

**CONNECTICUT COALITION  
FOR *JUSTICE*  
IN EDUCATION FUNDING**

**A Comparison of Key Provisions  
of the  
Recommendations of the Governor's Commission  
on Education Finance (January 2007)  
and the  
2007 Legislature's Education Implementer Bill,  
H.B. 8003, Public Act 07-3**

**D R A F T**

**DRAFT Prepared for In-House Use ONLY**

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# EDUCATION COST SHARING

COMMISSION RECOMMENDATIONS JAN 2007	H.B. 8003, Public Act 07-3 JUNE 2007
Foundation	
<ul style="list-style-type: none"> <li>Raises current foundation level from \$5,891 to \$9,700 per need student</li> <li>Foundation level “should enable all towns to spend at a level equal to the 80<sup>th</sup> percentile need student 3 years prior”</li> <li>Increases foundation level biennially as per a cost index to be identified in statute and which reflects increasing education costs</li> </ul>	<ul style="list-style-type: none"> <li>Increases the foundation from \$5,891 to \$9,687 per need pupil for FY08 through FY12</li> <li>(No CPI-U or other cost indexing)</li> </ul>
State Guaranteed Wealth Level	
<ul style="list-style-type: none"> <li>Raises SGWL from its current 1.55 to 1.75</li> <li>Deems it unnecessary to move original SGWL back to 2.0 to ensure the town with median wealth an aid ratio of 50%</li> </ul>	<ul style="list-style-type: none"> <li>Raises SGWL from its current 1.55 to 1.75</li> </ul>
Base Aid Ratio	
<ul style="list-style-type: none"> <li>Over the course of 5-year phase-in period, increases minimum aid ratio from 6% to 10% (thereby helping the approx 40 towns that would still have a 6% minimum aid ratio after increasing SGWL to 1.75)</li> </ul>	<ul style="list-style-type: none"> <li>Raises the minimum aid ratio from 6% to 9% — except for the 20 towns having the highest percentage of children ages 5-17 living in poverty, for which towns the minimum aid ratio is 13%</li> </ul>
Resident Students	
<ul style="list-style-type: none"> <li>For PK-12 students attending full-time interdistrict magnet schools, excludes these students from the sending districts’ resident student counts (thereby decreasing the ECS allocations for those sending districts)</li> </ul>	<ul style="list-style-type: none"> <li>See 2<sup>nd</sup> bullet under Need Students</li> </ul>
Need Students	
<ul style="list-style-type: none"> <li>Eliminates the 25% weighting for students in need of remediation as per the CT Mastery Tests</li> <li>Increases to 20% the current 10% weighting for English language learners not receiving statutorily required formal bilingual program services</li> <li>Redefines poverty from the current 1996-97 Temporary Family Assistance count to instead be for each town the greatest of (a) the 1996-97 TFA count, (b) the biennial federal Title I poverty count, or (c) the annual free/reduced lunch count</li> <li>Makes no recommendation as to a new poverty weight, but says it should be greater than current poverty and remedial weighting combined; estimates that that weighting would still be close to 25%</li> </ul>	<ul style="list-style-type: none"> <li>Eliminates the 25% weighting for students performing below proficiency on mastery tests</li> <li>For PK-12 students attending full-time interdistrict magnet schools, only 75% of them will count toward their town’s need students as of FY09; and the count is further reduced to 50% for FY10</li> <li>Increases to 15% the current 10% weighting for English language learners not receiving statutorily required formal bilingual program services</li> <li>Redefines “children below the level of poverty” to be those ages 5-17, inclusive, in families in poverty as determined under Part A of Title I (NCLB)</li> <li>Increases to 33% the current 25% weighting for children below poverty level</li> </ul>

<b>Other Formula Aid Components</b>	
<ul style="list-style-type: none"> <li>Eliminates these two aid supplements as being unnecessary once the foundation and SGWL levels have been raised</li> </ul>	<ul style="list-style-type: none"> <li>Defines a “fully funded grant” to be the sum of (a) the product of the town’s base aid ratio, the foundation level, and the town’s total need students for the previous year, and (b) any regional bonus (if the town is eligible due to regional schools)</li> <li>Eliminated are supplemental and density aid components of the old ECS formula</li> </ul>
<b>Grant Caps &amp; Minimum Grants (Stoploss)</b>	
<ul style="list-style-type: none"> <li>Makes removal of the ECS cap a priority during the phase-in period, to be totally eliminated once formula is fully funded</li> <li>Suggests that some provision should be made to help the few districts whose funding may decrease due to above formula changes</li> </ul>	<ul style="list-style-type: none"> <li>“Hold harmless” provision amended to provide a minimum ECS increase of 4.4% in both FY08 and 09; for FY08 the minimum amounts to base aid plus 17.31% of the difference between the town’s fully funded grant (see above definition) and its base aid, and for FY09, it’s base aid plus 23.3% of the difference</li> <li>Grants payable to local or regional boards of education (incl. pupil transportation, bilingual education, adult education, SPED Excess, ECS) continue to be subject to proportionate reduction if annual appropriations are inadequate</li> </ul>
<b>Also Noteworthy</b>	
<ul style="list-style-type: none"> <li>Estimates these ECS funding changes to cost “well in excess of \$1 billion,” to be phased in</li> <li>Expresses belief that if the Commission’s recommendations are acted upon, districts’ new allocations will be sufficient to adequately fund Special Education; thus, no need for a separate SPED weight in the formula and excess costs will continue to be funded outside the formula</li> <li>Recommends that the state should make funding available for a new gifted and talented grant (outside the formula)</li> <li>No explicit commitment or goal language by Commission to the state’s funding 50% of district operating costs</li> </ul>	<ul style="list-style-type: none"> <li>Minimum Budget Requirement (MBR) replaces the Minimum Expenditure Requirement (MER), and definition of what’s included/excluded in “Current Program Expenditures” is spelled out</li> <li>For FY08 and 09, new MBR requires most towns to spend for education at least their budgeted appropriation for the prior year plus 15% to 65% of their ECS increase, but the remaining increase can be used for non-education purposes — however, towns in 3<sup>rd</sup> year or more of failing to make AYP in math or reading are required to spend an additional 20% of their ECS increase on education</li> </ul>

# OTHER GRANTS

COMMISSION RECOMMENDATIONS JAN 2007	H.B. 8003, Public Act 07-3 JUNE 2007
Special Education Excess Cost	
<ul style="list-style-type: none"> <li>• Reduces the SPED reimbursement threshold from 4.5 times to 3.5 times a district's Net Current Expenditures Per Pupil (NCEP) cost of a regular program student (minus any appropriation cap)</li> <li>• Estimates this change to cost \$27M</li> <li>• Recommends that the state not continue to cap this appropriation</li> </ul>	<ul style="list-style-type: none"> <li>• (SPED excess costs not addressed; 4.5 threshold unchanged by 2007 legislature)</li> </ul>
Magnet Schools	
<ul style="list-style-type: none"> <li>• Revamps how magnets are funded</li> <li>• Calculates the cost of a magnet student by multiplying the 2 years' prior statewide average NCEP times 1.10 (representing the extra costs of magnet operations)</li> <li>• RESC-operated magnet costs — State's share to be 75% of the above calculation, providing no single district has greater than 55% of the school's enrollment; otherwise, \$3,000 per pupil for that district's students and 70% of the above calculation for students from other districts</li> <li>• Host-operated magnet costs — State's share to be 70% of the above calculation for out-of-district students, and \$3,000 for in-district pupils</li> <li>• Phases out other supplemental magnet operating aid (which in the past has been necessary to close year-end budget gaps)</li> <li>• Supports efforts by SDE to ensure that districts actively participate in magnets</li> <li>• Estimates cost of these changes at \$17M in the 1<sup>st</sup> year, plus \$2.1M to hold CREC and EASTCONN RESCs harmless to their prior year grant levels</li> </ul>	<ul style="list-style-type: none"> <li>• Increases magnet funding but fixes grant amounts without tying aid to statewide NCEP and estimated marginal cost of operating magnet programs</li> <li>• RESC magnets — Providing no single district constitutes more than 55% of the magnet's enrollment, increases state aid from \$6,500 per pupil to \$7,060 in FY08, \$7,620 in FY09, \$8,180 in FY10, and \$8,741 in FY11. Otherwise, state contributes according to the same aid scale awarded Host magnets (see below)</li> <li>• Host magnets — State to pay \$3,000 per in-district pupil; for out-of-district pupils, \$6,016 in FY08, \$6,730 in FY09, \$7,440 in FY10, and \$8,158 in FY11</li> <li>• Continues to allow for supplemental grants to enhance programs and support summer school, as determined by commissioner.</li> <li>• Enables students from any district to fill any unused magnet seats, and mandates their home districts to pay the tuition</li> <li>• Audits — Requires RESC magnets to file an annual financial audit; one RESC per year also to be randomly selected for a comprehensive financial audit</li> </ul>
Open Choice Program	
<ul style="list-style-type: none"> <li>• Transportation — Increases per pupil transportation grant from \$2,100 to \$3,250</li> <li>• Receiving districts — Increases the per pupil grant from \$2,000 to \$2,500, and also increases the bonus for districts accepting 10 or more students in a school to \$1M from its current \$350K</li> <li>• Middle/high school support — Recommends the state pilot and fund a new RESC Open Choice support service in reading, math, and</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation — Increases per pupil transportation grant from \$2,100 to \$3,250</li> <li>• Receiving districts — Increases the per pupil grant from \$2,000 to \$2,500, and caps the bonus for 9 or more students at \$500K, with a maximum bonus of \$1,000 per student</li> </ul>

<p>behavior interventions for approx 100 middle/high school students</p> <ul style="list-style-type: none"> <li>• Summer school — Increases summer school funding by \$360K to serve 25% of Open Choice students statewide</li> <li>• Estimates cost for the above changes at \$5M</li> </ul>	
<b>Charter Schools</b>	
<ul style="list-style-type: none"> <li>• Changes the way charters are funded, tying funding to the 2 years' prior statewide average NCEP rather than the current fixed \$8,000 per pupil; e.g., the per pupil grant for FY07 would have been \$10,596</li> <li>• Estimates cost of this change at \$10.9M</li> </ul>	<ul style="list-style-type: none"> <li>• Increases charter school funding but fixes per pupil amounts without tying aid to statewide NCEP</li> <li>• State aid increased to \$8,650 per pupil in FY08 and \$9,300 in FY09</li> <li>• Adds requirement that each charter governing council include a local school board member or superintendent</li> <li>• Requires governing councils to include private and public revenue in certified annual audit submissions and to post notices and minutes of meetings on its website and in accordance with regular public school districts</li> <li>• Provides for the commissioner to randomly select one charter per year for a comprehensive financial audit</li> <li>• Establishes priorities for State Board approval of applicants for new charters</li> </ul>
<b>School Construction</b>	
<ul style="list-style-type: none"> <li>• Recommends further study by SDE of needed modifications to the state's school construction program</li> <li>• Proposes two ideas for further research: (a) a "checking account"/annual funding allocation to each district that could be saved and drawn upon when needed, and (b) a capped priority list of school projects</li> <li>• Recommends requiring districts to put into place a rolling 5-year maintenance and capital planning document as well as a maintenance reserve fund</li> <li>• Recommends that planning for school choice, magnet, and charter schools be guided by the state</li> <li>• Points out that over the last decade, CT has had the 2<sup>nd</sup> highest school construction spending per pupil nationally (\$11,345)</li> </ul>	<ul style="list-style-type: none"> <li>• (School construction is not addressed in the bill, except for a few small projects already underway in specifically-named towns)</li> </ul>
<b>Other Changes with Fiscal Import</b>	
	<ul style="list-style-type: none"> <li>• Surplus Funds — Permits local and regional school districts to carry forward to the next fiscal year any unexpended ECS funds, and overrides any state or local provisions to the contrary</li> <li>• Priority district funding — Directs the FY08 and 09 distribution of Priority District grants</li> </ul>

	<p>and grants for School Readiness, Early Reading Success, Extended School Building Hours, and School Accountability (grants that pertain to education adequacy)</p> <ul style="list-style-type: none"> <li>• Vocational agriculture centers — Increases state grants to districts operating vo-ag centers from \$700 per pupil to \$1,355; increases the maximum vo-ag center tuition to be charged students by \$913 (from \$7,079 to \$9,687 per pupil); strengthens the opportunity for students to enroll in these centers</li> <li>• Youth Service Bureaus — Establishes YSB enhancement grants in amounts proportionate to the town/region served</li> <li>• Early Childhood — Details role and related planning necessary for ECE Cabinet and the ECE Research &amp; Policy Council, grants, model programs, etc.</li> </ul>
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## ACCOUNTABILITY

<b>COMMISSION RECOMMENDATIONS JAN 2007</b>	<b>H.B. 8003, Public Act 07-3 JUNE 2007</b>
<ul style="list-style-type: none"> <li>• Proposes increased data collection of students' academic and behavioral progress; recommends instructional audit, summer workshops for principals, increased parent involvement, professional development for staff, consulting improvement teams, etc. on voluntary basis until school or district fails to meet benchmarks for 4 years</li> <li>• Proposes intensified supervision for underperforming schools/districts after 4 years, beginning with fiscal and instructional audits and empowering SDE to intervene in ways consistent with NCLB requirements (e.g., technical assistance teams, staff development, redirecting state/federal funds, improving parent involvement, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• (See §32 &amp; 33 for details; provisions for sanctions and improvement model are far more aggressive and prescriptive than those recommended by the Commission — and include authorizing state's Comptroller to withhold grant funds from low-achieving districts for use in corrective actions at discretion of commissioner, as well as diverting funding and students of a low-performing district to a neighboring school elsewhere)</li> <li>• (Establishes a committee to study high school graduation requirements, including use of an exam or other assessments needed for earning a diploma; report due Jan 15, 2008 — no mention of need to estimate the cost of such policy changes)</li> </ul>