

MAYOR

CONNECTICUT  
SCHOOL FINANCE  
PROJECT

# SCHOOL FINANCE 101

*How Connecticut's school funding system  
impacts Waterbury Public Schools  
and the community*

## Contact Us

For questions or comments about the information presented today, please contact us:

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To learn more about the  
Connecticut School Finance Project, visit us at:  
**[www.ctschoolfinance.org](http://www.ctschoolfinance.org)**

Follow us on Twitter:  
**@CTSchoolFinance**

# About the CT School Finance Project

- The way Connecticut funds its schools isn't working. The current system is unfair to students, schools, and communities across the state.
- Founded in 2015, the nonprofit Connecticut School Finance Project aims to fix this broken system and be a trusted, nonpartisan, and independent source of accurate data and information.
- Although not a member-based organization, the Connecticut School Finance Project actively works with a diverse group of stakeholders, including education and community leaders, nonprofit organizations, and individuals interested in how school finance impacts their students and schools.
- We aim to develop fair, well thought-out solutions to Connecticut's school finance challenges that incorporate the viewpoints and perspectives of stakeholders.



# CT School Finance Project's Goals

- 1) Build knowledge about how the current school funding system works,
- 2) Bring together stakeholders who are impacted by how schools are funded, and
- 3) Identify solutions to Connecticut's school funding challenges that are fair to students and taxpayers, and strengthen schools and communities.

# School finance is about...

# Kids

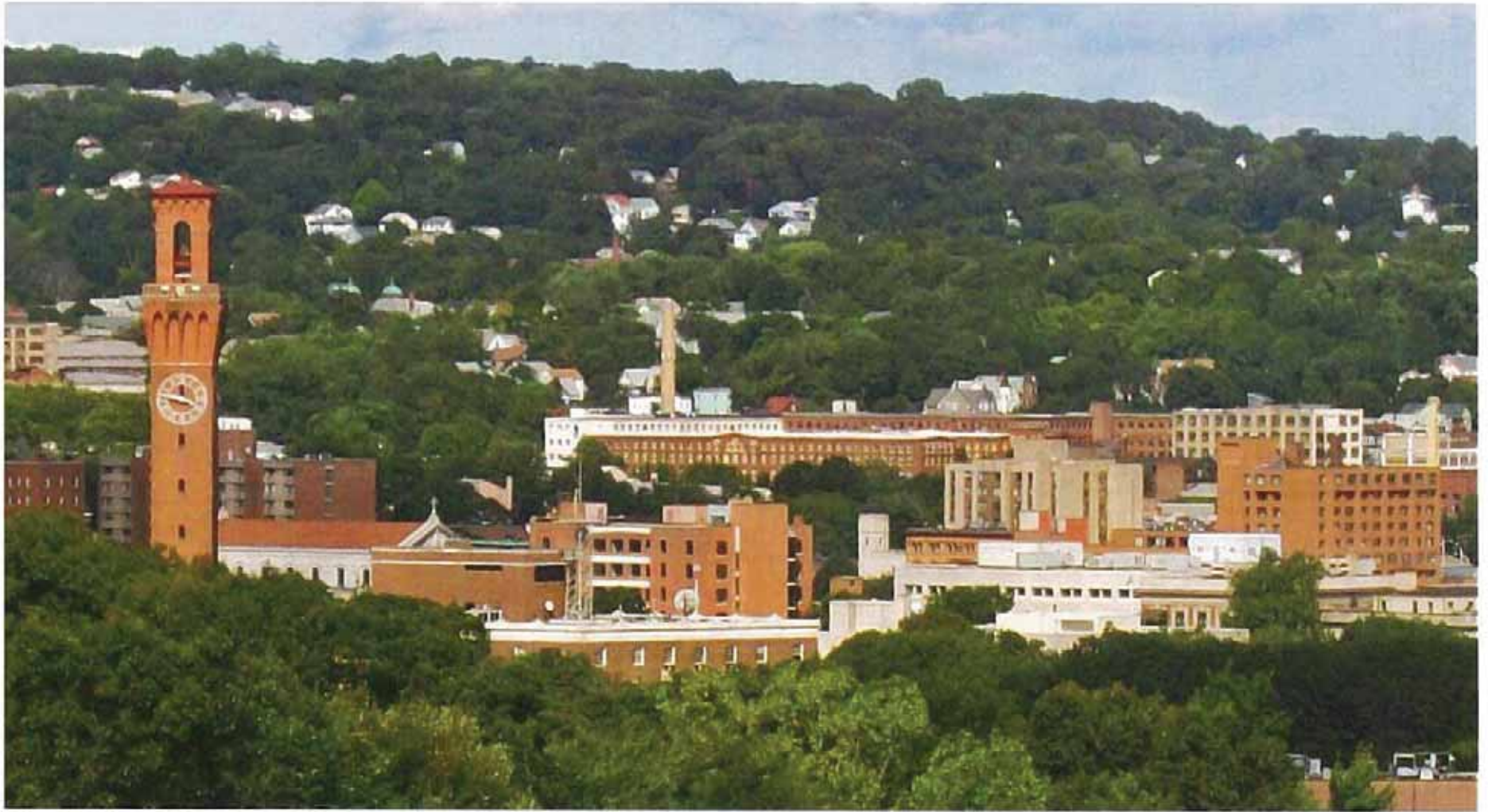




# Schools



# Communities





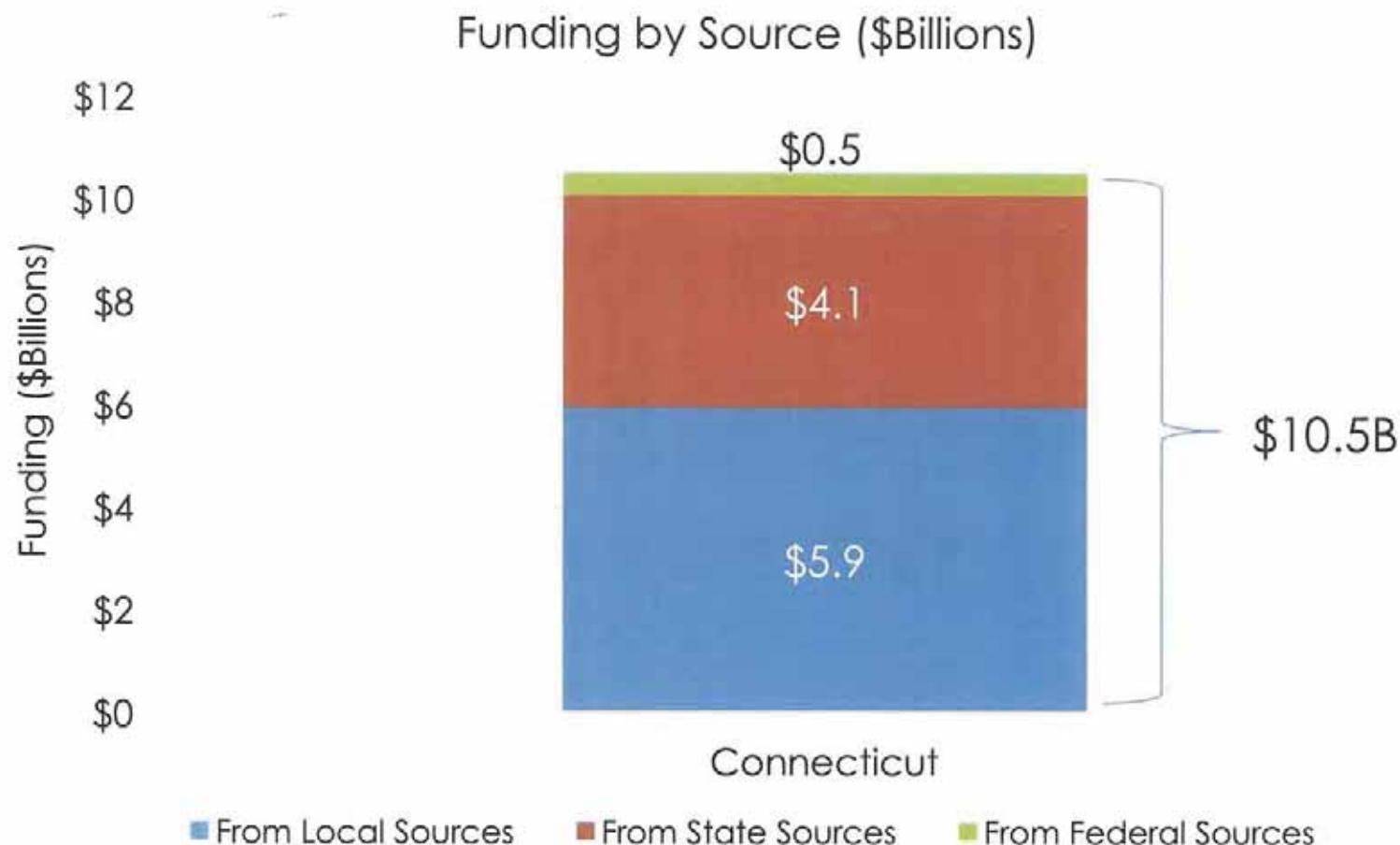
# OVERVIEW

# Why is school finance a state-level issue?

- Education is **not** a fundamental right under the United States Constitution.
- Public schools fall under the authority of state government and are primarily funded through state and local tax dollars.
- All 50 states have concluded children have a right to a free, public education under their state's constitution.

Source: San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973).

# What are the funding sources for public education in Connecticut?



Source: U.S. Census Bureau. (2016). *Public Education Finances: 2014*. Retrieved from <http://www.census.gov/content/dam/Census/library/publications/2016/econ/g14-aspef.pdf>.



# Why should we fund students based on their learning needs?

# Equality vs. Equity



**EQUALITY = SAMENESS**

**GIVING EVERYONE THE SAME  
THING →** It only works if  
everyone starts from the  
same place



**EQUITY = FAIRNESS**

**ACCESS TO SAME  
OPPORTUNITIES →** We must  
first ensure equity before we  
can enjoy equality



# Challenges and potential support for different types of learning needs

Learning Need	Potential Challenges Impacting Student's Education	Examples of Potential Support
Student from a low-income family	<ul style="list-style-type: none"> <li>• Unstable housing situation (may move frequently or be homeless)</li> <li>• Food insecure or lack access to healthy foods</li> <li>• Parents may be less able to dedicate time and resources to education</li> <li>• Exposure to traumatic or unsafe situations</li> <li>• More likely to be absent from school</li> <li>• May have limited language capability (by the age of 3, children from low-income households hear – on average – 30 million less words than those from affluent households)</li> </ul>	<ul style="list-style-type: none"> <li>• Reading interventionist</li> <li>• Software to help build vocabulary and develop language</li> <li>• Social worker</li> </ul>
English Learner student	<ul style="list-style-type: none"> <li>• May be only English speaker in household</li> <li>• Cultural differences</li> <li>• Emigrated from possible violence/warfare</li> <li>• Unfamiliar with US education system – or any education system</li> </ul>	<ul style="list-style-type: none"> <li>• ESL/bilingual teacher</li> <li>• Software to assist in learning English</li> <li>• Books and other materials in first language</li> </ul>
Student with disabilities	<ul style="list-style-type: none"> <li>• Each student's learning needs will be unique and can vary significant from student-to-student</li> <li>• Students may have physical, learning, or social-emotional changes</li> </ul>	<ul style="list-style-type: none"> <li>• Special education teacher</li> <li>• Physical or occupational therapist</li> <li>• Adaptive technology</li> </ul>

Sources: Jenson, E. (2009). *How Poverty Affects Behavior and Academic Performance. Teaching with Poverty in Mind*. Alexandria, VA: Association for Supervision & Curriculum Development. Retrieved from <http://www.ascd.org/publications/books/109074/chapters/How-Poverty-Affects-Behavior-and-Academic-Performance.aspx>.

Hart, B. & Risley, T. R. (2003). The Early Catastrophe: The 30 Million Word Gap by Age 3. *American Educator*, 4-9. Retrieved from <http://www.aft.org/sites/default/files/periodicals/TheEarlyCatastrophe.pdf>.



# Does money matter?

# Shifting scholarly debate

## Earlier studies:

- The Coleman Report (1966): Found **no clear relationship between school funding and student outcomes.**
- Hanushek (2003): "...a wide range of analyses indicate that **overall resource policies have not led to discernible improvements in student performance.**"

## Recent studies:

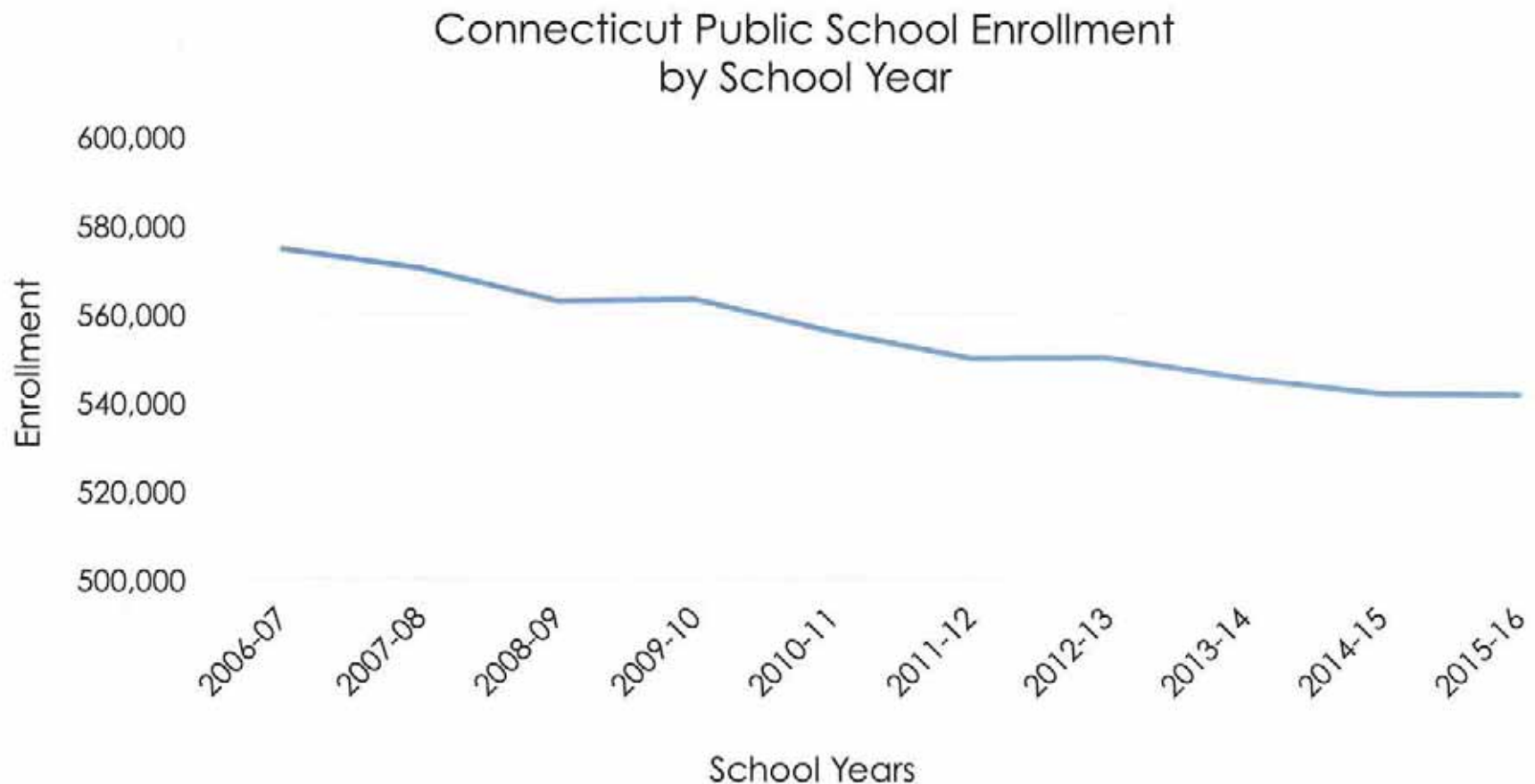
- Jackson/Johnson/Perisco (Northwestern/Berkeley 2015): "For low-income students a **10 percent increase in per-pupil spending** each year for all 12 years of public school is **associated with 0.43 additional years of completed education, 9.5 percent higher earnings, and a 6.8 percentage-point reduction in the annual incidence of adult poverty.**"
- Candelaria & Shores (Stanford 2015): "Seven years after reform, the **highest poverty quartile** in a treated state experienced a **4 to 12 percent increase in per-pupil spending** and a **5 to 8 percentage point increase in graduation rates.**"
- Lafortune, Rothstein, and Schanzenbach (Berkeley 2016): "Using representative samples from NAEP, we also find that [school finance] reforms **cause gradual increases in the relative achievement of students in low-income school districts....**"

Sources: See Appendix for list of sources.

# STATE AND WATERBURY OVERVIEW



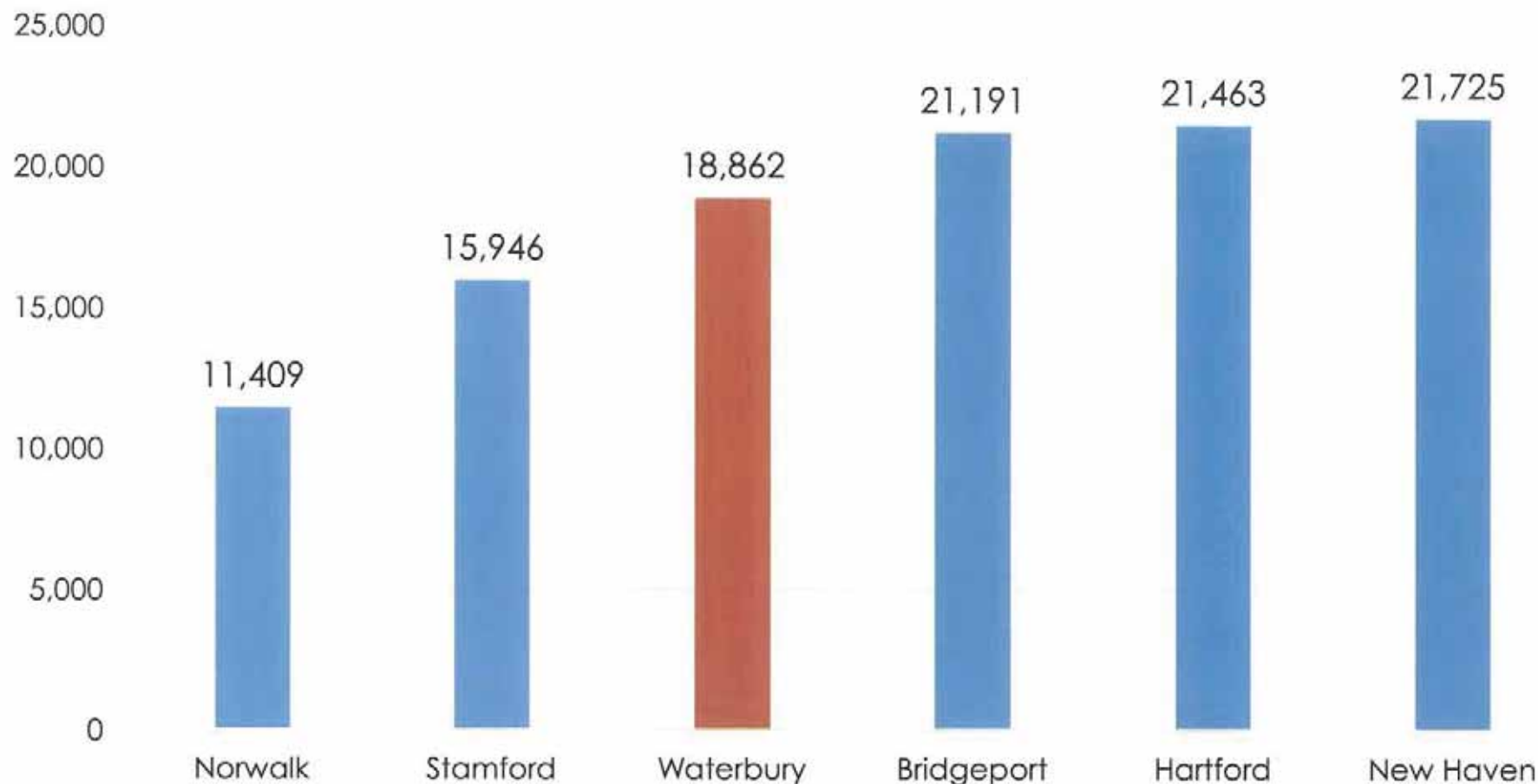
## Over the last 10 years, the total number of students in Connecticut public schools has declined



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoollfinance.org/data/connecticut-school-enrollment>.

## Waterbury is the 4<sup>th</sup> largest district in the state

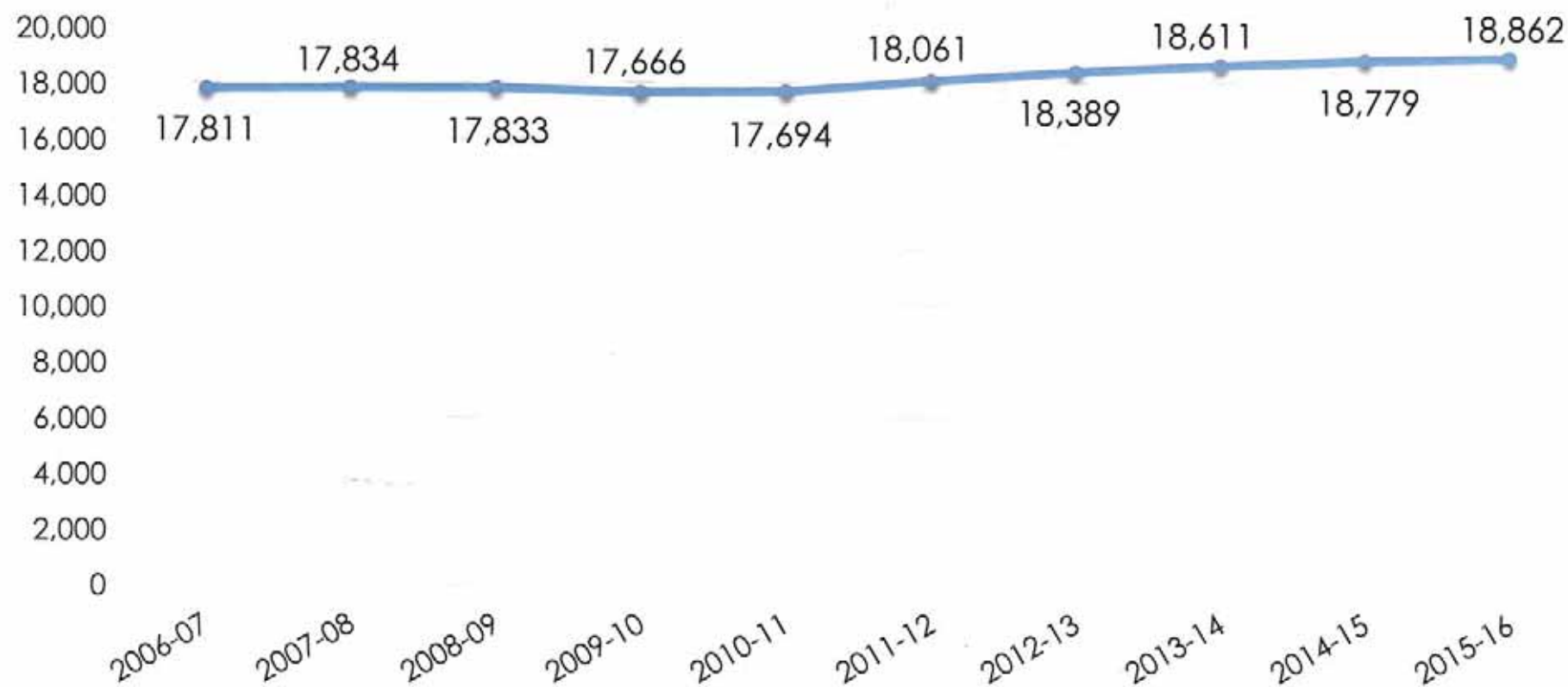
Total Enrollment 2015-16



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoollfinance.org/data/connecticut-school-enrollment>.

## Enrollment for Waterbury Public Schools has increased more than 1,000 students over the past 10 years

Waterbury Public Schools' Enrollment, 2006-2016

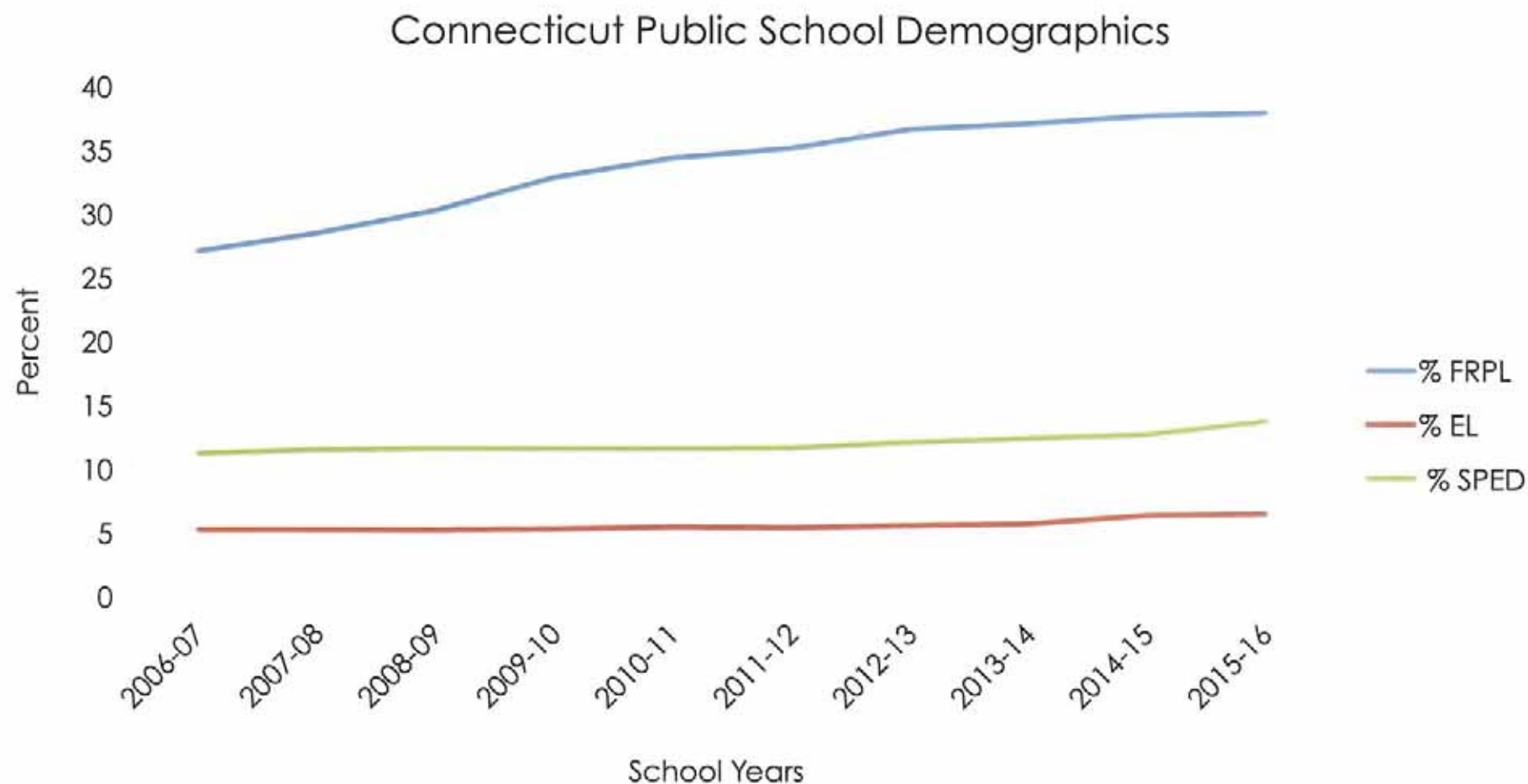


Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoollfinance.org/data/connecticut-school-enrollment>.



**Many of the students  
Waterbury serves have  
additional learning needs**

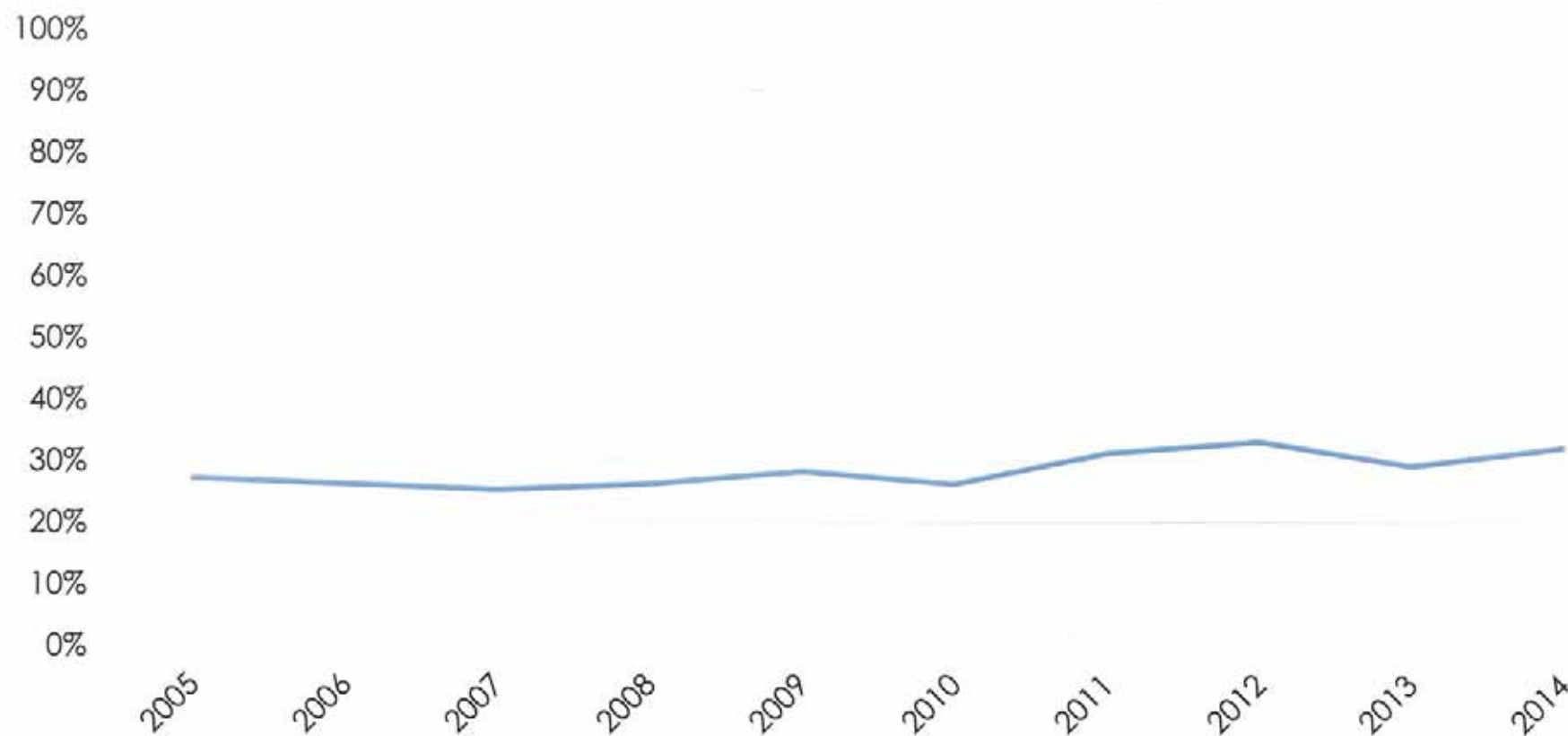
## CT's low-income, EL, and special education populations have increased over the past 10 years



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

## 32 percent of students in Waterbury live at or below the Federal Poverty Line

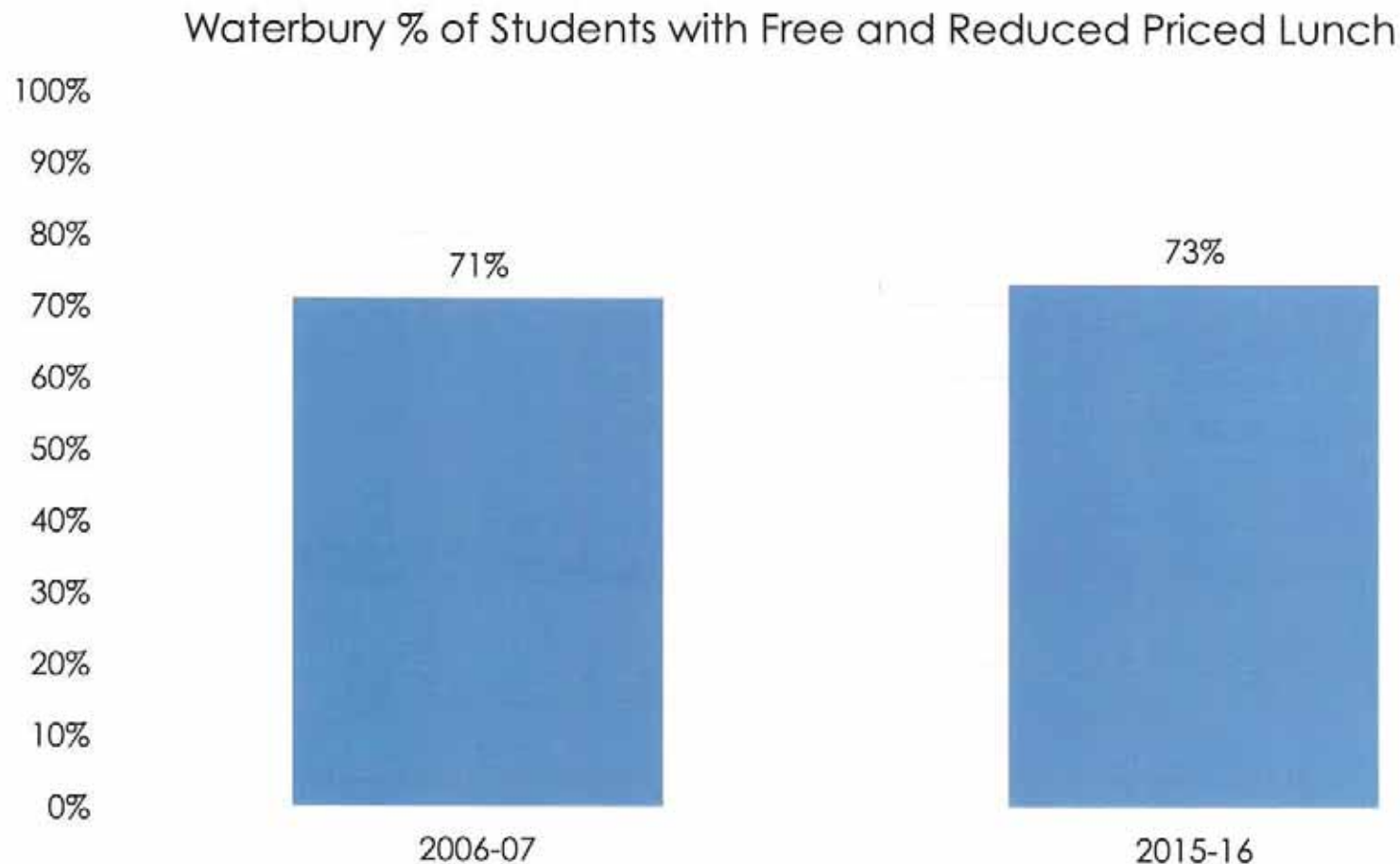
Estimated % of Students in Poverty



Source: U.S. Census Bureau. (2016). *U.S. Census Bureau Small Area Income & Poverty Estimates, 2014*. Retrieved from <http://www.census.gov/did/www/saippe/data/schools/data/2014.html>.



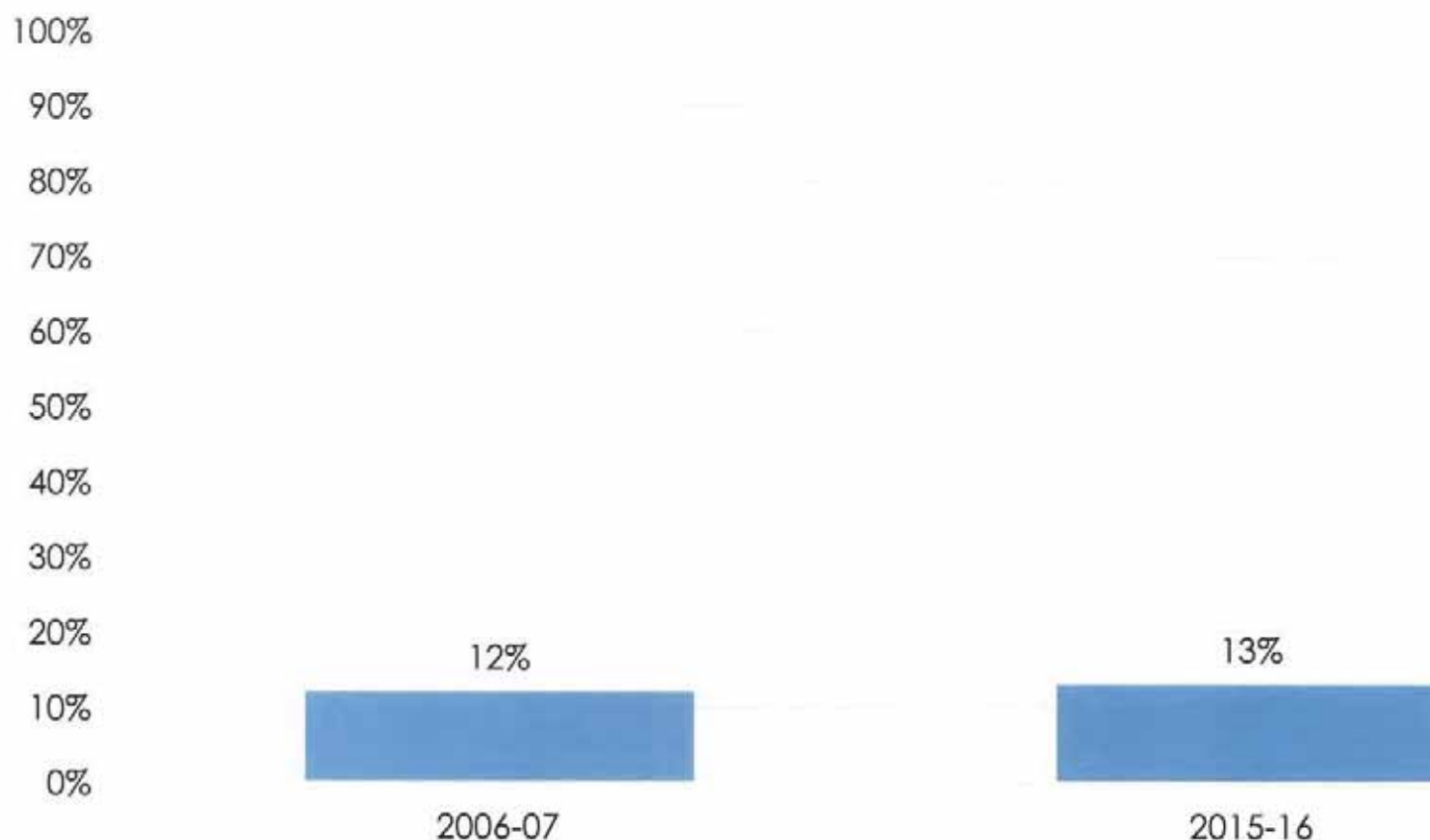
# 73 percent of Waterbury Public School students are low-income



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoollfinance.org/data/connecticut-school-enrollment>.

# 13 percent of Waterbury Public Schools' students are English Learners

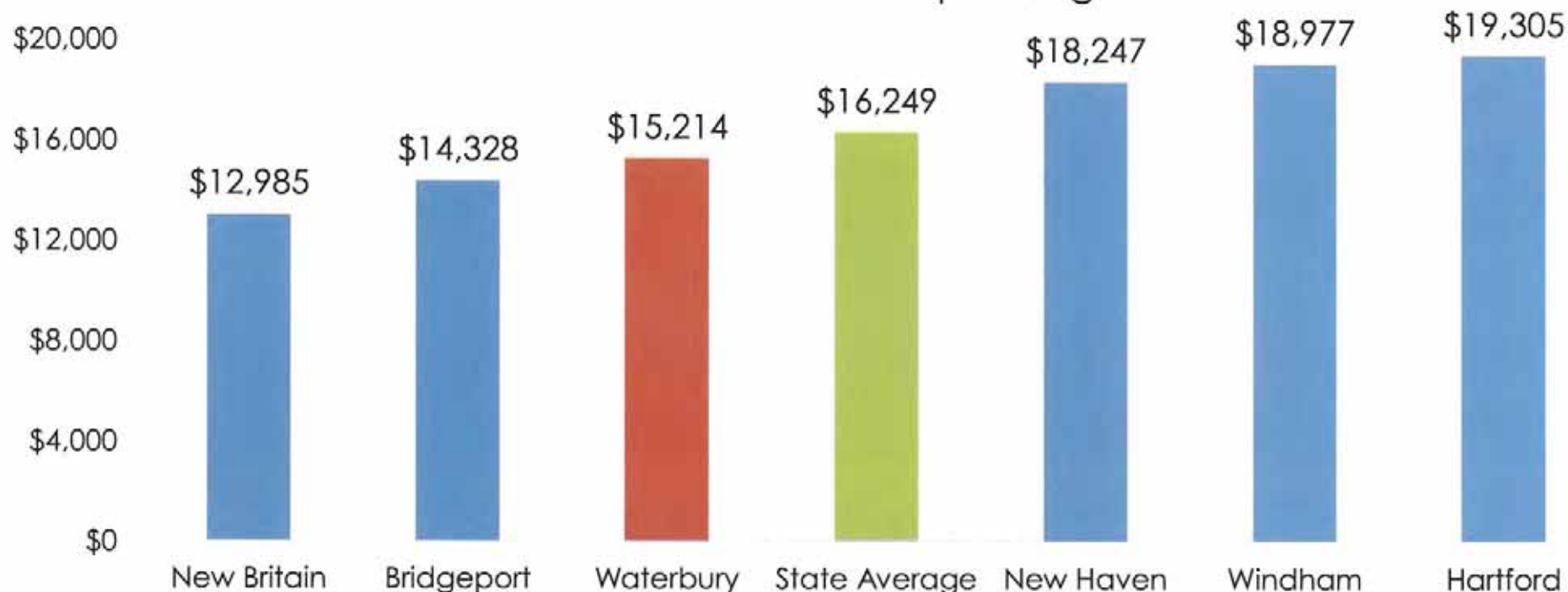
Waterbury % of English Learner Students



Source: Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

# Waterbury spends less per student than most similar districts and roughly \$1,000 less than the state average

2015-16 Per Student Spending



	New Britain	Bridgeport	Waterbury	State Average	New Haven	Windham	Hartford
% FRPL	78%	100%	73%	38%	57%	81%	78%
% EL	16%	14%	13%	6%	15%	24%	18%
% SPED	17%	15%	18%	14%	13%	16%	17%

Sources: Connecticut State Department of Education. (2016). *2015-16 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2015-16>.

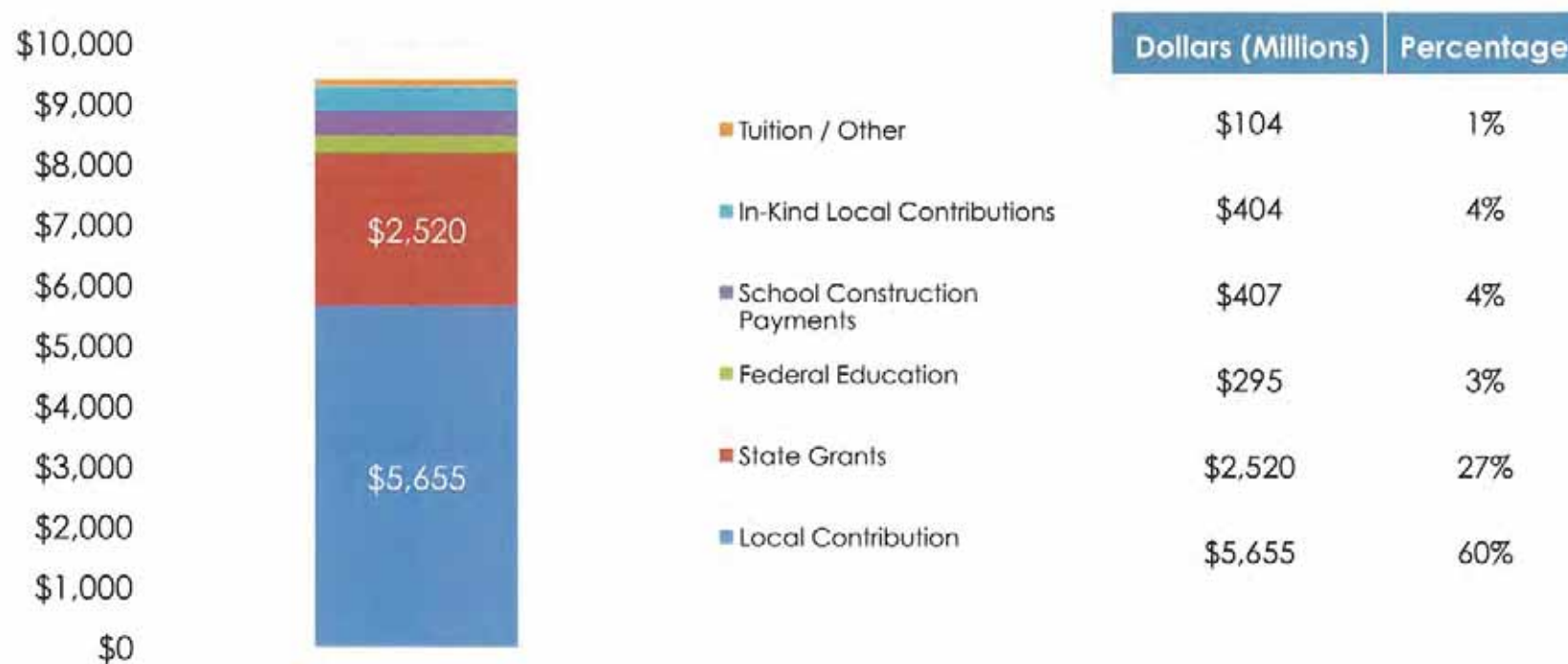
Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.



# HOW ARE WATERBURY PUBLIC SCHOOLS FUNDED?

# State and local communities share the responsibility for funding local public school districts

FY 2014-15 Revenues for Local Public Schools (\$millions)



Sources: Connecticut State Department of Education. (2016). *Connecticut End of School Year Reports (ED001s) for Local Public School Districts, 2014-15*. Available from <http://ctschoollfinance.org/data/ed001s-local-districts>.

Connecticut State Department of Education. (2016). *Connecticut Local Public School District Expenditures by Revenue Source, 2006-15*. Available from <http://ctschoollfinance.org/data/connecticut-local-school-district-expenditures-by-revenue-source>.

Connecticut State Department of Education (2016). *Grant Payment Report*. Available from Connecticut State Department of Education Web site: <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.

# District funding sources differ greatly across Waterbury's peers

Per Pupil Funding by Source, 2014-15



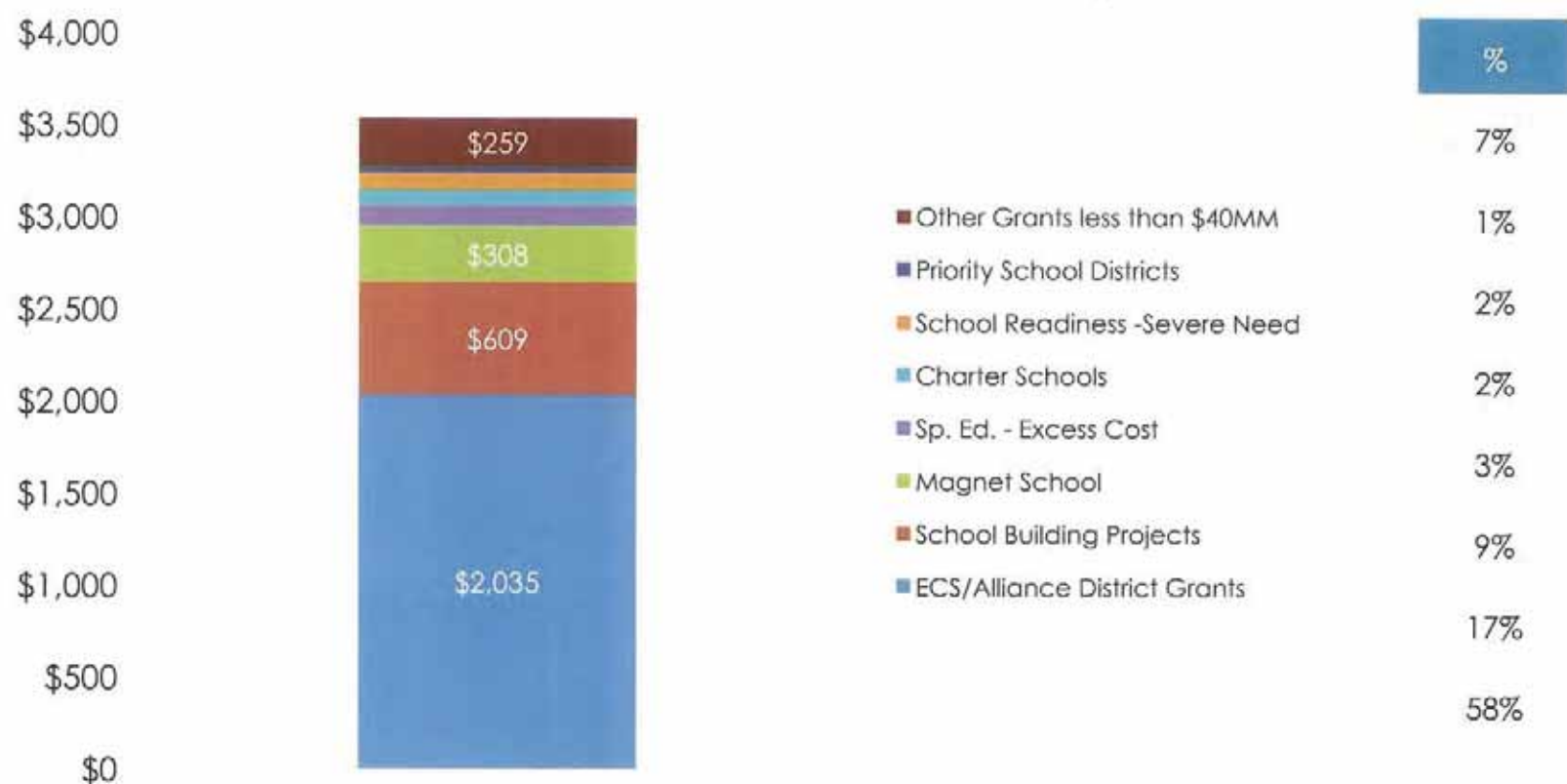
Sources: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.



# STATE FUNDING

# State funding for public schools can be broken down into multiple categories

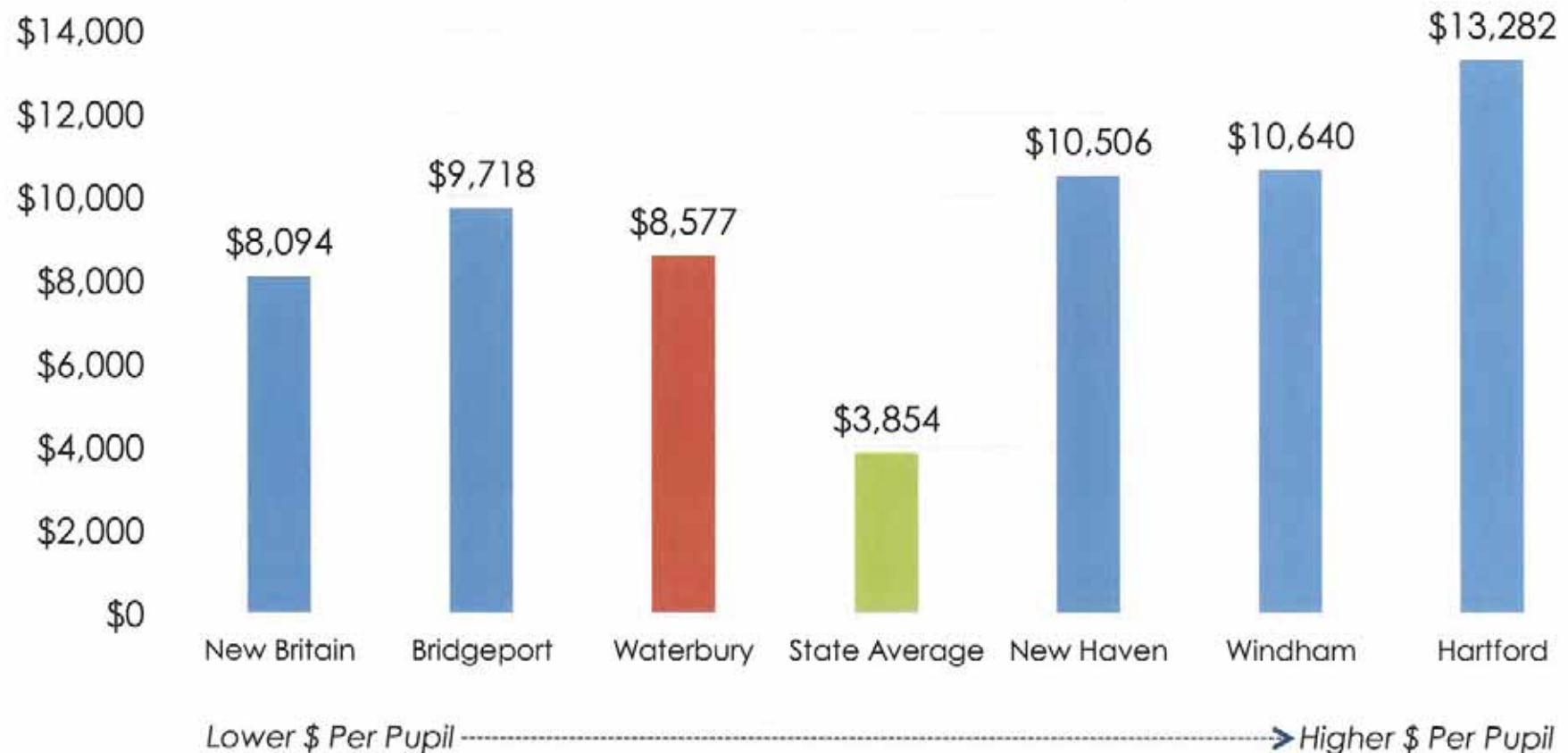
FY2015 State Funding by Grant (\$Millions)



Source: Connecticut State Department of Education (2015). *Grant Payment Report*. Available from <https://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>.

# Waterbury receives \$8,577 per pupil in education funding from the state

2014-15 State Contribution Per Pupil



Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.



**How does the state determine  
how much money each  
school should get?**

# CT has 11 different funding formulas to divide up money between public schools

- Each “type” of school has its own funding formula that is part of the Connecticut General Statutes (the laws of the state).
- The formula that distributes most of the money is the Education Cost Sharing (ECS) formula.
  - This is the formula the state is supposed to use to distribute approx. \$2 billion in state education funding to public schools each year.

Sources: Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.  
Conn. Gen. Statutes ch. 172, § 10-262h (2013).  
Moran, J. (2014). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools* (2014-R-0257). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.  
Conn. Acts 16-2 (May Special Session).

**The Education Cost Sharing (ECS)  
formula determines how much  
money the state is supposed to  
give to each city/town to fund its  
public schools.**



# Why does CT have the ECS formula?

- The state began providing aid to cities/towns as a result of a 1977 CT Supreme Court decision, *Horton v. Meskill*.
- In *Horton* (1977), the Court ruled that an education funding system that allows “property wealthy” towns to spend more on education with less effort, is a system that impedes children’s constitutional rights to an equal education.
- As a result, CT established a formula to give money to public school districts that took property wealth into consideration.
  - In 1988, CT established the Education Cost Sharing (ECS) formula to serve this purpose. It has been revised numerous times since then.
  - In theory, the ECS grant is supposed to make up the difference between what a community can afford to pay and what it costs to run a public school system.

Sources: *Horton v. Meskill*, 172 Conn. 615 (Conn. Sup. Ct. 1977).

Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.

## How does the ECS formula work?

- Connecticut uses three variables to determine how much a community must raise from its property taxes to pay education costs, and how much the state must contribute to offset these costs:
  - **The Foundation:** The average estimated cost of educating a child.
  - **Need Students:** A calculation that considers the number of students within a town, including groups of students that are typically more costly to educate because they have greater needs.
  - **Base Aid Ratio:** Each community's ability to financially support education.

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

# The ECS Formula

$$\text{Foundation} \times \text{Needs Students} \times \text{Base Aid Ratio} = \text{Town's Entitlement to the ECS Grant}$$

Source: Conn. Gen. Statutes ch. 172, § 10-262h (2013).



**But the ECS formula has some complications**

# #1: It doesn't fund all students based on their learning needs

- The ECS formula only provides extra funding for students who are low-income (as measured by eligibility for free and reduced price lunch).
- Many students have other special learning needs that require additional resources to give them access to the same opportunities.
  - EL students
  - Students with disabilities

Sources: Conn. Gen. Statutes ch. 172, § 10-262f (2013).

Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.

## #2: The state can't fully fund the ECS formula

- Fully funding the 2013 formula would cost Connecticut \$600+ million more than the state is currently spending.
- CT is in a fiscal crisis, and as a result, does not have additional funds available.
- CT does not have enough money to pay each city and town the amount it is owed under ECS.
  - Therefore, most cities and towns actually get far less money than they are entitled to under the formula.

Sources: Conn. Gen. Statutes ch. 172, § 10-262h (2013).

Guay, K., & Perkins, N. (2014). *The ABCs of ECS*. New Haven, CT: Connecticut Council for Education Reform. Retrieved from <http://ctedreform.org/2014/04/abcs-ecs/>.

Conn. Acts 16-2 (May Special Session).

*The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.*



### #3: CT **stopped** using ECS in 2013

- The state stopped using the ECS formula to distribute education funding to school districts in 2013.
- This opens the door to funding schools based on politics, rather than the needs of kids and communities.

Sources: Conn. Acts 14-47.

Conn. Acts 16-2 (May Special Session).

Conn. Acts 16-3 (May Special Session).

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.

## #4: ECS grant amounts are now based on historical precedent

- ECS grant amounts to districts **do not change** as a result of changes in the number of students the district serves, the learning needs of those students, or the community's ability to pay.
  - If the number of students in a district goes up or down, the ECS grant amount does not change accordingly.
  - If the number of low-income students a district is serving goes up or down, the ECS grant amount does not change accordingly.
  - If the ability of a community to contribute to its district's education budget goes up or down, the ECS grant amount does not change accordingly.
- Instead, ECS grant amounts are increased or decreased on a percentage basis from the amount the district received last year.

Sources: Conn. Acts 16-2 (May Special Session),  
Conn. Acts 16-3 (May Special Session).

## #5: The result isn't equitable

- Some towns get more than they are entitled to, while most communities get less than they should.
  - Groton: \$3.8 million (+18%)
  - Waterbury: **-\$59.4 million (-31%)**
- Communities with similar needs receive different amounts of state education funding.
  - More than \$5,000 per pupil gap between New Britain and Hartford.
- It doesn't apply to all kids in all schools.
  - The ECS formula only applies to local public schools. Other types of schools are funded using 10 more formulas.

Sources: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

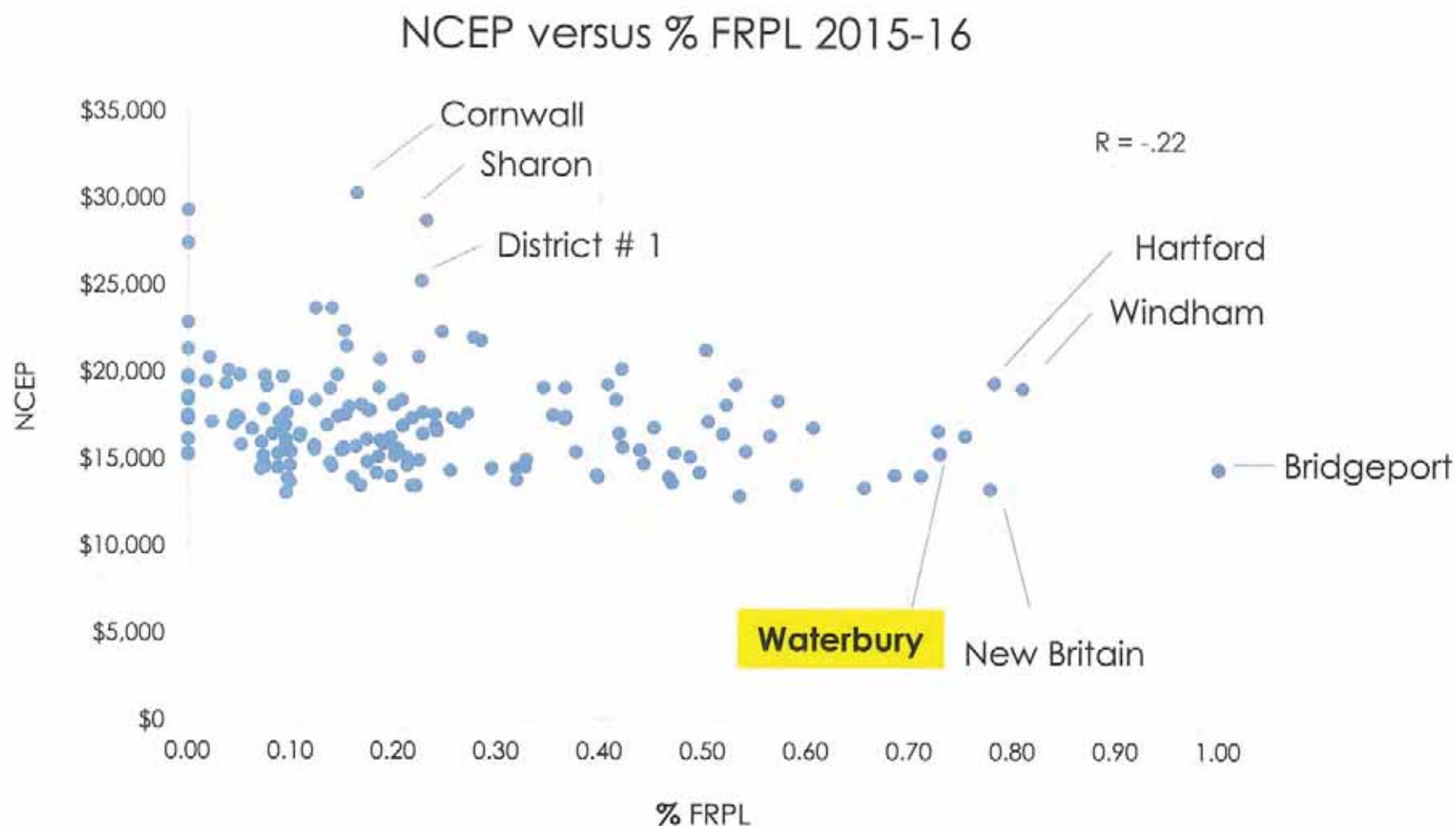
Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.

Conn. Acts 16-2 (May Special Session)

The full funding total was simulated by Kathleen Guay based on data provided by the Connecticut State Department of Education.



## There is no correlation between the percentage of low-income students a district serves and per-pupil expenditures

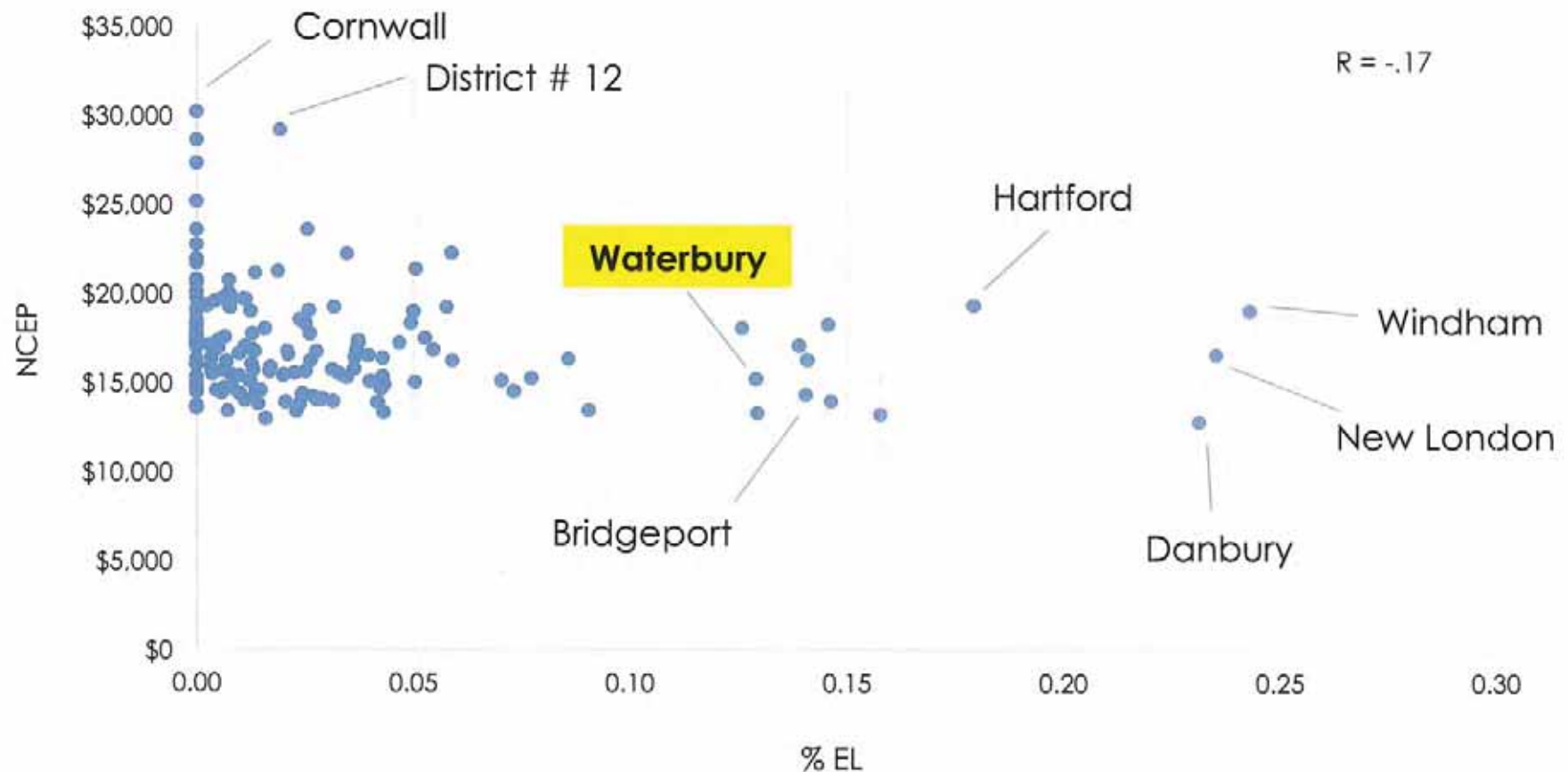


Sources: Connecticut State Department of Education. (2016). *2015-16 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2015-16>.

Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

## There is also no correlation between the percentage of English Learners a district serves and per-pupil expenditures

NCEP versus % EL 2015-16



Sources: Connecticut State Department of Education. (2016). *2015-16 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2015-16>.  
Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

# How does this impact cities and towns?



# Some cities and towns receive *less than* they should from ECS

Town	The Most the Town Should Get Based on ECS Formula FY 2016-17	FY 2016-17 ECS Funding in Conn. Acts 16-2 (May Special Session)	FY 2016-17 ECS Funding w/ Rescissions	Dollars Underfunded FY 2016-17	Percentage Underfunded FY 2016-17
<b>Waterbury</b>	<b>\$192,973,086</b>	<b>\$133,856,066</b>	<b>\$133,606,066</b>	<b>(\$59,367,020)</b>	<b>-31%</b>
Bridgeport	\$224,410,246	\$181,355,390	\$181,105,390	(\$43,304,856)	-19%
New Britain	\$119,994,478	\$86,445,269	\$86,195,269	(\$33,799,209)	-28%
Danbury	\$61,498,434	\$31,540,480	\$31,290,480	(\$30,207,954)	-49%
Hartford	\$228,465,417	\$200,768,244	\$200,518,244	(\$27,947,173)	-12%
East Hartford	\$68,257,323	\$49,315,667	\$49,075,156	(\$19,182,167)	-28%
Hamden	\$45,085,761	\$27,195,481	\$26,945,481	(\$18,140,280)	-40%
New Haven	\$171,765,368	\$154,551,977	\$154,301,977	(\$17,463,391)	-10%
Manchester	\$51,040,015	\$34,690,424	\$34,440,424	(\$16,599,591)	-33%
West Hartford	\$37,057,032	\$21,362,490	\$20,961,352	(\$16,095,680)	-43%

Sources: Conn. Acts 16-2 (May Special Session).

State of Connecticut, Office of Policy and Management. (2016). *FY 17 Municipal Opportunities and Regional Efficiencies (MORE) Lapse Savings*.

Retrieved from <http://tiny.cc/h6i4hy>.

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.

# While other cities and towns receive more than they should from ECS

Town	The Most the Town Should Get Based on ECS Formula FY 2016-17	FY 2016-17 ECS Funding in Conn. Acts 16-2 (May Special Session)	FY 2016-17 ECS Funding w/ Rescissions	Dollars Overfunded FY 2016-17	Percentage Overfunded FY 2016-17
Groton	\$21,207,527	\$25,287,526	\$25,040,045	\$3,832,518	18%
Clinton	\$4,984,274	\$6,416,984	\$6,326,998	\$1,342,724	27%
Lisbon	\$2,565,865	\$3,544,878	\$3,518,715	\$952,850	37%
Guilford	\$2,107,946	\$2,912,239	\$2,740,394	\$632,448	30%
Canterbury	\$4,085,382	\$4,691,736	\$4,665,608	\$580,226	14%
Stonington	\$1,081,353	\$1,792,984	\$1,649,159	\$567,806	53%
Ashford	\$3,524,860	\$3,881,522	\$3,859,564	\$334,704	9%
Voluntown	\$2,196,954	\$2,516,563	\$2,502,621	\$305,667	14%
Lebanon	\$5,128,904	\$5,451,755	\$5,410,404	\$281,500	5%
Hartland	\$1,057,801	\$1,340,757	\$1,327,652	\$269,851	26%

Sources: Conn. Acts 16-2 (May Special Session).

State of Connecticut, Office of Policy and Management. (2016). FY 17 Municipal Opportunities and Regional Efficiencies (MORE) Lapse Savings.

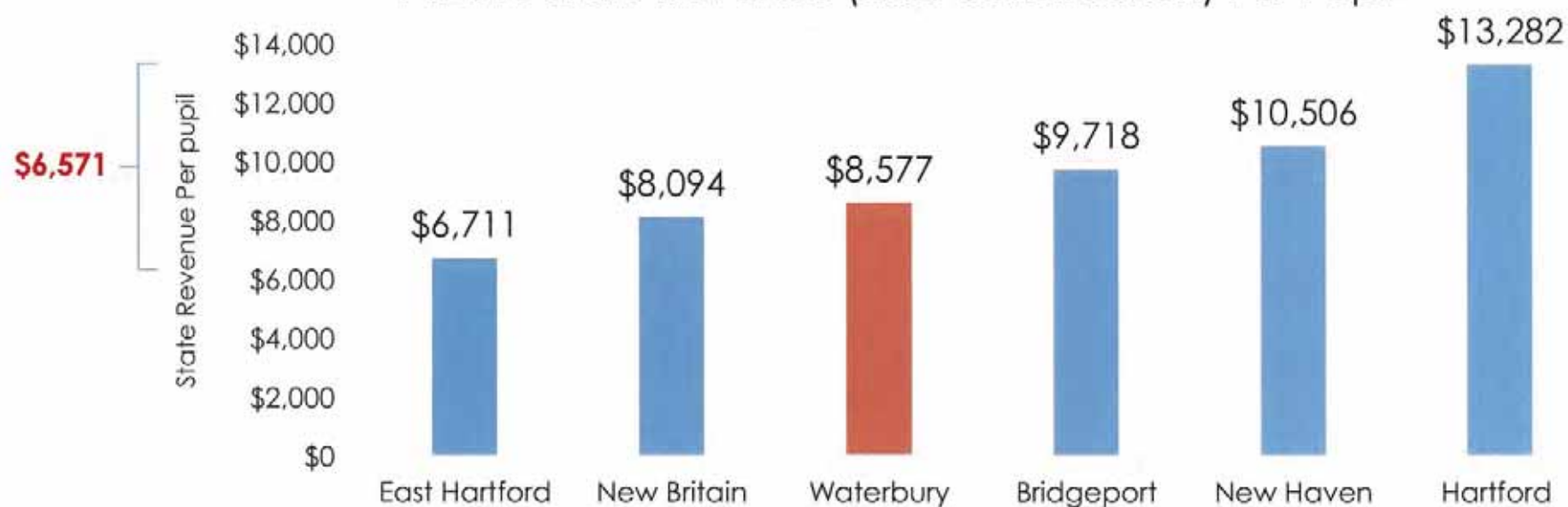
Retrieved from <http://tiny.cc/h6i4hy>.

The full funding total was simulated by Kathleen S. Guay based on data provided by the Connecticut State Department of Education.



# Cities that serve student populations with similar needs receive different amounts of money

FY2015 State Revenue (Exc. Construction) Per Pupil



	East Hartford	New Britain	Waterbury	Bridgeport	New Haven	Hartford
% FRPL	59%	78%	73%	100%	57%	78%
% EL	9%	16%	13%	14%	15%	18%
% SPED	17%	17%	18%	15%	13%	17%

Sources: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

Connecticut State Department of Education. (2016). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.



# What determines how much funding a school or district receives?

## 1) Historical precedent

- The amount of money the school/district has received in the previous year, regardless of changes in enrollment, need, or community wealth.

## 2) The type of school it is

- Different types of schools – local district, magnets, charters, etc. – have different funding formulas or statutory per student allocations.

## 3) Where the school is located

- Schools in the Hartford (*Sheff*) region are often treated differently than schools in other areas of the state.

## 4) Political power

- Communities with powerful political leaders are more likely to receive funding increases.

# HOW ARE OTHER TYPES OF PUBLIC SCHOOLS FUNDED?

## With 10 more formulas!

- CT has a different funding formula for each different type of public school. These public school types include:
  - Magnet schools (5 different formulas)
  - Charter schools (2 different formulas)
  - CT Technical High School System (1 formula)
  - Agriscience schools (1 formula)
  - Open Choice (1 formula)

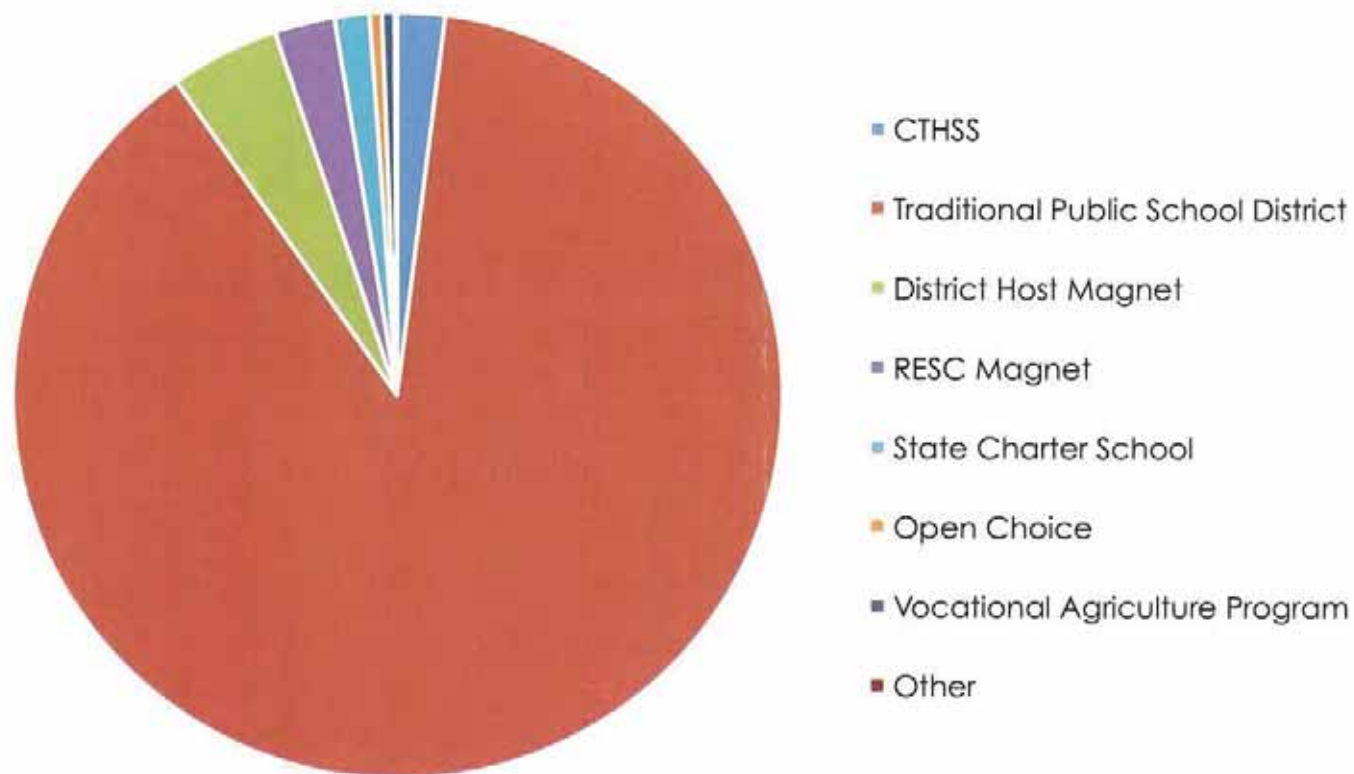
Sources: Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.htm>.

Moran, J. (2014). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools* (2014-R-0257). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <http://www.cga.ct.gov/2014/rpt/2014-R-0257.htm>.



# CT educates about 543,000 students, of those 63,000 attend school choice programs

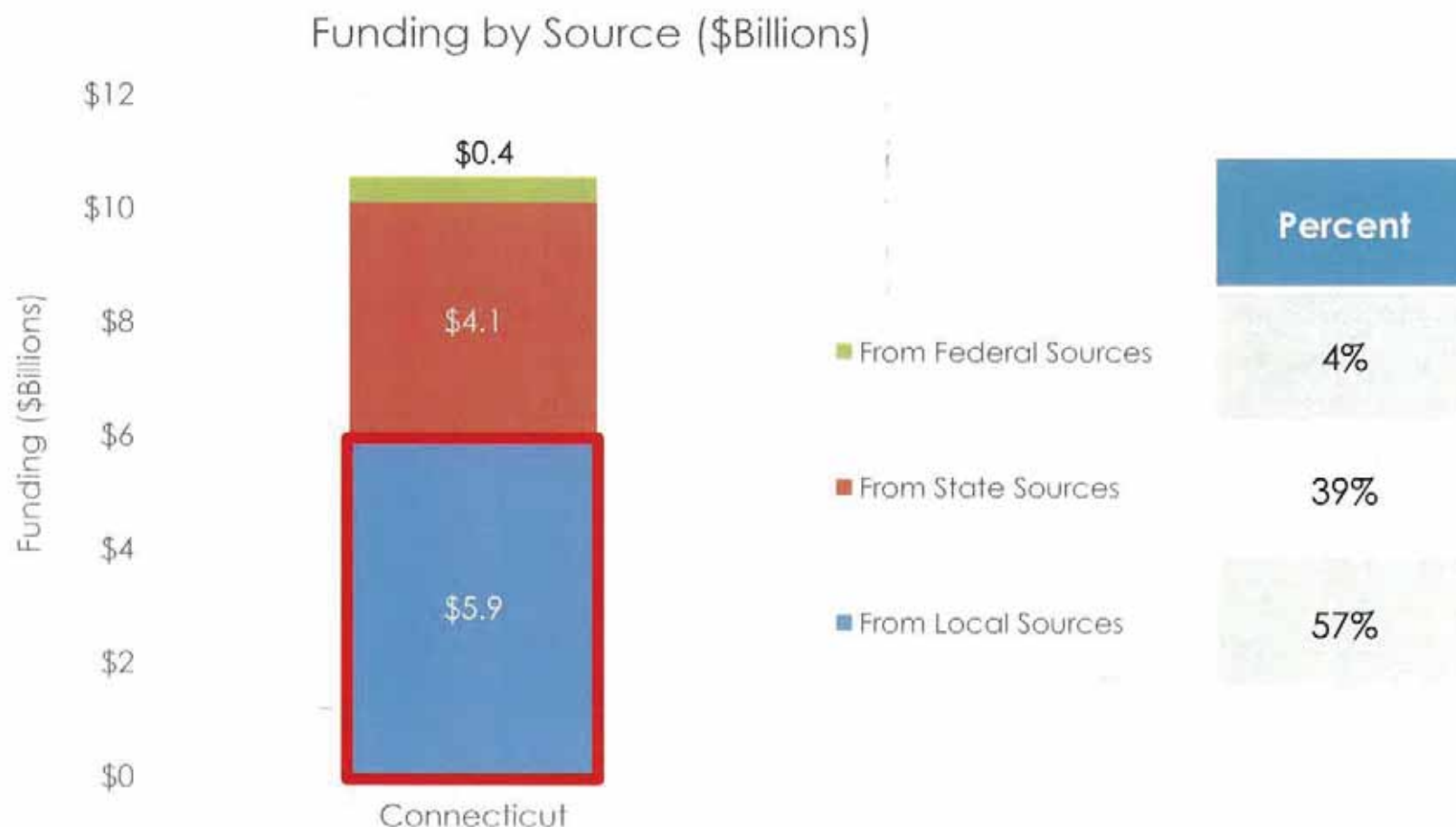
2015 Enrollment by School Type



Source: Connecticut State Department of Education. (2015). *Out-of-District Public Enrollment by Resident Town, by School, and by Grade*. Available at <http://ctschoolfinance.org/data/connecticut-out-of-district-enrollment-by-resident-town-by-school-and-by-grade>.

# LOCAL FUNDING

# How much do CT's cities and towns contribute to funding public schools?



Source: U.S. Census Bureau. (2016). *Public Education Finances: 2014*. Retrieved from <http://www.census.gov/content/dam/Census/library/publications/2016/econ/g14-aspef.pdf>.



# Waterbury taxpayers contribute \$5,392 per student

2014-15 Local Contribution Per Pupil



Source: Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschooldfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

## How much do cities and towns need to contribute toward funding their public schools?

- Cities and towns must make up the difference between what their local public school system receives from state and federal sources and the local public school district's budget.

$$\begin{aligned} &\text{School District Budget} - \text{Federal Revenue} - \text{State Revenue} \\ &= \\ &\text{Municipal (Local) Contribution} \end{aligned}$$

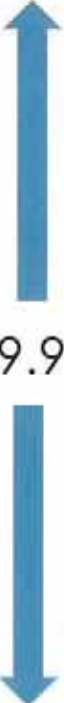
# Facts about City/Town Property Taxes

- Each city/town has a different amount of property available to tax.
  - Each city and town adds up the value of all of the property in the town – this is known as the “grand list.”
- Once the city/town knows how much money they need to raise in taxes and the value of the “grand list,” the city/town sets a tax rate for property, known as a “mill rate.”

Source: State of Connecticut, Office of Policy and Management. (2011). *Statutes Governing Property Assessment and Taxation*. Retrieved from <http://www.ct.gov/opm/cwp/view.asp?q=383128>.



## The value of “grand lists” varies widely

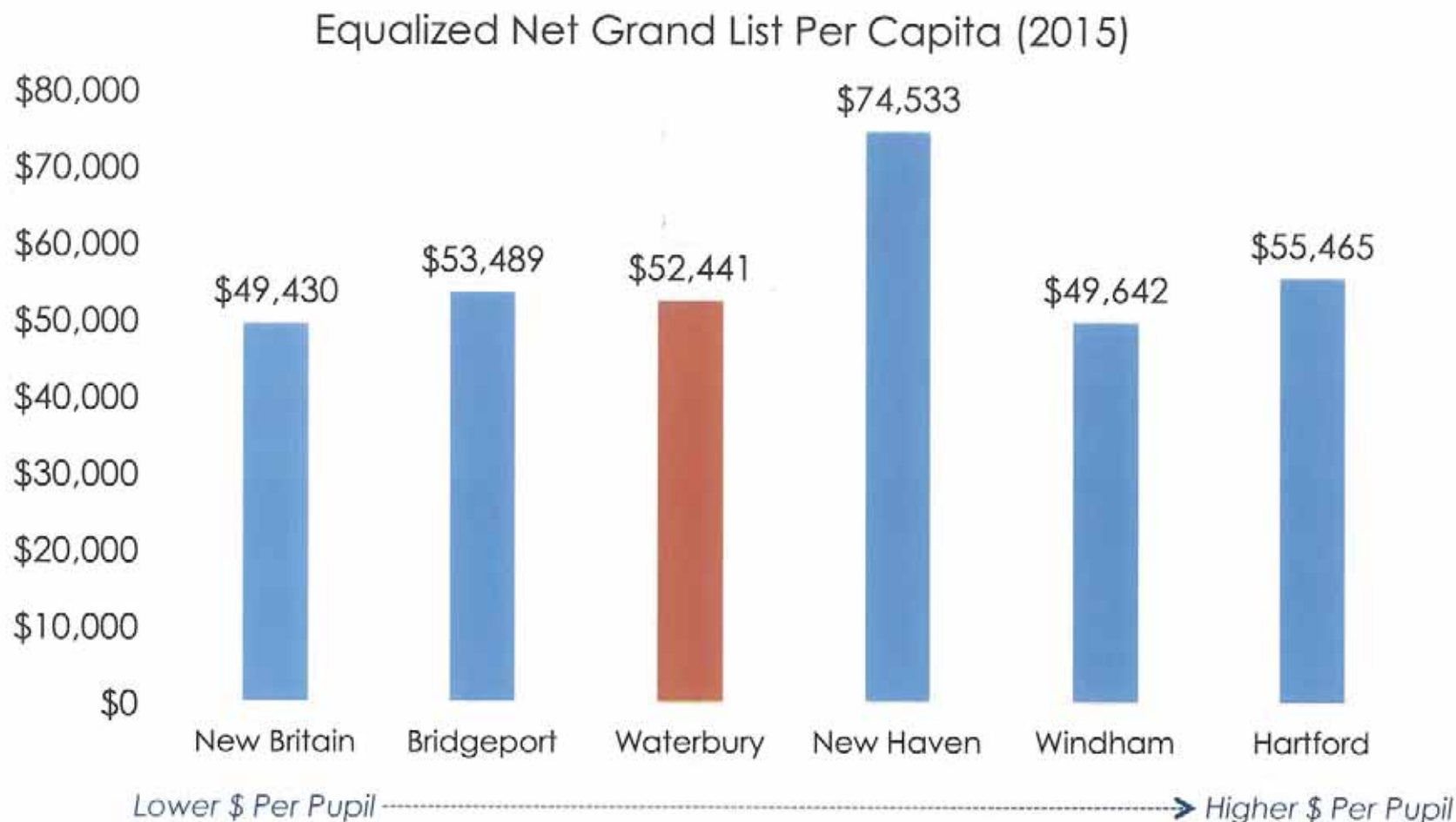


\$49.9B

Municipality	Equalized Net Grand List GLYR 2014
GREENWICH	\$50,031,483,545
STAMFORD	\$32,163,709,171
NORWALK	\$17,956,313,819
WESTPORT	\$16,602,814,905
FAIRFIELD	\$16,170,416,830
...	...
<b>WATERBURY</b>	<b>\$5,554,511,500</b>
...	...
COLEBROOK	\$225,255,646
EASTFORD	\$194,982,983
HAMPTON	\$179,533,474
SCOTLAND	\$151,789,305
UNION	\$118,614,798


Source: State of Connecticut, Office of Policy and Management. (2017). *Municipal Fiscal Indicators*. Available from [http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi\\_2011-15\\_edition\\_as\\_of\\_1-11-17.pdf](http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi_2011-15_edition_as_of_1-11-17.pdf).

The Equalized Net Grand List Per Capita (ENGLPC) represents the value of taxable property per resident. Waterbury's ENGLPC is the 3<sup>rd</sup> lowest in the state.



Source: State of Connecticut, Office of Policy and Management. (2017). *Municipal Fiscal Indicators*. Available from [http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi\\_2011-15\\_edition\\_as\\_of\\_1-11-17.pdf](http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi_2011-15_edition_as_of_1-11-17.pdf).

## “Mill rates” vary significantly too



63.59

Municipality	FY 2016-17 Mill Rate
HARTFORD	74.29*
<b>WATERBURY</b>	<b>60.21*</b>
BRIDGEPORT	54.37*
NEW BRITAIN	50.50*
NAUGATUCK	47.67*
TORRINGTON	45.75*
...	...
WARREN	14.35
WASHINGTON	14.25
ROXBURY	13.70
GREENWICH	11.202
SALISBURY	10.70

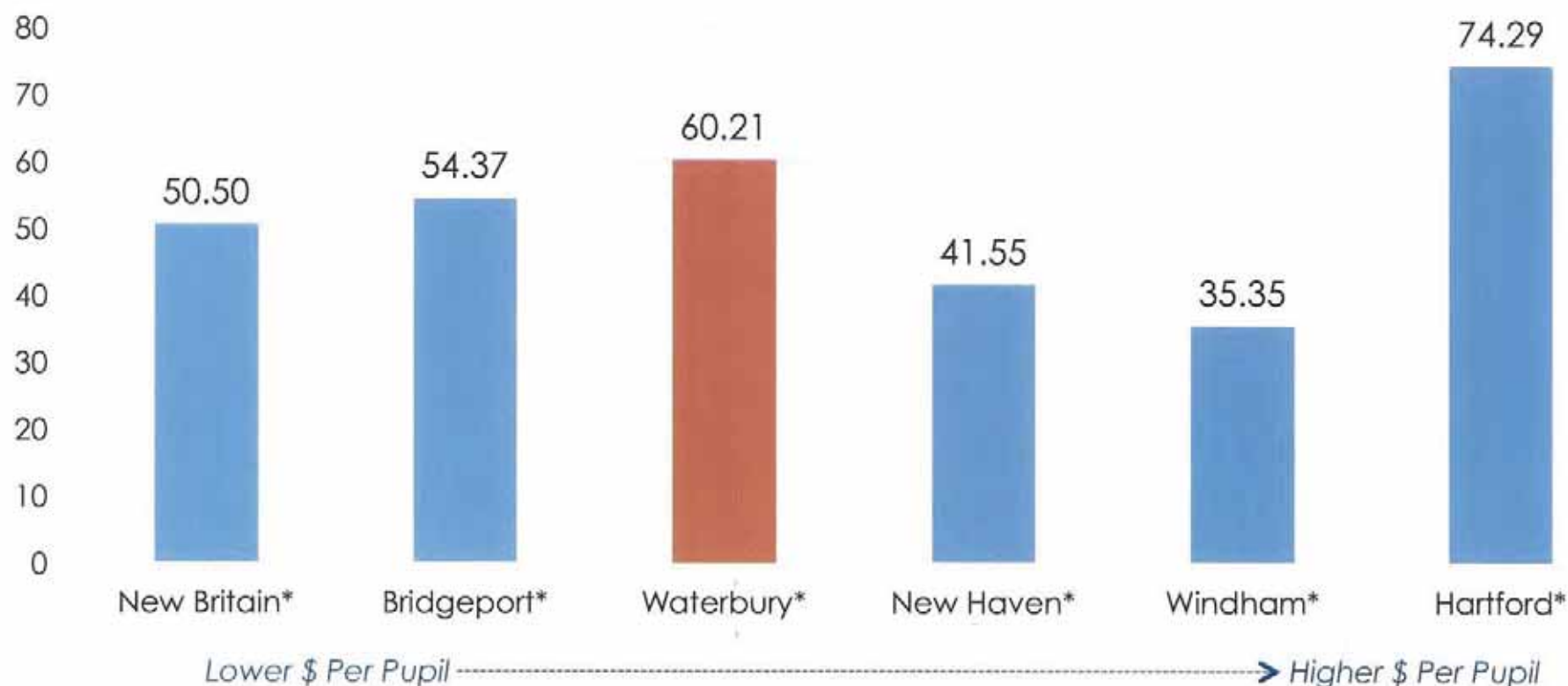
\*For Real & Personal Property only; vehicle mill rate is 37.00 for these communities

Source: State of Connecticut, Office of Policy and Management. (2017). *Municipal Fiscal Indicators*. Available from [http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi\\_2011-15\\_edition\\_as\\_of\\_1-11-17.pdf](http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi_2011-15_edition_as_of_1-11-17.pdf).



# Waterbury's mill rate is the second highest in the state

Town Mill Rates FY 2016-17



\*For Real & Personal Property only; vehicle mill rate is 37.00 for these communities

Source: State of Connecticut, Office of Policy and Management. (2017). *Municipal Fiscal Indicators*. Available from [http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi\\_2011-15\\_edition\\_as\\_of\\_1-11-17.pdf](http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi_2011-15_edition_as_of_1-11-17.pdf).

## The amount of property tax CT residents pay varies widely depending on where they live

Municipality	FY16-17 Mill Rate	Property Tax – 200k House	Property Tax – 2012 Honda Civic
HARTFORD <sup>+</sup>	74.29*	\$4,786	\$123
<b>WATERBURY</b>	<b>60.21*</b>	<b>\$8,429</b>	<b>\$123</b>
BRIDGEPORT	54.37*	\$7,612	\$123
NEW BRITAIN	50.50*	\$7,070	\$123
EAST HARTFORD	45.86*	\$6,420	\$123
NEW HAVEN	41.55*	\$5,817	\$123
NEW LONDON	40.46*	\$5,664	\$123
WINDHAM	35.35*	\$4,949	\$123
NORWALK	24.997**	\$3,500	\$96
GREENWICH	11.202	\$1,568	\$37

\*For Real & Personal Property only; vehicle mill rate is 37.00 for these communities

\*\*Vehicle mill rate is 28.907

*\*Residential property in the city of Hartford is not assessed at the standard rate of 70%. Instead, Hartford's current assessment rate for residential property is 32.21%. Due to this difference, the property taxes for the house in this example may be lower in Hartford than the taxes in other towns with lower mill rates.*

Source: State of Connecticut, Office of Policy and Management. (2017). *Municipal Fiscal Indicators*. Available from [http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi\\_2011-15\\_edition\\_as\\_of\\_1-11-17.pdf](http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi_2011-15_edition_as_of_1-11-17.pdf).

KBB value for 2012 Honda Civic DX Sedan 4D with 75,000 miles and in good condition.

# IMPACT OF GOVERNOR'S PROPOSED BUDGET ON WATERBURY



**The governor's budget proposal begins to take steps toward fixing how our state funds its public schools.**

**However, it falls short of the comprehensive changes needed to address the fundamental flaws of Connecticut's school finance system.**

## Encouraging Aspects of Governor's Proposal

- Proposes the state use a formula to distribute the ECS grant to towns and end the funding of local public school districts via block grants based on little more than historical precedent and the political power.
- Changes the metric used to represent low-income students in the ECS formula from eligibility for free and reduced price lunch to the more accurate metric of participation in HUSKY A.
- Separates ECS funding from special education funding, which makes the amount of funding the State is contributing to special education more transparent and helps ensure Connecticut is able to meet its funding obligations under the federal Individuals with Disabilities Education Act (IDEA).

Source: State of Connecticut, Office of Policy and Management. (2017). *Governor's FY 2018 - 2019 Biennial Budget*. Available from <http://www.ct.gov/opm/cwp/view.asp?a=2958&Q=590066&PM=1>.



## Shortcomings of Governor's Proposal

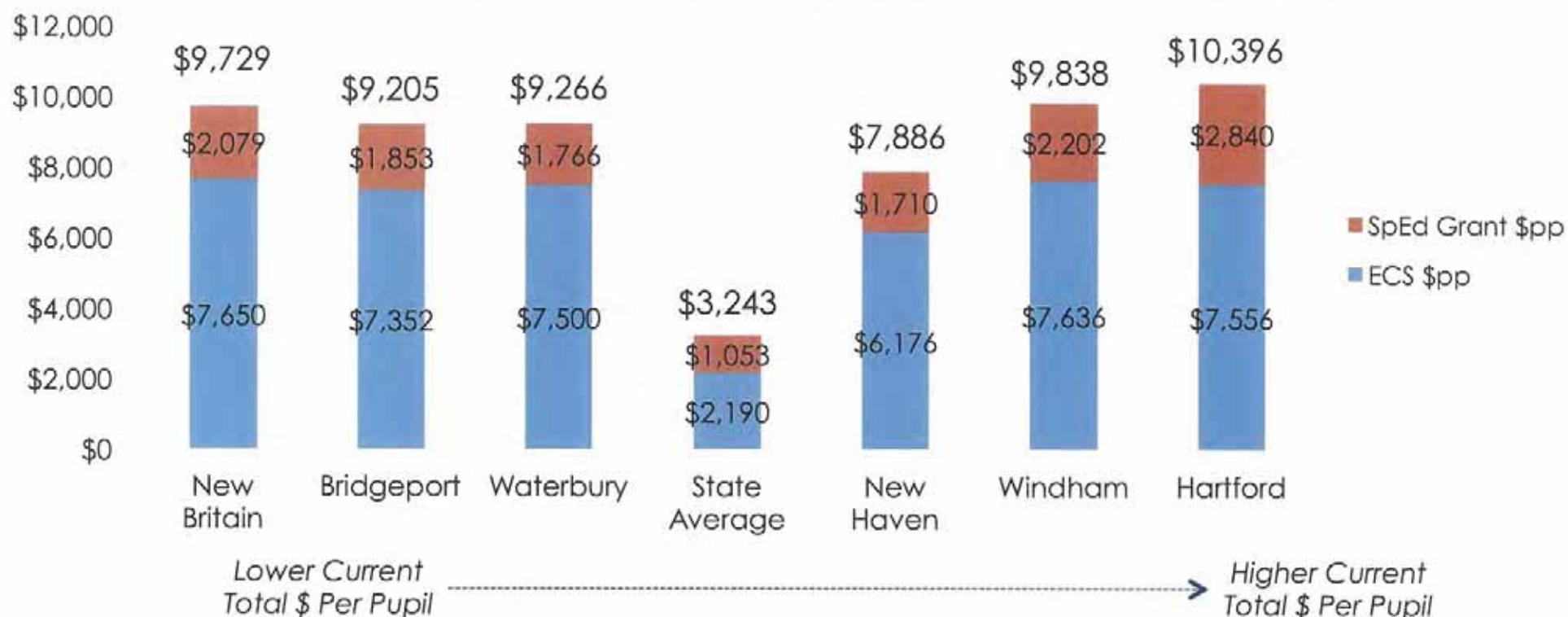
- Continues current practice of using 11 unconnected and arbitrary formulas to fund its public schools, which fundamentally treats students, schools, and communities unfairly, and pits town against town.
- Does not provide a weight for Connecticut's more than 35,000 English Learners.
- May not accurately recognize the student learning needs of middle-income communities and reduces the combined total of ECS and special education aid to some higher-need communities, such as New Haven.
- Governor's proposal for special education funding does not address the unpredictability of special education costs that continues to impact communities across the state.
- Governor's special education funding proposal does not give local school districts a stake in controlling total special education costs without incentivizing the under or misdiagnosis of students with disabilities.

Source: State of Connecticut, Office of Policy and Management. (2017). *Governor's FY 2018 - 2019 Biennial Budget*. Available from <http://www.ct.gov/opm/cwp/view.asp?a=2958&Q=590066&PM=1>.



# Under the governor's proposal, Waterbury would receive \$9,266 per pupil in ECS+ SpEd funding

Estimated State Funding Per Pupil Under Governor's Proposal



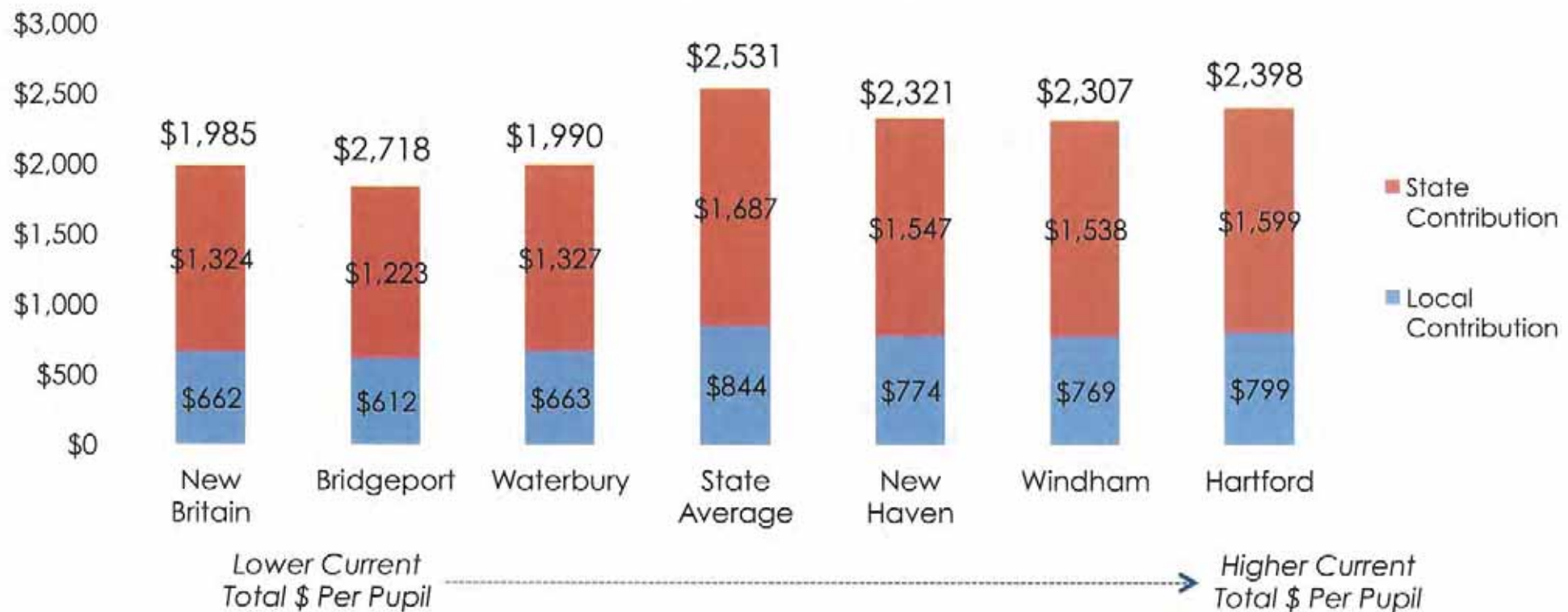
*As this formula separates state special education funding from the main formula aid funding, this amount has been calculated and presented separately. This amount does not include any other estimated state, local, federal, tuition, or other funding provided to a town to educate students.*

Source: State of Connecticut, Office of Policy and Management. (2017). Governor's FY 2018 - 2019 Biennial Budget. Available from <http://www.ct.gov/opm/cwp/view.asp?a=2958&q=590066&PM=1>.

Connecticut State Department of Education. (2016). Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.

# The governor's proposal would require Waterbury to contribute \$663 per student toward the Teachers' Retirement System

Estimated Teachers' Retirement System Funding Per Pupil by Town Under Governor's Proposal



Currently, the state pays 100 percent of the employer share of TRS costs. Under the governor's proposal, municipalities would begin to contribute 33.3 percent of the employer share of TRS costs. According to OPM, municipal contributions would total \$407.6 million in FY'18 and \$420.9 in FY'19.

Source: State of Connecticut, Office of Policy and Management. (2017). *Governor's FY 2018 - 2019 Biennial Budget*. Available from <http://www.ct.gov/opm/cwp/view.asp?a=2958&Q=590066&PM=1>.  
 Connecticut State Department of Education. (2016). *Connecticut Local Public School District Per Pupil Expenditures by Revenue Source & Property Tax Information, 2013-15*. Available from <http://ctschoolfinance.org/data/local-school-district-per-pupil-expenditures-by-revenue-source-property-tax-information>.



# APPENDIX



# Calculating Expenditures per School Type

- Individual children receive different amounts of funding based on learning needs.
- For all school types, the following have been excluded:
  - School construction – capital, not general operating costs
  - Loans – not income
- The individual items used to calculate state, local, and other contributions for each school type are found on the following slide.

# Calculating Expenditures per School Type

	Local Public	Charter	Sheff RESC Host Magnet
State Contribution	<ul style="list-style-type: none"> <li>Board of Education Services for the Blind</li> <li>ECS – Non-Alliance</li> <li>Excess Cost/State Agency Placement</li> <li>Healthy Foods</li> <li>Magnet Transportation</li> <li>Open Choice</li> <li>Other Direct State Grants</li> <li>Public Transportation</li> <li>Special Education Supplemental</li> <li>State Grants Managed by a Nonpublic/Quasi-Public Organization Serving Public Education</li> <li>State Match Child Nutrition</li> <li>State School Breakfast</li> <li>Total from ED141 Summary Report Column 3</li> <li>Voag</li> <li>Your Portion of Services/Expenditures from Consortium Grant Payment Arrangement</li> </ul>	<ul style="list-style-type: none"> <li>State Charter School Grant</li> <li>Common Core State Grant</li> <li>School Breakfast (state)</li> <li>Child Nutrition</li> <li>Special Education Reimbursement</li> <li>Interdistrict Cooperative</li> <li>Family Resource Center Program</li> <li>After School Programs</li> <li>Other State Grants</li> </ul>	<ul style="list-style-type: none"> <li>State Magnet School Grant</li> <li>State Magnet Transportation</li> <li>Two Rivers receives a separate state subsidy for magnet school transportation.</li> <li>Other State Grant Funds</li> </ul>
Local Contribution	<ul style="list-style-type: none"> <li>Local Share is Total less State+Other</li> </ul>	<ul style="list-style-type: none"> <li>Regular Education In-kind Services from local school district</li> <li>Special Education In-kind Services from local school district</li> <li>Other Sources of Revenue - Special Education reimbursement</li> <li>Other Sources of Revenue - Local Support</li> </ul>	<ul style="list-style-type: none"> <li>LEA Regular Tuition</li> <li>LEA Special Education Tuition/Transportation</li> </ul>
Other Contribution	<ul style="list-style-type: none"> <li>Bilingual Education (Federal)</li> <li>Headstart</li> <li>Other Direct Federal Grants</li> <li>Your Portion of Services/Expenditures from Consortium Grant Payment Arrangement</li> <li>Federal Grants Managed by a Nonpublic/Quasi-Public Organization Serving Public Education</li> <li>Total Tuition &amp; Transportation Revenues</li> <li>In-Kind Services</li> <li>Medicaid Revenue Expended on Special Education Services</li> <li>Medicaid Revenue Expended on Regular Education Services</li> <li>Third Party Billing/Insurance</li> <li>Contributions</li> <li>Rentals</li> <li>Endowment Funds</li> <li>Other Miscellaneous Revenues</li> <li>Total Miscellaneous Revenue from ED141 Summary Report, Column 3</li> </ul>	<ul style="list-style-type: none"> <li>Title I</li> <li>Title II</li> <li>National School Lunch</li> <li>Child Nutrition School Food Equipment</li> <li>Other Sources of Revenue - Remainder</li> <li>Interest Income</li> <li>Miscellaneous</li> <li>Title IV, Part B, 21st Century Community Learning</li> </ul>	<ul style="list-style-type: none"> <li>Federal Funds</li> </ul>

Sources: Connecticut State Department of Education. (2016). Connecticut Local Public School District Expenditures by Revenue Source, 2006-15. Available from <http://ctschoolfinance.org/data/connecticut-local-school-district-expenditures-by-revenue-source>.

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## Sources: Does money matter?

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# Illustrative example of how ECS is calculated

$$ECS \text{ Funding} = \text{Foundation} * [\text{Enrollment} + (\text{Enrollment} * \text{Percent FRPL} * \text{Weight})] * \left[ 1 - \left[ \frac{\frac{ENGL}{Population}}{\text{Median ENGL Per Capita} * 1.5} * .9 \right] - \left[ \frac{\text{Median Household Income}}{\text{Median of Median Household Income} * 1.5} * .1 \right] \right]$$

## Norwalk

Town Variables	Amount	State Median	Weight
Equalized Net Grand List	\$17,956,313,819		
Equalized Net Grand List Per Capita	\$191,628	\$133,647	0.9
Median Household Income	\$76,987	\$70,331	0.1
Population	88,485		
<b>Formula Variables</b>			
Foundation	\$11,525		
Enrollment	11,409		
Poverty Weight	0.3		
% Poverty	50.4		
Threshold	1.5		
<b>Calculations</b>			
Need Students	5,752		
Town Income Wealth	0.07		
Town Property Wealth	0.86		
Base Aid Ratio	0.09		
<b>Fully Funded ECS Grant</b>	<b>\$13,623,284</b>		

Sources: Conn. Gen. Statutes ch. 172, § 10-262h (2013).

State of Connecticut, Office of Policy and Management. (2017). *Municipal Fiscal Indicators*. Available from [http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi\\_2011-15\\_edition\\_as\\_of\\_1-11-17.pdf](http://www.ct.gov/opm/lib/opm/igp/munfinsr/fi_2011-15_edition_as_of_1-11-17.pdf).