

Connecticut

by Larry Maloney

Summary and Highlights

This snapshot examines the expenditure sources and funding levels for district public schools and charter schools in Connecticut and, in particular, Bridgeport and New Haven, during the 2006-07

school year (Figure 1).¹

In the following figures, the statewide values show how much per pupil funding districts in the state received compared to how much charter schools received per pupil. The statewide values weighted for charter enrollment adjust these figures to account for the fact that some districts enroll more charter students than others and the district PPR varies between districts. The weighted values

Figure 1: District and Charter School Revenues and Enrollments

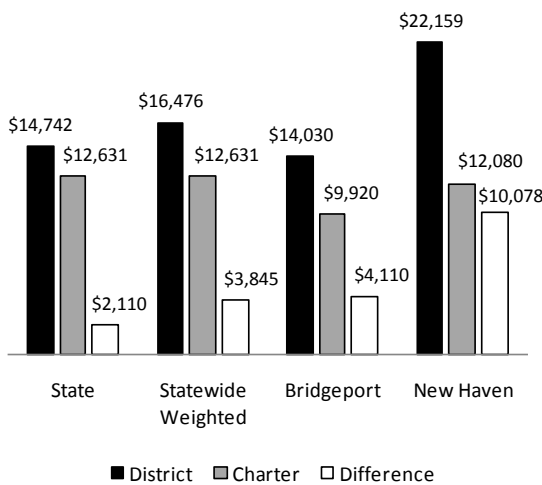
Connecticut (2006-07)	Statewide		Statewide Weighted for Charter Enrollment		Bridgeport		New Haven	
Per pupil Revenue								
District	\$14,742		\$16,476		\$14,030		\$22,159	
Charter	\$12,631		\$12,631		\$9,920		\$12,080	
Difference	(\$2,110) (14.3%)		(\$3,845) (23.3%)		(\$4,110) (29.3%)		(\$10,078) (45.5%)	
Per pupil Revenue by Source	District	Charter	District	Charter	District	Charter	District	Charter
Federal	\$531	\$928	\$930	\$928	\$1,216	\$751	\$1,893	\$1,123
State	\$4,830	\$9,592	\$7,933	\$9,592	\$10,135	\$8,188	\$15,419	\$8,875
Local	\$9,244	\$114	\$7,437	\$114	\$2,611	\$49	\$4,520	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indeterminate	\$138	\$1,997	\$177	\$1,997	\$69	\$932	\$327	\$2,083
Total	\$14,742	\$12,631	\$16,476	\$12,631	\$14,030	\$9,920	\$22,159	\$12,080
Enrollment								
District	536,364 99.4%		N/A N/A		20,682 98.0%		18,638 95.3%	
Charter	3,430 0.6%		N/A N/A		427 2.0%		913 4.7%	
Charter Schools	16		N/A		2		3	
Total Revenue								
District	\$7,906,810,321 99.5%		N/A N/A		\$290,178,764 98.6%		\$412,997,713 97.4%	
Charter	\$43,324,691 0.5%		N/A N/A		\$4,235,966 1.4%		\$11,029,460 2.6%	
Total	\$7,950,135,012		N/A		\$294,414,730		\$424,027,173	
Percentage of Revenue by Source	District	Charter	District	Charter	District	Charter	District	Charter
Federal	3.6%	7.3%	5.6%	7.3%	8.7%	7.6%	8.5%	9.3%
State	32.8%	75.9%	48.1%	75.9%	72.2%	82.5%	69.6%	73.5%
Local	62.7%	0.9%	45.1%	0.9%	18.6%	0.5%	20.4%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Indeterminate	0.9%	15.8%	1.1%	15.8%	0.5%	9.4%	1.5%	17.2%
Change in district school funding if subjected to charter funding structure								
	(\$1.1 billion)				(\$85 million)		(\$187.8 million)	

estimate how much more or less per pupil funding charter schools received compared to the funding district schools would have received to educate the same students. (See Methodology for details.)

Highlights of Our Findings

- The 16 charter schools in Connecticut received, on average, 14.3 percent less funding than district schools: \$12,631 vs. \$14,742 per pupil, a difference of \$2,110.
- Connecticut charter schools received \$12,631 per pupil, but district schools would have received an estimated, \$16,476 to educate the same students – a difference of \$3,845 or 23.3 percent. Weighting the district PPR for charter enrollment therefore increases the funding disparity by \$1,735 from the statewide difference above.
- The 2 charter schools in Bridgeport received, on average, 29.3 percent less funding than district schools: \$9,920 vs. \$14,030 per pupil, a difference of \$4,110.

Figure 2: Per Pupil Total Revenue for Connecticut District vs. Charter Schools, FY 2006-07



- The 3 charter schools in New Haven received, on average, 45.5 percent less funding than district schools: \$12,080 vs. \$22,159 per pupil, a difference of \$10,078.

- Connecticut charters served 0.6 percent of the state’s students, but received only 0.5 percent of the total revenue.

Primary Reasons for Funding Disparities

- The capital expenditures that Connecticut charter schools receive from the state are limited to \$500,000.
- Since Bridgeport and New Haven are in the lowest quintile for wealth in the state, they receive additional state funding, but charter schools in those two cities receive the flat per pupil funding that the state allocates to all charters across the state.

How Connecticut Funds Its District Schools

Connecticut’s traditional public schools are funded through the Education Cost Sharing (ECS) Grant. The ECS is calculated using a multi-step formula that first takes into account all resident students and provides additional weights for poverty, limited English proficiency and magnet students. Towns also receive additional funds for extended year programs or tuition-free summer school programs. Next, the ECS formula considers community wealth by looking at the property tax rate and the personal wealth rate of each district, so that the state can allocate more money to poorer districts. At a minimum, communities receive a foundation payment of \$5,891 per pupil.

How Connecticut Funds Its Charter Schools

A two-track system in Connecticut provides funding to charter schools based on whether the charter is authorized by the local school district or by the state. Charters authorized by a local school district receive the funding described in the school’s charter, including all resident special education costs. Local school districts do not currently authorize any charter schools in Connecticut, however. For charters authorized by the state, Connecticut provides \$8,000 per student. The local school district is required to pay the difference between the “reasonable” costs of educating a special education student and the amount the state sponsored charter school

receives for the special education student. State charter schools also qualify to apply for special education grants, competitive state grants, and federal funds

Figure 3: State Charter School Policies

State Policies	Yes	No	Partial
Charter schools receive their funding directly from the state			X
Charter schools are eligible for local funding			X ²
Cap on funding a charter school can receive		X	
District public schools receive differential funding (e.g. more funding for 9-12 vs. K-8 schools)	X		
Charter schools receive differential funding	X ³		
State allows district to withhold funding from charter schools for providing administrative services		X	
State "holds harmless" district funding for charter enrollment		X	
School is considered LEA if authorized by non-district organization	X		
School is considered LEA if authorized by district		X	
Cap on number of charter schools	X ⁴		
Cap on number of charter schools authorized per year		X	
Cap on number of students attending charter schools	X ⁵		
Charter schools have an open enrollment policy	X		

Facility Funding

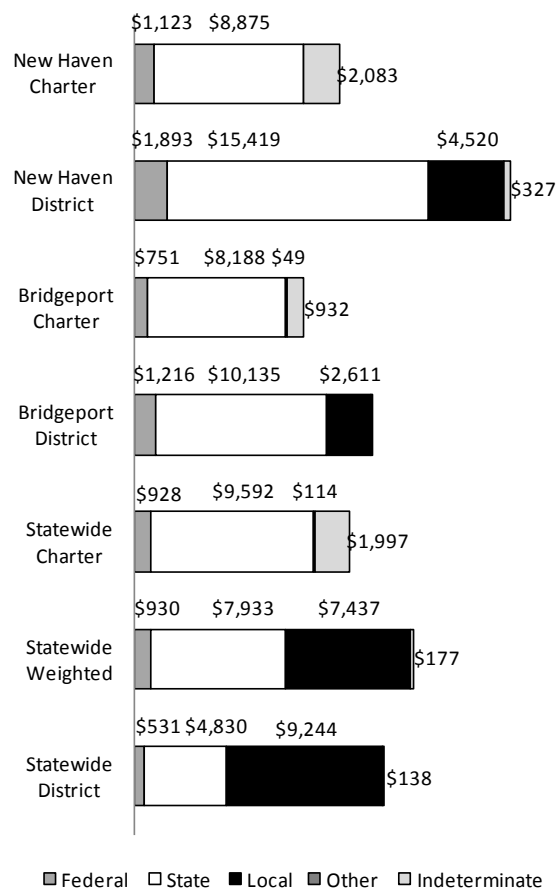
In FY07, the State Department of Education administered funds to assist charter schools with capital expenses, which provided facilities grants of up to \$500,000 to charter schools. Eligible uses included renovation, construction, purchase, extension, replacement or major alteration,

general school building improvements, and repayment of debt from prior school building projects. The Commissioner of Education must give preference to applications that include matching funds from non-state sources. To fund the program, the State Bond Commission received the power to issue up to \$10 million in bonds. Of this total, the Commission authorized \$5 million for 11 charter school facilities projects in Fiscal Year 2006.

Primary Sources of Revenue for Connecticut's Public Schools

District and schools receive the majority of their revenue from state education dollars and local property taxes. These two sources account for approximately 95 percent of school revenues.

Figure 4: Per Pupil Revenue by Source for Connecticut District vs. Charter Schools, FY 2006-07



In Connecticut, school districts statewide received \$14,074 in funding from local and state sources combined. Connecticut charter schools are ineligible for local funding from school districts. They received \$9,592⁶ per pupil from the state, resulting in a difference of 31.8 percent. In Bridgeport, the district received \$12,746 from local and state sources, while the charter schools received \$8,188 per pupil for a difference of 35.8 percent. For New Haven charters, the disparity was even higher. The New Haven district received \$19,939 per pupil from local and state sources, while the charter schools received \$8,875 per pupil from the state, a difference of 55.5 percent.

Charter schools in Connecticut try to close the funding gap with districts through fundraising, which falls under “indeterminate” funding.⁷ Statewide, charter schools raised \$1,997 per pupil from non-public sources of revenue, while districts raised \$138 per pupil. In Bridgeport, the district raised \$69 per pupil from other sources, while the charter schools raised \$932 per pupil. In New Haven, the district raised \$327 per pupil in other forms of revenue, while charter schools raised \$2,083 per pupil.

Figure 5: School Characteristics

Connecticut (2006-07)	Statewide District	Statewide Charters
Percentage of students eligible for free or reduced price lunch	27.1%	59.4%
Percentage of schools eligible for Title I	40.7%	87.5%
Percentage of students by school type:		
Primary (K-5)	47.9%	51.6%
Middle (6-8)	20.7%	31.6%
High (9-12)	30.7%	16.8%
Other (K-12, K-8, etc.)	0.8%	0.0%

Differences between the student populations of charter and district public schools do not explain why charters receive less in state and federal funding than districts receive. Statewide, more

than half of charter school students are eligible for free or reduced price lunch, an indicator of poverty that qualifies schools for additional grant revenue, while less than a third of the student population in district schools is eligible. Similarly, more charter schools statewide are Title 1 eligible than are district schools – nearly one half of charters compared to one third of district schools. These two indicators are used to determine federal and state funding for at risk students (Figure 5), and suggest that charter schools should receive *more* funding per pupil, rather than less.⁸

State Scorecard

We have assigned ratings to each state based on the quality of data available, as well as the extent to which charter schools have access to specific streams of revenue (Figure 6).

In Figure 6, we judged “Data Availability” on the ease of access to the information needed for this study and others like it. A rating of “Yes” means that all information was available through web sources or that it was provided upon request by state departments of education. A rating of “Partial” means some but not all of the data for this study were available either through web sources or through state departments of education. A rating of “No” means the data were not available either through web sources or through state departments of education.

Separately, we judged “Funding Formula” based on whether or not charters were considered Local Education Agencies for purposes of funding. “Yes” means that charters in the state are always considered LEAs for all forms of funding. “Partial” means that charters are sometimes considered LEAs for specific streams of funding (such as federal revenue) or that only certain charters are considered to be LEAs. “No” means charters in the state are never considered an LEA for funding purposes. A state received a rating of fair and equitable funding if charters received fair and equitable revenue in all four revenue streams listed.

Figure 6: State Scorecard

Findings		CT
Federal Funding	Charters have access to federal funds according to state statutes (Yes = black, No = white)	Y
	Percentage of federal revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools	>
State Funding	Charters have access to state funds according to state statutes (Yes = black, No = white)	Y
	Percentage of state revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools	>
Local Funding	Charters have access to local funds according to state statutes (Yes = black, No = white)	N ⁹
	Percentage of local revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools	<
Facilities Funding	Charters have access to facilities funds according to state statutes (Yes = black, No = white)	Y ¹⁰
	Percentage of facilities revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools	N/A
Data Availability	State provides detailed, public data on federal, state, local, and other revenues for district schools (Yes = black, Partial = grey, No = white)	Y
	State provides detailed, public data on federal, state, local and other revenues for charter schools (Yes = black, Partial = grey, No = white)	Y
Funding Formula	Charters are treated as LEAs for funding purposes (Yes = black, Partial = grey, No = white)	Y
	State funds student (black) or the LEA (grey)	S
	State funding formula is fair and equitable (Yes = black, No = white)	N

Similar methods were applied to ratings for federal funding, state funding, local funding, and facilities funding.

Endnotes

¹ Data provided by the Connecticut Department of Education (MDE) Program Finance Division for 2006-07 (FY2006-07).

² Charter schools authorized by the state receive their funding directly from the state, and all charter schools in Connecticut are state authorized.

³ State sponsored charter schools receive a flat rate per pupil to provide education services with additional funding available for special education pupils.

⁴ Connecticut law contains the following caps: 250 students per state board of education-authorized charter or 25 percent of the enrollment of the district in which the charter is located, whichever is less; 300 students per state board of education-authorized K-8 charter or 25 percent of the enrollment of the district in which the charter is located, whichever is less; and, for charters with a demonstrated record of achievement, 85 students per grade may be added.

⁵ State sponsored charter schools are limited to 250 students, 300 if a K-8 school. However, schools that have a demonstrated record of achievement can petition to enroll up to 85 students per grade.

⁶ Financial data from the state includes non-public funds as local for districts and states. As the charter schools in Connecticut do not receive local funding, the Local dollars accounted for in this analysis for charter schools are related to non-public funds, such as interest on accounts and activity fees.

⁷ Connecticut Department of Education expenditure data include a category entitled Tuition. This category for school districts

includes tuition from other school districts as well as expenditures related to other forms of revenue, including philanthropy. For charter schools, the primary sources contained in the Tuition expenditures includes philanthropy. However, the state also includes in this category in-kind services charters receive from school districts. Typically, in-kind services are not included in the analysis of this study, but any in-kind provided to the Connecticut charters could not be separated. Since these in-kind expenditures could be from public revenue sources, all the charter tuition expenditures have been labeled as indeterminate.

⁸ Figures from the Common Core of Data, 2007. Available online at <http://nces.ed.gov>

⁹ Charter schools authorized by a school district are eligible for local funds, but charter schools authorized by the state are not. Currently, there are no charter schools in Connecticut authorized by school districts.

¹⁰ For the fiscal years ending June 30, 2006, and June 30, 2007, the Commissioner of Education shall establish, within available bond authorizations, a grant program to assist state charter schools in financing (1) school building projects, as defined in section 10-282, (2) general improvements to school buildings, as defined in subsection (a) of section 10-265h, and (3) repayment of debt incurred prior to July 1, 2005, for school building projects. The governing authorities of such state charter schools may apply for such grants to the Department of Education at such time and in such manner as the commissioner prescribes. The commissioner shall give preference to applications that provide for matching funds from non-state sources.