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REVIEW OF *SPEND SMART: FIX OUR BROKEN SCHOOL FUNDING SYSTEM*

Reviewed By

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Summary of Review

ConnCAN's *Spend Smart: Fix Our Broken School Funding System* was released concurrently with a bill introduced in the Connecticut legislature, based on the principles outlined in the report. However, the report is of negligible value to the policy debate over Connecticut school finance because it provides little or no support for any of the foundational claims that undergird its proffered solutions. Similarly, the report provides little or no validation that the recommended solutions would actually improve either the equity or adequacy of funding for Connecticut schools. In fact, unsubstantiated, and ultimately patently false claims in the report, if used to guide policy, would result in substantial funding disparities for needy students. Whether intended or not, the likely overall effect of these recommendations will be to remove some funding for schools serving English Learners and serving the state's lowest-income families and shift that funding to charter schools, which generally serve few such children in Connecticut.

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Review of *Spend Smart: Fix Our Broken School Funding System*

Bruce Baker, Rutgers University[1]

I. Introduction

This review provides a critique of a relatively short and seemingly innocuous report titled *Spend Smart: Fix Our Broken School Funding System*, released by ConnCAN.[2] The report does not identify a specific author on the title page. However, it does identify an eclectic list of "finance advisers" that includes Karen Hawley Miles of Education Resource Strategies, Paul Hill of the Center on Reinventing Public Education, Bryan Hassel of Public Impact, Jason Becker of the Rhode Island Department of Education, Terry Ryan and Eric Osberg of the Thomas B. Fordham Institute, Kenneth Wong of Brown University and Steven Adamowski of Hartford Public Schools. The policy report puts forth a simple assertion: that the Connecticut system for financing public schools (including charter and magnet schools) is broken and needs to be fixed. The ConnCAN answer for fixing the formula is to adopt a very simple weighted student formula, where money follows the child to whichever type of school he or she chooses.

This report is of particular relevance because it was released concurrently with the submission of SB 1195, "An Act Concerning School Finance Reform," which is described on ConnCAN's web site as being justified by the principles outlined in the *Spend Smart* report.[3] Unfortunately, while some of the broad principles in the report may be reasonable, the report is short on useful details, largely devoid of any substantiated facts regarding either the current problems with the Connecticut school finance system or the proposed solutions, and overall is unhelpful for informing policy deliberations on Connecticut school finance reform. In addition, the report includes patently false factual assertions.

II. Findings and Conclusions of the Report

As noted above, the general conclusions of the report are that the Connecticut school finance system—the Education Cost Sharing Formula, or ECS—is broken and that it can be fixed by adopting a simple weighted student formula. The authors ground their report on a multitude of suspect premises and conclusions. Below is a paraphrased summary of their main conclusions, which are explored in greater detail in subsequent sections:

- The current formula is broken, illogical, inequitable and not transparent;

- The formula should better account for differences in town wealth, for example, by using both income and property wealth, as the two conditions vary widely across districts;
- The formula should also include only one adjustment for student need—a "student success" factor, which can be based solely on shares of children qualifying for free or reduced-price lunch, because other factors like limited English proficiency are highly associated with subsidized lunch rates; and
- The solution is to implement a student-based, weighted funding formula, where per-pupil allocations are distributed the same whether the student attends a traditional public school, charter school or magnet school.

The "broken formula" assertion sets the stage for all the other finance reforms recommended. The report contends that the current Education Cost Sharing formula has three weaknesses: (a) it fails to appropriately adjust for differences in wealth and income across local public school districts, or taxing jurisdictions; (b) it fails to appropriately drive money to local school districts in accordance with student needs; and (c) it shortchanges charter schools.

While some of the broad principles in the report may be reasonable, the report is short on useful details.

The solution to these problems, according to the report, is to adopt a different funding formula that may be expressed as follows (terms explained below):

State Aid to Local Education Agency = State Share Ratio x Foundation Amount x [Total Students + Student Success Factor]

In many regards, this equation expresses a traditional "foundation aid" state school finance formula found in many states. A foundation or base amount of funding is set for each district, plus an amount based in part on the unique student need characteristics of each district; it is then determined how much of that target funding will be raised by the local district and how much is provided to the district as state aid. The state sharing ratio is often[4] based on a combination of taxable property wealth and some measure of income.

For example, if the Foundation Amount is set to $10,000 per pupil, and an upper-middle class district had a sharing ratio of 20% and enrolled 5,000 pupils, that district would receive 0.2 x $10,000 x 5,000 = $10,000,000 in state aid, and would be expected to raise in local taxes an additional $40,000,000. That is, the target budget for the district, by the formula, would be $50,000,000 (or the $10,000 per pupil times the 5,000 pupils).

The foregoing calculation doesn't include the "student success factor"—the term ConnCAN uses to "weight" children based on their greater educational needs. If the hypothetical district had 10% children, or 500 "weighted" children who fell under the "student success factor" classification, that would add another 500 x $10,000 to the total target budget, 20% of which would also be covered by state aid. (A much poorer district might have a sharing ratio of 80%, meaning that their expected local contribution is only 20%.) Note that the 500 additional

"weighted" pupils is not 500 actual children, but is determined by taking a weighting factor and multiplying that factor times an identified population. The assumption is that the weighting factor represents the additional costs of meeting the educational needs of the identified population. For example, applying a weight of 40% (assumed additional cost) times children from low-income families. Thus, it would actually take 1,250 low-income children to generate 500 weighted children (0.4 x 1,250 = 500).

The term "student success factor" appears to be drawn from the recent Rhode Island school finance formula,[5] but is not standard terminology for referring to weightings or factors used to

The report provides no basis in analysis or related literature regarding the magnitude of financial support needed to meet children's needs.

adjust funding for student needs such as bilingual or compensatory education.[6] This uncommon nomenclature and aggregation of various and diverse needs into one category is important because, as in Rhode Island, this report and the related legislation defines the student success factor solely in terms of shares of children qualifying for free or reduced-priced lunch. Thus, it does not directly address a plethora of other sources of student needs (e.g., English-language learners). The report provides no basis in analysis or related literature regarding the magnitude of financial support needed to meet children's needs. The report is also silent on the issue of how much support is needed for "student success," and it fails to consider or evaluate the precision, adequacy or accuracy of the chosen need measure (subsidized lunch rates). Moreover, the related bill includes an unsubstantiated and arbitrary recommended 35% weighting (for each child qualifying for free or reduced-price lunch). These recommendations are strikingly similar to the recent Rhode Island formula, where the "student success factor" was set at 40%.[7]

III. The Report's Rationale for Its Findings and Conclusions

The report cites only a handful of sources to support its conclusions that the formula is broken and that a simple weighted student funding formula would fix it. Moreover, those citations that are included tend to be other non-peer-reviewed reports from ConnCAN and reports that do not provide support for the arguments being made. Below are six examples of circular or irrelevant "factual" claims buttressed with a heavy emphasis on non-peer-reviewed, data-free self-citation, as contrasted with substantiated, independent sources. They are briefly presented here, without examination or critique. Then, in the next section of this review, the evidence supporting the claims is explored.

Regarding the Education Cost Sharing Formula:

> **Claim 1:** "Our current system also fails to adequately account for differences in town wealth. Figure 2 shows that some of our poorest towns (towns in Quintiles 4 and 5) receive only as much or less per student from the state as our middle-class and wealthiest towns (towns in Quintiles 2 and 3) do". (Page 2)

Claim 2: "Moreover, our current system was designed to direct 33 percent more dollars to students in towns with high poverty, but actually provides only 11.5 percent more funding for these students." (Page 2)

Claim 3: "This places a significant burden on communities serving our poorest children." (page 2)

Regarding supporting school choice through the formula:

Claim 4: "Many of our public charter and magnet schools are delivering some of the highest student performance in the state" (page 3)

Claim 5: "For example, students at Connecticut's charter schools are funded at only 75 cents on the dollar compared with traditional public schools." (page 3)

Regarding support for their proposed solutions

Claim 6: "The formula could also hypothetically provide weights for other student needs, such as English Language Learner status. However, data shared by Connecticut State Department of Education with the State's Ad Hoc Committee to Study Education Cost Sharing and School Choice show that the measure for free/reduced price lunch also captures most English language learners. In other words, there is a very strong correlation between English language learner concentration and poverty concentration in Connecticut. In addition, keeping the formula simple allows a more generous weight for students in poverty" (p. 7, FN 12).

IV. The Report's Use of Research Literature

Each of the above claims is vital to sustaining the underlying assumptions of the report's proposed solution. If the system is not broken (or if it is broken, but not in the ways the authors claim) then the authors' proposed fix is not needed or may be the wrong fix. This section explores those claims, which were chosen because, in addition to being critical to the report's final conclusions and recommendations, none are justified by any cited source or any particular analysis. In fact, a close examination reveals an evidentiary black hole.

Claims 1 & 6 are based on numbers and analyses provided in the brief, and will be critiqued in the next section under "methods." Claims 2 through 5 are based on references to outside sources, and are discussed here.

Claim 2 posits that the current ECS formula leads to an average of 11.5% additional funding per low-income child across Connecticut school districts. That claim is cited to a previous ConnCAN report, *The Tab*, authored by Bryan Hassel of Public Impact (specifically, page 18). Page 18 of *The Tab* cites this claim in Footnote 18 as: "Authors' analysis using 2007-08 data from the State Department of Education. See Appendix for Details." However, the appendix of that report provides no such justification and no further reference to the 11.5% figure. Instead, the appendix provides only listings of data sources supposedly used and no explanation of how those sources might have been used.[8]

Claim 3 about differences in burden across Connecticut communities is among the only claims cited to a non-ConnCAN source, a report titled *A Tale of Disproportionate Burden* from the Connecticut Conference of Municipalities (CCM). The report summarizes a number of problems faced specifically by the cities of Hartford, New Haven, Bridgeport and Waterbury, including high levels of poverty, considerable revenue-raising problems such as low home values, and substantial tax base exemptions (e.g., hospitals and colleges and universities). But the CCM report does not provide direct support for ConnCAN's broad conclusions or ambiguously framed solutions.

Claim 4, regarding the effectiveness of charter and magnet schools, is cited only to ConnCAN's own crude rankings of gains in proficiency rates and low-income and minority student proficiency rates for Connecticut traditional public, charter and magnet schools.[9] Using these lists, anecdotally, a handful of charter and magnet schools do appear to be high performers. But

A sizeable body of literature suggests that weighted student funding formulas, in and of themselves, may lead neither to improved transparency of funding formulas nor improved equity.

these proficiency rate comparisons are very weak evidence of the relative effectiveness of these schools. Much more sophisticated analyses would be wise before stepping up funding to these schools as an effective and scalable reform strategy.[10] In particular, these comparisons do not sufficiently equate student populations across charters, magnets and comparison schools (which differ substantially: see Appendix, Figure A1), nor do they evaluate achievement gains of students while in charter or magnet schools versus comparable students in other settings. Such analyses have indeed been carried out nationally for charter schools, and the results contradict the ConnCAN claims.[11]

Claim 5 is perhaps most perplexing, and like Claim 2 an example of the evidentiary black hole. The claim that Connecticut charter schools receive, on average, about 75% of state average funding is cited to a previous ConnCAN report titled *Connecticut's Charter School Law and Race to the Top*.[12] This ConnCAN report was previously reviewed by Robert Bifulco for NEPC, who explained:

> The brief provides no indication of how it was determined that charter schools end up with only 75% of per-pupil funding that districts receive, or how, if at all, this comparison accounts for in-kind services or differences in service responsibilities.[13]

Beyond these six examples, the report overlooks a vast body of related literature. For instance, a sizeable body of literature suggests that weighted student funding formulas, in and of themselves, may lead neither to improved transparency of funding formulas nor improved equity.[14] Rather, weighted student funding formulas are merely one approach to financing schools or districts, and what the report never acknowledges is that this approach is equally as susceptible to political distortion, excessive complexity and reduced transparency as other alternatives.

Further, the authors entirely neglect to consider literature related to other legitimate factors that affect the cost of education across settings and locations, including regional variations in competitive wages[15] and variations in costs due to district structural and location factors such as economies of scale and population sparsity.[16] These factors in particular do not vary by individual student and therefore cannot be easily attached to an individual child as he or she moves across districts or schools.[17] The report also ignores literature on student-need-related costs and the relationship between alternative student need measures and additional costs associated with those needs. An example is the need for larger weights when applying a more stringent poverty threshold, or the need to consider the potential interactions between poverty and population density.[18]

Finally, while the current report is short on details, it cites on three separate occasions the previous ConnCAN report called *The Tab* as the basis for need-based funding alternative estimates like those presented in Figure 2. But the formula presented in *The Tab* results in as much leveling down of support for some high-poverty districts as it does leveling up for others (see Appendix, Figure A2).[19]

V. Review of the Report's Methods

In only a handful of instances does the report attempt to present data to support its claims. More often, the report suggests the existence of supporting data or analysis but never quite points to any specific source. Claims 1 and 6 above are supposedly supported by analyses within the *Spend Smart* brief.

One of those vague claims (Claim 1) is offered as support for the report's contention that there should be a new state share factor that accounts for both income (median household income, see page 7) and wealth. The claim is that the current ECS formula fails to account correctly for town wealth factors. Yet the only evidence for this claim is Figure 2 of the report, which uses unidentified data showing a supposedly large range of state aid received by districts falling into the same wealth quintiles. The wealth measures underlying those quintiles are not explained, but are presumably based on Equalized Net Grand List[20] data, and presumably are expressed in per- pupil terms (a taxable property wealth measure used in the ECS formula), as previously reported in ConnCAN's *The Tab*. However, a variety of reasons might explain why state aid varies across districts within a wealth quintile, including the likelihood that aid varies from one end of the quintile to the other (an obvious byproduct of using quintiles) as well as the possibility that aid varies in relation to legitimate factors such as variations in special education populations, other student population characteristics, or other legitimate measures of wealth, effort or local fiscal capacity. Accordingly, aid may or may not be as poorly distributed as the report argues, but the report and this figure provide no useful evidence documenting the contention or addressing the reasons why it might be so.

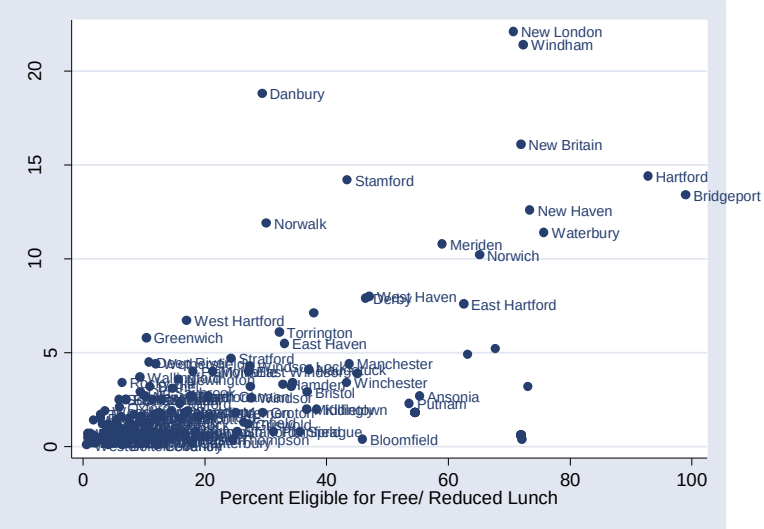
A second claim (Claim 6) is far more disconcerting, both because it is expressed as a statistical finding (which is never validated) and because it is used to inform a policy solution that would produce substantial and harmful inequities to a specific student population—children with limited English language skills. The authors claim outright that there is no need for additional

adjustment for districts serving large numbers or proportions of limited English proficient children because:

> there is a very strong correlation between English language learner concentration and poverty concentration in Connecticut (p. 7, FN 12).

This finding is cited only ambiguously in a footnote to data shared by CTDOE. In some states, a strong relationship between the two measures *might* warrant collapsing supplemental aid for LEP and low-income children into one student-need factor—with sufficient additional support to meet the combination and concentration of needs. However, a quick check of the data in Connecticut shown in Figure 1 (below) reveals that several districts have disproportionately high LEP concentrations relative to their low-income concentrations—specifically Norwalk, Danbury, New London, Windham, Stamford and New Britain. All the children in these districts (ELL and otherwise) would be substantially disadvantaged by a formula with no additional weighting to support LEP programs, coupled with an arbitrary and potentially small weighting for low-income status. For example, empirically rigorous research most directly addressing the question of additional costs associated with economic disadvantage identify additional costs of approximately twice the average per-pupil costs, or a weight of 1.0.[21]

Figure 1. Relationship between Subsidized Lunch Rates and ELL Concentrations 2009



Data source: CTDOE 2009,
Student need (free or reduced-price lunch:
http://sdeportal.ct.gov/Cedar/WEB/ct_report/StudentNeedDT.aspx)
and LEP data files (http://sdeportal.ct.gov/Cedar/WEB/ct_report/EllDT.aspx).

The overall correlations between ELL concentrations and subsidized lunch rates are not sufficiently strong (only a 0.50 correlation in 2008-2009) to select a single factor for addressing both needs. Nor does the report offer any actual analysis in drawing this conclusion (see Table A1, Appendix). Table A1 in the Appendix to this review provides a quick check of the correlations between wealth measures, income measures and student populations for 2005 and 2009.

Interestingly, the report also posits that the relationship between median family income and the taxable property wealth measure (ENGLC) is weak; it therefore requires that the sharing ratio include both factors. That is, some high property-wealth towns have lower income and would have greater difficulty shouldering a high property tax burden, and vice versa. Table A1 shows that relationship has a correlation of about 0.80 in 2008-2009. This is not, as the report suggests, a weak relationship. But the basic policy contention here is probably correct: even with

In only a handful of instances does the report attempt to present data to support its claims.

this high correlation, there is likely a need to consider both factors, because some districts might be adversely affected by using only a single measure.

What is not correct—as this comparison of different correlations makes very clear—is the report's contention that different districts' enrollment of ELL students can be ignored because of a high correlation between ELL enrollment and low-income enrollment. If 0.80 is a weak enough relationship to require including both factors, then certainly 0.50 is also too weak for one factor to capture or substitute for the other. To be clear, these are only preliminary data checks; they provide no firm conclusions regarding which factors should be a part of an equitable and adequate solution. However, they raise questions as to whether *Spend Smart* is on solid ground in drawing bold conclusions on these two points.

It must be noted that by eliminating the weighting for LEP/ELL children and by using a poverty threshold that does not distinguish between free lunch and reduced-price lunch, the report has maximized the distribution of funding to charter schools at the expense of some of the state's highest-need traditional public school districts. This is because many Connecticut charter schools have very few or no ELL/LEP children[22] and thus would not benefit much from weighting for them. Because the "student success factor" doesn't take ELL/LEP status into account, money would flow disproportionately to charters and other schools enrolling relatively few ELL students. Further, Connecticut charters have relatively high shares of children who do not qualify for *free* lunch but *do* qualify for *reduced-price* lunch (below the 185% of poverty income level but above the 130% level; see Appendix, Figure A1). That is, Connecticut charters serve the less poor among the poor, but would get *the same weight* as poorer schools in the host district under the "student success factor" in the ConnCAN model. When redistributing resources within a fixed budget constraint, this means that charters will receive money that traditional public schools with lower-income children and more LEP/ELL children would have received under a model that takes account of these need factors.

VI. Review of the Validity of the Findings and Conclusions

The report provides little or no validation of any of the claims used as a basis for the solution provided. The report also provides little or no validation that the recommended solution would actually improve either the equity or adequacy of funding for Connecticut schools.

VII. Usefulness of the Report for Guidance of Policy and Practice

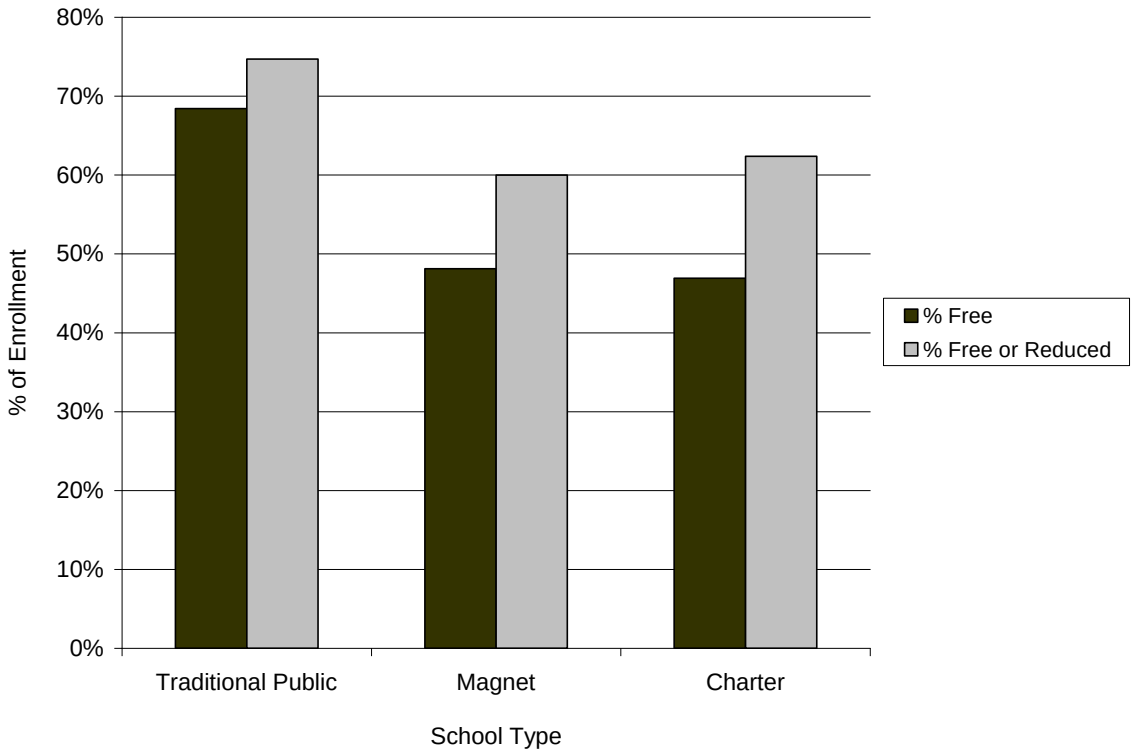
There may in fact be legitimate concerns over the equity and adequacy of funding to Connecticut schools as a result of significant problems with the Education Cost Sharing Formula. However, the ConnCAN *Spend Smart* report provides little or no supporting evidence for their claim that the system is broken or how their proposals would be an effective solution if it indeed is in need of repair.[23]

Similarly, while some of the ConnCAN report's recommendations might be useful, they are not backed in the report by any rigorously conducted analyses and are not specified with any useful level of precision. Further, some of the statements and recommendations made in the report, such as those pertaining to LEP/ELL children, are simply wrong. And these factual mistakes have significant consequences for the validity of the report's recommendations. By combining the ELL mistake with the proposal that "money follow the child" (the weighted student funding formula), the report's recommendations would apparently be a boon to advocates for charter expansion. However, the weighted funding formula is a tangential argument at best, not supported by any of the claims in the report, and one that seeks to divert significant resources from schools with the highest demonstrated needs.

As presented, while some of the report's conclusions may be broadly on target (that the system needs improvement) and while some components of the solution may be reasonable, the report itself is of negligible value for informing policy deliberations over Connecticut school funding or for enhancing public understanding of the issues.

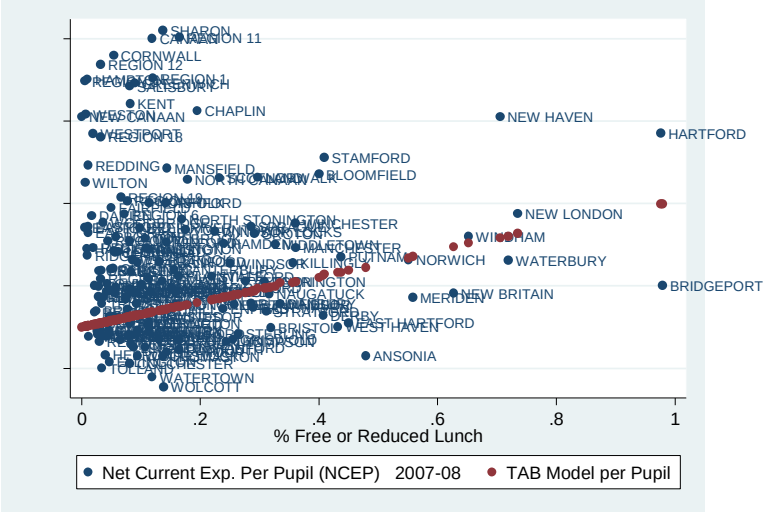
Appendix: Supplemental Figures & Analyses

Figure A1. Poverty Concentrations in Charter, Magnet and Traditional Public Schools in Matched Cities [NCES Common Core, Public School Universe 2008-09]



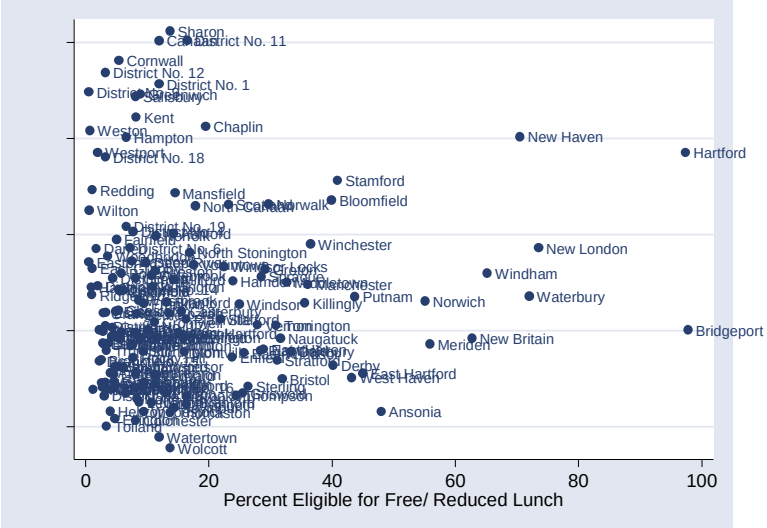
Data source: http://nces.ed.gov/ccd/bat/

Figure A2. Representation of ConnCAN's TAB Formula Against Current 2007-08 Formula



Simulation using CT 2007-08 data, based on explanations provided in *The Tab*. Simulated allocation of the $11,000 foundation + $3,000 poverty weight (applied to free or reduced lunch) + $400 per ELL/LEP child compared against 2007-08 Net Current Expenditures per student in Average Daily Membership (ADM).

Figure A3. Relationship between Net Current Expenditures per Pupil and % Free or Reduced-Price Lunch



Data Source: Downloaded from CT SDE Portal, http://sdeportal.ct.gov/Cedar/WEB/ct_report/DTHome.aspx.

Table A1. Correlations Across Wealth, Poverty and Student Characteristics for Connecticut districts, with Complete Data on All Parameters (unit of analysis = district)

	Adjusted Equalized Net Grand List	Median Family Income*	Median Housing Unit Value*	% LEP/ELL	Census SAIPE Poverty**	% Free or Reduced Lunch
Year = 2008-09						
Adjusted Equalized Net Grand List	1.00					
Median Family Income*	0.80	1.00				
Median Housing Unit Value	0.95	0.91	1.00			
% LEP/ELL	-0.16	-0.44	-0.21	1.00		
Census SAIPE Poverty	-0.28	-0.59	-0.37	0.80	1.00	
% Free or Reduced Lunch	-0.33	-0.63	-0.42	0.50	0.93	1.00
Year = 2004-05						
Adjusted Equalized Net Grand List	1.00					
Median Family Income*	0.84	1.00				
Median Housing Unit Value	0.96	0.91	1.00			
% LEP/ELL	-0.14	-0.41	-0.17	1.00		
Census SAIPE Poverty	-0.30	-0.59	-0.37	0.78	1.00	
% Free or Reduced Lunch	-0.34	-0.59	-0.39	0.72	0.92	1.00

*Median Family Income and Median Housing Value data from Census 2000, from "Create a Table" function at www.nces.ed.gov/ccd.

**Census Poverty Data from 2009, Small Area Income and Poverty Estimates at http://www.census.gov/did/www/saipe/data/schools/index.html.

Remainder of data downloaded from CT SDE Portal: http://sdeportal.ct.gov/Cedar/WEB/ct_report/DTHome.aspx.

Note: The *Spend Smart* report essentially argues that the relationship shown in **red** is small, requiring that both factors be considered in setting state sharing ratio, while the correlation shown in **green** is so large that both factors need not be considered. Clearly, the "small" correlation is substantially larger than the "large" one, particularly more recently. In truth, short of a 1-for-1 relationship, it is likely that each factor really does need to be considered.

Notes and References

1 Disclosure: Bruce Baker is under contract with Connecticut Coalition for Justice in Education Funding and has been disclosed as an expert witness on the coalition's behalf in pending litigation regarding the Education Cost Sharing Formula.

2 ConnCAN (2011) *Spend Smart: Fix our broken school funding system*. Retrieved April 5, 2011, from http://www.conncan.org/learn/research/school-finance/spend-smart-fix-our-broken-school-funding-system.

3 Connecticut's proposed legislation can be found here:
http://www.cga.ct.gov/2011/TOB/S/2011SB–01195–R00–SB.htm.

ConnCAN's website presents advocacy information for this bill here:
http://www.conncan.org/aboutus/news/bill-adjust-student-financing,

and here:
http://www.conncan.org/learn/blog/take-action-thursday-march-24,

including references to the similarities between this bill and recent school funding changes in Rhode Island.

Further, ConnCAN's official Twitter account tweeted on March 24 the following:

"Brian Hassel, co-dir. Public Impact: SB 1195 would 'catapult Connecticut into a national model for schools' #edreform #getsmartct."

(Brian Hassel is one of the *Spent Smart* brief's signatories.) Retrieved April 12, 2011, from http://twitter.com/#!/conncan/status/51061576467361792.

4 For example, Pennsylvania uses a ratio referred to as the Market Value/Personal Income ratio to determine state shares in their Basic Education Funding (BEF) program, where market value refers to taxable property wealth (http://www.portal.state.pa.us/portal/server.pt/community/education_budget/8699/proposed_basic_education_funding/539259).

New Jersey, under the School Finance Reform Act, determines the Local Fair Share of funding based on a factor which combines income and taxable property wealth (http://www.state.nj.us/education/sff/),

and New York integrates into its formula a Combined Wealth Index based on combination of income and property wealth measures (http://www.oms.nysed.gov/faru/Profiles/18th/wealt_indicators.htm).

5 The Rhode Island legislation, as amended and passed, can be found here: http://www.ride.ri.gov/Finance/Funding/FundingFormula/Docs/H8094Aaa_FINAL_6_10_10.pdf.

6 For a discussion of literature on student needs, see Duncombe, W. & Yinger, J.M. (2008) "Measurement of Cost Differentials," in H.F. Ladd & E. Fiske (eds). *Handbook of Research in Education Finance and Policy*. New York: Routledge, 238–256.

7 The Rhode Island legislation, as amended and passed, can be found here: http://www.ride.ri.gov/Finance/Funding/FundingFormula/Docs/H8094Aaa_FINAL_6_10_10.pdf (success factor on Page 14, line 24).

For a discussion of that formula at the time it was adopted, see: http://schoolfinance101.wordpress.com/2010/07/01/the–gist–twists–rhode–island–school–finance/.

8 In the recent report *Is School Funding Fair*, 2007-08 update (http://www.schoolfundingfairness.org/SFF_2008_Update.pdf), Baker, Farrie & Sciarra show that the differential between very high and very low poverty districts in Connecticut is about 15% (Table 1). However, it is important to understand that in Connecticut, these patterns are not systematic. Rather, as I show in Figure A3 of the appendix herein, there exist substantial irregularities in current spending per pupil with respect to poverty. Among high-need districts in particular, funding levels vary widely. Arguably, in this regard the system is indeed broken. But the ConnCAN reports fail to provide any legitimate evidence to this effect. And the flaws in the system appear to be somewhat different from the ones ConnCAN asserts.

9 ConnCAN 2010 Top Ten Lists: http://www.conncan.org/sites/default/files/ConnCAN%20Top%2010%20Lists%20_2010.pdf.

10 It should be noted that when using data from 2008-09 (National Center for Education Statistics, Common Core of Data) to compare the rates of children qualifying for subsidized lunch in cities with both charter and magnet schools to traditional public schools, both charter and magnet schools had substantially lower rates of children qualifying for free lunch in particular. See Figure A1 in the Appendix. Interestingly, the authors might have chosen to refer to recent peer-reviewed findings of Bifulco, Cobb & Bell (2009), who did find positive effects of magnet schools on low-income minority student outcomes, but who largely attributed those gains to increased levels of integration. That is, low-income minority students who were able to attend magnet schools that also enrolled higher-income non-minorities from neighboring districts experienced greater achievement gains than low-income minority students who remained in more segregated non-magnet schools in Hartford. This is not to suggest that magnet schooling per se (unless defined as racial and socioeconomic integration), has the effect. See Bifulco, R., Cobb, C., & Bell, C. (2009) Can Interdistrict Choice Boost Student Achievement? The Case of Connecticut's Interdistrict Magnet School Program. *Educational Evaluation and Policy Analysis, 31*(4), 323-345. Note that no comparably rigorous analysis of Connecticut charter schools appears to exist.

11 For example, the widely cited study from Stanford's Center for Research on Education Outcomes found mixed results regarding charter school performance. While the study included charters from 16 states, it did not include charters in Connecticut.

CREDO (2009) *Multiple Choice: Charter School Performance in 16 States.* http://credo.stanford.edu/reports/MULTIPLE_CHOICE_CREDO.pdf.

Mathematica's Evaluation of Charter School Impacts (http://www.mathematica-mpr.com/publications/pdfs/education/charter_school_impacts.pdf)

also found mixed results regarding charter school effectiveness and also does not address Connecticut charter schools (by name). In 2005, and previously in 2002, Gary Miron provided evaluations of Connecticut charter schools commissioned by ConnCAN. Miron's 2005 evaluation found positive gains for charters on the Connecticut Mastery Test (CMT), but negative on the 10th grade assessment. These comparisons were made at the cohort level (cohort change over time), however, which is generally insufficient for causal inference.
See Miron, G. (2005) *Evaluating the Performance of Charter Schools in Connecticut. A report Commissioned by ConnCan*. Retrieved April 5, 2011, from http://www.hartfordinfo.org/issues/wsd/education/charter_schools.pdf.

Though I've not conducted an exhaustive search, I've been unable to locate any rigorous analyses that do speak directly to the effectiveness of Connecticut charter schools. That said, the burden here is on the authors of Spend Smart to cite the evidence they believe supports their arguments for diverting significant resources to charter schooling as an equitable, effective and efficient policy option in Connecticut.

12 ConnCAN (2011) *Connecticut's Charter School Law and Race to the Top.* Hartford, CT: Author. Retrieved April 11, 2011, from http://www.conncan.org/sites/default/files/research/CTCharterLaw-RTTT2010-Web-2.pdf.

Interestingly, the authors of the current report, which included Bryan Hassel in at least an advisory role, choose not to anchor this conclusion to other recent work co-authored by Hassel, which describes funding disparities between host districts—New Haven and Bridgeport—and charters in those cities as "severe." However, Baker and Ferris (2011) explain substantial methodological flaws in the characterization of charter funding gaps by Hassel and colleagues pertaining to their analysis of New York State and New York City charter schools. There is little reason to believe that Hassel and colleagues' analyses of Connecticut are any more valid than those for New York.

For the state and district summaries of charter disparities, see
Batdorff, M., Maloney, L., May, J., Doyle, D., & Hassel, B. (2010). *Charter School Funding: Inequity Persists*. Muncie, IN: Ball State University. See in particular pp. 10-11, Table 5.

For a critique of Hassel and colleagues' missteps in this report when characterizing charter disparities in New York, see
Baker, B.D. & Ferris, R. (2011). *Adding Up the Spending: Fiscal Disparities and Philanthropy among New York City Charter Schools*. Boulder, CO: National Education Policy Center. Retrieved April 2, 2011 from http://nepc.colorado.edu/publication/NYC-charter-disparities.

13 Bifulco, R. (2010). *Review of "Connecticut's Charter School Law & Race to the Top."* Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit, 3. Retrieved April 2,

2011 from
http://nepc.colorado.edu/thinktank/review-Connecticut-Charter.

14 Baker, B. D. & Elmer, D. R. (2009). The politics of off-the-shelf school finance reform. In J. Scott, C. Lubienski, & E.DeBray-Pelot (Eds.), *The Politics of Advocacy in Education: Yearbook of the Politics of Education Association*. *Education Policy*. Sage Publications.

Baker, B. D. & Green, P. C. (2005). Tricks of the trade: Legislative actions in school finance that disadvantage minorities in the post-Brown era. *American Journal of Education, 111*, 372-413.

Baker, B. D., & Duncombe, W. D. (2004). Balancing district needs and student needs: The role of economies of scale adjustments and pupil need weights in school finance formulas. *Journal of Education Finance, 29*(2), 97-124.

Baker, B. D. (2009). Within-district resource allocation and the marginal costs of providing equal educational opportunity: Evidence from Texas and Ohio. *Education Policy Analysis Archives, 17*(3), 1. Retrieved May 6, 2009, from http://epaa.asu.edu/epaa/v17n3/

Ladd, H.F. (2008) Reflections on Equity, Adequacy and Weighted Student Funding. *Education Finance and Policy*. *3* (4) 402-423.

Ladd in particular notes:

> Though WSF contains some equity-enhancing elements, it could fall short of its equity goals because of imperfect weights. This approach also fails to take full account of the concentrations of challenging-to-educate students and their effects on the distribution of teachers. In addition, the WSF proposal can be faulted for paying no attention to adequacy, potentially stigmatizing individual students, and placing so much focus on individual schools (p. 402).

15 Taylor, L.L., and Fowler, W.J., Jr. (2006). *A Comparable Wage Approach to Geographic Cost Adjustment* (NCES 2006–321). U.S. Department of Education. Washington, DC: National Center for Education Statistics.

16 Duncombe, W. & Yinger, J.M. (2008) Measurement of Cost Differentials In H.F. Ladd & E. Fiske (eds), *Handbook of Research in Education Finance and Policy*. New York: Routledge, 238-256.

17 In fact, this is among the points on which I agree with Eric Hanushek and Al Lindseth. Hanushek and Lindseth (2009), in their proposal for a need-based foundation aid formula, explain:

> The system has similarities to common proposals for weighted student funding, but is not the same. Funding needs vary not only with the student but also with the district, and the total funding includes incentives for teachers, administrators and schools. Thus, funding depends on attributes of student needs and on circumstances related to the district and classroom (p. 253).

See
Hanushek, E. & Lindseth, A. (2009). *Schoolhouses, Courthouses, and Statehouses*. Princeton, NJ: Princeton University Press.

18 Duncombe, W. & Yinger, J.M. (2008) Measurement of Cost Differentials In H.F. Ladd & E. Fiske (eds), *Handbook of Research in Education Finance and Policy*. New York: Routledge, 238-256.

19 I have provided a brief empirical critique of the Tab previously on my blog, here: http://schoolfinance101.wordpress.com/2009/11/23/why-is-it-ok-for-think-tanks-to-just-make-stuff-up/,

and here:
http://schoolfinance101.wordpress.com/2009/11/24/checking-the-tab/.

20 The Equalized net Grand List per Pupil is a measure of taxable property wealth used to determine state aid rates under the ECS formula. See:
http://www.sde.ct.gov/sde/cwp/view.asp?a=2635&q=320578

21 See: Duncombe, W.D.& Yinger, J. (2005) How much more does a disadvantaged student cost? *Economics of Education Review*. *24* (5) 513-532.

For a summary of findings from other studies, see:
Baker, B.D., Taylor, L., & Vedlitz, A. (2008) *Adequacy Estimates and the Implications of Common Standards*. Washington, DC: National Research Council.

For a summary of methods for evaluating additional costs associated with student needs, see:
Duncombe, W. & Yinger, J.M. (2008) Measurement of Cost Differentials In H.F. Ladd & E. Fiske (eds), *Handbook of Research in Education Finance and Policy*. New York: Routledge, 238-256.

22 See:
http://sdeportal.ct.gov/Cedar/WEB/ct_report/EllDT.aspx .
for data extract of school and district level LEP/ELL data for 2009-10.

For example, the average LEP/ELL share across the 11 charters reporting non-zero values, weighted for total enrollment is about 6.17%. Yet, the average for all Connecticut cities hosting charters is 13.47, with Hartford over 17%, Bridgeport nearly 12% and New Haven at 12.5% based on school level averages weighted for enrollment. The highest LEP/ELL rates in any charters are in Amistad, at 11.8%, located in New Haven, and Elm City College Prep at 8.8%, also in New Haven. All others have rates around 6% down to 0%.

23 In fact, there does appear on the surface at least to be an equity problem—as Figure A3 in the Appendix of this review shows. Current operating expenditures per pupil are not strongly, predictably associated with differences in the concentration of low-income children across Connecticut districts. But lack of a simple predictable relationship between poverty measures and operating expenditures, without more thorough consideration of a plethora of other factors provides only preliminary evidence and it does not prove, by itself, that the system is broken. In the State Briefs section of *Is School Funding Fair?* at www.schoolfundingfairness.org, Baker, Farrie and Sciarra expand on Connecticut funding problems, explaining:

> In 2008-09, Net Current Expenditures per pupil (CT Dept. of Ed) in affluent suburban districts in Connecticut remained very high, with Greenwich spending $17,666 per pupil and New Canaan at

$16,604. Two, large, high poverty districts—Hartford and New Haven—spent approximately the same per pupil as these high wealth suburbs, at $16,193 and $17,143 respectively.

But other large, high poverty districts had much lower spending per pupil, including Bridgeport ($12,665), Waterbury ($12,999), New Britain ($11,908) and Meriden ($11,932). This is not to imply that Hartford and New Haven are provided sufficient funding, but rather that the inequities among high poverty, large districts are substantial and the inequities between affluent suburban districts and high poverty districts in Connecticut persist.

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