

CASE STUDY:

Unintended Consequences: A review of the impacts of *Sheff v. O'Neill* on East Hartford Public Schools

EXECUTIVE SUMMARY:

The following case study highlights some of the unintended consequences of the 1996 Connecticut Supreme Court decision, *Sheff v. O'Neil*, on East Hartford Public Schools (EHPS). While EHPS shares the aspirations of providing all children with high-quality learning experiences in desegregated settings, this study attempts to expose some of the impacts that this landmark settlement has had in terms of financial burden, community destabilization and enhanced levels of segregation over the past 23 years on districts in the Hartford region. Responding to a new Phase IV Stipulation and Order, publicly released on January 10, 2020, this case seeks to raise the awareness of state and local policy leaders of the historical impacts of the magnet program as well as the projected consequences of adding 1,000 new seats in the region. It is sincerely hoped that this study sparks dialogue for leaders interested in long-term regional solutions that will improve education and opportunity for all children.

SUMMARY OF THE JANUARY 2020 SHEFF PHASE IV STIPULATION AND ORDER:

Heralded as a pathway to end over 30 years of legal battles, the Phase IV Stipulation, represents a broad-spectrum response providing compromise between the disparate views of the plaintiff and state. Most concerning, this settlement called for the addition of 1,000 seats in the region including 150 new middle school seats at Goodwin University. In addition, while the details surrounding a new approach to coding students by socioeconomic status (SES) still remains unclear, initial speculations suggest that this will add to the numbers of East Hartford children participating in the program. The full settlement can be viewed at the following link: https://portal.ct.gov/-/media/AG/Press_Releases/2019/State-Revision-Phase-IV-Stipulation-1-9-20.pdf?la=en

CONTEXT AND BACKGROUND:

Description and Demographics: The town of East Hartford, population 51,252, is located on the eastern banks of the Connecticut River across from the capitol city of Hartford, Connecticut. East Hartford is both the geographic host to four Regional School Choice Office (RSCO) magnet schools managed by the Capital Region Education Council (CREC), Goodwin University/LEARN and Hartford Public Schools, as well as the operator of the Connecticut International Baccalaureate Academy (CIBA). Due to the close proximity of Hartford, the town is within a 10-15-minute drive of dozens of magnet schools both located within the city and in nearby towns. East Hartford is composed of a mix of neighborhoods, low income housing, and industry. The per capita income of the town is \$28,011 versus the Connecticut State average of \$43,056. Over 14% of East Hartford families live at or below the poverty line, and 1.91% of town residents receive temporary assistance. Despite these financial challenges, EHPS proudly serves 6,766 (2019) students at 15 schools. District demographics portray a student body with 47% Hispanic, 32% Black, 15% White and 5% Asian, 1% Multi-Racial. Under the guidelines of Community Eligibility Provision (CEP) established by the Healthy Hunger Free Kids Act of 2010, East Hartford provides 100% of students with free breakfast and lunch. (Source: Census.gov. 2018 data)

Student Achievement Measures: Despite recent growth in student achievement measures, EHPS has historically chronically underperformed as a district. Identified as an Alliance District in 2012, East Hartford has taken bold and innovative action steps to address literacy and numeracy deficits as well as improving culture and school climate. As a result of these actions, EHPS has been recognized as a state leader for its strategic focus and growth measure outcomes. These outcomes include being in the top 20% of Connecticut districts in growth in English Language Arts (ELA) as well as in the top 42% in Math from 2016-2019. Additionally, EHPS has had significant gains in the numbers of students taking Advance Placement courses (nearly 260) as well as maintaining a passing rate that surpasses global averages. However, despite these promising gains, the lack of financial resources available to the district continues to hinder improvement efforts. While additional monies have been directed by the state through the Alliance Grant, the impact of these funds has unfortunately been diminished as they have been used to cover basic costs including significant increases in magnet tuitions. As an example, in 2018-2019, while \$8.2 million in funding was appropriated for districts through the Alliance Grant, \$736,709 was used to supplement obligations for magnet school tuitions (Source: East Hartford Board of Education Budget FY19, Town of East Hartford State Single Audit Report).

OVERVIEW OF THE CHALLENGE:

As a district that has been deeply involved in *Sheff* implementation, the new Phase IV Stipulation exacerbates historical issues that impact the ability of EHPS to provide an adequate and equitable education to East Hartford children. This case study takes a deep dive into two challenges by providing the impact of unintended consequences on EHPS.

- Challenge 1: Over-enrollment of East Hartford Students in magnet schools
- Challenge 2: Escalating financial costs of magnet school tuition

While the data presented in this study uses a historical lens, it is expected that the new Stipulation will further contribute to these challenges.

CHALLENGE 1: OVER-ENROLLMENT OF EAST HARTFORD STUDENTS IN MAGNET SCHOOLS

The first major challenge with the implementation of *Sheff* is the over-enrollment of East Hartford students in magnet schools. This section provides data supporting this claim as well as describes the impacts on EHPS.

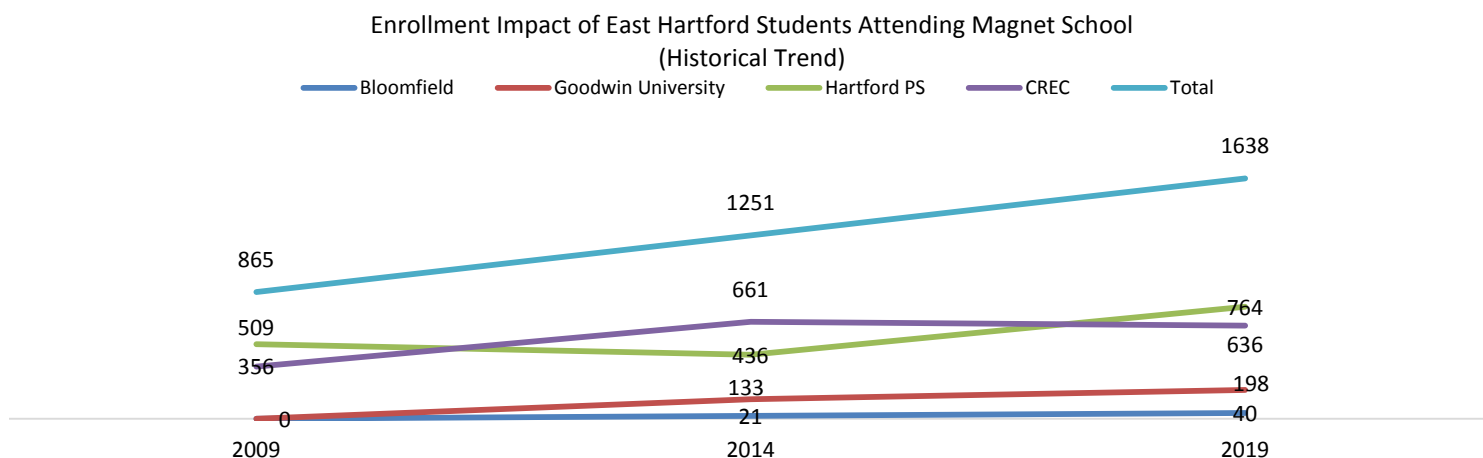
Since 2008, enrollment of East Hartford students in magnet schools has steadily increased to an all-time record of 1,638 students in 2019-2020. Currently, with the exception of Hartford, East Hartford has the greatest number of students participating in magnet schools. As such, nearly 20% of the total population of students residing in East Hartford (8,404) attend magnet schools equaling nearly 9% of the enrollment of entire *Sheff* program (18,403). Since the Phase IV Stipulation calls for 1,000 additional seats, it is probable that 90 of these seats will be filled with East Hartford students. While the impact of the new SES rules has not yet been determined, early projections indicate that this new system will further contribute to the number of East Hartford students attending *Sheff* magnets. A representation of other highly impacted towns can be seen in Figure 1 below.

Figure 1:

Town	Number of Students in District (2017-2018)	Number of District Students Enrolled in <i>Sheff</i> Magnet Schools (2019-2020)	% of Town Students Enrolled in <i>Sheff</i> Magnet Schools	% of Town Students in total <i>Sheff</i> Enrollment
Hartford	20,142	8,223	29%	45%
East Hartford	6,868	1,638	19%	9%
New Britain	10,064	1,498	13%	8%
Manchester	6,228	1,304	17%	7%
Windsor	3,274	555	14%	3%
Bloomfield	2,149	619	22%	3%
Vernon	3,108	273	8%	1%
Source:	<ul style="list-style-type: none"> CSDE Office of Strategic Planning and Partnerships <i>Sheff</i> Interdistrict Magnet School Enrollment Report EdSight District Enrollment Reports 			

Beyond the sheer participation numbers that this data reflects, a historical snapshot reflects a concerning trendline demonstrating the growth in these percentages over time. Since 2009, East Hartford has nearly doubled the number of students attending magnet schools from 865 in 2009 to 1,638 in 2019. While enrollments of East Hartford students attending Capital Region Education Council (CREC) magnets has remained consistent around 630-660 students for the past several years, there has been a concerning spike in the number of East Hartford students enrolling in both Hartford Magnet Schools as well as at the magnet schools at Goodwin University. See Figure 2 (Source: East Hartford Board of Education Fiscal Budgets 2009-2019)

Figure 2:



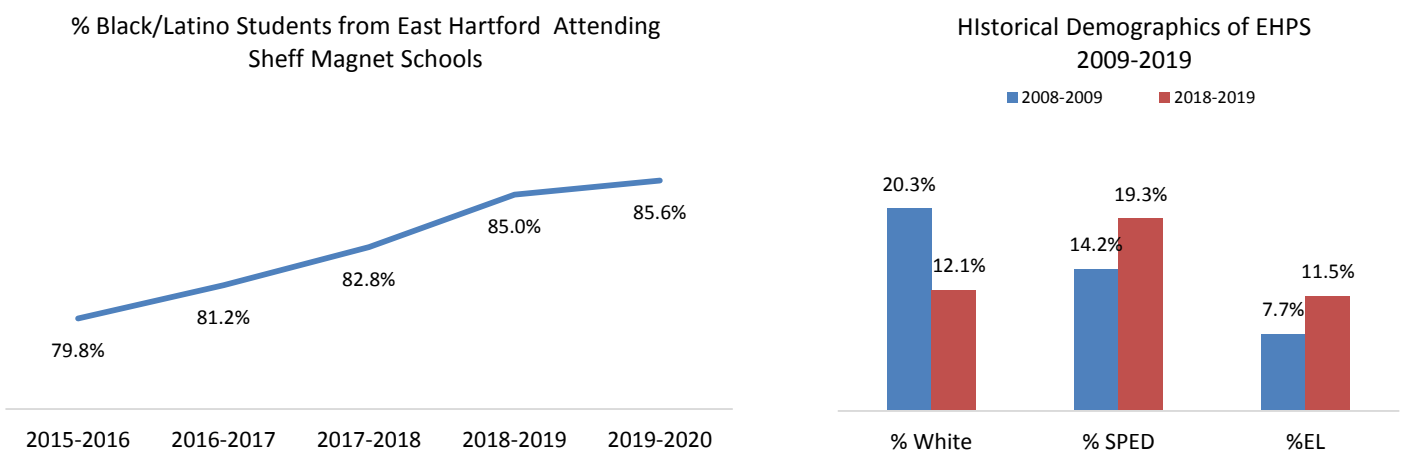
IMPACTS OF OVER-ENROLLMENT OF EAST HARTFORD STUDENTS IN MAGNET SCHOOLS

Based on East Hartford's geographic proximity to the region's magnet schools, as well as the unique characteristic of hosting four schools within the town, high participation in magnet school enrollment creates a myriad of impacts for EHPS. The points below capture some of these key concerns:

Further establishment of the negative stigma of large urban school systems and resident flight: Over participation in *Sheff* magnets has contributed to community destabilization and further stimulated a negative stigma towards local schools. National research conducted by Harvard University suggests that parents often choose schools using faulty metrics for school quality including the racial composition of the schools, school performance or other unreliable/insignificant indicators (<https://mcc.gse.harvard.edu/>). Recruitment fairs, television ads, bus billboards and glossy marketing materials tout magnet schools as "schools of choice," sharpening a family's desire to "escape" or "get out" of local school systems and further establish an inequitable system of "winners" and "losers." Benefiting from significant facility investments and centered around attractive themes, magnet schools offer a promise of "unique and different" without clear results to define this benefit. At the local level, focus group interviews with parents and students who have left EHPS support this finding and the systemic establishment of an unequal playing field where local community schools are left behind. With resultant migration, follows a significant flow of talent, resources and community engagement, leaving the local district starved for the very social capital it needs to improve.

Further segregation/homogenization of schools based on race, special needs and income: Over participation in *Sheff* magnet schools have furthered the issue of segregation across the region that the original suit intended to confront. Over a 23-year period of implementation, the racial profile of East Hartford students attending magnet schools has contributed to enhanced levels of segregation and racial homogeneity for EHPS. In 2009, 20.3% of EHPS students identified as white; by 2019 this number had shrunk to just over 12%. Conversely, East Hartford students participating in the *Sheff* magnets have become increasingly students of color. In 2016, 80% of East Hartford students participating in the magnets identified as students of color; by 2019 this number had grown to over 85%. In similar manner, demographics in East Hartford reflect significant growth in the percentages of students receiving Special Education (SPED) and English Learner (EL) services. In 2009, 14.2% of EHPS students received SPED services while 7.7% were recognized as EL. In 2019, these same identifications represented 19.3% and 11.5% respectively. See Figure 3. Additionally, while the measures of socioeconomic status have shifted over the past decade, 100% of EHPS children receive Free Breakfast and Lunch benefits. Rather than benefit from participation in a desegregation lawsuit, East Hartford is now a more segregated, more economically disadvantaged and a needier population than ever. (Source: RSCO PSIS East Hartford Students *Sheff* Magnet Schools Racial/Ethnic Breakout, 2019, CT EdSight)

Figure 3



The prevention of Hartford students of color as well as white suburban students from participating in intended desegregation efforts: The large numbers of East Hartford students of color (86%) participating in the lottery currently limit the ability of Hartford students of color as well as suburban white students to have access to the schools designed for them in the *Sheff* desegregation effort. Under the rules of the current lottery system that works through operators prioritizing "first choice selections," East Hartford students of color fill nearly 9% of magnet seats. As such, this large percentage of East Hartford applicants block the intended audience of Hartford children of color as well as suburban white children who are "second choice" lottery selections from low enrollment districts. Despite the current system of the lottery to "weigh" towns by participation and repress over-enrolled districts, these efforts reflect little mitigation. As a result, the high number of East

Hartford students of color participating in *Sheff* schools continues to push magnets schools into racial non-compliance by offsetting the percentages of racial diversity required to successfully integrate schools. Reviewing the new language in the Phase IV Settlement suggests that with the new SES coding, an even greater preference will be given to East Hartford students in terms of enrollment opportunities. As such, the new settlement will further repress desegregation efforts and further the challenge faced by over-enrolled districts.

CHALLENGE 2: ESCALATING FINANCIAL COSTS OF MAGNET SCHOOL TUITIONS

Fueled by the over-enrollment of East Hartford students in *Sheff* magnet schools, a second major issue with the magnet system is the escalating and disproportionate costs levied on EHPS to support the tuitions of outgoing students. This section provides a brief summary of the funding mechanisms that exist within the *Sheff* region as well as an explanation of associated SPED billing requirements. Finally, this segment identifies the impact of this funding burden on EHPS.

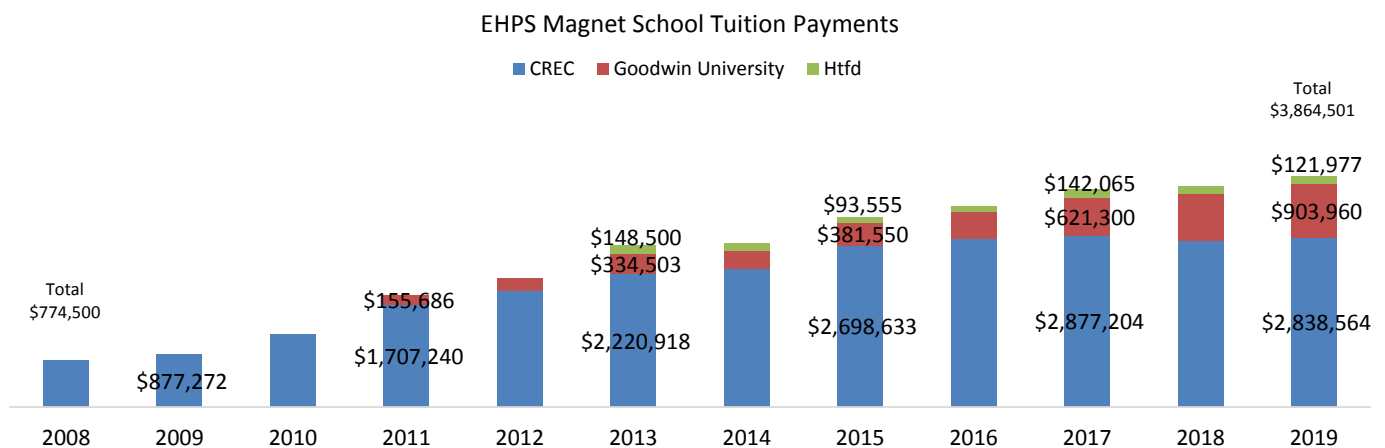
Funding overview: As a means of funding the costs of students attending magnet schools, the state of Connecticut uses two major formulas in the *Sheff* region. The first formula provides a subsidy grant to host districts (Hartford, East Hartford and Bloomfield) of \$13,054 for every student attending a magnet who does not reside within the district. Conversely, the state pays Regional Education Service Centers (RESCs) providers (CREC, Goodwin University/LEARN) \$10,443 plus the ability to bill the sending district up to the maximum operating budget of \$20,880 per student. For context, East Hartford Public Schools Net Current Expenditures per Pupil (NCEP) is \$13,866 or the fourth lowest in the state. Currently magnet providers use multiple tuition rates for students set based on institutional needs. It should be noted that while these rates were formerly set via School-based Governance Councils, sending districts have lost the regulatory ability to control increase. While CREC recently aligned tuition rates for a universal secondary and elementary rate, costs vary across provider by over \$2,300. In the *Sheff* region Goodwin University maintains the highest rate at \$5,832/student while Hartford Public Schools maintains the lowest rate (only one school charges tuition) at \$3,465. See Figure 4. (Source: East Hartford Board of Education Budget FY21, 2018-2019 NCEP Report)

Figure 4

Program	Tuition
LEARN/Goodwin University	\$5,832
CREC Secondary Schools	\$5,100
CREC Elementary Schools	\$4,500
Hartford Public Schools	\$3,465
Source:	• East Hartford Board of Education Budget FY21

As such, under the current funding system, EHPS tuition costs for students attending magnet schools has grown from \$774,500 to \$3,864,501. While CREC tuitions have stabilized for the past four years around \$2.8M, most concerning is the escalating costs billed by Goodwin University. In 2015, Goodwin University charged EHPS \$381,550; in 2019, representing an increase of 93 students, this bill nearly tripled to \$903,960. See Figure 5. (Source: East Hartford Board of Education Budget FY20).

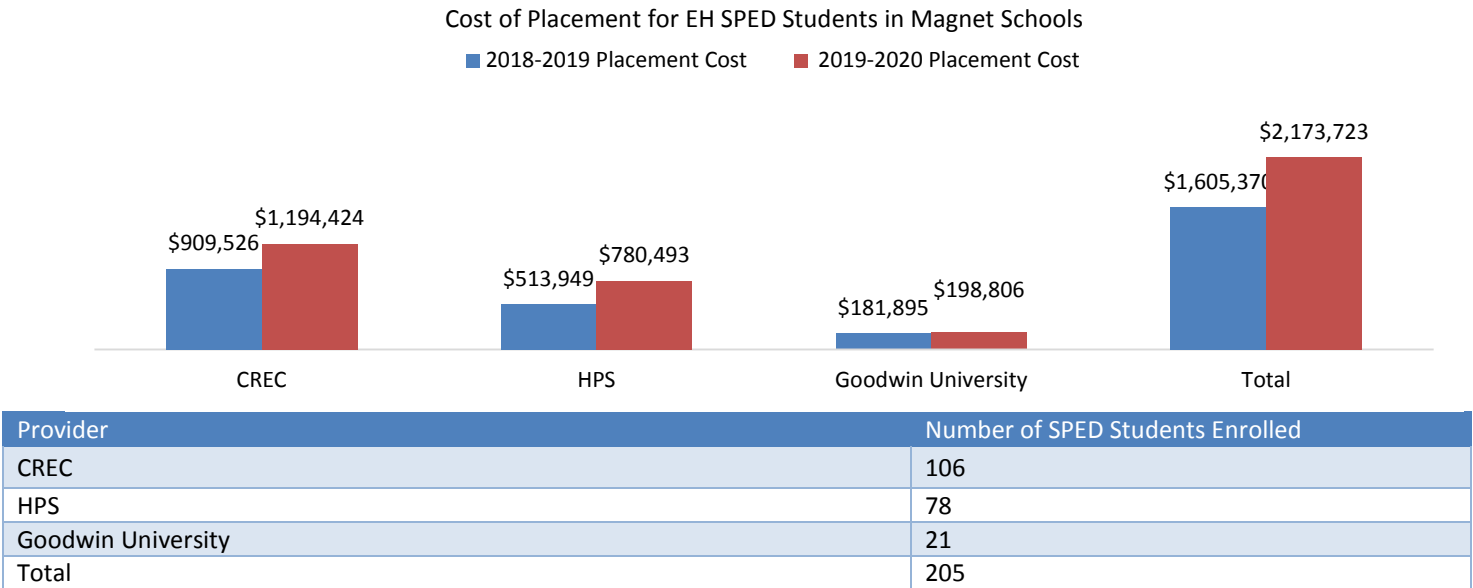
Figure 5



Special Education Billing: On top of magnet tuition costs for students who have elected to leave the sending districts, the current system also allows magnet operators to “bill back” SPED costs for specialized services, mandated by Individualized Education Plans for district students. As the number of SPED students attending magnet schools has steadily grown over the

past 10 years, this cost represents over \$2.1M for EHPS in 2020. In a year to year analysis of costs, significant increases are seen at all magnet providers costing EHPS \$568,353 more in FY20 than the previous year. (See Figure 6). In an effort to contain “bill back costs,” EHPS employs four full time administrators who attend magnet Planning and Placement Team (PPT) meetings to review service and programmatic requests. As could be expected, this role and relationship often instigates a controversial dialogue between sending districts, magnet schools, and parents as the team works to determine the resources needed to meet the child’s needs. (Source: EHPS SPED Outplacement Billing Report, 2018-2020)

Figure 6



IMPACTS OF ESCALATING FINANCIAL COSTS OF MAGNET SCHOOL TUITIONS

Despite the original intentions of the *Sheff* case, the unintended and expanding funding obligations resulting from disproportionate student enrollment in magnet schools has created a system of inequity for the children of EHPS. While strategic rationale would suggest that a healthy approach to district and school improvement would focus funding on our states neediest students, the current model establishes the complete opposite—a system designed to promote greater gaps. The following bullets represent key funding challenges that are results of the *Sheff* settlement:

Disproportion of Magnet Costs within District Budget: Recognized as a major driver of annual district budgets, magnet school tuition costs represent 2.2% of the annual adopted operating budget of \$91,662,619. For context, it should be noted that the percentage of budget funding used to cover magnet school tuitions exceeds the percentage of budget funding used to cover school supplies, textbooks and technology equipment (1.1%) combined for EHPS students (Source: East Hartford Board of Education Budget FY21).

Loss of District Services/Reductions in Staffing to fund Magnet Tuition Costs: While there is clear evidence of the need for additional programming and services to support EHPS students in terms of additional literacy and numeracy intervention, the disproportionate costs associated with magnet school tuitions disallows resources to be allocated towards these needs. As such, EHPS maintains razor thin staffing profiles while educating at nearly \$2,500 below the state NCEP Average (\$16,988). Though EHPS students need additional enriching classroom experience including exposure to music, the arts, technology or health education, these positions are continually threatened in an underfunded, cost-impaired environment that is required to respond to annual increases in magnet school tuition. While magnet schools add planetariums to provide their students with a three-dimensional viewing portal, EHPS scraps together funding to replace leaky roofs and over-aged boilers. While magnet providers celebrate remarkable opportunities for students to expand learning, travel abroad or access 1:1 technology platforms, EHPS cuts back on field trips and falls behind on technology. In a time and in response to a settlement based on the premise of equity, fiscal realities have created a state system that makes local districts lacking, left behind and economically isolated.

A REVIEW OF COUNTER-CLAIMS:

In presenting this case, it is important to acknowledge specific counter-claims to the position taken by this study. In the section below, two of these counter-claims are reviewed and discredited.

District Efficiencies through Magnet Schools: One of the counter claims regarding the merits of this case poses the argument that EHPS maintains efficiencies by sending students to magnet schools. In an effort to dispute this counter-claim, EHPS conducted an enrollment activity on an area magnet school examining the impact of returning enrolled resident students to EHPS and analyzing the associated costs that this shift would necessitate. As such, with the exception of minimal staffing hires to respond to student enrollment, returning the 79 students from River Magnet School at Goodwin College (Total tuition cost: \$460,728) to eight district elementary schools would result in minimal costs based on class sizes and resource allocations. In addition, it is important to note EHPS has not been able to shrink the existing plant or infrastructure and close schools as a cost saving measure.

Redundancy of ECS Payments: A second counter claim is the misrepresentation of a financial benefit for EHPS based on alleged redundancy of ECS monies for students attending Hartford Public School (HPS) magnets. Currently, in alignment with legislation, 779 East Hartford students attend HPS magnets. Outside of the SPED bill back (\$780,493), EHPS is only billed tuition (\$3,464/student) for the 49 students attending Great Path Academy. As such, critics claim that EHPS benefits from a financial redundancy via the ECS grant. To address this claim, it is first important to recognize that the ECS Grant is not a per-pupil grant. It should be noted that while EHPS enrollment has maintained roughly between 6,800-7,200 students over the past decade, the ECS grant has also remained relatively flat around \$42 million. While additional monies have entered the district via the Alliance grant, these dollars are also not dispersed in a per-pupil expenditure formula but rather intended to address student achievement needs. If this argument were to be maintained, it should be acknowledged that EHPS currently educates students at a NCEP of \$13,866 or the fourth lowest in the state. In comparison, CREC educates at \$16,397 as compared to the state average of \$16,988. Based on the flat funding of the ECS grant, it would defy common sense or logical financial practice to argue there is any financial benefit to the magnet school funding structure for EHPS.

CURRENT EFFORTS TOWARDS A SOLUTION:

As a solution for this extreme financial consequence regarding disproportionate magnet school enrollment and financial burden, EHPS has engaged in the following activities:

- Improved the quality of local schools for East Hartford children with a specific emphasis on student achievement, teacher quality, school resources, and infrastructure development.
- Partnered with the CSDE at the EHPS intra-district magnet CIBA as a new *Sheff* Partner.
- Actively limited partnership agreements at both Two Rivers Magnet Middle School and the Glastonbury-East Hartford Magnet School.
- Appealed to CSDE for support regarding current practice.
- Established legislation limiting the impact of magnet tuitions (Connecticut General Statutes Title 10. Education and Culture § 10-264I)
- Appealed to Goodwin University regarding tuition fees and enrollment trends.
- Appealed to area superintendents to form a coalition that provide a voice and lobbying power to repeal the current practice.
- Appealed to the local legislative representatives for policy support and change.

POTENTIAL SOLUTIONS:

The following concepts have been proposed as potential solutions for the funding issue stemming from disproportionate enrollment of East Hartford children in magnet schools. These solutions are not ranked in order of district preference or financial impact, but are rather intended to start a conversation regarding options to the current structure.

Solution Concepts:	
Governance Revisions	<ul style="list-style-type: none"> • Restructure the Governance model for magnet schools by moving to phase-in control and operations to local districts rather than RESCs • Transition current RESCs to subordinate partners of local districts rather than continuing the practice of layering districts on top of each other
Lottery Revisions	<ul style="list-style-type: none"> • Revise RSCO Lottery Protocols to provide relief from over-enrolled districts
Funding Revisions	<ul style="list-style-type: none"> • Revise funding formulas for RESC providers to receive the LEA formula (\$13,054) but no longer charge over-enrolled districts tuition • Revise the funding formula to provide a discounted rate in tuition for over-enrolled districts
Engagement Opportunities	<ul style="list-style-type: none"> • Engage over-enrolled districts in the discussion/solution rather than exclude from current conversations

CONCLUSION:

Developing and implementing an improved approach for excellence and equity for all Connecticut children is the necessary next step of advancing the legacy of nearly 30 years of *Sheff* litigation. As in all successful movements, change is a necessary component of sustainability. While the current model was designed in 1989 to focus and solve the concept of providing an equitable and high-quality education for children attending Hartford Public Schools, today's region possesses very different racial, socioeconomical and political conditions. As such, in this moment we must realize the power of shared learning, best efforts, unintended consequences and future opportunities to create a state-wide educational system where all children succeed. By boldly moving to make these just and necessary changes, we provide a strong statement regarding our committed belief in the power of education to transform the communities we serve.

REFERENCES:

- Connecticut State Department of Education EdSight Data Portal: <http://edsight.ct.gov/SASPortal/main.do>
- Connecticut State Department of Education Office of Strategic Planning and Partnerships, Sheff Interdistrict Magnet School Enrollment Report SY2019-2020
- Making Caring Common Project: <https://mcc.gse.harvard.edu/>
- Press Release for the Office of the Attorney General: <https://portal.ct.gov/SDE/Press-Room/Press-Releases/2019/Attorney-General-Tong-Governor-Lamont-Announce-Breakthrough-Sheff-v-ONeill-Settlement>
- Sheff Phase IV Stipulation and Order: https://portal.ct.gov/-/media/AG/Press_Releases/2019/State-Revision-Phase-IV-Stipulation-1-9-20.pdf?la=en