

**CONNECTICUT STATE BOARD OF EDUCATION
Hartford**

Ad Hoc Committee on Education Cost Sharing and Choice Funding

Minutes

**Monday, October 18, 2010
9:30 a.m.
165 Capitol Avenue, Room 307A
Hartford, Connecticut**

Committee members present: Joseph Brennan, Joseph Cirusuolo, George Coleman, James Finley, Kathy Guay, Alex Johnston, Fred McKinney, Mark McQuillan, Diana Palmer (representing Deborah Heinrich), Sharon Palmer, Patrice McCarthy, John Yrchik

Committee members absent: Vincent Candelora, Sherri DiNello, Douglas McCrory, Allan Taylor, Dudley Williams

- I. Call to Order, Welcome, Greetings
Commissioner McQuillan called the meeting to order at 9:40 a.m., and all those in attendance introduced themselves.
- II. Approval of Minutes of September 27, 2010, Committee Meeting
Mr. Brennan moved, Mr. Cirusuolo seconded, to approve the minutes of the September 27, 2010, meeting. Motion carried unanimously.
- III. Education Funding Formula
Mr. Brennan spoke briefly about the funding presentation and stated that there are many educational issues that business leaders are concerned about. The primary importance is, of course, the educational interests of children.

Mr. Brennan turned the discussion over to Mr. Johnston who stated that it's important to note that the proposal being presented is not concrete – it is a concept and represents exploration thus far. He went on to say that due to the state budget issues, a framework was created that does not create any new funding during the next few years. With this proposal, a simple system was created that consistently targets funding to children with needs, regardless of where they live or where they attend school.

(A copy of the PowerPoint presentation is in the official meeting file and should be considered as part of these minutes.)

The Rhode Island funding formula was discussed. The three key components are: 1) core instruction amount (foundation); 2) student success factor (weights for student needs); and 3) state share ratio.

The Rhode Island formula has additional components as well:

- uniform chart of accounts;
- state assumes excess special education costs (5 times core amount plus student success factor);
- student enrollment counts kick in; and

- financial impact phased in (7 years for districts that gain funds and 10 years for districts that lose funds).

Possible components for developing a student-based formula for Connecticut were then discussed. Regarding the student success factor which would provide additional funding to support student needs beyond the core amount, possible weighting factors could be the number of students eligible for free/reduced price lunch or ELL.

The Connecticut state share ratio would need to account for differences in the revenue generation capacity of communities and could use one of three measures: per capita income; median household income; or an average of both. However, the state share ratio will be a big challenge due to the large disparity in per capita/median household incomes.

Examples of what types of grants would be part of student-based funding were discussed. The included grants might be: Education Cost Sharing, priority school district*, magnet schools, charter schools, and Open Choice. Sheff, excess costs, vocational agriculture, transportation, other categorical grants and other current expenses would be separate line items. (*The refers to the priority school district grant only - would not include the other portions of the PSD grant.)

Again, with keeping state funding constant, the following examples were proposed:

- use the existing ECS foundation amount of \$9,687;
- use Rhode Island's student success factor of 0.40;
- use median household income for the state share ratio of 0.90; and
- use 0.06 as the minimum state contribution.

It was noted again that the examples in the presentation are just that. A cost analysis with more current and detailed information would be needed for further discussions.

Mr. Johnston concluded his presentation with key accompanying ideas and spoke about the benefits of a student-based funding approach. Discussion followed, and comments included:

Regarding magnet schools, Hartford and New Haven have high concentrations of students in poverty, and both cities would probably come up on the plus side. If magnets/charters/choice are included, Hartford may lose money for choice students.

It may be hard to reduce the percentage for wealthy communities, since they are paying most in property and sales taxes.

It was noted that the Connecticut Technical High School System is not included in the student-based proposal.

Several members questioned why Rhode Island was chosen as a model, since Rhode Island's financial situation is worse than in Connecticut. It was noted that Rhode Island chose to set a foundation for core instructional services, but quite a bit of non-instructional services were left out. Mr. Johnston stated that Rhode Island had only impacted a new approach within the last year, and their approach is consistent with the Committee's core values. Also, Rhode Island developed an approach that worked politically.

There was concern about taking the assumption of no additional funding over two years. Shouldn't the Committee look at a broad approach that will continue on for 10 years from now – not just over the next 2 years?

Should the Committee take a look at a percentage equalizing approach – regardless of the wealthy communities.

There are alternatives to ECS, and the Committee needs to explore others.

After further discussion, it was agreed that different scenarios using the proposed model would be brought back for discussion. Additionally, simulations will be run using revised data components in the current formula:

- Re-categorize the list of “What’s In” and “What’s Out”. Move magnets/charters/choice from the “In” column, and switch over excess costs/transportation with an additional weighting factor.
- Prepare a 50/50 model which would also be helpful to review for equity purposes.
- Review how the charter school issues were solved in Massachusetts. They used caps and the ability to regulate dollars to pay the receiving districts.
- Prepare simulations by making modest adjustments to the current formula, including higher ELL weighting and tying inflation into the system.

IV. Other such matters

Discussion on the core value statements will continue at the next meeting scheduled for November 8. At that time, it is hoped that the Committee will reach consensus on the remaining values.

V. The meeting was adjourned 11:35 a.m.