

CONNECTICUT

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I. GENERAL BACKGROUND

State

Revenue for public elementary and secondary education is projected to total nearly \$5.5 billion in 1998–99, an average slightly above \$10,000 for each student enrolled in Connecticut’s public schools. Local property tax proceeds will fund over 53% of this amount; state revenue will account for approximately 42%, federal funding accounts for about 4%, and other revenues make up less than 1%. Having peaked in 1989–90 at 45.5%, the state share declined sharply to a level below 40% during the recession of the early 1990s and then held fairly steady at 38% to 39% through 1997–98.

Due to several new or expanded program initiatives in 1998–99 and a major change in the way school construction is financed (see capital outlay and debt service), the state share is expected to be about 42%. With school construction, particularly major renovations of aging facilities growing tremendously and the construction of new magnet schools mostly responsible, the projected share for the upcoming biennium should reach 43%. A funding goal of equal state and local spending for education has recently been readopted by the State Board of Education and recommended by a Task Force studying the stability and growth of state funding over the next decade.

Connecticut’s first generation education equalization program, a Guaranteed Tax Base (GTB) model, lasted from 1979 to 1989. In 1989–90, a new program called Education Cost Sharing (ECS) replaced GTB and consolidated ongoing funding for a three-year \$500 million salary enhancement and improvement initiative for teachers that ended in 1988–89. ECS began as a basic foundation program that set a minimum foundation level of spending per weighted student with weighting tied to child poverty measures and performance on statewide assessments. Each town received a portion of its total foundation from the state according to relative town wealth.

Following changes made in 1995–96, the ECS grant now includes state funding for the basic cost of special education as well as regular programs. The

categorical grant for special education was eliminated and its funding merged into ECS in 1995–96. Equalized categorical grants continue to finance the state share for transportation, adult education, and school construction. These four programs account for about 88% of state funds distributed directly to school districts.

No state tax revenues are specifically earmarked for education aid. In 1991, a broad-based income tax was enacted and existing sales and business tax rates were reduced. These three taxes account for over two-thirds of the state's projected revenues for 1998–99. Federal funds represent 18% of total revenue. Gambling, other taxes, licenses, fees, and miscellaneous revenue make up the balance.

Since 1992, there has been a constitutional cap on state spending increases which would require a 60% vote of the legislature to amend or repeal.

Local

All school districts are coterminous with one or more general units of local government called “towns.” The state has 169 towns. There are a total of 166 public school districts. Of these, 149 are town operated; 17 are regional, multi-town school districts—half of these operate schools only at the upper grade levels.

In addition, there are a number of specialized school entities. Chief among these are the 17 vocational-technical high schools funded and operated directly by the state. Six regional educational service centers, entirely separate entities from the regional school districts mentioned above, are funded by local, state and federal payments. They provide a range of specialized services to the school districts in their regions.

Three historically private endowed academies serve as public high schools but with their own governing boards. The prison system operates, for certain purposes, as a state-funded school system.

Introduced during the 1990s, there are presently 16 interdistrict magnet schools operating in Connecticut, with several more under construction and still others being planned. These schools focus on specialized learning themes and enroll students from diverse racial and economic backgrounds. They receive significant state operating subsidies and 100% state construction funding. Operational administration for a magnet may rest with a single town or district, a regional educational service center, or a cooperative arrangement of several towns.

In 1997–98, the first charter schools opened in Connecticut. Thirteen independent state-supported charters are operating in 1998–99 with a \$6,500 grant per student. Three locally-funded charters are also in operation. All charters are authorized for five-year renewable periods by the State Board of Education, but are independent with their own governing boards and administrations.

All local school districts are fiscally dependent—school boards have no taxing authority. Property taxes (both real and personal) are the sole source of local municipal tax revenue. There are no statutory limitations on the amount of property tax which may be levied to support schools and other local public services. Towns are prohibited from levying any other taxes except property taxes.

Funding Summary 1998–99

Total State School Aid (All Programs)		\$ 2,319 million
Grants in Aid	2,131 million	
Teacher Retirement Contributions	188 million	
FICA	0 million	
 Total Local School Revenue		 \$ 2,917 million
Property Tax	2,917 million	
Other local source tax revenue	0 million	
Local source non-tax revenue	0 million	
 Total Combined State and Local School Revenue		 \$ 5,236 million
 State Financed Property Tax Credits		
Attributable to School Taxes		0*

* State law provides exemptions for veterans and circuit-breaker programs for the elderly. It is not possible to determine the amount attributable to school taxes, since exemption and credit apply to the municipal property tax and school districts are financially dependent on towns.

II. LOCAL SCHOOL REVENUE

Property Tax

Each school district is fiscally dependent on one or more coterminous municipalities. The State of Connecticut is divided into 169 municipalities that have the power to tax real and personal property. Real property must be reevaluated once every decade, and at that time, it is assessed at 70% of fair market value (FMV). Personal property is also assessed at 70% of FMV, but this FMV is adjusted annually. For purposes of the equalization study, real property is divided into three classes: (1) residential, (2) commercial and industrial, and (3) farmland. State equalization studies are done annually using fair market sales of real property. Towns are only allowed to tax property.

Income Tax

None.

Other Sources of Local Tax Revenue

None.

Tax Credits and Exemptions

State laws exempt certain types of real and personal property from local taxation. The percentage of property that is tax exempt varies among municipalities. A small number of towns have exemption levels in excess of 25%, but most fall within a range closer to 10 to 15%. Cities tend to have more tax exempt property. The following illustrate types of property that are exempt:

1. Federal, state and municipal;
2. Property of religious organizations including cemeteries;
3. Private hospitals and not-for-profit health care facilities;
4. Private schools and colleges;
5. Common carriers and cable television operators;
6. Federally recognized Native American reservations.

In addition to the above exemptions, state law provides exemptions for veterans and circuit-breaker programs for the elderly. The state does provide some state grant funds to towns to replace lost tax revenues.

III. TAX AND SPENDING LIMITS

Tax Limits

The limit on total school bonds outstanding is 4.5 times the town's prior year total revenues. In addition, there is a cap on all kinds of bonds (education, sewer, general improvement) at 7.0 times total revenues. There are no statutes capping local tax rates.

Spending Limits

There are no state imposed caps on local spending for education. There is a state imposed minimum spending level.

Voter Approval of Budgets and Bond Issues

All local budgets must be approved by the municipality's legislative body: either the common council, the town meeting, or the representative town meeting. Municipal departments submit their annual budget requests to the local board of finance, council or legislative committee, which develops the proposed budget for submission to the legislative body. The above-mentioned board, council or committee can revise the budget request item by item except for the board of education's budget. In the case of education, the town financial board (and later the legislative body) can only reduce the total budget. The board of education, therefore, has full control of its budget within its total appropriation.

The municipality's legislative body must agree on a budget. In smaller towns, the town meeting is the legislative body. In such towns, the taxpayers often vote by referendum on the budget and, in some cases, it has taken several votes to approve the budget.

IV. STATE/PROVINCIAL EARMARKED STATE REVENUES

There are no state revenue sources earmarked for education.

V. BASIC SUPPORT PROGRAM

Education Cost Sharing (ECS) Grant

Funding in 1998–99: \$1,300.7 million.

Percentage of Total State Aid: 56.1%.

Nature of the Program: ECS is a foundation-based equalization formula that distributes aid based on the extent to which local town wealth falls short of a statutorily set State Guaranteed Wealth Level (SGWL). The ECS grant is paid to 169 towns (CONN. GEN. STAT. §§ 10-262f through 10-262j).

Allocation Units: Need students, a count which begins with the resident student count of a town and adds weighting for extended school calendars beyond 180 days, free summer school programs, poverty of children, limited English proficiency, and test results on statewide mastery examinations. (See weighting procedures for more detail.)

Local Fiscal Capacity: Town Wealth per Capita. The ECS definition of town wealth begins with each town's Equalized Net Grand List (ENGL), which is the property valuation of real and personal property adjusted for the fair market value of actual real property sales. An income adjustment is made based on the average ratio of each town's per capita income (PCI) and median household income (MHI) to the highest town's PCI and MHI. (A town with half the income of the highest income town has its ENGL reduced by 50% for purposes of establishing local fiscal capacity.) Each town's ENGL, once adjusted for income, is then divided by need students and by populations in separate calculations, and the results are averaged to determine each town's unit value of equalized taxable property wealth.

How the Funding Formula Works: Each town's wealth determined above is compared to a SGWL set by statute at 1.55 times the median town's wealth. A town's ability to pay is reflected by its wealth as a fraction of the SGWL. Towns with local resources equal to or above the SGWL receive a base aid percentage of zero. All others receive the difference between 100% and the percentage they are able to fund based on the fraction described above. This percentage is then multiplied times the town's total foundation which is the product of the foundation and the total need students of the town. The foundation for 1998–99 is set by statute at \$5,775 per need student.

For example, a town possessing 60% of the SGWL in local property resources and having a total of 1,500 need students would be entitled to basic formula aid as follows:

$$100\% - 60\% = 40\% \text{ state share}$$

$$\text{Total foundation} = 1,500 \times \$5,775 = \$8,662,500$$

$$40\% \times \$8,662,500 = \$3,465,000,$$

the state share of this town's total basic foundation

Local Share and State Share in Funding: In 1998–99, the state ECS grant is funding approximately 39% of the total foundation statewide, with the lowest aided communities receiving less than 1% and the highest aided communities about 86% of their respective total foundations.

Weighting Procedures: Student counts are weighted as follows to arrive at total need students. The resident student count of each town is the number of children educated at the expense of the town in public schools or in other placements prescribed and paid for by the town. A full-time equivalent count is added to the resident student count if a district operates either a system-wide calendar in excess of 180 days (the legal minimum) or a free summer school program or both. Additional weighting equal to 25% of the count of children eligible for assistance through the state's Temporary Family Assistance program is provided. Further, 10% weighting of the count of children with limited English proficiency not otherwise served in a state-assisted bilingual program is added. Finally, 25% of the projected count of students at or below remedial education levels based on statewide test results is also added. As a result of these weighting factors, the statewide student count is increased by about 8%, with the highest concentrations of weighting, up to 20%, occurring in the largest cities of the state.

Adjustments for Special Factors: There are three special factor components built into the current formula. First, there is a per student bonus of up to \$25 for member towns of regional school districts. Second, there is a supplemental aid percentage of up to 4% times the foundation for the portion of a town's need student count that results from weighting. This provision creates a higher state percentage in the neediest districts where the student weighting tends to be most concentrated. Third, there is a population density supplement that is paid outside the base formula to towns above the median in population per square mile. These

three provisions currently account for about \$11 million of total formula aid, less than 1%.

Aid Distribution Schedule: 25% in October, 25% in January, and the balance in April.

Districts Off Formula: Current law caps increases at 5% and limits decreases at 5% annually. In 1998–99, there are 90 towns impacted by the growth cap and 62 towns that benefit from the stoploss limit.

VI. TRANSPORTATION

Funding in 1998–99: \$41.3 million.

Percentage of Total State Aid: 1.8%.

Description: This grant provides state funding to local school districts for the transportation of public school students. Limited funding is also available through a separately funded parallel program for the transportation of nonpublic school students (CONN. GEN. STAT. §§ 10-54, 10-97, 10-266m, 10-273a, 10-277, 10-281).

State Share: This grant reimburses school districts for up to 60% of their eligible transportation costs based on a district's relative "town wealth per capita." The poorest district is reimbursed at 60% and the 14 wealthiest districts at 0%. There is a minimum grant entitlement of \$1,000 for all districts. Eligible transportation costs are the costs of transporting a student from home to school to home. Field trips are ineligible. The reimbursement percentages for regional school districts are increased by 5% for high school regions and 10% for K–12 regions.

"Town wealth per capita" is measured as the town's equalized net grand list (real and personal property) per person. The income adjustment is the ratio of the town's average per capita income to the average per capita income of the income-wealthiest town in the state. The population and per capita income data are the most recent available from the United States Census Bureau.

Local Share: Local districts pay costs not covered by state aid.

Extent of Participation: 166 districts.

VII. SPECIAL EDUCATION

Funding in 1998–1999: Approximately \$307.5 million.

Percentage of Total School Aid: Approximately 12%.

Description: Students receiving special education services must have an Individual Education Program that describes the services to be provided, and students must be mainstreamed to the maximum extent feasible. Schools must identify and provide services to mentally or physically handicapped children. Schools must identify gifted and talented children and may provide services (CONN. GEN. STAT. §§ 10-76a through 10-76k).

Basic support for special education programs was consolidated into the basic support program (ECS) in 1995–96. Although an exact figure is not determined each year, it is estimated that about 19% of the total ECS grant supports basic special education, an amount of about \$250 million. In addition, there are two grants funded at \$46 million and \$11.5 million which pay for a portion of the costs for individual high cost children in a district or when district expenditures for special education as a percentage of its total education expenditures exceed the statewide average percentage by at least two percentage points.

Excess Costs-Student Based Grant: With respect to state agency initiated placements, the state funds 100% of the costs of these placements in excess of the district's prior year net current expenditures per pupil (NCEP). This provision became effective beginning in 1998–99. Before 1998–99, the state funded 100% of the costs in excess of two and one-half times the prior year's NCEP (CONN. GEN. STAT. §§ 10-76d(e), 10-76g and 10-253).

The state pays 100% of the current cost for certain no nexus students and special education students who reside on state property. For students placed in a special education program by the school district, these programs support costs in excess of five times the town's prior year's average cost per pupil (CONN. GEN. STAT. §§ 10-76g(a)(1) and 10-76d(e)(3)).

Excess Costs-Equity Grant: Provides grants to towns with extraordinary special education costs. Towns whose prior year's special education expenditures exceed the state average when such costs are compared to average spending in regular programs, are reimbursed for their excess special education expenses at the rate of their ECS base aid ratio. Grants, which may be proportionately reduced to stay

within the appropriation, are based on audited expenditures from the prior fiscal year (CONN. GEN. STAT. § 10-76g(c)).

State and Local Shares: Aside from the state funds described above and the Federal IDEA Part B funding, local communities must finance special education costs from property taxes. It is estimated that districts are paying about 60% of all special education costs.

Extent of Participation: 166 districts.

VIII. COMPENSATORY EDUCATION

No state aid program since 1991–92.

IX. GIFTED AND TALENTED EDUCATION

No state aid program since 1991–92. Districts are still required to identify gifted and talented students under the special education statutes.

X. BILINGUAL EDUCATION

Funding in 1998–99: \$2.0 million.

Percentage of Total State Aid: less than 1%.

Description: Local school districts are required to provide a program of bilingual education if there are 20 or more students in any public school who are dominant in any one language other than English and who are not proficient in English. These programs serve approximately 12,400 students in 17 local school districts (CONN. GEN. STAT. §§ 10-17a through g).

State and Local Shares: The state appropriation is distributed on a per pupil basis among the eligible districts. School districts pay the balance of program costs from local funds and direct federal grants where applicable.

Extent of Participation: 17 districts.

XI. EARLY CHILDHOOD EDUCATION

Funding in 1998–99: \$39 million.

Percentage of Total State Aid: 1.7%.

Description: This program was established as a joint venture between the State Departments of Education and Social Services with a \$20 million appropriation which has essentially doubled in 1998–99. Eighty-five percent of the funding is targeted toward 3- and 4-year-olds in new or expanded school readiness programs in the state's 14 priority school districts (PSD) on a formula basis. Most of the balance is distributed in \$100,000 grants on a competitive basis for programs in non-PSD towns that have at least one school building in which at least 40% of the meals served are free or reduced price.

Programs may be operated within public school systems or by other childcare agencies within a community, provided all the curriculum and program content requirements are met. While the primary thrust of this program is to serve additional children, there is also a program enhancement component and an emphasis around full-day, full-year programs with wraparound core and other related services (CONN. GEN. STAT. §§ 10-16o through 10-16q).

State and Local Shares: The state grant formula distributes aid to the 14 neediest urban school districts based on free and reduced lunch percentages and enrollment. Fourteen percent of the state appropriation goes out to other districts on a competitive basis. There is no fixed local match, but districts are expected to provide facilities and administrative support from local or other sources.

Extent of Participation: 14 formula districts and 20 competitive districts.

XII. OTHER CATEGORICAL PROGRAMS

Priority School District Program

Funding in 1998–99: \$19 million.

Percentage of Total State Aid: less than 1%.

Description: In the state's neediest 14 primarily urban school districts, the Priority School District (PSD) grant provides supplemental funding to develop or enhance

a wide range of programs including dropout prevention, early reading intervention, strengthen technology to support instruction or improve parent-teacher communication, and to otherwise increase parental involvement. With so much of each school district's resources tied up in fixed program costs each year, this program has provided essential resources to enable innovation and improvement in various targeted areas chosen by each district based on its particular circumstances (CONN. GEN. STAT. §§ 10-266p through 10-266r).

State Share: Grants of \$850,000 to \$1.7 million are paid based on one or more factors which include total population, total number of children in poverty or performing below remedial standards on state mastery examinations, or high percentage concentrations of such children in communities. There is no required local match for this program.

Extent of Participation: Not reported.

Early Reading Success

Funding in 1998–99: \$19.8 million.

Percentage of Total State Aid: less than 1%.

Description: New in 1998–99, this program is targeted toward students in grades kindergarten through grade three in the state's neediest school districts and school buildings. Eligibility for free or reduced meals is the primary factor in determining the neediest schools, while the neediest districts are determined based on eligibility for the Priority School District grant discussed above. Ninety percent of the appropriation is distributed to priority districts.

Grants to local boards of education under this program support the following initiatives: (1) expanding kindergarten programs to full day; (2) reducing class size in grades K – 3 to 10 or less; and (3) establishing intensive early intervention reading programs, including after school and summer school programs for students identified as being at risk of failing to read by the end of first grade and for students in grades 1 – 3 who are reading below grade level (CONN. GEN. STAT. § 10-265f).

State and Local Shares: There is no required local match for this program, although there may be local support in those districts whose state grants do not cover all of a district's program costs and the local budget is sufficient to fund the

difference. For the 14 formula aid towns, relative kindergarten enrollments and meals served that are free or reduced price are the factors determining each town's grant.

Extent of Participation: 14 formula districts and 18 competitive districts.

Regional Educational Service Centers

Funding in 1998–99: \$3.8 million.

Percentage of Total State Aid: less than 1%.

Description: There are six regional educational service centers (RESCs) serving the school districts in the state. Each RESC is managed by a board composed of one member representing each participating board of education. RESCs help the participating school districts cooperatively meet locally identified educational needs. The RESCs provide education programs for special needs students. The RESCs also promote the goals and policies of the State Board of Education and provide professional development programs for teachers on a regional basis. Local districts may purchase the services they need from the RESCs. Funded in part by competitive state grants, the RESCs also provide leadership in planning and implementing cooperative interdistrict efforts to advance quality and integrated education (CONN. GEN. STAT. §§ 10-66a through 10-66l).

State and Local Shares: The state funds each RESC with (1) a basic grant of \$85,000; (2) an amount based on state aid received under an earlier grant program to enhance teacher's salaries; (3) a proportional share of the remaining funds based on the proportion of the Education Cost Sharing grants received by the member school districts of each RESC; (4) \$50,000 to \$150,000 to coordinate activities in the area of minority recruitment and to help administer an interdistrict choice program started in 1998–99; and (5) a portion of the cost of leasing school and administrative space to facilitate programs throughout each RESC's service delivery area.

The RESCs are also eligible to apply for competitive state grants. Local school districts contract directly for a number of services such as special education programs and professional development programs.

Extent of Participation: All 166 districts belong to one of the six RESCs.

Vocational Agriculture Program

Funding in 1998–99: \$2.6 million.

Percentage of Total State Aid: less than 1%.

Description: There are 19 regional vocational agriculture centers attached to local high schools across the state. Students from the area may attend the host high school taking about one-third of their courses in the agriculture center. Approximately 2,500 students from 135 school districts take such courses (CONN. GEN. STAT. §§ 10-64).

State and Local Shares: The state pays the host school district a grant of \$860 to \$1,400 per student enrolled in the program in the prior year. The state also pays 100% of the cost of building and equipping the center. The districts sending students to the vocational center pay the host district tuition. Such tuition may not exceed 102% of the ECS foundation level. The host district may charge an additional tuition for special education that may not exceed actual costs, depending on the number of students from out of district.

Extent of Participation: Approximately 2,500 students from 135 school districts.

Interdistrict Cooperative Program

Funding in 1998–99: \$11.1 million.

Percentage of Total State Aid: less than 1%.

Description: This program funds, on a competitive basis, interdistrict cooperative programs that support voluntary integration. Grant proposals are submitted annually by groups of two or more school districts or RESCs. Proposals for planning grants may be funded up to \$20,000. Grants for part-time and short-term programs may be funded up to \$90,000. This grant program also provides state support to four full-time interdistrict magnet schools serving 500 students and an interdistrict student transfer program serving over 650 students. The receiving districts accept the transfer students on a space available basis and charge no tuition to the sending district (CONN. GEN. STAT. § 10-74d).

State and Local Shares: The state pays up to 80% of approved program costs with the local district paying at least 20% of approved program costs for planning

and part-time and short-term programs. The state provides \$3,200 per full-time pupil to interdistrict magnet schools and \$1 million to support the administrative and transportation costs for the interdistrict student transfer program.

Extent of Participation: 45 school districts and RESCs.

Adult Education

Funding in 1998–99: \$14.7 million.

Percentage of Total State Aid: less than 1%.

Description: This program provides state support for a portion of the cost of offering adult education courses that provide opportunities in citizenship, English for the limited-English proficient and elementary and secondary school completion. Each town is required to offer such opportunities to its adult residents either as a direct program provider or through a cooperative tuition arrangement with another providing district. Approximately 35,000 adult learners will be served by this program in 1998–99 (CONN. GEN. STAT. §§ 10-67, 10-69, 10-71, 10-71a).

State and Local Shares: The state grant covers about 35% of program costs on average through an equalized formula that pays from 0% to 65% to each town based on its statutorily defined local fiscal capacity. Town funds and/or revenues from other adult education offerings make up the local share.

Extent of Participation: 166 school districts and several cooperative nonpublic/public partnerships.

XIII. TEACHER RETIREMENT AND BENEFITS

Funding in 1998–99: \$188 million.

Percentage of Total State Aid: 8.1%

Description: The state funds the entire local share of contributions to the Teachers' Retirement system. The appropriation for 1998–99 is \$188 million. Teachers' Retirement remains the only major state funding program for education that is not equalized (CONN. GEN. STAT. § 10-183b).

XIV. TECHNOLOGY

Funding in 1998–99: \$10 million.

Percentage of Total State Aid: less than 1%.

Description: Now in its fourth year, this program provides funding for the wiring of schools to make them technology compatible. One million dollars is earmarked for the state's largest four urban districts, and the balance is distributed on a competitive basis to other school districts. Local area networks, wide area networks and Internet access have been among the major areas of emphasis for this funding. It should be noted that the school construction grant program described above also allows wiring to be included in the scope of new construction and building renovations with the state participating in 20% to 80% of eligible costs. Within the limits of the grant awards, the technology grant has provided up to 100% of the cost of wiring a school that has been successful in competing for an award (CONN. GEN. STAT. § 10-4h).

Extent of Participation: 166 districts eligible depending on competitive award.

XV. CAPITAL OUTLAY AND DEBT SERVICE

Funding in 1998–99: \$340 million.

Percentage of Total State Aid: 14.7%.

Description: These funds include payments to towns for the state share of current design and construction of public school buildings under a new funding plan adopted in 1997. It also includes funds to continue payments under the predecessor program which called for the state to pay a portion of the debt service (principal and interest) of municipalities which were required to finance 100% of project costs through local borrowing. Reimbursements for costs paid from local general funds represent a small portion of costs under the previous program. Funding also covers capital projects including equipment at the 17 state operated regional vocational-technical high schools. Finally, 1998–99 is the first year of a five-year program which assists the state's neediest school districts with minor capital improvements not generally funded through major capital project appropriations. Approximately \$12.5 million of the total shown above is earmarked annually for that program (CONN. GEN. STAT. §§ 10-95i, 10-265h, 10-282 through 10-286, 10-287i).

State and Local Shares: With the exception of certain programs noted below, the state pays 20% to 80% of each town's eligible school construction costs on an equalized basis. Interdistrict magnet schools, regional vocational agriculture schools, regional special education facilities, and regional vocational-technical high schools receive 100% state funding.

Extent of Participation: 169 towns, 6 RESCs.

XVI. STANDARDS/ACCOUNTABILITY MEASURES

Statewide testing of all students in grades 4, 6, 8 and 10 (CONN. GEN. STAT. § 10-14n).

School building and school district report cards, known as Strategic School Profiles, are reported annually. Public discussion is required. Profiles for all Connecticut school districts are available on the Department of Education's web page and in a statewide publication (CONN. GEN. STAT. § 10-220(c)).

Connecticut Common Core of Learning and Curriculum Frameworks/ Standards in all content areas. (not mandated)

State legislative intervention to remove locally elected school board and replace with a state appointed Board of Trustees for Hartford Public Schools (CONN. ACTS 97-4 (Spec. Sess.)).

XVII. REWARDS/SANCTIONS

Funding in 1998–99: \$1 million.

Percentage of Total State Aid: less than 1%.

Description: Connecticut's only funding vehicle that would qualify as a rewards program is the Student Achievement Grant. Under this program, each town is eligible to receive a proportionate share of the appropriated amount based on the increase percentage of its students who reach the goal levels on the state's mastery tests given to 4th, 6th, and 8th graders each year. If a district's percentage does not improve from one year to the next, they receive no portion of the \$1 million. Use of the funds is discretionary except for an emphasis on targeting it to the schools most responsible for the district's improved scores (CONN. GEN. STAT. § 10-262l).

State and Local Shares: 100% state funded.

Extent of Participation: 96 of 166 districts qualified for funding in 1998–99.

XVIII. FUNDING FOR NON-TRADITIONAL PUBLIC SCHOOLS

Charter Schools

Funding in 1998–99: \$9.6 million.

Percentage of Total State Aid: less than 1%.

Description: In 1997–98, the first charter schools opened in Connecticut. Thirteen independent state-supported charters are operating in 1998–99 with a \$6,500 grant per student. Three locally-funded charters are also in operation. All charters are authorized for five-year renewable periods by the State Board of Education, but are independent with their own governing boards and administrations. A total of 1,600 students are attending these innovative schools which range in enrollment from 40 to 150. While most charter schools serve the children of a single town, a few draw students from several towns (CONN. GEN. STAT. §§ 10-66aa through 10-66gg).

State Share: The state pays \$6,500 per student attending a state-approved charter school. This funding is for operating costs but does not cover capital construction or facility acquisition costs. It does cover facility rental costs. Charter schools wishing to buy or renovate a facility may apply for a loan through a state managed finance program.

Local Share: Local charter schools receive their funding from the local school district budget under which they were approved, but they still have independent governing boards.

Extent of Participation: 16 charter schools (13 state, 3 local) with students from 59 towns.

Magnet School Operating

Funding in 1998–99: \$17.5 million.

Percentage of Total State Aid: less than 1%.

Description: This program supports the annual operating costs of approved interdistrict magnet school programs. These schools support state initiatives to increase racial and economic diversity in Connecticut public schools and to improve the quality of education through specialized curriculum structured around each magnet's chosen theme. Sixteen magnet schools operating in 1998–99 are receiving up to \$5,200 per enrolled student. This grant also covers the cost of transportation to out-of-town magnet schools at a rate not to exceed \$1,200 per student. Total magnet school enrollment for 1998–99 is just over 4,200 (CONN. GEN. STAT. §§ 10-264h, 10-264i, 10-264l).

State and Local Shares: Under statutory formula, the state pays up to 90% of the ECS foundation for every magnet school student, as long as no more than 30% of a school's enrollment comes from any one district. The per student amount declines proportionately as the enrollment of any one district exceeds the 30% mark. Participating local school districts generally pay supplemental tuition amounts for students sent to magnets, but the actual amount of local support varies from one magnet to another.

Extent of Participation: 16 magnet schools and 59 participating districts.

OPEN Choice Program

Funding in 1998–99: \$2.8 million.

Percentage of Total State Aid: less than 1%.

Description: Operating under a separate and increased appropriation in 1998–99, this program expands upon an existing interdistrict attendance program that had operated in the greater Hartford region for about 450 students. This year 793 students are participating in the Hartford, New Haven, and Bridgeport areas. Each school district in the respective region designated the number of seats it had available (and for which it could make a long-term commitment) and students could choose to attend school in any such district. While most participating students are leaving Hartford, New Haven, and Bridgeport to attend school in a suburban district, a small number of children chose to attend school in one of the urban districts since it is a two-way exchange program. Two thousand dollars is provided under the grant for each student a district receives. Transportation funding is provided to each of the three RESCs which act as program coordinators

and arrange for transportation for all participating students (CONN. GEN. STAT. § 10-266aa).

State and Local Shares: In addition to the state grant of \$2,000, the receiving district also receives one-half of the student count for purposes of the ECS grant. The home district gets to keep half of the student count to limit the impact of lost funding due to the loss of students. Local costs vary depending on the extent of idle capacity within receiving district classrooms and whether or not additional staff or services must be provided to accommodate the students received.

Extent of Participation: 45 districts.

XIX. STATE AID FOR PRIVATE SCHOOLS

Funding in 1998–99: \$3.4 million.

Percentage of Total State Aid: less than 1%.

Description: Local school districts must offer the same health services to children who attend nonprofit private schools as are available to children in public schools, provided that the majority of the children in the private school are state residents. This grant is in addition to transportation services to nonpublic schools already covered under the transportation grant program (CONN. GEN. STAT. § 10-217a).

State and Local Shares: The state reimburses 10% to 90% of eligible local school district expenses based on relative town wealth. Towns that provide services to more than 1,500 nonpublic students who are not residents of that town are entitled to at least 80% reimbursement. Towns where the number of children receiving Temporary Family Assistance services is greater than 1% of the total population are also entitled to at least 80% reimbursement.

Extent of Participation: Not reported.

XX. Recent/Pending Litigation

There has been major education litigation underway in Connecticut during the period since 1993. The first of these, *Sheff v. O'Neill*, 678 A.2d 1267 (Conn.1996), completed its initial trial phase in 1994. The plaintiffs had contended that the racial, ethnic, and economic isolation of the Hartford Public Schools prevented Hartford schoolchildren from receiving a substantially equal

education opportunity as guaranteed under the State Constitution. The state argued that, despite the existence of the conditions, the state had not intentionally segregated the Hartford school system and that it was meeting its constitutional mandate by providing disproportionate funding to Hartford and similar districts to help balance educational opportunities across the state. While the original trial judge found for the state, the Connecticut Supreme Court in a July 9, 1998 decision, overturned that ruling, finding that the state's creation of local school districts (whose boundaries have remained virtually unchanged since 1909) was the most important factor contributing to the concentration of ethnic and racial minorities in Hartford. Although the court clearly recognized that the initial formation of school districts was to improve education and not to cause either de jure or de facto segregation, it believed the outcome of segregation was tied to the local district organization around town boundaries.

The court did not order judicial intervention but directed the trial court to retain jurisdiction to give the legislature the opportunity to develop remedies.

A panel commissioned by the Governor within weeks of the court's decision brought forth 15 recommendations in a final report to the General Assembly on January 22, 1997. The recommendations included a significant expansion of public school choice and other interdistrict school programs, increasing public school accountability, parental involvement, and minority recruitment activities.

Within five months of receiving the final report of the Education Improvement Panel, the Connecticut legislature had passed Public Act 97-290 entitled "An Act Enhancing Educational Choices and Opportunities." This legislation was aimed at reducing racial, ethnic and economic isolation, as well as improving the quality of education throughout the state--with emphasis on improving urban education.

The first section of Public Act 97-290 amended CONN. GEN. STAT. § 10-4a, the statute which defines the "educational interests of the state," to include the reduction of "racial, ethnic and economic isolation," and to impose a duty on each school district to "provide educational opportunities for its students to interact with students and teachers from other racial, ethnic, and economic backgrounds."

The failure of local districts to carry out one or all of the "educational interests of the state," can, as discussed below, result in financial and other sanctions, including the loss of state educational funding. Moreover, the State Department of Education can initiate litigation to enforce the state's educational interests.

In March 1998, the plaintiffs returned to court contending that the legislature had not done enough quickly enough. The state countered that in the very first legislative session following the court's ruling, it had enacted major legislation that developed new programs and expanded existing programs to create a variety of measures to address the issue.

In March 1999, following a second trial, Judge Aurigemma found that the plaintiffs had not waited a reasonable period of time before returning to court and that the considerable actions of the legislature warranted an additional period of implementation before any judgement could be made on their effectiveness. At this writing, the next action to be taken by the plaintiffs is undetermined, while the state budget includes proposals to further expand or maintain the program initiatives put in place or previously expanded over the prior biennial period.

The second major lawsuit, *Johnson v. Rowland*, was initiated last year with no trial date set as yet. Brought on behalf of schoolchildren in several cities and towns, the complaint is that the state is not fulfilling its constitutional mandate for substantially equal educational opportunity throughout all communities by failing to fund the education equalization grant, known as the Education Cost Sharing Grant, in accordance with the original formula or at an appropriate level. The complaint maintains that changes to the formula over the years, including provisions that cap increases and the failure to increase the foundation from year to year, have impaired its ability to reduce revenue disparities and improve educational opportunities across communities.

XXI. SPECIAL TOPICS

None reported.