRISCIENCE AND TECHNOLOGY CENTERS

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Formally "regional agricultural science and technology education centers"

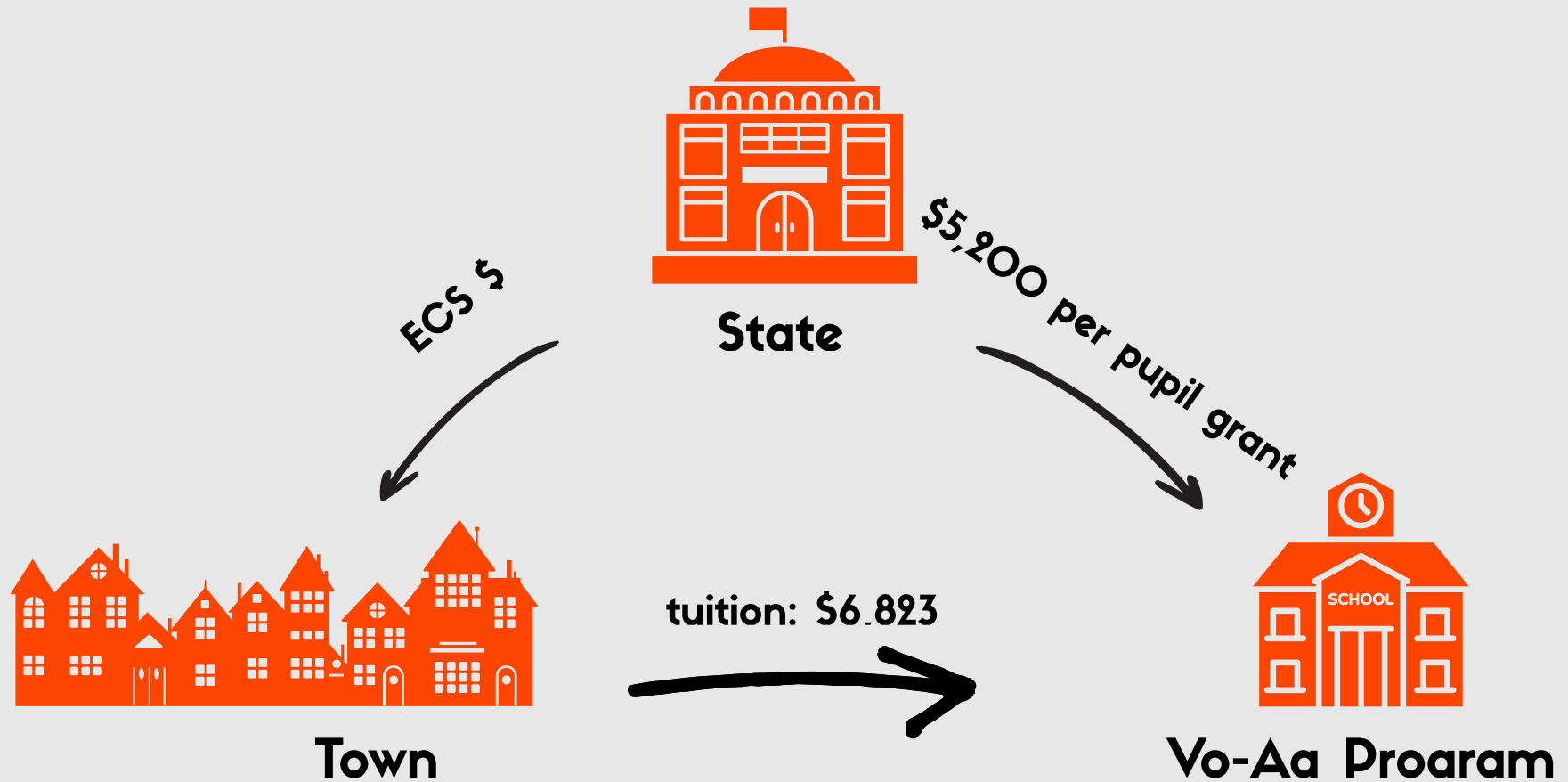
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## DESCRIPTION

- Curriculum:** Vo-ag curriculum in addition to traditional high school curriculum
- Organization:** Most centers embedded in existing local high schools
- Sponsoring local district's board of education operates
- Special education:** Sending district covers any costs above the average cost to educate a student; vo-ag school must implement the IEP
- Transportation:** Sending district responsible for reasonable transportation costs



# Vo-Aa Center Fundina



**TAKEAWAY:** Town still receives ECS \$ but must pay tuition to the vo-aa school.



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# OPEN CHOICE

# OPEN CHOICE PROGRAM

Voluntary inter-district attendance program

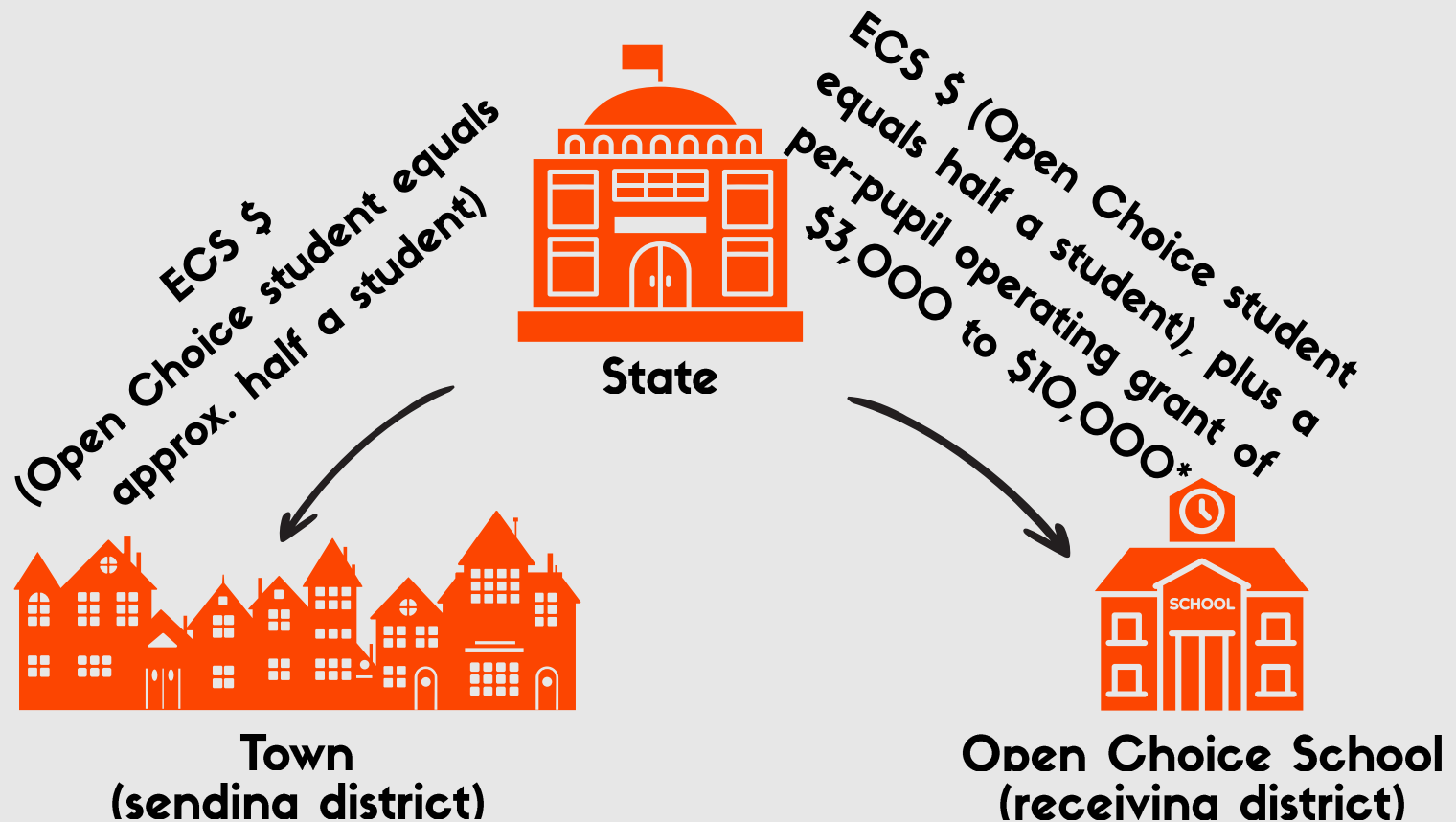
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## DESCRIPTION

- Curriculum:** Traditional school curriculum offered by receiving districts
- Organization:** Implemented voluntarily by participating school districts in the Bridgeport, Hartford, and New Haven regions and overseen by the state
- Special education:** Sending district responsible for cost above the reasonable cost of educating the student, minus any per-pupil state or federal grants to the receiving district; receiving district must implement the IEP
- Transportation:** RESCs provide transportation



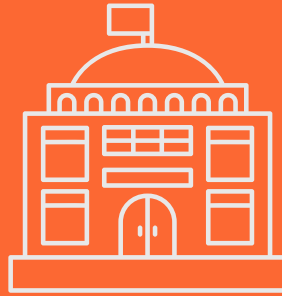
# Open Choice Program Funding



**TAKEAWAY:** Sending town receives approx. half of the ECS grant; the other half goes to the Open Choice receiving district.

\* Grant amount is tied to the percentage of Open Choice students in a district: increases in increments as percentage of Open Choice students increases





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# **BIG PICTURE STATE COSTS**

# CHOICE PROGRAM FUNDING

The state's contribution

## HISTORICAL FUNDING LEVELS FOR VARIOUS CHOICE PROGRAMS (in millions)

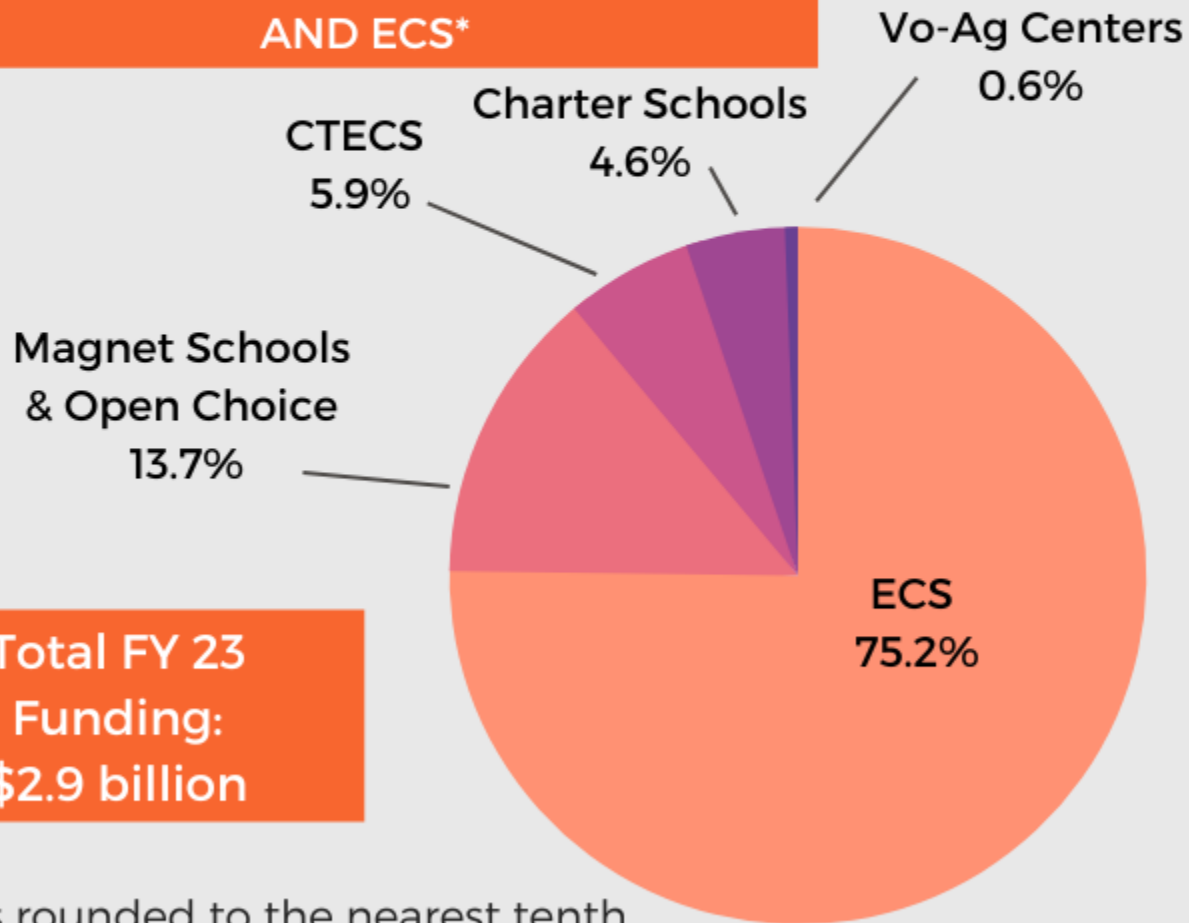
Fiscal Year (FY)	ECS	Magnet Schools and Open Choice	CTECS High Schools	Charter Schools	Vocational Agriculture Centers
23*	\$ 2,178.6	\$ 395.6	\$ 170.1	\$ 134.5	\$ 18.8
22	\$ 2,139.2	\$ 360.4	\$ 169.0	\$ 124.5	\$ 18.8
21	\$ 2,093.6	\$ 349.8	\$ 160.1	\$ 118.4	\$ 15.1
20	\$ 2,054.6	\$ 358.6	\$ 153.7	\$ 118.0	\$ 15.0
19	\$ 2,016.7	\$ 363.8	\$ 154.2	\$ 114.9	\$ 13.8
% Change					
FY 19 to FY 23	8.0 %	8.7%	10.3%	17.0%	36.8%

\* Reflects appropriated funds, not actual expenditures.

# CHOICE PROGRAM FUNDING

The state's contribution

FY 23 STATE FUNDING COMPARISON:  
SELECTED CHOICE PROGRAMS  
AND ECS\*



Total FY 23  
Funding:  
\$2.9 billion

\* Values rounded to the nearest tenth.

# QUESTIONS?

## Thank You

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