

# Memorandum

To: Board of Education  
From: Chip Ward  
Date: February 28, 2008  
Re: Educational Cost Sharing (ECS) Shortfall Update

West Hartford has a long and storied tradition of receiving less ECS aid from the state than it is owed dating back over 12 years. While the town did receive a nice \$4.0 million increase in ECS aid in 2007-08, the size of the gap between what West Hartford actually receives and what it should receive has reached historic and unprecedented proportions.

The table below details the history of the ECS shortfall over the last 12 fiscal years. Over this time period, West Hartford has received \$66 million less than it was owed by the state and we saw a massive increase in the ECS shortfall in 2007-08. West Hartford received \$15.4 in 2007-08, while the fully funded ECS formula amount would have been \$34.9 million. That is an ECS shortfall of almost \$20 million annually.

Year	ECS Received (\$M)	ECS if fully funded (\$M)	ECS gap (\$M)	ECS gap (Aid as % of fully funded amount)
1996-97	\$3.4	\$4.4	\$1.0	77%
1997-98	\$3.4	\$6.2	\$2.8	55%
1998-99	\$3.5	\$8.6	\$5.1	41%
1999-00	\$3.8	\$9.4	\$5.6	40%
2000-01	\$4.2	\$10.4	\$6.2	40%
2001-02	\$6.5	\$12.1	\$5.6	54%
2002-03	\$8.8	\$12.6	\$3.8	70%
2003-04	\$8.8	\$11.5	\$2.7	77%
2004-05	\$10.6	\$16.5	\$5.9	64%
2005-06	\$11.2	\$15.2	\$4.0	74%
2006-07	\$11.4	\$14.9	\$3.5	77%
2007-08	\$15.4	\$34.9	\$19.5	44%
	\$91.00	\$156.70	\$65.70	

During last year's legislative session, the Governor proposed changes in the ECS formula and significant increases in ECS funding to be paid for with an increase in the income tax. When all the dust settled, there was a change in the ECS formula but only a small increase in the ECS funding. The changes to the ECS formula were designed to more equitably share the tax burden for the cost of public school education across the

towns. The foundation aid level in the formula was raised substantially, the state guaranteed wealth level was increased, and the methodology for counting high need children was improved. While the nature of the changes of the ECS formula is complex, the underlying principle is easy to grasp. To equalize the burden on local taxpayers across all towns in the state of Connecticut, West Hartford should now receive about \$35 million a year in ECS aid.

Because of the lack of funding available, the state used a phase in formula to bridge the gap between what towns received in 2006-07 and what they would receive if the formula was fully funded. For 2007-08 almost no town in the state received the full funding of the ECS formula. Because of the historical under-funding of ECS aid to West Hartford and the large increase in ECS aid due to West Hartford under the new formula, West Hartford got one of the lowest shares of ECS funding among large towns as the following table shows.

The table below shows all 22 towns in the state of Connecticut whose ECS shortfall – the difference between the actual ECS aid and the fully funded amount – was \$10 million or more. The table shows the town, their actual ECS aid, what the fully funded ECS aid would be, the shortfall, and the percentage of the fully funded aid that the town actually received. The towns are listed in descending order of the percent funded column.

Town	2007-08 ECS Fixed Entitlement	2007-08 Fully Funded Entitlement	ECS Shortfall	Percent funded
HARTFORD	180,052,577	228,237,224	48,184,647	79%
NEW HAVEN	136,503,376	175,345,357	38,841,981	78%
BRIDGEPORT	157,275,234	206,566,518	49,291,284	76%
NAUGATUCK	27,980,269	38,072,546	10,092,277	73%
WEST HAVEN	39,654,505	55,073,270	15,418,765	72%
NORWICH	30,954,543	44,096,850	13,142,307	70%
NEW BRITAIN	70,813,502	103,265,267	32,451,765	69%
MERIDEN	51,516,965	75,430,259	23,913,294	68%
WATERBURY	108,828,718	162,253,632	53,424,914	67%
MANCHESTER	29,328,640	44,113,535	14,784,895	66%
ENFIELD	27,184,046	40,975,903	13,791,857	66%
BRISTOL	39,901,642	61,770,707	21,869,065	65%
TORRINGTON	22,924,658	35,665,528	12,740,870	64%
HAMDEN	22,060,116	34,637,320	12,577,204	64%
EAST HARTFORD	39,952,890	63,232,716	23,279,826	63%
SOUTHINGTON	19,002,977	31,798,205	12,795,228	60%
MIDDLETOWN	15,950,561	27,327,994	11,377,433	58%
STRATFORD	19,631,803	34,258,419	14,626,616	57%
SOUTH WINDSOR	12,316,883	22,367,997	10,051,114	55%
DANBURY	21,894,594	42,768,051	20,873,457	51%
WEST HARTFORD	15,398,582	34,916,980	19,518,398	44%
WETHERSFIELD	7,680,481	17,726,787	10,046,306	43%

While Hartford, New Haven, and Bridgeport each had larger numeric shortfalls in their ECS funding, they are still receiving 76% to 79% of what they are due. Among this group of towns, West Hartford was ranked second to last – receiving only 44% of full ECS funding. Obviously all towns would like to receive their full funding of ECS aid, but receiving 79% of your formula aid is significantly better than receiving only 44% of your formula aid.

An excellent legislative priority would be to ensure that no town receives less than 60% of the formula aid. The total cost of such a change in state statute would only increase ECS funding in 2008-09 by about \$55 million. Such a change would increase West Hartford’s ECS funding by about \$5.5 million.

