

CONNECTICUT
SCHOOL FINANCE
PROJECT

Regional Efficiencies

Presented to: MORE Commission
Regional Entities Subcommittee

November 10, 2015

About the CT School Finance Project

- The way Connecticut funds its schools is broken. 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.
- In order to more effectively bring together stakeholders impacted by the current funding system, the Connecticut School Finance Project is not a member-based organization.
- Instead, the Connecticut School Finance Project works with a diverse group of Connecticut leaders and organizations to collaborate and develop a well thought-out solution that takes multiple viewpoints into account, and creates a fair funding system for students and communities across the state.

CT School Finance Project's Goals

- 1) Build knowledge about how the current school funding systems 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.

Agenda for Discussion

1. Brief overview of Connecticut public schools
2. The current school funding system is a barrier to creating regional efficiencies
3. Share data and discussion of potential opportunities for district collaboration and policy considerations:
 1. Transportation
 2. Special Education
 3. Employee Benefits

OVERVIEW OF CT PUBLIC SCHOOLS

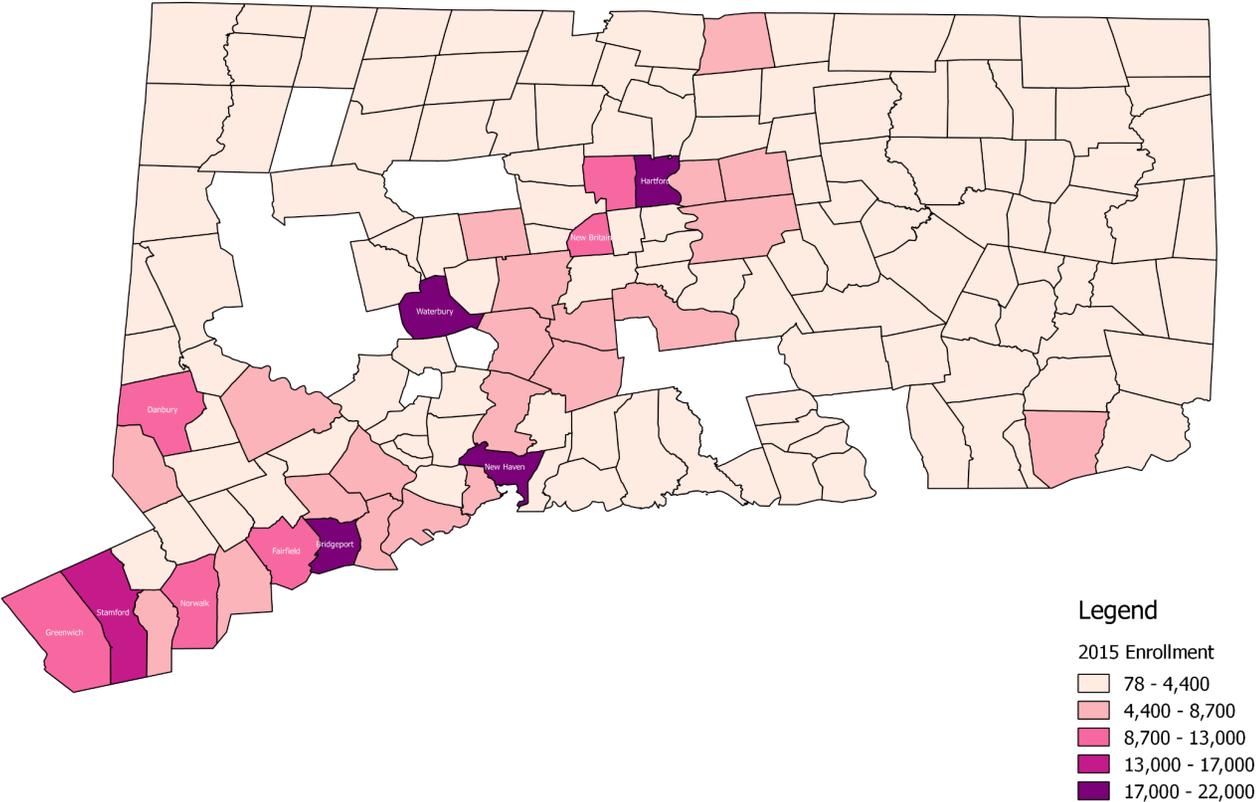
Connecticut is a small state with many small school districts

- Total public school enrollment: 542,236
- Total number of local education agencies: 201
- District enrollments:
 - Districts >5,000 students: 29
 - Districts <2,000 students: 115

Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

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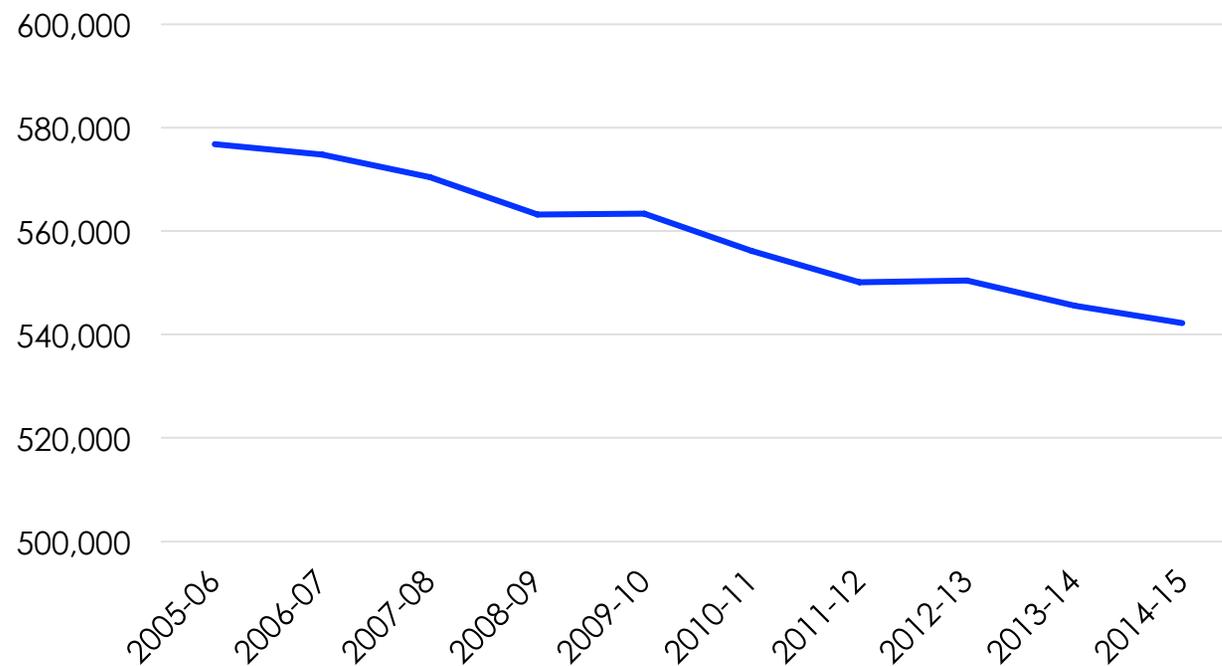
District Enrollment by Town - 2015



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

Statewide, public school enrollment has declined over the last 10 years

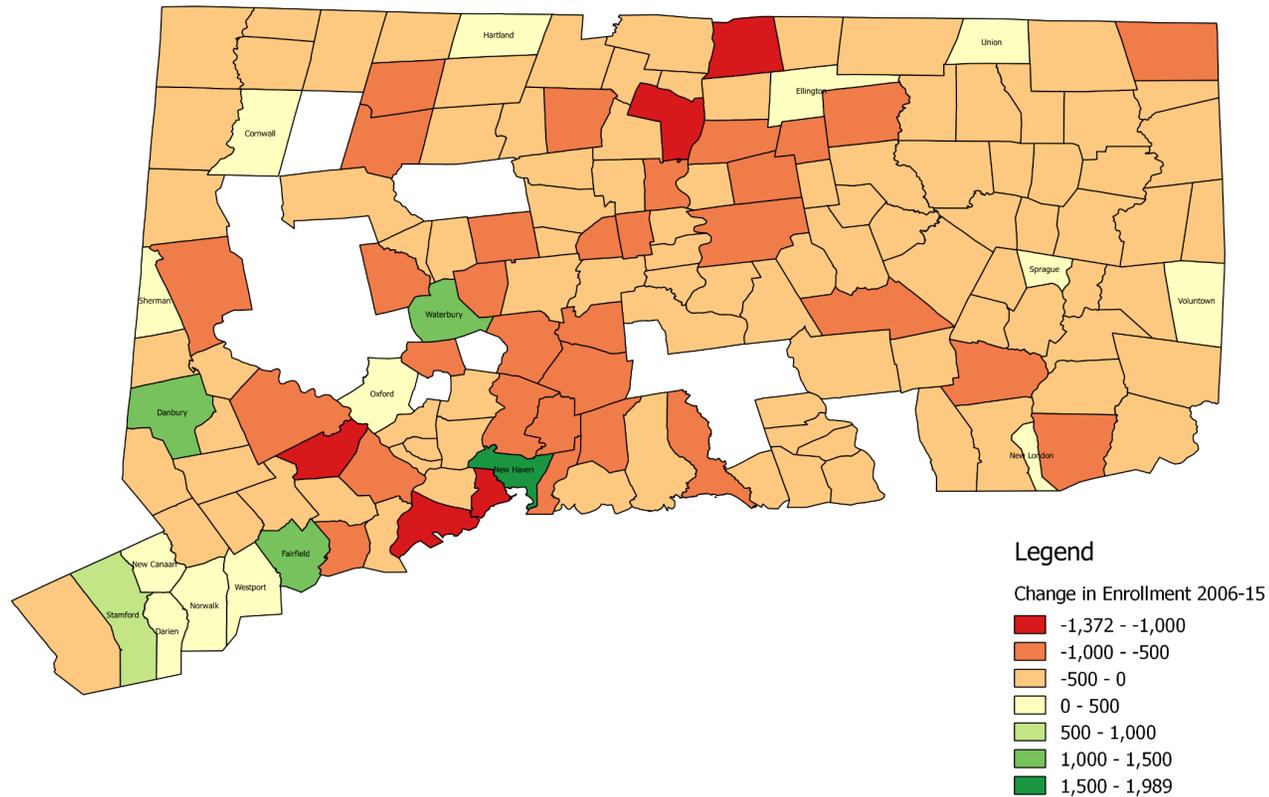
Connecticut Public School Enrollment by School Year



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

Enrollment has not grown in all large, urban districts

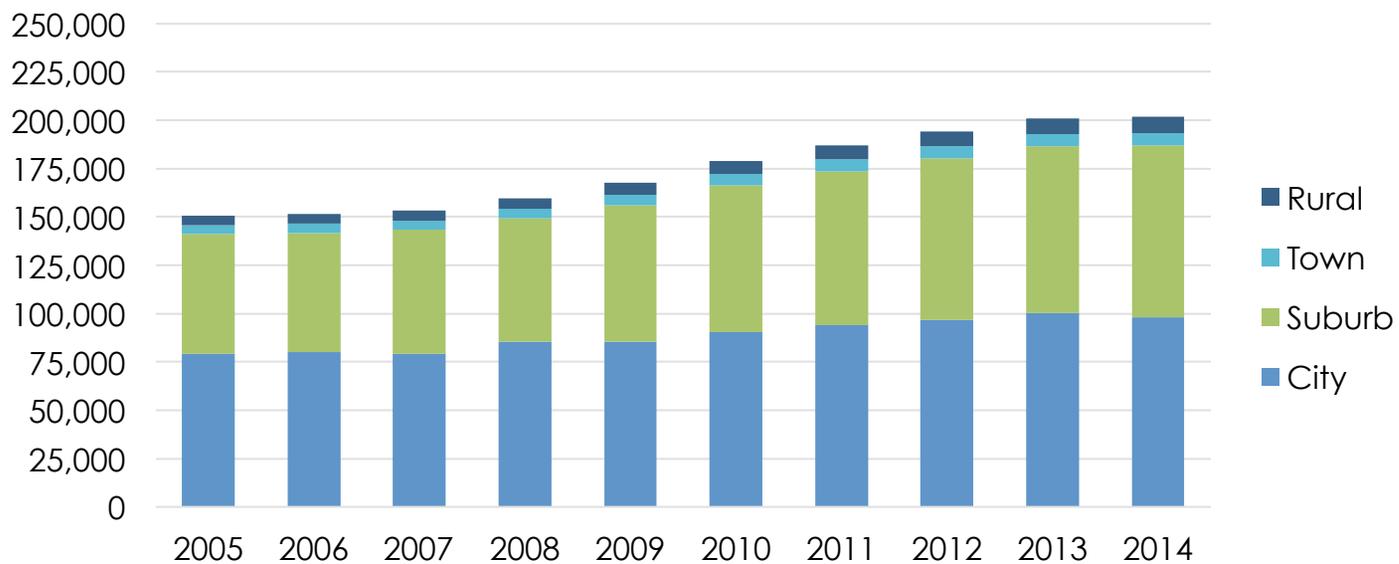
Change in District Enrollment by Town - 2006-15



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

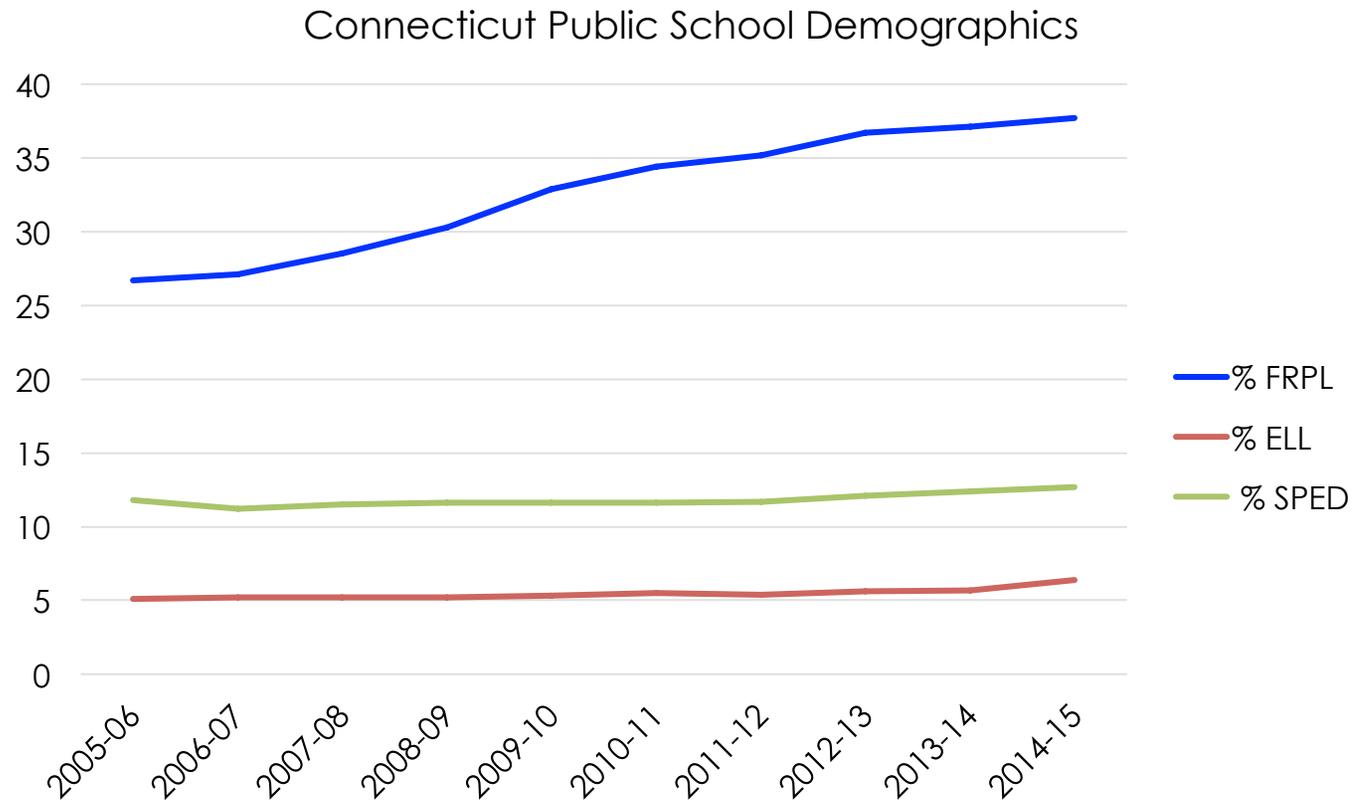
Increases in poverty have centered in Connecticut suburbs

Students Qualifying for Free or Reduced Price Lunch by Local Type



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

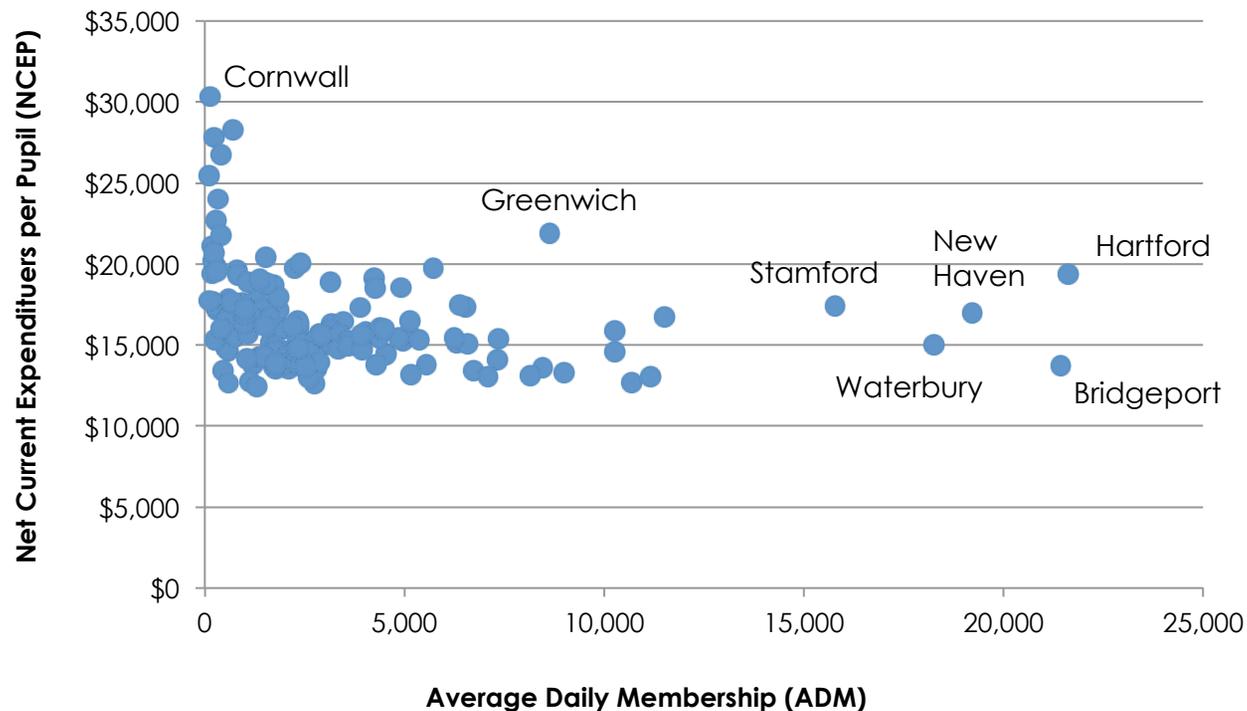
And overall, some student needs have increased



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

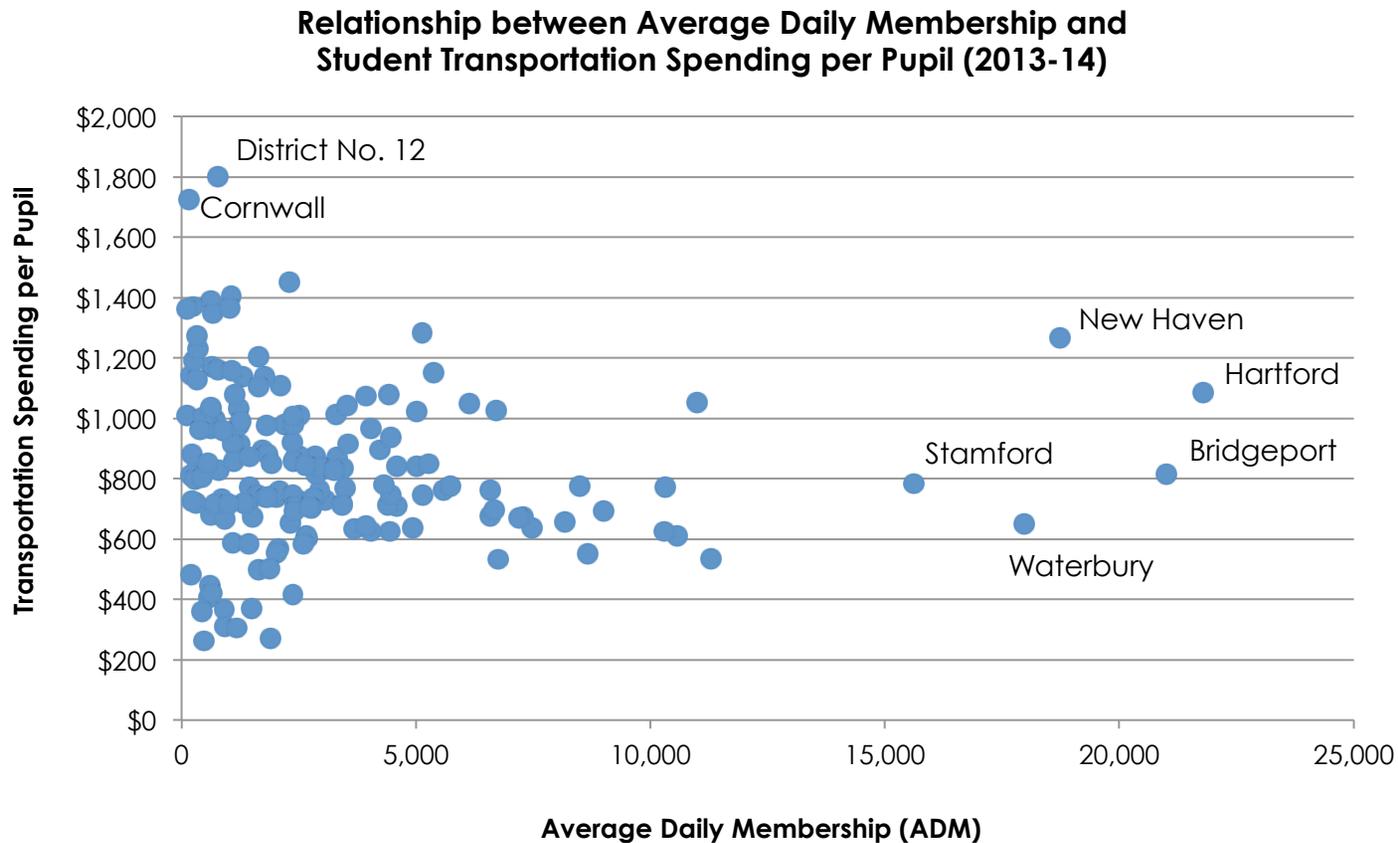
There is no correlation between district size and total per student spending

Relationship between Average Daily Membership and Net Current Expenditures per Pupil (2014-15)



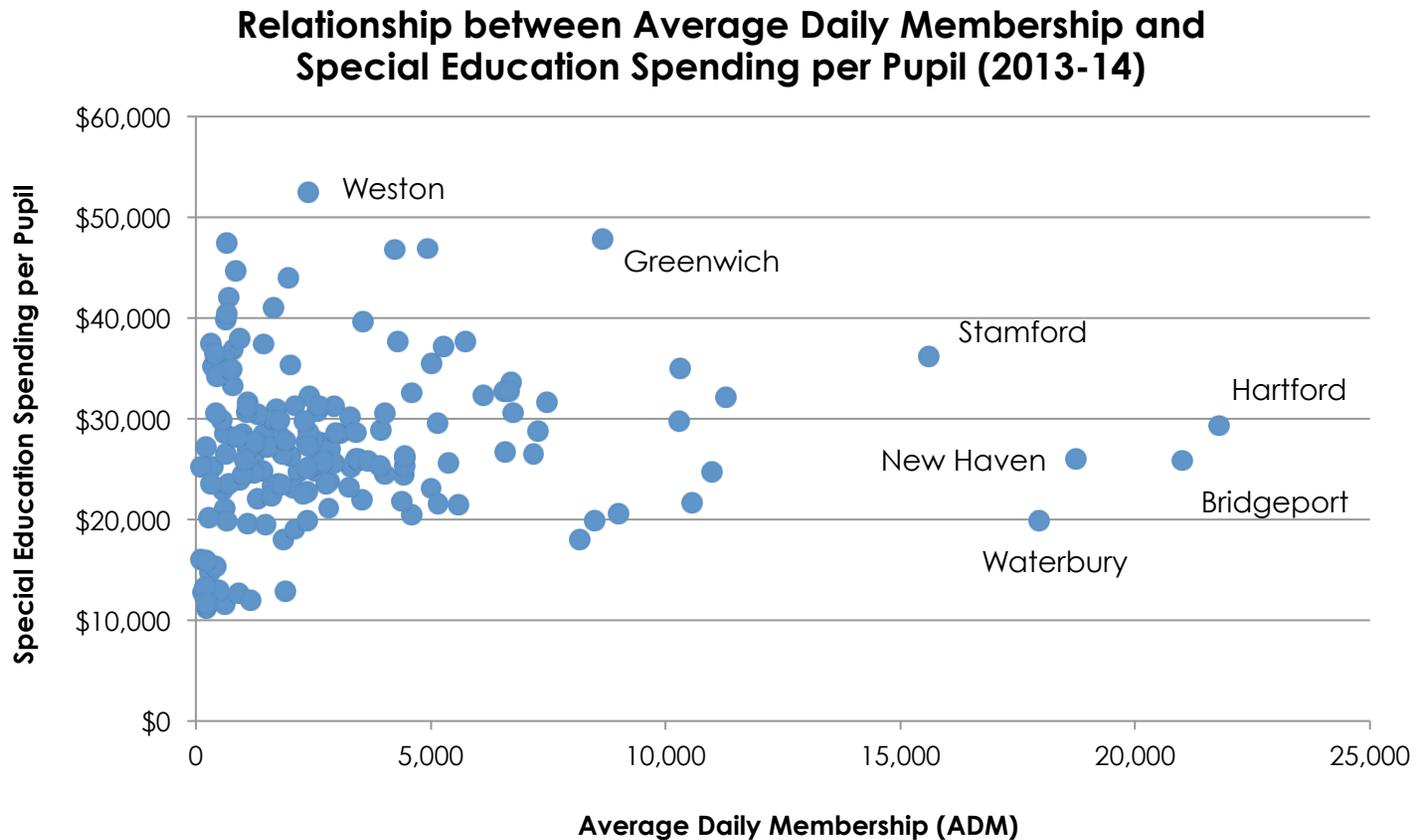
Source: Connecticut State Department of Education. (2015). 2014-15 Net Current Expenditures Per Pupil. Available from: <http://www.sde.ct.gov/sde/lib/sde/PDF/dgm/report1/basiccon.pdf>

There is no correlation between district size and transportation spending per student



Source: Connecticut State Department of Education. (2014). 2013-14 End of School Year Report (ED 001) data.
Connecticut State Department of Education. (2014). 2013-14 Net Current Expenditures Per Pupil. Available from: <http://www.sde.ct.gov/sde/lib/sde/PDF/dgm/report1/basiccon.pdf>.

There is no correlation between district size and Special Education spending per student



Source: Connecticut State Department of Education. (2014). 2013-14 End of School Year Report (ED 001) data.
Connecticut State Department of Education. (2014). 2013-14 Net Current Expenditures Per Pupil. Available from: <http://www.sde.ct.gov/sde/lib/sde/PDF/dgm/report1/basiccon.pdf>.

**By itself, district consolidation
isn't a magic bullet for cost
savings.**

Instead, realizing cost savings through regional efficiencies will require thoughtful planning and smart decision-making.

BARRIER TO REGIONAL
EFFICIENCIES:
CURRENT SCHOOL
FINANCE SYSTEM

**CT stopped using the
Education Cost Sharing (ECS)
formula in 2013.**

**The state is no longer using a
formula to fund public schools.**



Key Problems with the School Funding System

Issue #1: The funding system is illogical and disjointed

- Connecticut stopped using the ECS formula in 2013.
- Connecticut uses more than 10 different funding formulas to distribute money to public schools.
- The amount of money a school receives primarily depends on **the town it is located in** and **the type of school it is** (e.g. traditional district, magnet, charter, vo-ag, etc.), not the needs of the students it serves.

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

Issue #2: Funding isn't based on students' learning needs

- Students with special learning needs need more resources to be successful in school.
- In Connecticut, schools that serve students who need more support don't necessarily receive more funding.
 - The ECS formula only provides extra funding for students who are low-income (as measured by eligibility for free and reduced-price lunch).
 - No additional funding is provided for ELL students or students with disabilities.

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

Issue #3: The result is inconsistent and inequitable funding

- Per student funding amounts vary widely and aren't related to student need.
 - Per student funding ranges from \$12,444 (Woodstock) to \$30,432 (Cornwall).
- Communities with similar needs receive different amounts of state funding.
 - More than \$4,000 state gap between New Britain and Hartford.

Sources: Connecticut State Department of Education. (2015). *2014-15 Net Current Expenditures Per Pupil*. Available from <http://ctschoolfinance.org/data/connecticut-public-school-district-spending-per-student-2014-15>.
Connecticut State Department of Education. (2014). *2013-14 End of School Year Report (ED 001) data*. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-14>.
Connecticut State Department of Education. (2015). *CT Public School Enrollment_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

Why is this a barrier to regional efficiencies?

- **Funding is unpredictable:** Districts don't know how much funding they will receive from one year to the next.
 - Hard to take risks and innovate.
 - Harder to make long-term plans.
 - Harder to evaluate the potential for long-term cost savings.
- **Funding is inconsistent:** Districts that serve students with similar learning needs do not receive similar amounts of funding.
 - Difficult to assess whether efficiency is being achieved.
 - Hinders collaboration across districts and school types.

Funding schools in a consistent and predictable manner will reduce barriers to achieving regional efficiencies.

DATA, OPPORTUNITIES
FOR COLLABORATION
&
POLICY CONSIDERATIONS

**I am not an expert on these
individual topics!**

TRANSPORTATION

Data Website Demonstration



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[https://public.tableau.com/views/
UnderstandingYourDistrictsSpendingonTransportation/
SummativeCTFundingAnalysis?:embed=y&:display_count=
yes&:showTabs=y](https://public.tableau.com/views/UnderstandingYourDistrictsSpendingonTransportation/SummativeCTFundingAnalysis?:embed=y&:display_count=yes&:showTabs=y)

Policy Considerations: Transportation

- Savings are most likely to be realized in small districts that are geographically close, as well as regions with high participation in school choice programs.
- Consider starting with an “opt-in” pilot.
- Incentivize districts/towns to participate.
 - It must cost participating districts *less* to join the transportation collaborative than if they managed their own transportation.
- The transportation provider should be incentivized to continue to reduce costs and districts should benefit from long-term savings.
 - Cost savings could be split between the transportation provider and participating districts (e.g. of every 5% saved, 1% goes to the provider and 4% goes to participating districts).

SPECIAL EDUCATION

Data Website Demonstration



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[https://public.tableau.com/profile/
connecticut.school.finance.project#!/vizhome/
UnderstandingYourDistrictsSpendingonEducation/
SummativeCTFundingAnalysis](https://public.tableau.com/profile/connecticut.school.finance.project#!/vizhome/UnderstandingYourDistrictsSpendingonEducation/SummativeCTFundingAnalysis)

Policy Considerations: Special Education

- Special Education services are directly related to delivery of instruction, rather than district operations, making this issue more difficult to tackle.
- Both RESCs and districts have the potential to act as regional program providers.
- Parents have a choice, so regionalized programs need to be attractive to them.
 - Think about early childhood through age 21 continuum
 - Transportation distance
- Districts need to be able to accurately compare the cost of regional program vs. keeping student in district.

EMPLOYEE BENEFITS

Employee Benefits Example: Eastern CT Health and Medical Cooperative

- Established on July 1, 2013 to provide an opportunity for municipalities and local or regional boards of education to join together to achieve regional efficiencies in providing medical or health care benefits for employees.
- Governed by Board of Directors with two individuals from each partner.
- LEARN serves as the fiduciary
- Co-op Members
 - LEARN, Old Saybrook Board of Education, North Stonington Board of Education, Town of Clinton, Clinton Board of Education

Source: Eileen Howley, Ed.D., Executive Director, LEARN. (2015.) Email to Katie Roy describing Eastern CT Health and Medical Cooperative. Sent on October 22, 2015.

ECHMC Benefits to Members

- Cooperative began with dental and prescription drugs, and has now expanded to a full cooperative that includes medical insurance
- Immediate savings in administrative costs.
- Lower annual increases for health and medical insurance.
 - For example, LEARN was able to keep premium rates flat as a result of rates they were able to secure through the Cooperative.
- The Cooperative is also committed to consolidating medical health plan designs to offer a number of cost-effective plan choices to participants.

Source: Eileen Howley, Ed.D., Executive Director, LEARN. (2015.) Email to Katie Roy describing Eastern CT Health and Medical Cooperative. Sent on October 22, 2015.

Policy Considerations: Employee Benefits

- Savings are most likely to be realized when smaller government units collaborate (large cities/town already achieve economies of scale).
- State or designated RESC could provide technical support in setting up cooperatives so each area doesn't need to "reinvent the wheel."
- RESCs could serve as fiduciaries and provide administrative support.
- If the cooperative is available and cost effective, there is a built-in incentive to join.

KEY TAKEAWAYS

Key Takeaways

- Consolidation isn't a "magic bullet" for cost savings; achieving regional efficiencies requires thoughtful planning and smart decision-making.
- The current school funding system is not consistent or predictable, creating a barrier to regional efficiencies.
- There are potential opportunities for regional efficiencies in areas including transportation, Special Education and employee benefits.
 - Use the CT School Finance Project data website to explore the data
 - Consider starting with "opt-in" pilots
 - Consult with experts in each area to facilitate smart policy making

Contact Us

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

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Connecticut School Finance Project, visit us at:
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