

Challenge: Connecticut's Current Inequitable System

Although positive steps have been taken by the General Assembly over the past few years to improve how Connecticut funds K-12 public education, the state's education finance system remains inequitable, disjointed, and inadequate for addressing the systemic racial disparities and wide gaps found in Connecticut education funding.

➤ **An Inadequate Patch for a Wide Funding Gap**

Currently, Connecticut has a \$312 million funding gap between districts with the highest populations of BIPOC¹ students and districts with the highest percentages of White students. But racial disparities in Connecticut education funding are not just found at the margins. Combined, Connecticut has a \$639 million funding gap between Majority BIPOC² and Diverse Population³ districts, and districts with Majority White student populations.^{4,5}

This is the result of an education finance system that is overly reliant on local property tax revenue, does not fully account for Connecticut's vast disparities in property wealth, and is not meeting the needs of students, families, and communities. While the current Education Cost Sharing (ECS) formula takes steps in the right direction, its long phase-in schedule means students in second grade today won't see full funding until they are in high school.

➤ **Doesn't Fund All Students by their Needs**

Currently, only local or regional public school districts receive funding through a formula (the ECS formula) that takes into account student learning needs. This leaves behind more than 78,000 Connecticut public school students who attend other types of schools.⁶ Instead of being funded based on their needs, these students are funded through flat-dollar grants.⁷

The students excluded from the ECS formula are disproportionately students of color. In magnet schools operated by Regional Educational Service Centers (RESCs), 74 percent of the enrolled students are BIPOC. For Connecticut's charter schools, 93 percent of their total enrollment are BIPOC students.⁸ By excluding these students, and their schools, from the state's only need-based education funding formula, Connecticut is inequitably funding public schools that serve student populations consisting largely of students of color.

➤ **Unresponsive Weights to Growing Student Needs**

The current ECS formula is also not responsive to the growing learning needs of English Learners and students attending districts with concentrated poverty. In the last 10 years, Connecticut's English Learner population has grown by nearly 13,000 students, while the state's total enrollment has decreased by nearly 37,000 students. As a result of this growth, Connecticut public schools currently educate more than 43,500 English Learners, more than 47.5 percent of who attend a Majority BIPOC school district.⁹ However, the current formula only includes a 15 percent weight for each English Learner, which is often not enough to cover the needed additional resources.

Additionally, 20 local school districts currently serve student populations that are more than 50 percent economically disadvantaged, including all but one of Connecticut's Majority BIPOC school districts. Unfortunately, due to the high threshold (75 percent) to qualify for the ECS formula's concentrated poverty weight, only four school districts are currently eligible for the weight while many of Connecticut's largest and highest-need districts are excluded, including Bridgeport, New Britain, and New Haven.¹⁰ Despite being some of the highest-need districts in the state, as a result of falling below the weight's high threshold, these districts do not receive additional funding for their students.

Solution: A Student-Centered Funding System

These difficult challenges can be addressed by creating a student-centered funding system that:

- Expands the ECS formula to include all Connecticut public school students;
- Increases and expands the ECS formula's existing weights for English Learners and students in districts with concentrated poverty; and
- Eliminates the ECS formula's phase-in schedule and fully funds districts beginning in FY 2022.

Creating this student-centered funding system would better address Connecticut's educational inequities, fix the state's current complex and disjointed education finance system, and make significant strides in reducing the alarming funding disparities that currently exist between the state's students of color and White students. It would also ensure all public school students were funded based on their learning needs, eliminate the practice of regular education tuition billing between districts, and increase transparency around state education funding and improve predictability for districts.

Solution Key Features

- **Reduces Connecticut's racial funding disparity gap by 68 percent** (or \$437 million) from \$639 million to \$202 million.
- **Provides an immediate infusion of state funding** for Connecticut's neediest students by eliminating the current statutorily scheduled phase-in of the ECS formula.
- **Funds all public school students** based on their learning needs.
- **Invests nearly \$445 million more in K-12 public education** over current funding levels, including \$331 million more for local and regional public schools, \$83 million more for RESC interdistrict magnet schools, and \$31 million more for state charter schools.
- **Provides an additional \$1,152 (for a total of \$14,406) for each English Learner** by increasing the ECS formula's English Learner weight from 15 percent to 25 percent to drive greater funding to districts for equitable learning opportunities for English Learners.
- **Increases the formula's concentrated poverty weight** from 5 percent to 15 percent to provide an additional \$1,152 (for a total of \$16,711) for each economically disadvantaged student attending a school district with concentrated poverty.
- **Lowers the eligibility threshold of the concentrated poverty weight** from 75 percent to 60 percent to increase necessary funding for the state's highest-need districts and provide economically disadvantaged students with greater educational opportunities and resources.
- **Eliminates the tangled web of inequitable grants and formulas** currently used to support other types of public schools by creating one statewide, equitable education finance formula.
- **Increases the fully-funded grant amount for 179** of Connecticut's 180 local and regional public school districts compared to their current estimated fully-funded ECS grant amounts.
- Maintains formula's phase-out schedule so **districts experiencing declines in funding do not see their full reduction in funding immediately**. This allows town and district budgets to continue to absorb the reduction over time.
- **Significantly strengthens and improves the ECS formula** while keeping intact the formula's overall structure that was overwhelmingly approved on a bipartisan basis in 2017.

¹ BIPOC is an acronym that stands for "Black, Indigenous, People of Color." In this document, BIPOC is used to represent students who, according to Connecticut State Department of Education data, identify as: American Indian or Alaska Native; Asian; Black or African American; Hispanic/Latino of any race; Native Hawaiian or other Pacific Islander; or two or more races.

² Districts with a BIPOC student population that is greater than 75 percent of the district's total enrollment.

³ Districts with a BIPOC student population that is between 25 percent and 75 percent of the district's total enrollment.

⁴ Districts with a White student population that is greater than 75 percent of the district's total enrollment.

⁵ School and State Finance Project. (2020). *Racial Disparities in Connecticut Education Funding*. New Haven, CT: Author. Retrieved from <http://ctschoolfinance.org/resources/uploads/files/Racial-Disparities-in-CT-Education-Funding.pdf>.

⁶ Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

⁷ Moran, J.D., & Bolger, A. (2018). *Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools* (2018-R-0030). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0030.pdf>.

⁸ Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <http://edsight.ct.gov/SASPortal/main.do>.

⁹ Ibid.

¹⁰ Ibid.