

**ECS FORMULA COMMITTEE
DRAFT REPORT TO ECS TASK FORCE
June 26th, 2012**

Committee Members

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INTRODUCTION

The ECS Formula Committee has met twelve times during the past three months with representatives from various organizations and with members of the CGA staff assigned to the ECS Task Force. A complete listing of with whom we met is listed in Appendix I of this report.

The findings and recommendations of this Committee are by no means meant as final recommendations. Although there was general agreement on the recommendations by members of the committee, this report is presented as a starting point for the ECS Task Force to discuss and to amend as part of a final Task Force report that will be prepared for presentation in October of 2012.

Every member of this Committee as well as everyone we met and talked with has a deep level of commitment to helping the state bring equal and quality education to all of the children of Connecticut. Many people we met with have significant knowledge of the ECS formula as well as other aspects of education funding in this state. A consultant we spoke with also has vast knowledge of what other states are currently doing to adequately fund education. It has been enormously helpful to have been able to take advantage of their experience and their expertise, and much of what we learned is reflected in this report.

There are of course many factors that effect state funding of education that will determine what the final recommendations are and what is ultimately enacted into law. This is a very challenging financial time for Connecticut as it is for most other states and certainly the question of whether the state can afford to adequately fund education will need to be studied and determined as well as the consideration of whether we can afford not to.

**PLAINTIFFS'
TRIAL EXHIBIT**
No. X07 HHD-CV14-5037565-S

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RECOMMENDATIONS

I FORMULA

DISCUSSION

The formula that exists today has gone through many changes and alterations since it came into existence. It has not been fully funded for many years and some of the data used for allocations are not current. In attempting to assist towns that would otherwise have had decreases in their ECS funding there have been inequities impacting poorer districts in the state. Further the legislation as it now exists is filled with irrelevant amendments and information that adds to the confusion and misinformation that currently exists.

RECOMMENDATION

The Committee strongly feels that to attempt to tweak or suggest changes to the current formula might not be the best course of action. It therefore concluded that it would be highly desirable to start over. There are parts of the formula computations that could and should be incorporated into the new formula such as the wealth determining computations.

It is recommended that the starting point for the formula should be an establishment of clear goals and outcomes. Once that is determined, the process of allocating funds should be less burdensome. The new methodology could incorporate a process that would divide the funding into two major categories so that the districts such as the alliance districts needing greater assistance can be better funded. Any changes from a new approach could be phased in over a period of years.

II ADEQUACY

DISCUSSION

There has been much discussion of how much it costs to provide each child in Connecticut an "adequate education". In fact in 2005 a study commissioned by CCJEF came up with estimates of what this cost might be. Since then the courts have also used this terminology in addressing the equality education issues in the state. It would seem that the determination of how much an adequate education costs is extremely important and updated information would be essential.

RECOMMENDATION

Our education funding formula must and should be based on the best and most current adequacy data available. We should be able to have a better idea than

we do on what it costs to achieve the educational outcomes that are required and that we expect. A new study should be undertaken that either updates the 2005 study or incorporates a new and acceptable methodology to determine what it costs to provide an adequate education to all children in Connecticut with wrap around services included as part of the measurement.

III WEIGHTING

DISCUSSION

While there is some recognition given to poor students by the weighting of these students it does not appear to be adequate. There does not seem to be enough financial support for poorer students not only in the urban districts but in some of the rural areas of the state. It also appears that current information on poor students is not utilized so that districts may not be receiving what they should under the current formula.

RECOMMENDATION

Greater financial recognition must be given to poorer students in the state. The present weighting for these students is not adequate and the new formula must recognize this inequity and provide the necessary weighting to more accurately reflect the needs of these students.

IV FUNDING

DISCUSSION

There has been a great deal of discussion regarding the fact that the current formula is only funded at about 70% of what the foundation computation should be. This has resulted in approximately a \$600 million shortfall in the last fiscal year. This shortfall has disproportionately affected the poorer districts which are the districts where the achievement gap is the greatest.

Everyone this Committee talked with agreed that the formula should be fully funded, and there were some possible viable ideas on how to fund this shortfall. In this economic environment it is of course even more challenging to appropriately fund education. Money however does matter in ultimately finding ways to provide quality education to all students so that to simply say the funding isn't there and move on does not seem to be a responsible way to proceed.

RECOMMENDATION

The Committee recommends that a Task Force be convened no later than December 31, 2012 to study ways to provide the necessary funding for education. This Task Force should have recommendations no later than one year after they are convened. Whether it be designated revenue sources, cost reallocations, district restructuring, or any other solutions this Task Force should be charged with coming up with creative and workable ideas to achieve adequate funding for education.

A possible alternative to a Task Force or as a resource for this Task Force we might want to retain the services of Education Commission of the States. Michael Griffith from this organization provided a wealth of data from other states and they may be able to recommend ideas that are working in other states.

It is possible that this Task Force could review the substantial reliance on property taxes required to fund education and perhaps recommend alternative funding sources.

The Committee recognizes the economic conditions that exist in this state and in the country but perhaps we need to examine this closely so as to provide the educated and skilled workforce Connecticut will need to stay competitive. It also recognizes that additional funding would probably need to be phased in over a five or seven year period.

V SPECIAL EDUCATION

DISCUSSION

Special Education costs have been increasing at approximately 6% per year and represent a significant amount of the educational expenditures in Connecticut. Expenditures are funded by local districts with the state contributing amounts in excess of a multiple of certain costs. There is a separate committee that has been charged with reviewing these costs and how they can best be managed and funded.

RECOMMENDATION

This Committee suggests that it either meet with the Committee that is reviewing special education or discuss at the Task Force level the following issues:

- *Having different severity levels for special ed costs with each level having a different multiple that would determine state reimbursement.*
- *Study to determine how special ed costs could be better controlled.*
- *Whether all special ed costs should be incorporated into formula.*

VI CHOICE

DISCUSSION

Here again there is another committee on the Task Force that is reviewing the issues relating to choice. Our Committee did discuss some of the concerns and controversies regarding Choice and Charter Schools. This was an area where we did not reach consensus but we do believe that there can be creative and workable solutions to the existing issues that need to be addressed.

RECOMMENDATION

Some of the choice issues relate to funding and whether in fact there should be different categories for school choice. We therefore recommend that the two committees meet to discuss these issues or it be discussed at the Task Force level for possible resolution.

VII INCENTIVES

DISCUSSION

Another charge of this Committee was to review possible incentives for districts that are achieving positive results in closing the achievement gap and/or other educational priorities. A pool of funding could be set aside and used to reward higher performing districts.

RECOMMENDATION

A Performance Fund should be set up and initially funded at the \$10 million level. This Fund would be available to Alliance Districts who demonstrated success in achieving their goals and in building capacity, and the educational goals of the state. The funds rewarded could be for continuation of successful instructional programs such as ELL programs, or for wrap around services for the students and/or parents such as school based health care or School Resource Centers. Funds

disbursed would be replaced so that the Fund would always remain at this level.

VIII PRE-SCHOOL

DISCUSSION

Quality pre-school has been shown to be a meaningful factor in reducing the achievement gap. Having children enter kindergarten ready and able to learn is critical in their educational development. While it is outside the purview of this committee there should be some discussion at the task force level on how pre-school is funded and whether it becomes part of the revised formula.

RECOMMENDATION

The Task Force should discuss the funding of quality pre-school programs and whether the funding should become part of the formula.

CONCLUSION

The demographics of the state are changing and Connecticut needs to take steps to educate all students for the highly skilled jobs of today and tomorrow. At the same time the state needs to be able to retain and attract the companies that are offering those jobs. Having a well educated and skilled work force is the surest way to attract those companies and at the same time offering younger people opportunities to stay and reside in this state. Bold and substantive steps and the appropriate funding for these steps are now required to provide the best future for all of our students, and for Connecticut.

There is much to be done before the Task Force submits its final report. The above recommendations represent the thoughts of the Formula Committee and by no means are meant to be final conclusions but rather interim ideas that can be further discussed with other committees and by the Task Force in the months leading up to the final report.

APPENDIX I LIST OF ORGANIZATIONS & INDIVIDUALS

The committee has met with:

Staff from CGA (Judith Lohman & John Moran)

Jim Finley & George Rafael of the Connecticut Conference of Municipalities

Joseph Cirasuolo & David Calchera The Connecticut Association of Public Schools Superintendents (CAPSS)

Patrice McCarthy & Sheila McKay of Connecticut Association of Boards of Education (CABE)

Diane deVries, Rebecca Adams & Herb Rosenthal from Connecticut Coalition for Justice in Education Funding (CCJEF)

Ray Rossamondo-Connecticut Education Association (CEA)

Orlando Rodriguez-Connecticut Voices for Children

We have also had two lengthy telephone conversations with Michael Griffith of Education Commission of the States

And Kathy Wilson from the League of Women Voters has been at many of our meetings and provided helpful insight and data.

Our next step will be to prepare a brief report on our findings, our suggestions for moving forward, and some recommendations that the committee has reached some consensus on.

We plan to have that report completed within the next two weeks and will be prepared to present and submit that to the ECS Task Force.