

SCHOOL + STATE
FINANCE PROJECT

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STATE SUPPORT FOR SOUTHINGTON PUBLIC SCHOOLS

About Us



Statewide
organization
founded in 2015



Nonprofit,
nonpartisan policy
organization

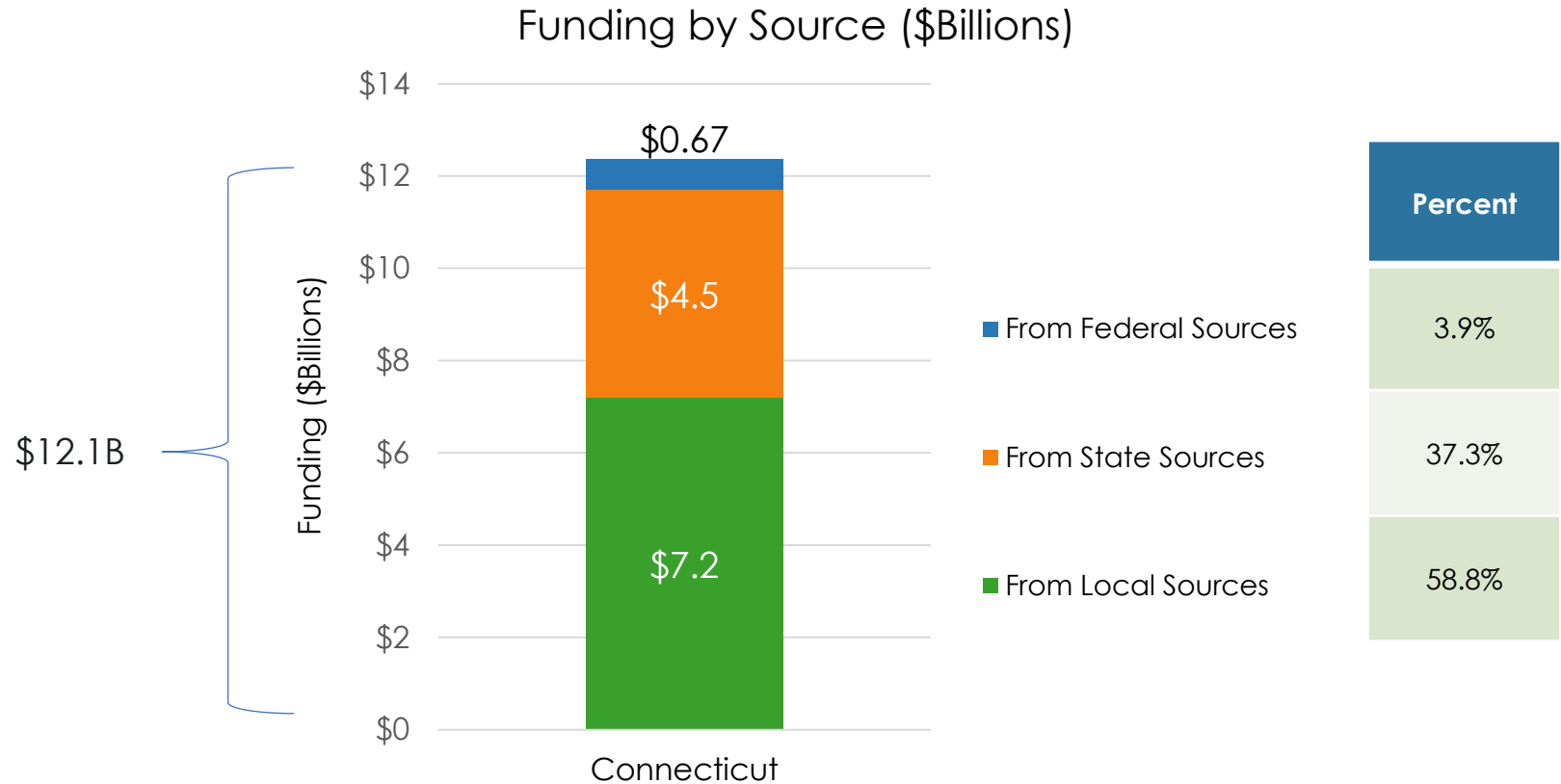


Trusted resource that
works **collaboratively**
with policymakers,
school district
officials, community
leaders, and all
individuals



Develops data-
driven solutions to
ensure **ALL public**
school students
receive **equitable**
education funding
that supports their
learning needs

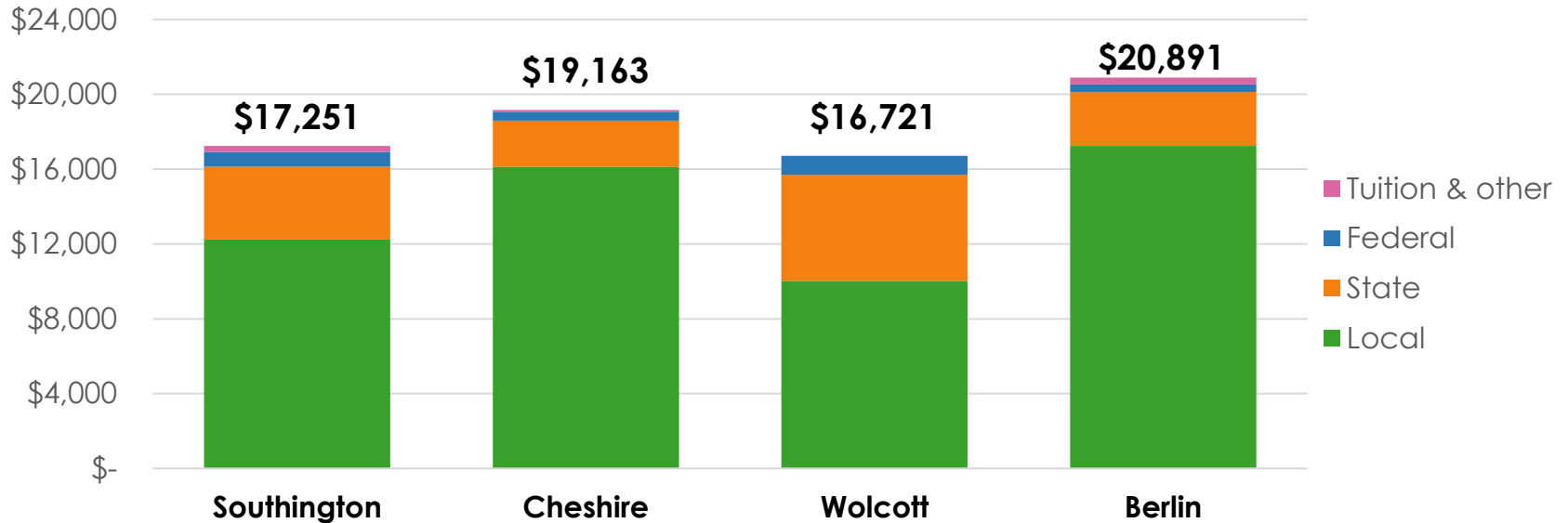
What are the funding sources for K-12 education in Connecticut?



Source: U.S. Census Bureau. (2023). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2021. *2021 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finances/tables/2020/secondary-education-finance/elsec20_sumtables.xls.

Southington spends nearly \$3,000 less per student than the state average (\$20,165)

Per-Student Funding by Source



Student Demographics

Low-Income	23.3%	15.0%	28.1%	22.0%
Multilingual Learners	2.3%	2.3%	4.1%	3.6%
Students w/ Disabilities	15.9%	13.8%	15.8%	15.8%
BIPOC Students	22.5%	23.0%	23.7%	21.9%



STATE FUNDING VIA THE EDUCATION COST SHARING FORMULA (ECS)

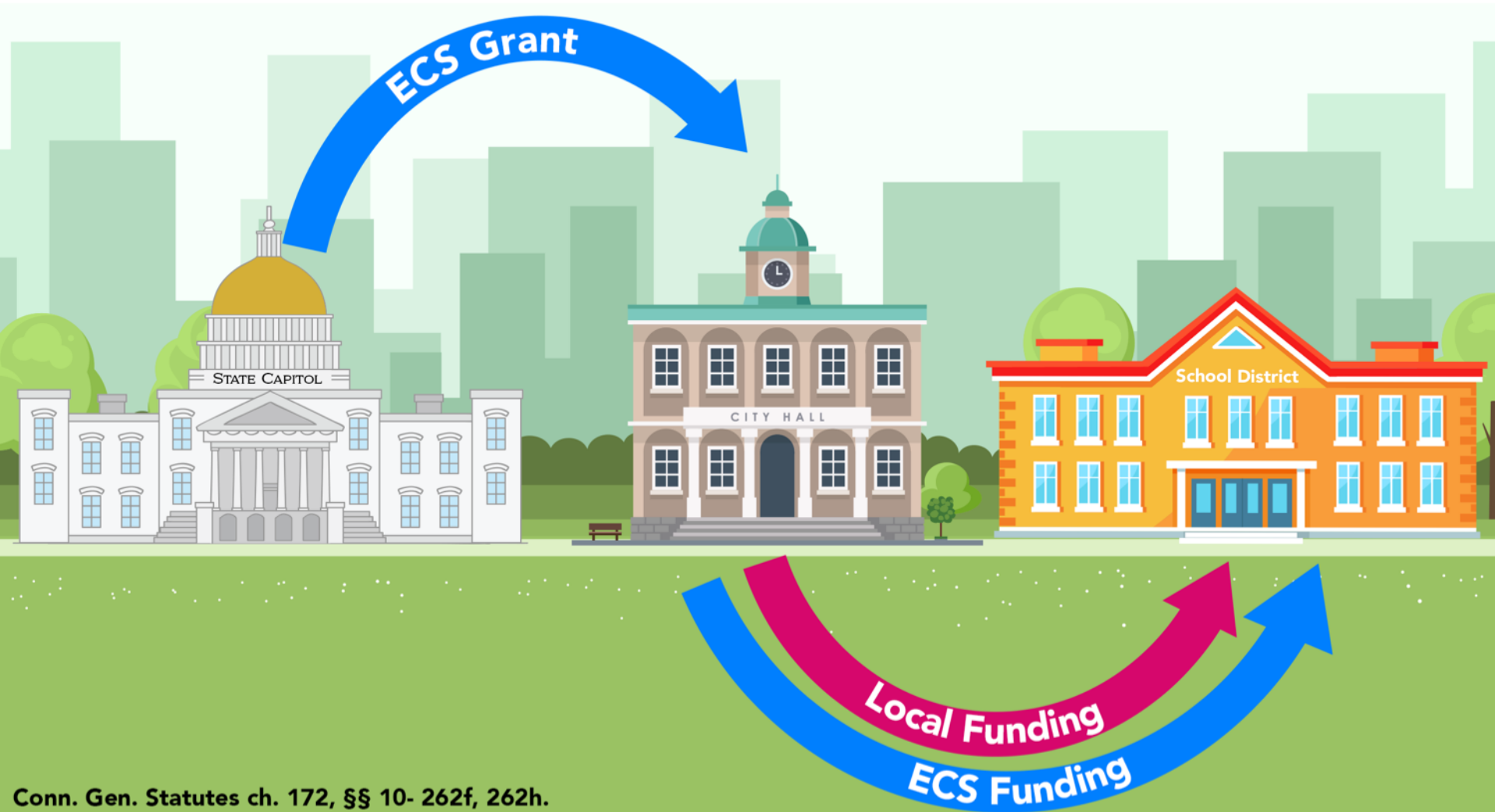
The ECS formula is used to distribute state education aid to municipalities for their local or regional public school districts

Why CT Has an 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 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.
 - 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.html>.

How ECS Funding Flows



Foundation Amount

- The ECS formula begins with a foundation amount, which is supposed to represent the amount of money it costs to educate a child with no additional learning needs.
- In Connecticut, the foundation amount is established by the legislature
- Currently, the foundation amount is **\$11,525**

ECS Formula's Student-Need Weights

Low-Income Student Weight	30%
Concentrated Poverty Weight <i>Applied to Every Student Above 60% Concentrated Poverty</i>	15%
Multilingual Learner Weight	25%



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Student Need	Funding Per Student
General Education (Non-need) Student	\$11,525
Low-income Student (+ \$3,458)	\$14,983
Concentrated Low-income Student (+ \$5,186)	\$16,711
Low-income and Multilingual Learner (+6,339)	\$17,864
Multilingual Learner (+\$2,881)	\$14,406
Concentrated Low-income Multilingual Learner (+8,067)	\$19,592

Source: Conn. Gen. Statutes ch. 172, § 10-262f.
All numbers are rounded

Base Aid Ratio

A town's **ability to fund its public schools** is determined by two factors in the ECS formula. These factors make up the **Base Aid Ratio**.

<u>Property</u> Wealth Factor	70%
<u>Income</u> Wealth Factor	30%



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Additional Funding for Towns in Need

- **Formula adds additional funding for communities that have one of the highest Public Investment Communities (PIC) index scores.**
 - The PIC index is calculated annually by the OPM and measures the relative wealth and need of CT's towns.
- If a town has one of the top 19 highest PIC Index scores, under the ECS formula, the town will receive a bonus of three to six percentage points to its Base Aid Ratio.

Town's PIC Index Rank	Additional % Points Added to Base Aid Ratio
1-5	6 percentage points
6-10	5 percentage points
11-15	4 percentage points
16-19	3 percentage points

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

Factors Impacting a Town's ECS Grant

- Town's prior year ECS grant amount
- # of students residing in town
- # of economically disadvantaged students
- % of students who are economically disadvantaged
- # of students who are multilingual learners
- # of students sent to regional school districts, and how many grades the regional district has
- Town's property wealth (ENGLPC)
- Income of town residents (Median Household Income)
- PIC Index score
- Alliance District status

Southington's ECS Components: Total Cost

FY 2024 ECS Model

Selected Town

Southington

2. Need Student Count

Students with certain learning needs are more likely to need additional resources in order to have equal access to educational opportunities. In order to assist districts serving students with higher learning needs, education funding formulas often include weights for specific student needs.

The ECS formula contains three "need-student" weights, which increase per-student state education aid for students with additional learning needs. Included in the ECS formula are weights for low-income students, concentrated poverty, and multilingual learners. A town's "Need Student Count" is determined using these weights.

Variable	Count	Weight	Weighted Count
Resident Student Count	6,152	None	6,152
Low-income Student Count (i.e. # of students eligible for free or reduced-price lunch)	1,404	30%	421
Multilingual Learners Count	162	25%	41
% of Low-income Students (determines eligibility for concentrated poverty weight)	22.82%	60%	0

Need Student Count

6,614

Foundation

x

Need Student Count

=

Foundation x NSC

\$11,525

x

6,614

=

\$76,226,120

Southington's Calculated Base Aid Ratio

FY 2024 ECS Model

Selected Town

Southington

3. Base Aid Ratio

The Base Aid Ratio is the variable in the ECS formula that determines each community's ability to financially support its public schools. In the ECS formula, the Base Aid Ratio acts as an equity metric to distribute state education aid, with the towns with the least ability to fund their public schools receiving the most state aid.

The Base Aid Ratio uses two elements to calculate a town's ability to fund its public schools: a property wealth factor and an income wealth factor. The property wealth factor counts for 70% in determining a town's Base Aid Ratio, while the income wealth factor counts for 30%.

Variable	Value	Variable	Value
Equalized Net Grand List per Capita (ENGLPC)	\$145,335	CT Median ENGL	\$158,132
Median Household Income (MHI)	\$101,098	CT Median MHI	\$92,079
Alliance District	No		
Public Investment Communities (PIC) Index Rank	89		
PIC Score	242		
PIC Index Factor BAR Adjustment	0		

Base Aid Ratio	27.95%
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Foundation	x	Need Student Count	x	Base Aid Ratio	=	Initial Grant
\$11,525	x	6,614	x	27.95%	=	\$21,301,770

ECS Phase-In for Southington

FY 2024 ECS Model

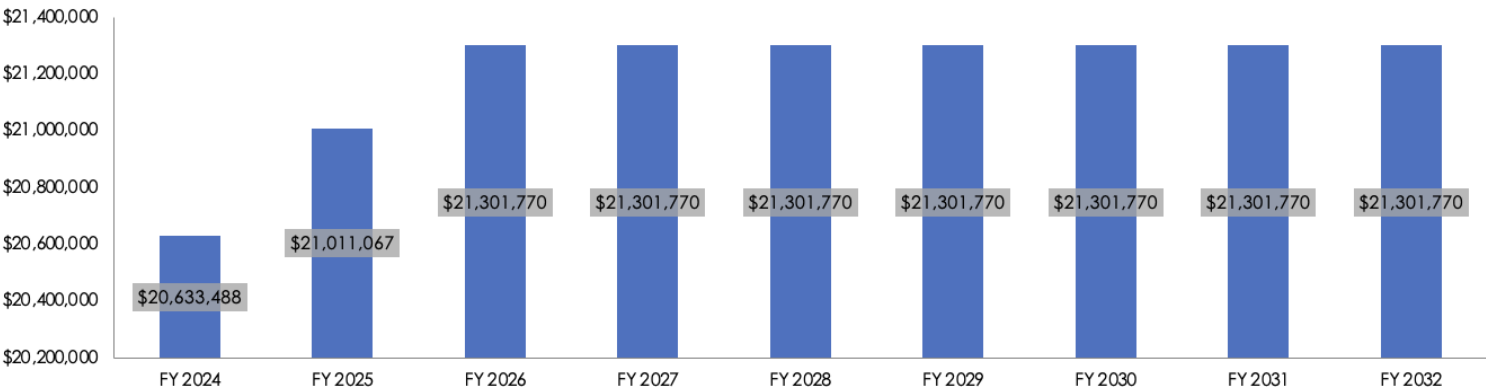
Selected Town

Southington

The phase-in gradually transitions all towns from their prior year ECS grant amounts to their fully-funded amounts. The phase-in, as described on the prior tab, applies the phase-in percentage to the prior year's grant amount. Once a town completes the phase-in period, it will receive its fully-funded grant amount in every subsequent year.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Projected Grant	\$20,633,488	\$21,011,067	\$21,301,770	\$21,301,770	\$21,301,770	\$21,301,770	\$21,301,770	\$21,301,770	\$21,301,770
Projected Change from FY 2023	\$167,071	\$544,650	\$835,353	\$835,353	\$835,353	\$835,353	\$835,353	\$835,353	\$835,353

Town ECS Grant Projections



HOW DO OTHER PUBLIC SCHOOL STUDENTS RECEIVE FUNDING?

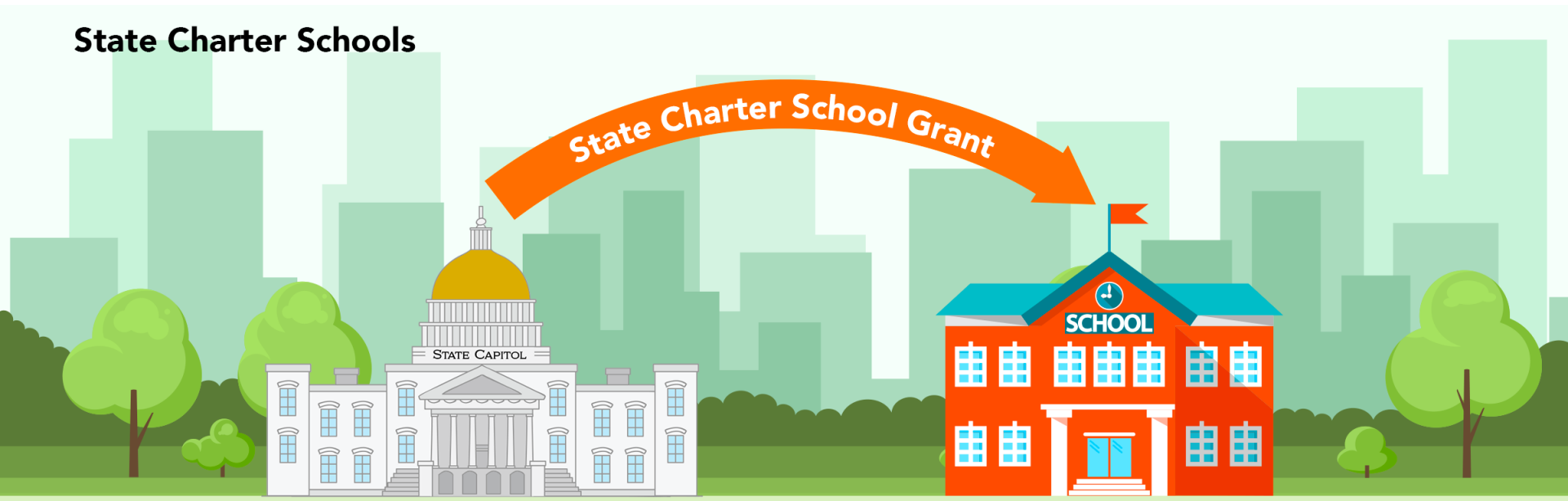
For those students,
Connecticut has
10 different
funding formulas



LEARN MORE

State Charter Schools (20 schools)

State Charter Schools

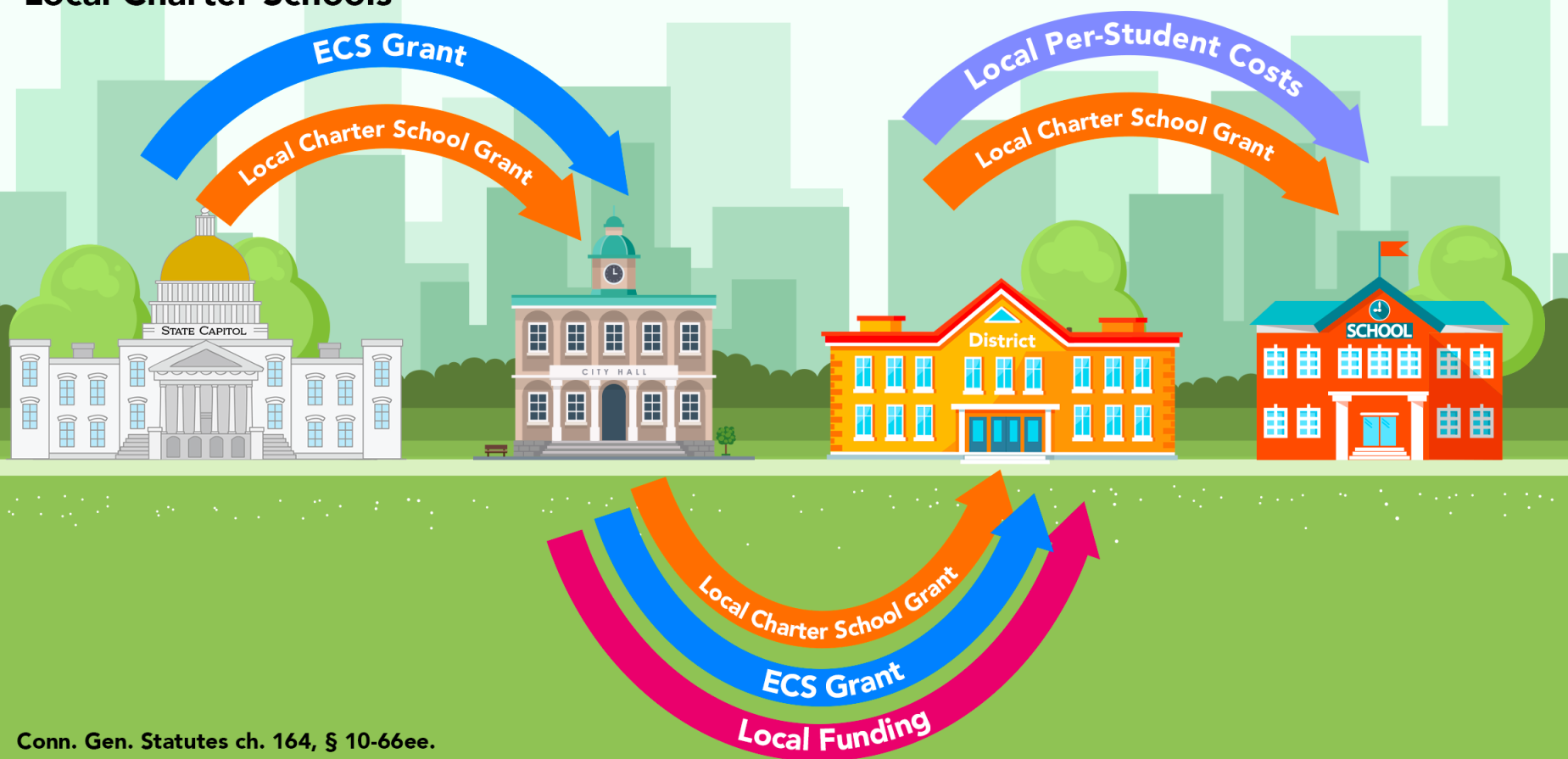


In FY 2024, state charter school students will receive 36.08% of their full weighted funding based on their individual learning needs. In FY 25, they will receive 56.7%.

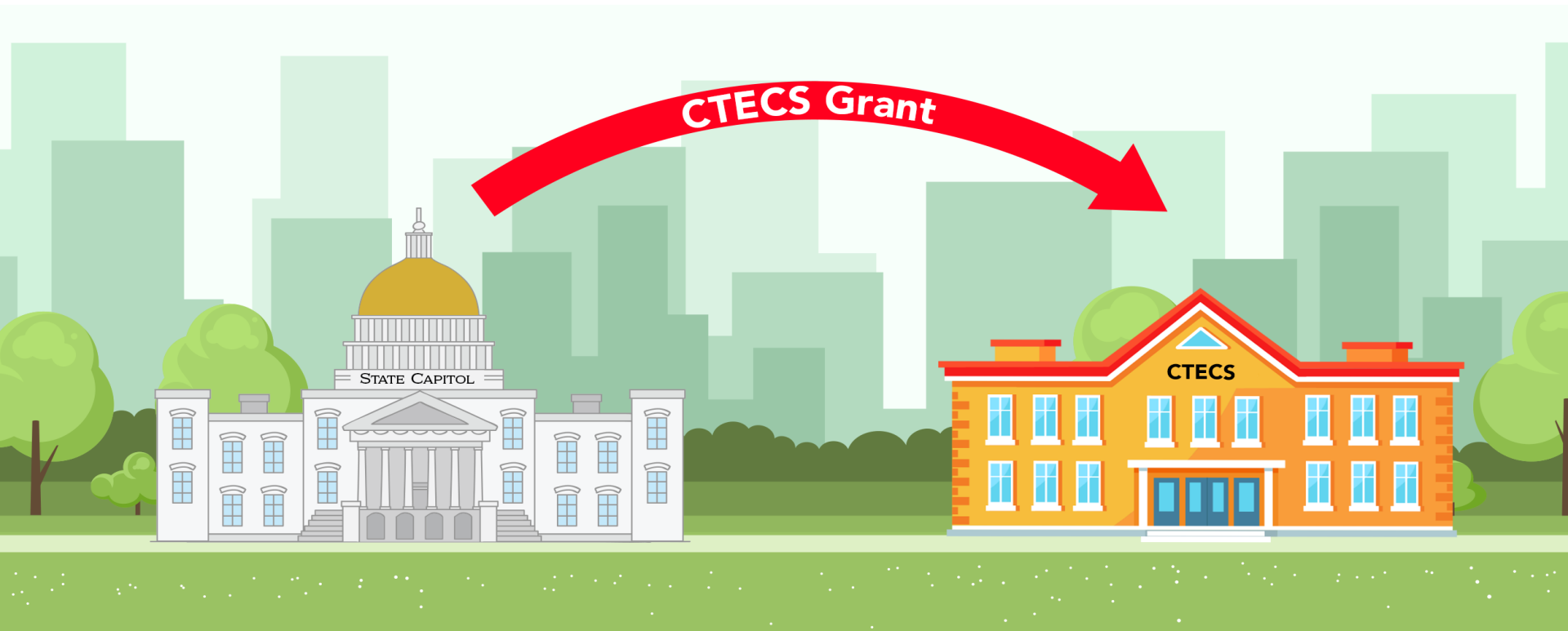
Conn. Gen. Statutes ch. 164, § 10-66ee.

Local Charter Schools (1 school)

Local Charter Schools



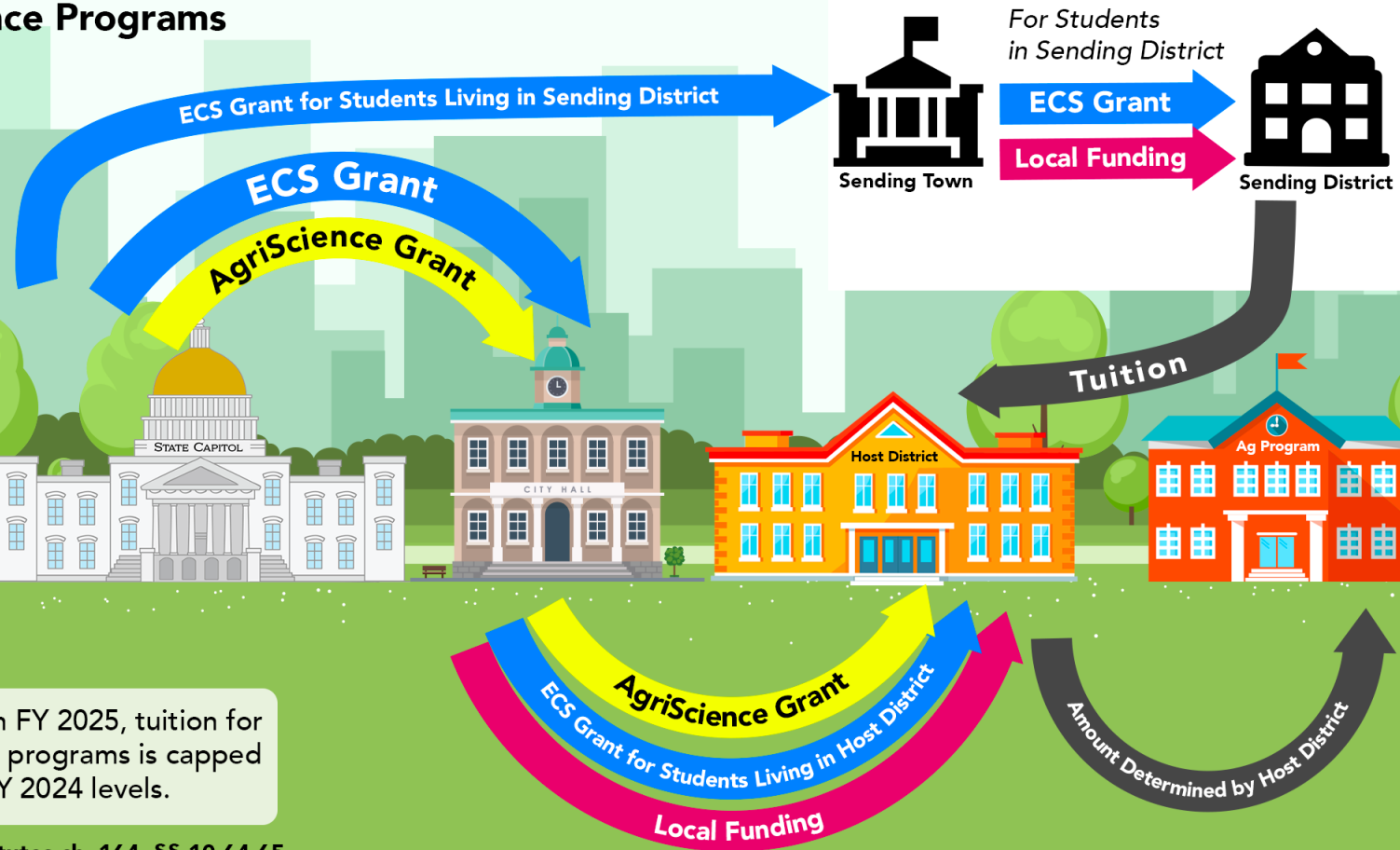
CT Technical Education and Career System (20 schools)



Conn. Gen. Statutes ch. 164, § 10-95.

Agriscience Program (20 centers)

Agriscience Programs

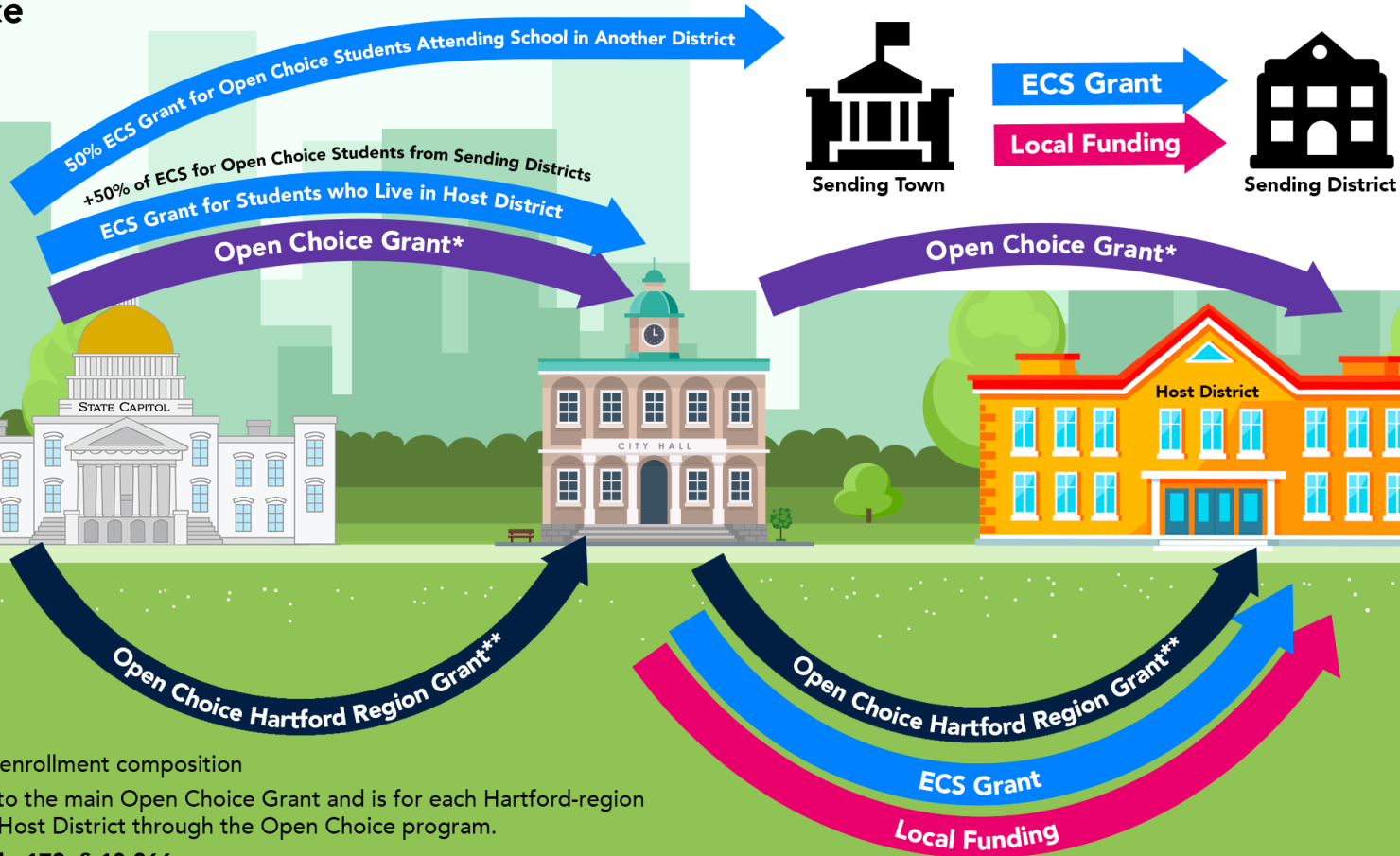


Beginning in FY 2025, tuition for Agriscience programs is capped at 58% of FY 2024 levels.

Conn. Gen. Statutes ch. 164, §§ 10-64-65.

Open Choice (47 participating districts)

Open Choice



* Amount depends on enrollment composition

** Grant is in addition to the main Open Choice Grant and is for each Hartford-region student attending the Host District through the Open Choice program.

Conn. Gen. Statutes ch. 172, § 10-266aa.

RESC Magnet School (Sheff) (18 schools)

Regional Educational Service Center (RESC)
Magnet School (Sheff)

ECS Grant to Sending District

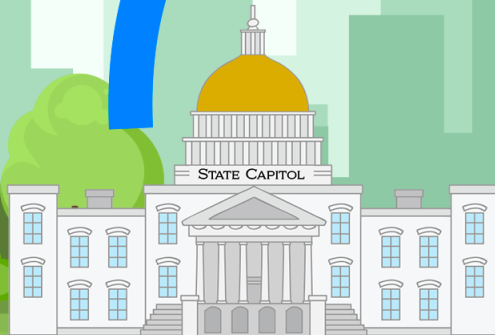


ECS Grant

Local Funding



Amount varies*



TUITION

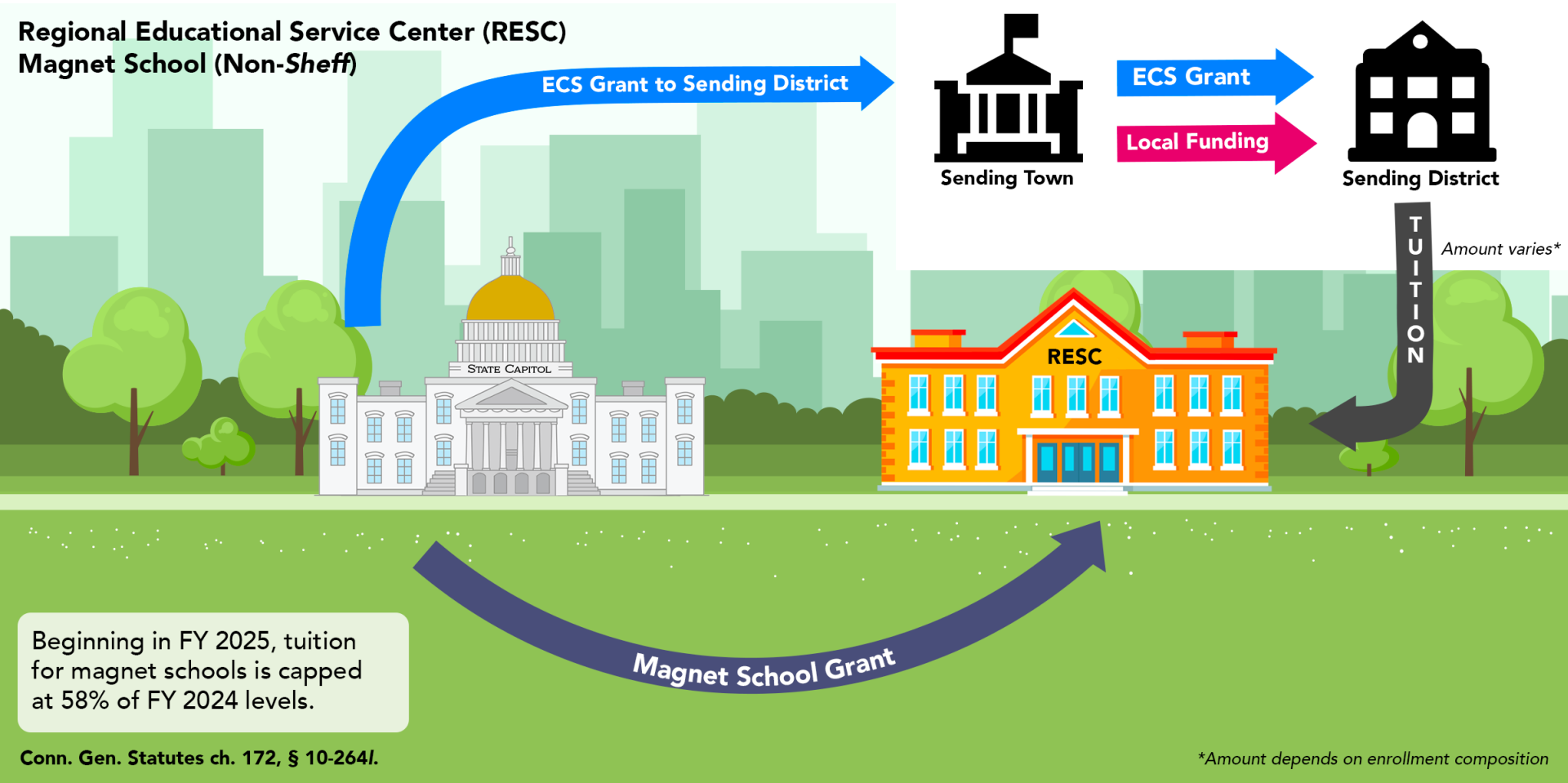
Beginning in FY 2025, tuition for magnet schools is capped at 58% of FY 2024 levels.

Magnet School Grant

*Amount depends on enrollment composition

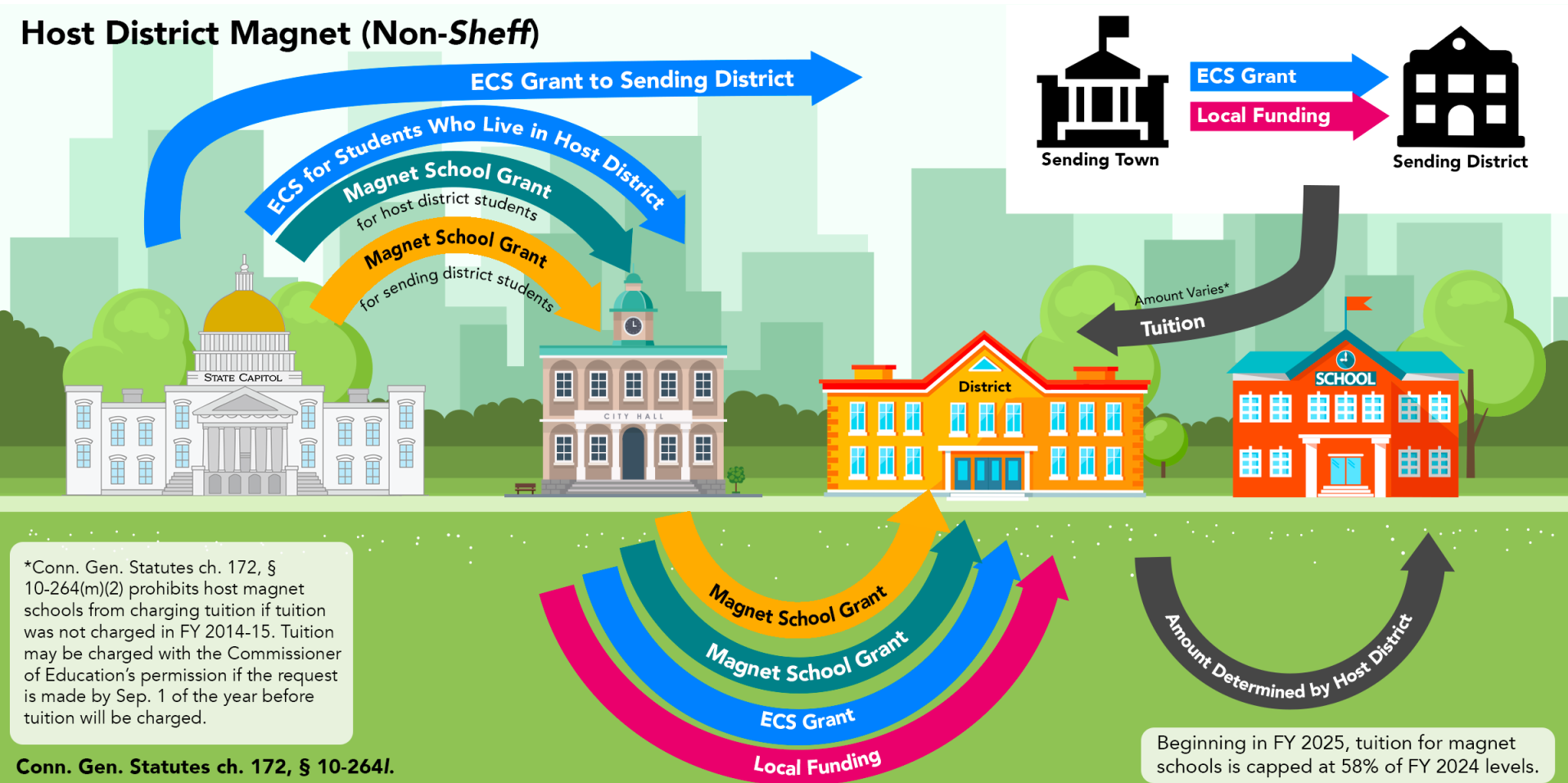
Conn. Gen. Statutes ch. 172, § 10-264l.

RESC Magnet School (Non-Sheff) (12 schools)



Host District Magnet (Non-Sheff) (34 schools)

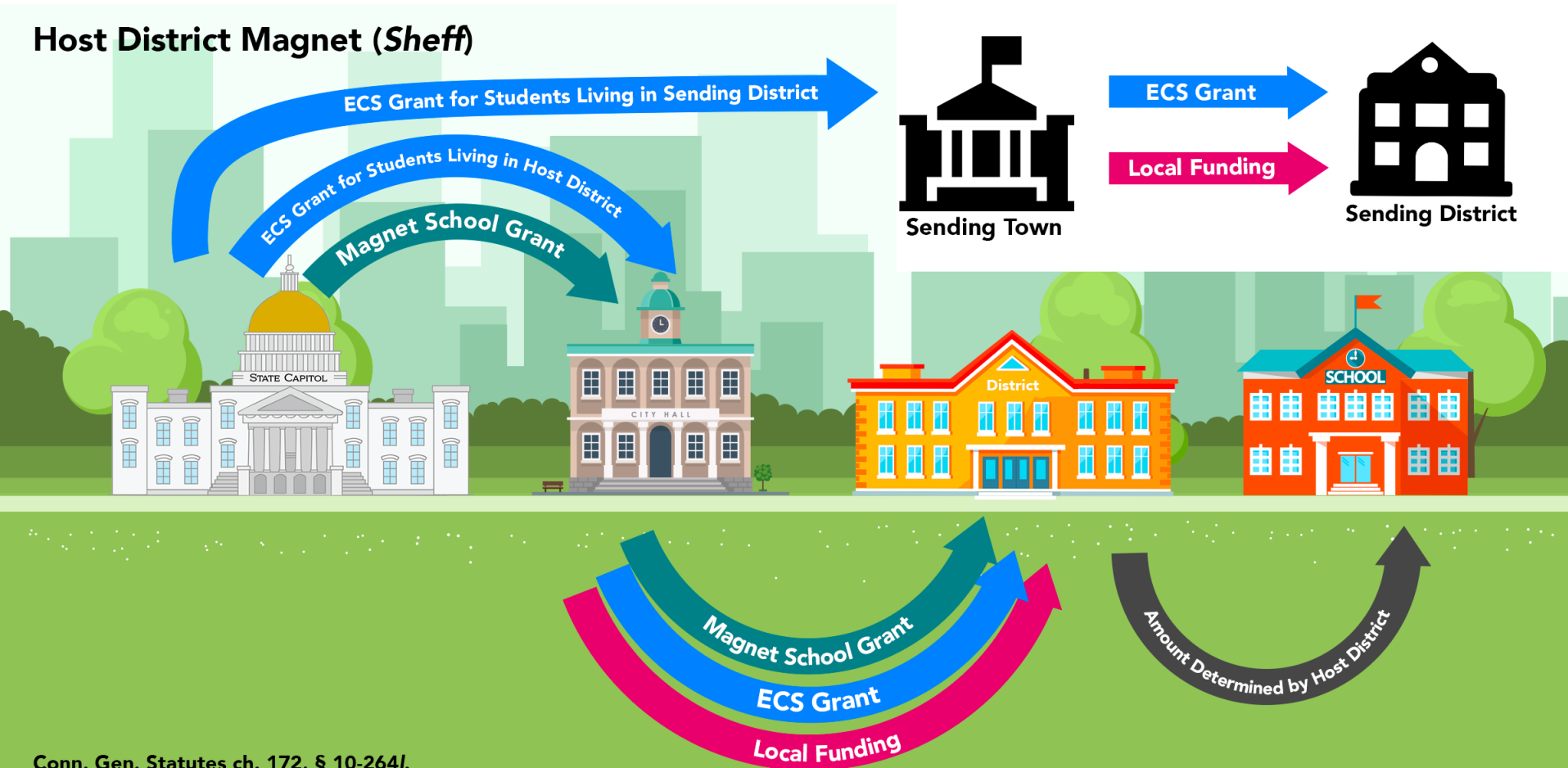
Host District Magnet (Non-Sheff)



Host District Magnet (Sheff)

(20 schools)

Host District Magnet (Sheff)



Conn. Gen. Statutes ch. 172, § 10-264i.

IMPACT OF CHOICE ON SOUTHINGTON

Financial Impact of Choice on SPS

Choice Program	Participating Southington Students	Per-Student Tuition
CTECS	111	NA
Other Magnet	11	Varies by operator, but a regular education tuition bill is sent back to SPS for each student attending.
Program (Vo-Ag, Open Choice)	168	Vo-Ag programs can charge up to \$6,823 per-student. There is no tuition for Open Choice.
Sheff Magnet	67	No Tuition for BOE Magnet. CREC can charge tuition which now averages \$6,600 per student.

2023 LEGISLATIVE SESSION – REGULAR EDUCATION FUNDING CHANGES

H.B. 5003 was an ambitious effort to re-imagine state education funding

- **Our goals were to:**

- Accelerate full funding of the ECS formula to FY 2025
- Extend the ECS formula to all public school students
 - Magnet schools, state charter schools, AgriScience programs, and the Open Choice program

- **By achieving this:**

- ECS formula would be used to determine state education funding for **ALL** public school students
- Every student would be funded fully according to their learning needs
- Current block grant system would be eliminated
- Local general education tuition would be eliminated

With your teamwork and collaboration, we won historic education investments this session

- Together, we achieved a **historic \$150 million investment in education funding** for Connecticut students.
 - Largest year-over-year investment in the past decade and second largest in state history.
 - Increase of \$324 million over the next biennium for K-12 students.
- We changed the trajectory of the Education Cost Sharing (ECS) grant to provide **more funding sooner** to districts.

With your teamwork and collaboration, we won historic education investments this session

- We provided **fiscal stability to districts** by alleviating part of their **choice tuition burden** in future years.
 - Districts will save at least \$34 million per year due to a new tuition cap.
- We **increased state support for choice programs** such as magnet schools, charter schools, AgriScience programs, and the Open Choice program.

The ECS grant phase-in is significantly revised

- The biennial budget contains a significant investment in the ECS grant.
- The additional ECS investment in FY 2025 is funded by \$68.5 million in the Education Finance Reform line item.
- The only component of the ECS formula that was modified was the phase in schedule.

ECS phase-in schedule for “underfunded” towns

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32
Previous ECS Schedule	Previous year's ECS grant amount plus 20% of its grant adjustment	Previous year's ECS grant amount plus 25% of its grant adjustment	Previous year's ECS grant amount plus 33.33% of its grant adjustment	Previous year's ECS grant amount plus 50% of its grant adjustment	Towns Receive 100% of their Calculated Grant				
New ECS Schedule	Previous year's ECS grant amount plus 20% of its grant adjustment	Previous year's ECS grant amount plus 56.5% of its grant adjustment	Towns Receive 100% of their Calculated Grant						

Choice operators will receive additional state support in FY 25, but it is unclear how it will be allocated

- **FY 2025 Education Finance Reform Appropriations:**
 - State Charter Schools: \$9.4 million more (for phase-in)
 - BOE magnet schools: \$13.3 million more
 - Open Choice program: \$11.4 million more
 - RESC magnet schools: \$40.2 million more
 - BOE magnet schools: \$13.3 million more
 - AgriScience (ASTE) programs: \$7.2 million more

RESC magnet, BOE magnet, and AgriScience Impact FY 2025 and Thereafter

- Operators will receive **at least** the per-student grant they received for each student in FY 2024.
- Tuition (regular education) per student is capped at **58%** of the amount charged per student in FY 2024.
- The FY 2025 per-student changes are supported by additional state funding in the Education Finance Reform line item.
- The Education and Appropriations Committee Chairs are cognizant and supportive of ensuring that operators are first made whole from the loss of tuition revenue with the balance being distributed via a per-pupil grant increase.

State charter schools receive funding increases, but no phase-in schedule to full funding is included

- Because they do not charge tuition, charter schools are treated similar to local public schools and is being phased in to full funding.
- In FY 2025 and each FY thereafter charter schools will receive the ECS foundation plus **56.7%** of their weighted funding phase-in.
- Phase-in will be **kept at 56.7% beyond the biennium**, rather than ramping up to full funding.

Funding for non-tuition BOE magnets and Open Choice operators in FY 2025 and Thereafter

- Operators will receive **at least** the per-student grant they received for each student in FY 2024.
- The FY 2025 per-student changes are supported by additional state funding in the Education Finance Reform line item.
- Because there are differing levels of per-pupil state support under the Open Choice program and for BOE magnets, the legislature will have some discretion in how much each per-pupil grant will increase in FY 2025 to invest the additional support by operator.

IMPACT OF 2023 LEGISLATIVE SESSION EFFORTS ON SPS

Accelerated Funding under ECS

	FY 24	FY 25	FY 26	FY 27	FY 28
New ECS Schedule Estimated Grant Amount	\$20,633,488	\$20,800,559	\$21,301,770	\$21,301,770	\$21,301,770
Previous ECS Schedule Estimated Grant Amount	\$20,633,488	\$21,011,067	\$20,967,612	\$21,134,691	\$21,301,770
Change in Funding	\$0	\$210,509	\$334,158	\$167,079	\$0

Please note that this table looks at only the impact of the additional \$150 million investment. The estimated total increase for SPS in ECS is \$544,650 between FY 2024-2025.

Savings to SPS in Tuition Relief

Southington will save approximately \$227,899 in interdistrict magnet school tuition in FY 25 due to the tuition cap.

Southington does not currently pay vocational agriscience tuition to other districts.

Open Choice Impact

In 2022-23 Southington was projected to receive an Open Choice attendance grant of \$390,000 at \$5,000 per-student for 78 students.

The additional funds for Open Choice from the budget (PA 23-204) could allow for an additional \$5,000 per-student for all Open Choice students.

If the additional \$5,000 per Open Choice student is provided, Southington's attendance grant would double to \$780,000.

Financial Impact to the Agriscience Program

- In FY 23 Southington received \$1,025,218 in state Agriscience grants.
- While Southington would be capped in how much they can charge in tuition to the sending towns, legislative leaders have expressed their clear intent to ensure operators are made whole from tuition loss prior to using the balance for per-pupil grant increases.
- In FY 25, Southington would receive an estimated additional \$408 dollars per-student for vo-ag students.
- This would increase Southington's Agriscience grant to approximately \$1,106,002, which is an increase of \$80,784 over FY 23 funding.

OTHER NOTABLE 2023 LEGISLATIVE CHANGES

Change to Kindergarten Entry Age

- After 24 years of discussion, the General Assembly changed the automatic entry age for Kindergarten.
- Under the new law, and effective for the 2024-2025 academic year, children must turn 5 years old by September 1st of the school year instead of the previous cutoff of January 1st.
- The State Department of Education estimates that this change will impact approximately 9,000 students statewide.
- As a result of this change, districts will have a reduced kindergarten cohort size in the Fall of 2024, compared to their expected cohort without the entry age change, and this cohort will potentially remain smaller than normal through the students' entire school careers.
- Districts face financial impacts from the change.

Impact to SPS Kindergarten Entry Age Change

- The legislation allows school districts to provide exceptions to this law if requested by the parent and deemed appropriate for entering Kindergarten by the school principal.
- If districts do not expand Pre-K seat offerings, districts are likely to have reduced resident student counts, potentially resulting in lower-than-expected ECS grants.
 - We estimate that this could result in up to \$21.1 million less in ECS funding statewide.
 - For SPS, there are an estimated 125 students that will be impacted from the age change. If all 125 students do not seek a waiver, and if SPS does not expand Pre-K offerings, this reduction in the number of students could mean up to \$249,259 less in ECS funding in fiscal year 2026.

Changes to Excess Cost Grant

- The state only supports special education expenses when the cost to educate a student reaches 4.5 times a district's net current expenditure per pupil. This support is provided through the Excess Cost grant.
- This grant has never been fully funded by the state with annual reimbursements from the state in the 65-75% reimbursement range generally.
- The General Assembly modified the formula for the Excess Cost grant during the 2023 legislative session.

Source: Conn. Acts 23-1.

Changes to Excess Cost Grant

- Under the new formula, if the legislature does not fully fund the Excess Cost grant, districts will be reimbursed using a 3-tiered system that is based on the wealth of their town.
- Each town will be ranked in descending order from one to 169, and each tier will be reimbursed at a different rate.
- The legislature added \$25 million to the appropriation in FY 2024 and FY 2025 which was estimated to be close to full funding however if it is not, Southington is anticipated to receive 88% of total reimbursable expenses.

Tier	Prior Law	New Law
Districts with the lowest wealth (municipalities ranked 115 to 169)	76.25%	<u>91%</u>
Districts in the middle tier (municipalities ranked 59 to 114)	73%	<u>88%</u>
Districts in the wealthiest tier (municipalities ranked 1 to 58)	70%	<u>85%</u>

Source: Conn. Acts 23-1.

LOOKING AHEAD

FY 2025 funding requires a collaborative effort next legislative session (2024)

- There is a lot of uncertainty as you prepare your budget for the upcoming school year.
- On a positive note, legislative leaders remain committed to the statutory changes presented.
- Next session, we will work collaboratively to ensure the \$150 million investment remains intact and that the distribution of the resources by operator are reflective of program and student need.

Contact Us

For questions or comments about the information in this presentation, please contact:

Lisa Hammersley, Executive Director

Email: lisa.hammersley@schoolstatefinance.org

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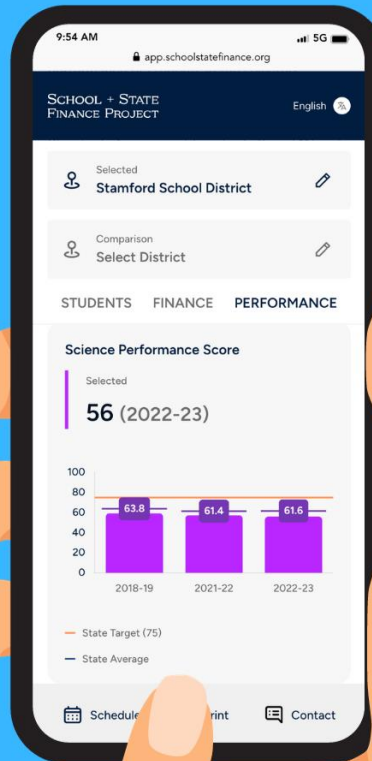
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