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WHO BENEFITS?

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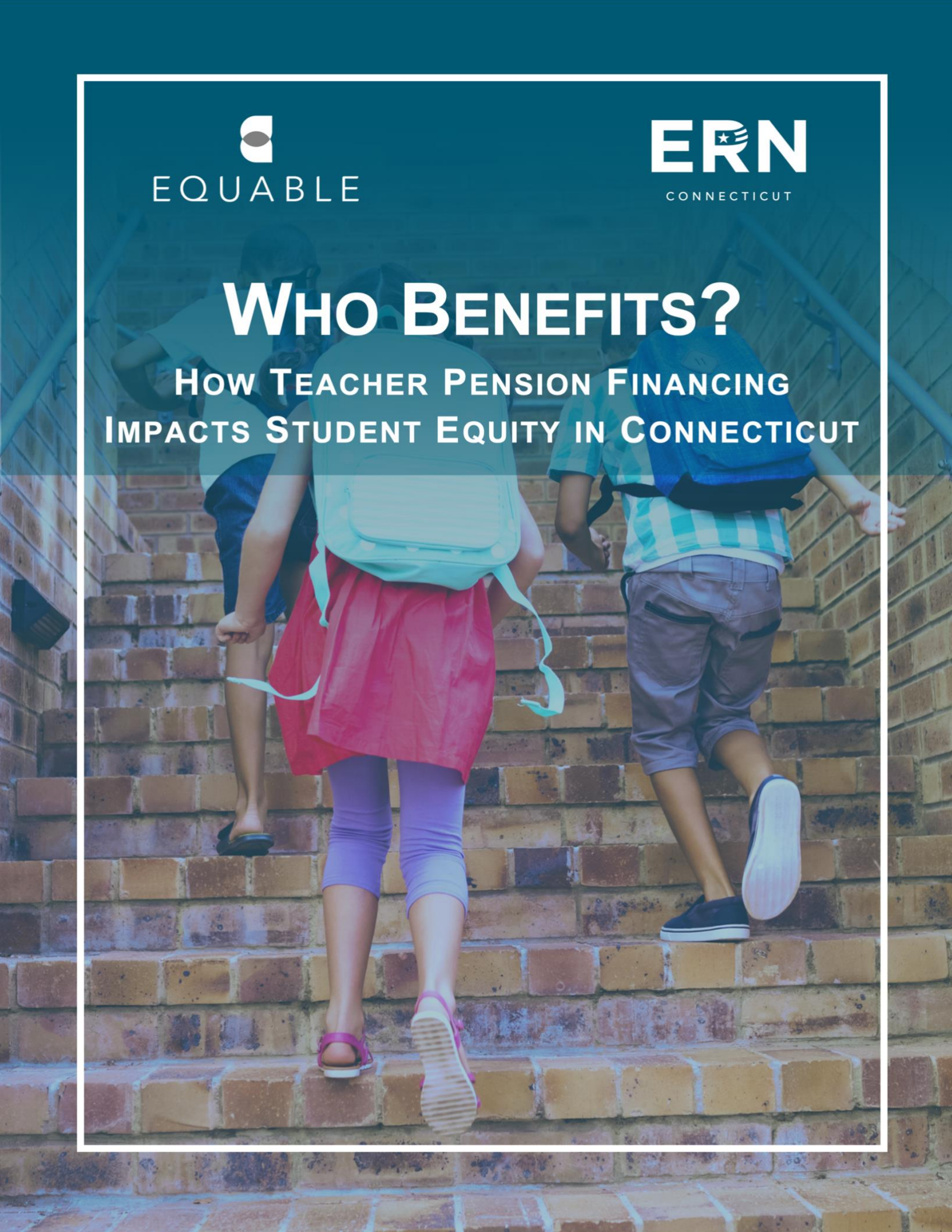

Who Benefits?

How Teacher Pension Financing Impacts Student Equity in Connecticut

By Anthony Randazzo, Amy Dowell, and Nicki Golos

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Equable is a bipartisan 501(c)(3) non-profit that works with public retirement system stakeholders to solve complex pension funding challenges with data-driven solutions. We exist to support public sector workers in understanding how their retirement systems can be improved, and to help state and local governments find ways to both fix threats to municipal finance stability and ensure the retirement security of all public servants.

The state chapter of a national organization, Education Reform Now CT is a 501(c)(3) that operates as a think tank and policy advocate, promoting great educational opportunities and achievement for all by increasing equity, protecting civil rights, and strengthening the social safety net.

Executive Summary

The State of Connecticut is subsidizing school districts by directly paying for all costs of teacher pensions. This per pupil pension subsidy allocates more dollars to higher performing, more affluent, and less diverse districts and puts districts with the greatest need at a systemic disadvantage in terms of resource equity and how they compensate their teaching workforce.

For those who are concerned with educational resource equity in Connecticut, a conversation about the funding of teacher retirement benefits is long overdue.[1] Connecticut's annual teacher pension contributions account for over a quarter of the state's overall K-12 education budget.[2] Given the enormity of the money being spent, entirely by the state, it is worth considering the extent to which these funds are allocated equitably.

After all, teacher pensions are a part of the overall compensation package offered by districts when attempting to build a high-quality workforce of educators. Teachers currently contribute 7% of their annual salaries towards their retirements. However, Connecticut municipalities, their employers, pay no portion of teacher pension obligations—even though these benefits are based upon the teacher salaries that local districts individually set. Rather, all employer obligations are paid by the state. An inequitable allocation of these funds therefore has tangible implications for students' educational experiences.

A New Equity Metric for Connecticut: The Per Pupil Pension Subsidy

Public school districts have different per pupil pension costs because of variability in pensionable salaries, the number of teachers serving and their longevity, and student enrollment levels. By looking at each public school district's pension obligations, and dividing them by student enrollment figures, we have established a new equity metric for Connecticut: **the Per Pupil Pension Subsidy.**

[District Pension Obligation] ÷ [District Student Enrollment] = [Per Pupil Pension Subsidy]

This identifies how much the state spends per student in each public school district when it makes an annual contribution to the Teacher Retirement System.

It is important to note that this analysis does **not** suggest, and is **not** a prelude to, changing or revoking teacher retirement benefits or entitlements. First, teachers annually pay contributions into this system, relying on promises from the state of a secure future retirement. There is a clear moral duty to keep those promises. Second, any retirement plan design in which all costs are paid for by the state would still have the same inequity challenges identified in this paper.

Instead, this analysis is entirely focused upon whether Connecticut's unusual method of financing its pension obligations reinforces and even exacerbates already-existing inequities for students. By comparing the Per Pupil Pension Subsidy to school district performance, socio-economic makeup, and racial demographics—this report finds several serious causes for concern related to how Connecticut's pension funding structure impacts student equity.

Key Findings

Given that a school district's ability to attract and retain a stable, high-quality workforce is critical to the overall success of its students, the state's inequitable Per Pupil Pension Subsidy puts lower performing, less affluent, and more diverse school districts at a systemic disadvantage when it comes to compensating their teaching workforces. Ironically, these are precisely the districts that have greater resource needs in order to help students succeed.

1 Connecticut pays **larger Per Pupil Pension Subsidies on behalf of high-performing districts with low resource needs**—and thereby the students within them—than it does for districts with lower performance.

- The 25 highest performing districts, on average, receive a $2,700 Per Pupil Pension Subsidy—as compared to an average Per Pupil Pension Subsidy of $1,870 in the 25 lowest performing districts.
- This means the highest performing districts are effectively getting nearly $1,000 more per student from the state to support teacher compensation.

2 Connecticut subsidizes school districts—and thereby the students within them—at **double the rate for more affluent students as for their peers from low-income families.**

- Although students from low-income families make up 42.8% of the student population, they receive only a 33.5% share of the state's Per Pupil Pension Subsidy.
- Their wealthier peers make up 57.2% of the student population in the state, but receive a 66.5% share.

3 Connecticut subsidizes school districts—and thereby the students within them—**at more than twice the rate for white students as for students of color.**

- White students make up 51.7% of the student population in the state, but receive a 70.1% share of the of the state's Per Pupil Pension Subsidy
- Although students of color make up 48.3% of the student population in the state, they receive only a 29.9% share.

As a matter of equity, Connecticut must do better. A discussion of the policy levers for more equitable change can be found in the conclusion. Generally, we propose that it is reasonable for municipalities to share in the costs of retirement benefits, but that the key questions are settling on how much should be paid, who should be exempt, and what should be done with the additional money.

For an interactive look at the data, visit http://CTPensionSubsidy.org.

Glossary of Terms

- **Pension Debt** – A colloquialism that describes the state's "unfunded liabilities." This is money owed to the pension fund (by the state and municipalities), not money borrowed on behalf of the pension fund owed to the private sector.
- **Per Pupil Pension Subsidy** – A new equity metric that identifies how much the state spends per student in each public school district when it makes an annual contribution to the Connecticut State Teachers' Retirement System.
- **Next Generation Accountability System** – Connecticut's most holistic data set for measuring school and district performance, built upon a broad set of 12 indicators. For the purposes of this report, we have compared district performance levels by sorting the 2018-19 "Outcome Rate Percentage" data, the most recently available data.
- **Normal Cost** – The cost of all benefits accumulated by active members in the current year of a pension plan. This is determined by actuaries looking at benefit provisions, making assumptions about tenure, salary, and future investment returns. The final normal cost number, if fully paid, in theory should be enough to cover all benefits earned in a given year—if future experience perfectly lines up with all actuarial assumptions.
- **Total Pension Debt Per District** – Each district's share of the "unfunded liability."
- **TRS** – The Connecticut State Teachers' Retirement System.
- **Unfunded Liability** – The shortfall in funding between what TRS should have in assets under management and what is currently reported by the retirement board. The primary causes of this funding shortfall are previous failures by the state in the 20th century to adequately contribute to TRS and more recent investment returns that have not always matched expectations.

About the Data

The analysis in this paper is based on the most recent and complete information available as of its writing, and is fully representative of K-12 employers in Connecticut. The dataset covers 191 school districts across Connecticut, including charter districts and regional districts.

- Combined, these employers represent $18.26 billion in unfunded liabilities, which is 96.9% of the Connecticut TRS total for 2020.
  - Most of the remaining funding shortfall is related to universities and colleges that participate in TRS.
  - The average district has $96.4 million in unfunded liabilities, but the median district has $55.9 million in unfunded liabilities. This suggests that a large share of TRS unfunded liabilities are concentrated in a small number of large districts.
- Across the whole dataset, the average Per Pupil Pension Subsidy is $2,312; the median Per Pupil Pension Subsidy is $2,355.
- The student enrollment for the districts in this dataset was 510,393, which is 96.7% of total enrollment in 2020.
  - Student enrollment and demographic data is from the 2019-20 school year.
  - See the section titled "Methodology" for reasons why certain schools and districts were excluded from the analysis.
- For data on district performance, this analysis relies upon the most recently available data from the Next Generation Accountability System, which is from 2018-19.

Connecticut's Pension Funding Problem

It is well documented that Connecticut students, educators, and parents contend with a statewide issue of educational inequity.[3] Those who are concerned with this topic have spent considerable energy on addressing the state's Education Cost Sharing (ECS) formula. ECS is Connecticut's primary grant for funding public schools, which was originally designed with a goal of increasing resource equity. Far less discussed and understood, however, is the manner in which Connecticut's approach to funding teacher retirement benefits furthers resource inequities between districts.

In Connecticut, each school district negotiates and sets its own teacher salary schedules and recruitment strategies. **Connecticut is among the outliers nationally, however, in that it does not require local employers—the school districts—to pay any pension contributions related to the salaries that they themselves offer.**[4] Because each teacher's retirement benefits are determined, in part, by his or her pensionable salary—this means that **districts have discretion over the amount of retirement benefits their teachers accrue, even though the state will ultimately pay all of the "employer costs" for them**.

What Do Other States Do?[5]

Most states require all or the majority of teacher pension contributions to come from school districts. States ranging from Florida to Virginia to Oregon require employers to pay all pension costs. A few states, such as California and Michigan, share employer contributions, even if the majority of the employer contribution rate is paid by the district. A relatively unique arrangement in Maryland requires school districts to pay the full value of "normal cost" for retirement benefits, while the state covers any necessary "unfunded liability amortization payments."

But only a few states have taken it upon themselves to pay most or all teacher pension employer contributions. Notable examples include Massachusetts and Vermont (where all teacher retirement costs are paid from the state general fund), as well as Illinois and Texas (which each require 2% of payroll or less from school districts, with the state paying the rest of teacher pension costs).

Complicating the problem is that a significant share of the costs for Connecticut's Teachers' Retirement System (TRS) are to pay down unfunded liabilities, colloquially referred to as "pension debt." These are debts that are owed to TRS because it has never been fully funded—in part due to failures to adequately contribute in the 20th century and in part because investment returns have not matched expectations.[6] At the end of 2020, TRS reported a funding shortfall of more than $18 billion—the largest unfunded liability in its history. Fortunately, strong investment returns this past year and supplemental contributions from the state's 'rainy day fund' will reduce this number. Still, these improvements will not be enough to eliminate the funding shortfall problem, so high costs are going to persist in the coming decades. This fiscal year, for example, Connecticut is scheduled to make a $1.44 billion contribution to the teachers' pension fund; and this share is expected to grow to $1.58 billion next year, of which more than two thirds is to reduce the funding shortfall.[7]

Closing TRS and creating a "defined contribution plan" would not be a solution to this cost problem, despite what some political actors might claim. The state has accrued promises to teachers and public school employees, who themselves also contribute to TRS, and there is a moral duty to keep those promises. The funding shortfall won't go away by closing the retirement plan or even changing the kind of retirement system design to something else.

That is why it is important to note that this analysis does **not** suggest, and is **not** a prelude to, changing or revoking teacher retirement benefits or entitlements. Rather, this analysis is entirely focused upon whether Connecticut's unusual method of funding its pension obligations effectively is exacerbating already-existing inequities for students with a similarly inequitable subsidy.

How Does Connecticut's Teacher Retirement System Work?

TRS is designed to have contributions made each year on behalf of active workers, so that the money put into the pension fund can generate investment returns. Each year, teachers pay 7% of their annual salaries into their retirement benefits, and the state also pays an annual contribution. When individual teachers qualify to start collecting their pensions, there should be enough money available (from contributions and investment returns) to pay all promised benefits. The formula for determining a teacher's retirement benefit in Connecticut is:

[Years of Service]	x	[2% (Benefit Multiplier)]	x	[Final Average Salary]	=	A Teacher's Annual Benefit

Examples

	Years of Service	Multiplier	Final Average Salary	Annual Benefit
Teacher in District A	35	2%	$125,516	$87,861.20
Teacher in District B	35	2%	$81,042	$56,729.40
Teacher in District C	15	2%	$125,516	$37,654.80
Teacher in District D	15	2%	$81,042	$24,312.60

This formula means that the longer teachers work and the more that they get paid, the more valuable their pension benefits will be when they retire. The value of pension benefits are directly linked to the salary levels at the end of each teaching career—unlike other types of benefits such as health care or vacation days. In this sense, pension benefits can easily be considered part of a teacher's overall compensation package.

Connecticut effectively divides the costs of compensation between employers (school districts) and the state. Employers pay salaries; the state pays for all required employer pension contributions. *By covering a part of the teacher compensation packages that districts, as employers, would otherwise have to pay themselves—Connecticut is providing a subsidy to districts.* This atypical approach to funding pensions results in variable allocations of state resources among districts—based on the salaries

the districts themselves can already afford to offer. In short, it's a pension funding system that compounds resource inequities.

To get at the issue of how the state's funding for teacher retirement benefits impacts students, we have established a new equity metric for Connecticut: **the Per Pupil Pension Subsidy**.

Connecticut's "Per Pupil Pension Subsidy"

Since retirement benefits are accrued at the local level, individual districts have different shares of the overall pension debt owed by the state. Notably, Connecticut public school districts vary so greatly in size and in the pensionable salaries they offer that differences in overall pension obligations do not necessarily indicate unfairness or inequity. In fact, it makes sense that the largest districts accumulate more pension debt. Dollar for dollar, New Haven Public Schools is the district with the greatest share of the state's pension debt, in the neighborhood of $649M in 2020. By comparison, Union Public Schools, which enrolls under 50 students, has the smallest share of the state's pension debt at around $2.8M.[9]

But is there a difference on a per student basis? This analysis uses each district's total pension debt divided by its number of students enrolled—establishing a "Per Pupil Pension Subsidy" metric—to tell a more precise story about how fairly the state allocates education resources when it covers local pension obligations.[10] The *Per Pupil Pension Subsidy* for Union is $61,205, nearly double the Per Pupil Pension Subsidy of only $31,401 in New Haven. This means that the state's pension contributions are not equally distributed on behalf of public school districts. Those that pay higher teacher salaries, and that are able to retain teachers for longer periods of time, are providing more valuable compensation. And part of this compensation is being paid for directly by the state government.

Table 1 below shows the 10 largest and 10 smallest Per Pupil Pension Subsidies for Connecticut public school districts that enroll at least 1,000 students. At the extremes, for each enrolled pupil in the 2019-20 school year, Greenwich accumulated a pension subsidy of $3,227—while Bridgeport's Per Pupil Pension Subsidy was only $1,715 in the same year. The State of Connecticut pays vastly different Per Pupil Pension Subsidies, depending upon which district a student attends.

Table 1: 2020 Largest and Smallest Per Pupil Pension Subsidies in CT Public School Districts

10 Largest Per pupil Subsidies, By School District (Min. 1,000 Enrollment)	Per Pupil Pension Subsidy	Student Enrollment	Total Pension Debt
Greenwich	$3,227	9,048	$455,215,054
Westport	$3,044	5,344	$253,587,333
Regional School District 13	$3,027	1,517	$71,582,915
Old Saybrook	$2,981	1,195	$55,541,877
Wilton	$2,975	3,870	$179,491,480
Weston	$2,961	2,290	$105,729,203
Windsor Locks	$2,915	1,599	$72,660,346
New Canaan	$2,912	4,221	$191,663,228
East Windsor	$2,856	1,079	$48,044,526
Darien	$2,834	4,765	$210,527,033
10 Smallest Per pupil Subsidies, By School District (Min. 1,000 Enrollment)	**Per Pupil Pension Subsidy**	**Student Enrollment**	**Total Pension Debt**
Killingly	$1,939	2,490	$75,281,460
Norwich	$1,921	3,588	$107,461,159
Danbury	$1,917	11,928	$356,408,962
Plainfield	$1,857	2,180	$63,110,844
Waterbury	$1,756	18,807	$514,868,206
Ansonia	$1,745	2,284	$62,146,678
Bridgeport	$1,715	20,311	$543,045,937
Amistad Academy	$1,134	1,103	$19,499,861
Achievement First Hartford Academy	$875	1,169	$15,950,954
Achievement First Bridgeport Academy	$676	1,110	$11,703,422

Note: Enrollment data from the 2019-20 school year.

The Findings

Finding 1: Connecticut pays larger Per Pupil Pension Subsidies on behalf of high-performing districts with low resource needs—and thereby the students within them—than it does for districts with lower performance.

While the previous section identified great variance in the Per Pupil Pension Subsidies that Connecticut pays on behalf of different public school districts—the spread alone does not necessarily indicate inequitable spending. By comparing each district's Per Pupil Pension Subsidy to its performance, we get a better picture of whether Connecticut allocates pension payments to meet student needs.

Table 2 on the following page shows the 25 highest performing and 25 lowest performing public school districts—based on data from the 2018-19 Next Generation Accountability System, the state's most holistic data set for measuring school and district performance[11]—and their Per Pupil Pension Subsidies. In general, districts with lower resource needs are getting much higher Per Pupil Pension Subsidies to cover compensation costs. This has important implications for students' educational experiences because it directly impacts districts' abilities to attract and retain a stable, high-quality teacher workforce.

On average, the 25 highest performing districts, receive an effective $2,700 Per Pupil Pension Subsidy—as compared to an average Per Pupil Pension Subsidy of only $1,870 in the 25 lowest performing districts. This means the highest performing districts are effectively getting $830 more per student from the state to support teacher compensation.

Mapped out on a scatterplot chart, it's clear that the cluster of highest performing districts (in yellow) also tend to have higher Per Pupil Pension Subsidies. (See Figure 1 below.) These are precisely the districts that, from an equity standpoint, need less assistance from the state. Although some lower performing districts do have above average Per Pupil Pension Subsidies, they are primarily clustered around $1,500 to $2,000 (well below the average of $2,312).

Figure 1: District Performance and Per Pupil Pension Subsidy (25 Highest and 25 Lowest Performing Districts)

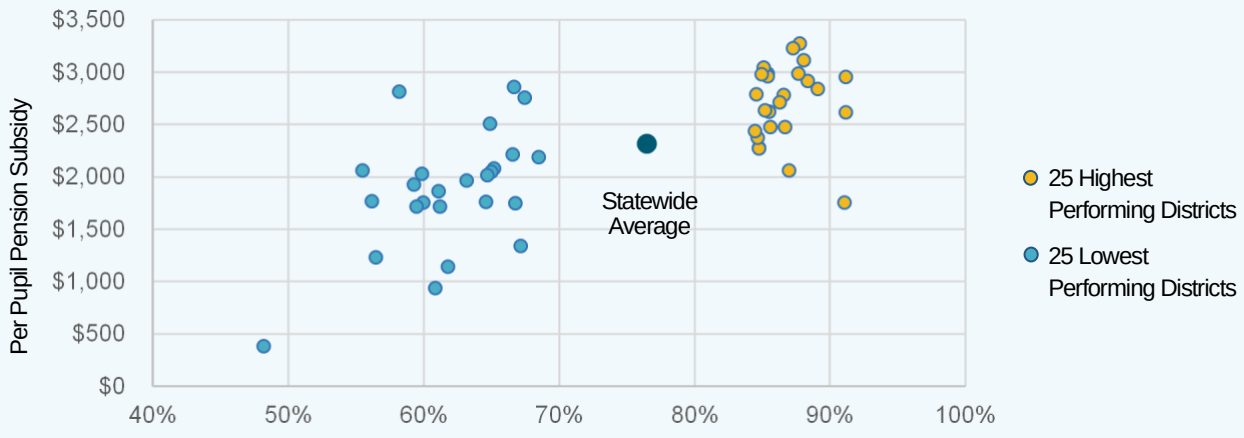


Table 2: 2020 Per Pupil Pension Subsidies in the Highest and Lowest Performing Public School Districts

Highest Performing Districts	Percentage of Possible Next Gen Accountability Points	Per Pupil Pension Subsidy
Cornwall	91.2%	$2,950
Andover	91.2%	$2,614
Essex	91.1%	$1,750
Darien	89.1%	$2,834
New Canaan	88.4%	$2,912
Regional SD 09	88.1%	$3,111
Colebrook	87.8%	$3,271
Scotland	87.7%	$2,986
Greenwich	87.3%	$3,227
Chester	87.0%	$2,059
Hartland	86.7%	$2,470
Regional SD 18	86.6%	$2,780
Ridgefield	86.3%	$2,711
Simsbury	85.6%	$2,473
Avon	85.5%	$2,619
Old Saybrook	85.4%	$2,981
Weston	85.4%	$2,961
Regional SD 19	85.2%	$2,632
Westport	85.1%	$3,044
Wilton	85.0%	$2,975
Brookfield	84.8%	$2,275
Granby	84.8%	$2,269
Woodbridge	84.7%	$2,372
East Granby	84.6%	$2,786
Cheshire	84.5%	$2,435

Lowest Performing Districts[12]	Percentage of Possible Next Gen Accountability Points	Per Pupil Pension Subsidy
Torrington	68.5%	$2,183
Norfolk	67.5%	$2,752
New Beginnings Inc Family Academy	67.2%	$1,337
Ansonia	66.8%	$1,745
East Windsor	66.7%	$2,856
Thompson	66.6%	$2,210
Common Ground High School	65.2%	$2,076
Windham	65.0%	$2,048
Manchester	64.9%	$2,504
New Haven	64.7%	$2,014
Waterbury	64.6%	$1,756
New London	63.2%	$1,965
Booker T. Wash. Academy	61.8%	$1,141
Bridgeport	61.2%	$1,715
Sterling	61.1%	$1,862
Capital Preparatory Harbor School	60.9%	$936
Interdistrict School for Arts + Comm	60.0%	$1,752
Hartford	59.9%	$2,025
The Bridge Academy	59.5%	$1,711
Norwich	59.3%	$1,921
Explorations	58.2%	$2,810
Jumoke Academy	56.5%	$1,229
Sprague	56.2%	$1,767
New Britain	55.5%	$2,059
Great Oaks Charter School	48.2%	$377

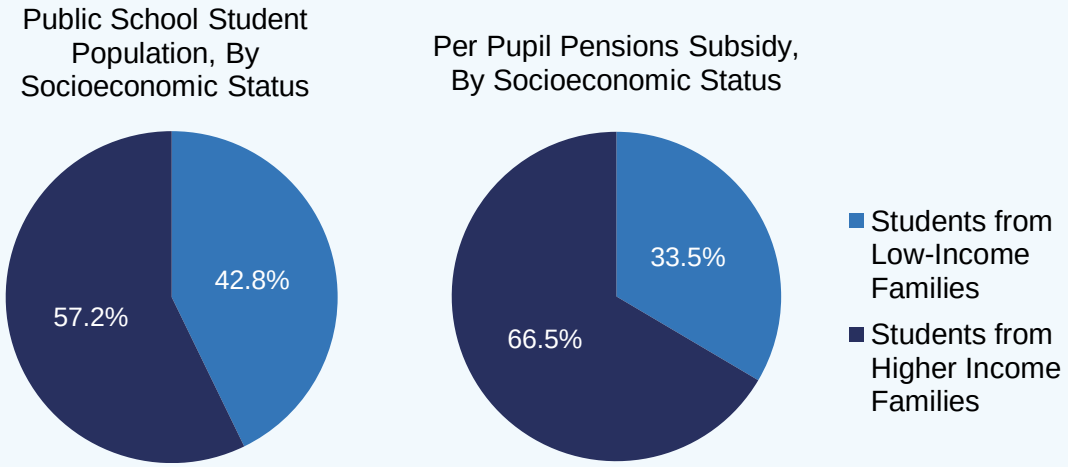
Finding 2: Connecticut subsidizes school districts—and thereby the students within them—at double the rate for more affluent students as for their peers from low-income families.

As a proxy for community income and levels of poverty, we use data on the percentage of students who are eligible for Free Lunch and/or Reduced Price Lunch (FRPL). Appendix A uses enrollment data disaggregated by eligibility for FRPL to show what share of each district's Per Pupil Pension Subsidy is allocated for students from low-income families and to their more affluent peers. An interactive visualization of the Per Pupil Pension Subsidy as compared to demographic figures can also be found at http://CTPensionSubsidy.org. In New Canaan, the Per Pupil Pension Subsidy is $2,912, and 100% of the student population would not qualify for FRPL aid. But in Waterbury, 80.8% of students come from low-income families that qualify for FRPL, and the Per Pupil Pension Subsidy there is only $1,756.

In districts that are majority ineligible for FRPL, the average Per Pupil Pension Subsidy is $2,487—versus only an $1,850 average among districts that are majority low-income. This means that the state's Per Pupil Pension Subsidy tends to be higher for districts with more affluent student populations.

For a look at the trend statewide, Figure 2 below tallies each district's Per Pupil Pension Subsidy—broken out by FRPL eligibility and non-FRPL eligibility.[13] **Students from low-income families make up 42.8% of the total population; but these students are only allocated 33.5% of the state's Per Pupil Pension Subsidy.** The subsidy dollars flowing to higher income areas mean wealthier students receive 66.5% of the per pupil subsidy dollars.

Figure 2: Disaggregation of the State of Connecticut's Per Pupil Pension Subsidy by Socioeconomic Status in 2020



Finding 3: Connecticut subsidizes school districts—and thereby the students within them—at more than twice the rate for white students as for students of color.

Appendix B uses publicly disclosed enrollment data disaggregated by race to illustrate what share of each district's Per Pupil Pension Subsidy is allocated for white students, as compared to students of color. An interactive visualization of the Per Pupil Pension Subsidy as compared to these demographic figures can also be found at http://CTPensionSubsidy.org. For instance, the Chaplin School District, which is 94% white, has a Per Pupil Pension Subsidy of $3,239. By comparison, the student population in Bridgeport Public Schools is 88% students of color, and that district's Per Pupil Pension Subsidy is only $1,715—around half of Chaplin's.

Among districts with a student population that are at least 50% made up of students of color, the average Per Pupil Pension Subsidy is only $1,755. Among districts with majority white student populations, the average Per Pupil Pension Subsidy is $2,492.[14]

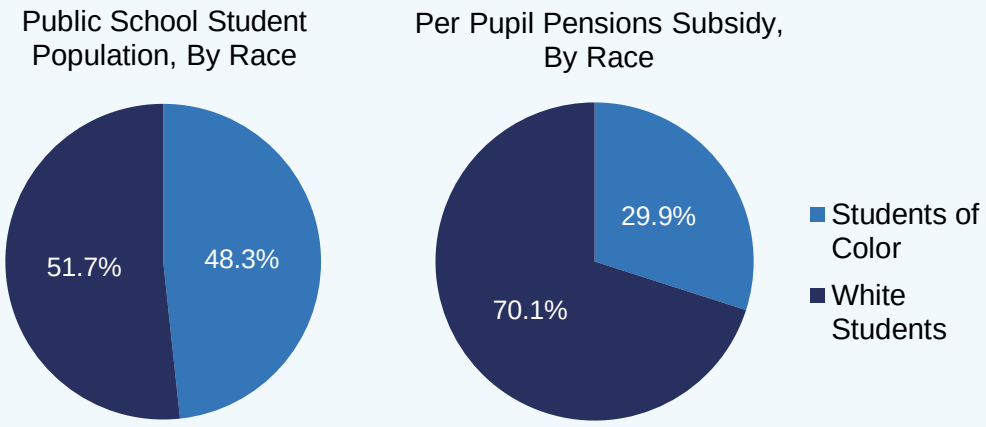
Put simply, the state's Per Pupil Pension Subsidy tends to be higher for districts that have whiter student populations.

In fact, tallying these available data points from individual districts reveals the share of the state's total Per Pupil Pension Subsidy that goes to each demographic. (See Figure 3.)[15]

White students make up 51.7% of the student population in the state. Nevertheless, based upon the disclosed racial data for the state's entire Per Pupil Pension Subsidy, 70.1% is allocated for white students.

This suggests that districts serving whiter student populations in Connecticut have better paid teachers who serve longer and generate larger pension benefits.

Figure 3: Disaggregation of the State of Connecticut's Per Pupil Pension Subsidy by Race (2019-20)



A Note on Connecticut's Per Pupil Pension Subsidy for Public Charter Schools

Combined, the state's public charter schools have the lowest Per Pupil Pension Subsidy, as compared to any other public school district in the state. Table 3 below lists the twenty lowest Per Pupil Pension Subsidies by district, including a cumulative district made up of the state's charter schools.

The charter sector's Per Pupil Pension Subsidy of only $1,344 likely indicates that charters have lower pensionable salaries and/or teachers who serve for a shorter period—somewhat unsurprising since it's a newer sector that tends to attract a less experienced workforce than that of traditional public school districts. On its surface, this inequity appears to be reinforced by the state.

Table 3: 2020 Lowest 20 Per Pupil Pension Subsidies, Including Charters Cumulatively

District	Student Enrollment	Per Pupil Pension Subsidy
Charters Cumulatively	13,950	$1,344
Bridgeport School District	20,311	$1,715
Ansonia School District	2,284	$1,745
Essex School District	331	$1,750
Waterbury School District	18,807	$1,756
Sprague School District	280	$1,767
Woodstock School District	824	$1,850
Plainfield School District	2,180	$1,857
Sterling School District	365	$1,862
Danbury School District	11,928	$1,917
Norwich School District	3,588	$1,921
Brooklyn School District	918	$1,922
Killingly School District	2,490	$1,939
Meriden School District	8,163	$1,948
New London School District	3,440	$1,965
Naugatuck School District	4,372	$1,976
Griswold School District	1,772	$2,014
New Haven School District	20,675	$2,014
East Haven School District	2,894	$2,016
Hartford School District	18,880	$2,025

Conclusions and Solutions

The concerning inequities exposed in this analysis are the result of having the state fully fund the employer contribution towards teacher pensions, even while districts set their own salary schedules and strategies for retention.

The specific solution to this complex issue will need to be developed through a careful and collaborative process that involves selecting one option from each of the three levers on the menu below. We urge Connecticut's leadership to right these wrongs by tackling the solution through an equity lens to produce a pension financing system that benefits all of Connecticut's students.

This paper is only the beginning of a conversation about how teacher pension financing impacts students' educational experiences. An area for further study, for example, is the extent to which Connecticut's approach to funding teacher pensions creates inequities in teacher quality and retention between districts—beyond the resource inequities that are the subject of this paper. A deep analysis combining both pension and district-level staffing data might identify how Connecticut's approach to financing teacher pension obligations impacts districts' teacher shortages and staffing levels—with direct implications for the classroom.

Nevertheless, strictly from the lens of resource equity, this analysis shows that there are towns and regional districts across Connecticut that are unfairly benefiting from the state's approach to financing TRS costs.

Again, changing pension benefit design would not solve this problem because it is not a problem created by TRS itself; this is a problesm created solely by the inequitable method through which Connecticut has continued to finance TRS. We need a more viable solution so that districts can recruit, retain, and support their educators with the retirement benefits they need. **In principle, if districts are going to continue setting their own salaries, those that offer the highest salaries and have the lowest level of need should be paying at least part of their own way.**

In 2019, Governor Lamont's administration proposed a pension plan[16] that would require municipalities to fund a portion of their normal cost (the cost of all benefits accumulated by active members in the current year)[17] to TRS. The proposal divided districts into tiers: those that are "distressed" and pay 5% of their normal cost; those that are not distressed and pay 25% of normal cost; and those that are not distressed and that have higher pensionable salaries (above the statewide median), which pay 25% of normal cost plus the marginal percentage above the salary median.

Having employers pay the normal cost associated with the salaries they provide is entirely reasonable and sensible policy. Retirement benefits are a form of compensation—which are related to the discretionary salary levels established at the employer, town, and/or district level. And since the state

controls the management of TRS, it is also reasonable that the state should have to cover any accumulated unfunded liability costs.

Of course, no policy change happens in a vacuum. The governor's proposal would mean budgetary cost increases for towns relative to their status quo. Therefore, it will also be important to ensure that shifting this obligation to municipalities does not supplant local spending that would impact students.

Changing the existing policy is not simply a matter of whether the state or locals should pay for pension benefits; it is a matter of what the most equitable policy is for paying for pension benefits. A policy solution designed to address the concerns raised in this paper should do all of the following:

(1) Contemplate a municipal obligation towards pension costs;
(2) Protect municipalities by holding them responsible only for the normal pension cost associated with salaries—and not for unfunded liabilities that were amassed previously;
(3) Allow for a phase-in period to gradually shift municipal budgets;
(4) Avoid burdening the highest-need districts from the new obligation to pay normal cost; and
(5) Have a strategy for using the generated funds equitably.

With the above principles in mind, we propose using the levers on the following page for developing a policy solution.

Levers for a More Equitable Teacher Pension Financing System

Municipalities Should Pay a Share of Normal Cost

Lever 1: A meaningful contribution that both could improve resource equity and be a reasonable policy related to compensation costs would be somewhere between 25% and 100% of the normal cost for a school district. What portion of the normal cost should municipalities cover?

Options

1. Hold districts responsible for 25% of normal cost. This is the model upon which Governor Lamont's proposal was built.
2. Hold the wealthiest districts responsible for 50% of normal cost and other districts responsible for 25%.
3. Hold districts responsible for 100% of normal cost. This would follow other states, like Maryland, that used to have the same approach as Connecticut before changing over the past decade.

The Highest Need Districts Should Be Exempt from Covering Normal Cost

Lever 2: This is the variable through which we can make the financing of teacher pensions more equitable. But what metric do we use to determine which districts are exempt?

Options

1. Use the "distressed municipality" category, established by the State of Connecticut Department of Economic and Community Development, as a bright line. This is the metric used in Governor Lamont's proposal.
2. Use a metric that demonstrates a town's ability to pay, such as the Base Aid Ratio.
3. Use a performance-based metric, such as the Next Generation Accountability System, to delineate levels of educational need.

Gains Made Through the New Municipal Contributions Should Be Distributed Strategically

Lever 3: A new system of financing teacher pensions could generate significant funding. This choice is an opportunity to reduce inequity. But should these resources be used to support education funding, directed towards teacher quality and placement, or redistributed to cover the normal cost for exempted districts?

Options

1. Redistribute the generated funds to cover some or all of the shortfall in the ECS formula.
2. Direct the generated funds to a state-level effort to improve teacher certification, recruitment, and retention.
3. Redistribute the generated funds to cover the normal cost for districts that are exempt.

Methodology

Available Data Sets: This report is based upon three publicly available datasets: Student enrollment figures from the State Department of Education's database at EdSight; GASB Statement No. 68 Report for the Connecticut State Teachers' Retirement System Prepared as of June 30, 2020; and performance data from the Next Generation Accountability Results on EdSight.

Included Public School Districts: We adopted the State Department of Education's database list of school districts, and excluded from the overall analysis any district that is operated by the state, such as the Department of Mental Health, Unified District #1 and Unified District #2, or employers like Regional Educational Service Centers. All of the districts in the database are employers receiving an effective state subsidy, e.g. those administrated by a town, regional collection of towns, or charter organization.

Unfunded Liabilities: For each of these employers, we gathered data about their relative share of TRS unfunded liabilities and state contribution allocation from GASB 68 reports provided by the Teacher Retirement Board.

The GASB 68 reports included a number of additional employers that participate in TRS, but these weren't included because they either are not K-12 education related employers (ex., University of Connecticut and various community colleges) or are no longer operating (ex., Trailblazers Academy Charter School). The TRS participating employers that are not represented in our dataset comprise less than 4% of total TRS unfunded liabilities, and thus they do not meaningfully influence our analysis.

Student Enrollment Data: Student enrollment data from EdSight provided a disaggregation by race across a number of categories, including: White, American Indian or Alaska Native, Asian, Black or African American, Hispanic/Latino of Any Race, Native Hawaiian or Other Pacific Islander, Two or More Races. For the purposes of defining "Student of Color" we combined all categories that were not defined as "White."

Student enrollment data from EdSight provided a disaggregation by eligibility for Free Lunch, Reduced Lunch, or Non-Subsidized Lunch. For the purposes of defining a "Free and Reduced Priced Lunch" category we combined the Free and Reduced categories.

To report the Per Pupil Pension Subsidies by desegregated category we multiplied the district's Per Pupil Pension Subsidy by the percentage of students in each category. For example, if a district had $2,500 in Per Pupil Pension Subsidies, and 75% of students identified as white, then we broke out that district's Per Pupil Pension Subsidy dollars as $1,875 for white students and $625 for students of color.

Occasionally, EdSight suppresses data for certain racial and FRPL-status categories because it could lead to personally identifiable data, such as if there is only 1 student of a particular race in a school district. These non-disclosures are small, less than 5% of the state's enrollment data. However, for a select group of districts, this means the disclosed student populations appear to be 100% white or 100% students of color. For these districts, we marked them in our tables as either "5% or less" white, or "95% or more" white, in order to avoid the appearance that they actually do have a completely homogeneous populations. Similarly, there were six districts (all with 300 students or less) without complete disclosure of FRPL status such that we could not reasonably count on the numbers as presented, so we removed

these (Canaan, Chaplin, Colebrook, Kent, Norfolk, and Sherman) for the analysis of the distribution of per pupil pension subsidies by FRPL status.

Special thanks to Karina Sanchez, who helped to collect preliminary data for this report, and to Victoria Fosdal, Sandi Jacobs, Max Marchitello, Nicholas Munyan-Penney, Samantha Shaw, and Lenny Speiller for their generous technical feedback, editing suggestions, and proofing. Any errors or omissions in the final text are entirely those of the authors.

For specific questions about the methodology, contact: info@equable.org

Appendix A - Per Pupil Pension Subsidy Disaggregated by Eligibility for FRPL

District	Per Pupil Pension Subsidy	What Share of the Per Pupil Pension Subsidy is for FRPL Students?	What Share of the Per Pupil Pension Subsidy is for Non-FRPL Students?
Great Oaks Charter School District	$377	$284	$94
Stamford Charter School for Excellence District	$585	$237	$348
Achievement First Bridgeport Academy District	$676	$480	$196
Achievement First Hartford Academy District	$875	$705	$170
Elm City College Preparatory School District	$884	$639	$246
Capital Preparatory Harbor School District	$936	$724	$212
Highville Charter School District	$1,074	$785	$290
Amistad Academy District	$1,134	$845	$289
Booker T. Washington Academy District	$1,141	$908	$234
Jumoke Academy District	$1,229	$775	$454
Park City Prep Charter School District	$1,259	$1,043	$216
Brass City Charter School District	$1,264	$787	$477
New Beginnings Inc Family Academy District	$1,337	$1,149	$188
Integrated Day Charter School District	$1,516	$616	$900
Deep River School District	$1,632	$597	$1,034
Stamford Academy District	$1,674	$1,128	$547
The Bridge Academy District	$1,711	$1,285	$426
Bridgeport School District	$1,715	$1,227	$488
Ansonia School District	$1,745	$1,184	$562
Essex School District	$1,750	$397	$1,354
Interdistrict School for Arts and Comm District	$1,752	$1,143	$609
Waterbury School District	$1,756	$1,419	$337
Side By Side Charter School District	$1,762	$1,023	$739
Sprague School District	$1,767	$997	$770
Odyssey Community School District	$1,802	$772	$1,029
Woodstock School District	$1,850	$373	$1,477
Plainfield School District	$1,857	$1,034	$823
Sterling School District	$1,862	$780	$1,081
Danbury School District	$1,917	$1,006	$911

Appendix A - Per Pupil Pension Subsidy Disaggregated by Eligibility for FRPL

District	Per Pupil Pension Subsidy	What Share of the Per Pupil Pension Subsidy is for FRPL Students?	What Share of the Per Pupil Pension Subsidy is for Non-FRPL Students?
Norwich School District	$1,921	$1,294	$628
Brooklyn School District	$1,922	$764	$1,158
Killingly School District	$1,939	$979	$960
The Woodstock Academy District	$1,946	$49	$1,897
Meriden School District	$1,948	$1,489	$459
New London School District	$1,965	$1,594	$371
Naugatuck School District	$1,976	$1,241	$734
Griswold School District	$2,014	$1,015	$999
New Haven School District	$2,014	$1,328	$686
East Haven School District	$2,016	$1,149	$866
Hartford School District	$2,025	$1,606	$419
Watertown School District	$2,029	$755	$1,274
Cromwell School District	$2,048	$539	$1,508
Windham School District	$2,048	$1,497	$551
Canterbury School District	$2,053	$704	$1,348
Bristol School District	$2,057	$1,109	$948
Chester School District	$2,059	$454	$1,605
New Britain School District	$2,059	$1,516	$543
Southington School District	$2,061	$495	$1,566
Common Ground High School District	$2,076	$1,312	$763
New Milford School District	$2,080	$711	$1,369
Barkhamsted School District	$2,087	$524	$1,563
West Haven School District	$2,112	$1,382	$729
Ledyard School District	$2,125	$555	$1,570
Seymour School District	$2,127	$865	$1,262
Tolland School District	$2,127	$296	$1,831
Portland School District	$2,129	$566	$1,564
Ellington School District	$2,132	$375	$1,757
Putnam School District	$2,134	$1,162	$972
Pomfret School District	$2,146	$546	$1,600
Norwich Free Academy District	$2,154	$1,120	$1,034
Salem School District	$2,168	$375	$1,793
Bethel School District	$2,169	$670	$1,498
Canton School District	$2,180	$349	$1,831
Lisbon School District	$2,181	$803	$1,378

Appendix A - Per Pupil Pension Subsidy Disaggregated by Eligibility for FRPL

District	Per Pupil Pension Subsidy	What Share of the Per Pupil Pension Subsidy is for FRPL Students?	What Share of the Per Pupil Pension Subsidy is for Non-FRPL Students?
Torrington School District	$2,183	$1,497	$686
Thomaston School District	$2,207	$778	$1,429
Wolcott School District	$2,207	$664	$1,543
Thompson School District	$2,210	$1,053	$1,157
The Gilbert School District	$2,227	$901	$1,326
Coventry School District	$2,228	$590	$1,639
Oxford School District	$2,230	$300	$1,930
Derby School District	$2,233	$1,259	$974
New Hartford School District	$2,236	$394	$1,842
Regional School District 16	$2,239	$531	$1,709
Wethersfield School District	$2,243	$552	$1,691
Enfield School District	$2,247	$1,092	$1,155
North Canaan School District	$2,249	$1,067	$1,183
Plymouth School District	$2,254	$970	$1,283
Regional School District 08	$2,254	$342	$1,912
Ashford School District	$2,259	$892	$1,367
Plainville School District	$2,263	$892	$1,371
Granby School District	$2,269	$308	$1,962
North Branford School District	$2,273	$546	$1,728
Brookfield School District	$2,275	$473	$1,802
East Hartford School District	$2,280	$1,428	$852
Shelton School District	$2,283	$706	$1,577
Bloomfield School District	$2,284	$1,268	$1,017
Regional School District 10	$2,287	$305	$1,982
South Windsor School District	$2,310	$412	$1,898
Stratford School District	$2,320	$1,193	$1,127
Eastford School District	$2,326	$724	$1,602
Regional School District 17	$2,326	$298	$2,028
Regional School District 07	$2,345	$441	$1,904
Voluntown School District	$2,350	$765	$1,584
North Haven School District	$2,355	$493	$1,862
Preston School District	$2,358	$721	$1,637
East Lyme School District	$2,359	$538	$1,821
Vernon School District	$2,365	$1,278	$1,088
Lebanon School District	$2,366	$707	$1,659

Appendix A - Per Pupil Pension Subsidy Disaggregated by Eligibility for FRPL

District	Per Pupil Pension Subsidy	What Share of the Per Pupil Pension Subsidy is for FRPL Students?	What Share of the Per Pupil Pension Subsidy is for Non-FRPL Students?
Regional School District 15	$2,366	$307	$2,059
Regional School District 04	$2,368	$535	$1,832
Newington School District	$2,369	$775	$1,594
Berlin School District	$2,372	$524	$1,848
Colchester School District	$2,372	$575	$1,797
Woodbridge School District	$2,372	$322	$2,050
Orange School District	$2,374	$311	$2,063
Farmington School District	$2,375	$410	$1,965
East Hampton School District	$2,384	$471	$1,913
Franklin School District	$2,387	$477	$1,910
Trumbull School District	$2,389	$413	$1,976
Bethany School District	$2,393	$388	$2,005
Stonington School District	$2,402	$649	$1,753
Hamden School District	$2,406	$1,177	$1,228
Stafford School District	$2,410	$998	$1,412
Middletown School District	$2,420	$1,202	$1,217
West Hartford School District	$2,420	$653	$1,768
Guilford School District	$2,422	$323	$2,099
Cheshire School District	$2,435	$364	$2,071
Somers School District	$2,443	$251	$2,192
Hebron School District	$2,445	$383	$2,062
Rocky Hill School District	$2,447	$538	$1,909
Salisbury School District	$2,455	$622	$1,832
Glastonbury School District	$2,456	$338	$2,118
Hartland School District	$2,470	$535	$1,935
Simsbury School District	$2,473	$365	$2,109
Newtown School District	$2,474	$344	$2,130
Suffield School District	$2,476	$439	$2,037
Winchester School District	$2,476	$1,581	$896
Norwalk School District	$2,486	$1,526	$960
Stamford School District	$2,488	$1,471	$1,017
Willington School District	$2,493	$903	$1,590
Manchester School District	$2,504	$1,581	$923
North Stonington School District	$2,516	$539	$1,977
Montville School District	$2,520	$1,148	$1,372

Appendix A - Per Pupil Pension Subsidy Disaggregated by Eligibility for FRPL

District	Per Pupil Pension Subsidy	What Share of the Per Pupil Pension Subsidy is for FRPL Students?	What Share of the Per Pupil Pension Subsidy is for Non-FRPL Students?
Groton School District	$2,529	$1,254	$1,275
Easton School District	$2,547	$270	$2,276
Marlborough School District	$2,555	$416	$2,139
Regional School District 06	$2,602	$624	$1,978
Andover School District	$2,614	$536	$2,078
Regional School District 14	$2,614	$453	$2,161
Avon School District	$2,619	$275	$2,344
Bolton School District	$2,619	$635	$1,984
Regional School District 05	$2,624	$250	$2,374
Clinton School District	$2,625	$980	$1,645
Madison School District	$2,631	$98	$2,533
Regional School District 19	$2,632	$743	$1,889
Monroe School District	$2,642	$332	$2,310
Bozrah School District	$2,654	$1,061	$1,592
Milford School District	$2,672	$785	$1,887
Fairfield School District	$2,681	$438	$2,243
Wallingford School District	$2,681	$878	$1,803
Ridgefield School District	$2,711	$141	$2,570
New Fairfield School District	$2,719	$373	$2,346
Branford School District	$2,727	$992	$1,735
Capitol Region Education Council	$2,738	$1,692	$1,046
Waterford School District	$2,741	$854	$1,887
Windsor School District	$2,764	$1,128	$1,636
Litchfield School District	$2,772	$664	$2,108
Regional School District 18	$2,780	$476	$2,304
East Granby School District	$2,786	$447	$2,339
East Haddam School District	$2,796	$721	$2,075
Mansfield School District	$2,804	$837	$1,968
Explorations District	$2,810	$1,994	$816
Darien School District	$2,834	$77	$2,757
East Windsor School District	$2,856	$1,548	$1,308
New Canaan School District	$2,912	$0	$2,912
Windsor Locks School District	$2,915	$1,318	$1,597
Cornwall School District	$2,950	$543	$2,408
Hampton School District	$2,951	$1,082	$1,869

Appendix A - Per Pupil Pension Subsidy Disaggregated by Eligibility for FRPL

District	Per Pupil Pension Subsidy	What Share of the Per Pupil Pension Subsidy is for FRPL Students?	What Share of the Per Pupil Pension Subsidy is for Non-FRPL Students?
Weston School District	$2,961	$74	$2,888
Columbia School District	$2,970	$768	$2,202
Wilton School District	$2,975	$144	$2,831
Old Saybrook School District	$2,981	$821	$2,160
Scotland School District	$2,986	$1,268	$1,718
Regional School District 13	$3,027	$487	$2,540
Westport School District	$3,044	$113	$2,930
Regional School District 11	$3,065	$1,347	$1,717
Regional School District 09	$3,111	$337	$2,773
Greenwich School District	$3,227	$661	$2,566
Redding School District	$3,356	$249	$3,107
Westbrook School District	$3,525	$1,296	$2,229
Regional School District 12	$3,559	$701	$2,858
Union School District	$3,926	$512	$3,414
Sharon School District	$4,547	$1,810	$2,737
Regional School District 01	$5,330	$2,341	$2,989
Kent School District	No Complete FRPL Status Data		
Norfolk School District	No Complete FRPL Status Data		
Chaplin School District	No Complete FRPL Status Data		
Colebrook School District	No Complete FRPL Status Data		
Canaan School District	No Complete FRPL Status Data		
Sherman School District	No Complete FRPL Status Data		
Statewide Totals	**$427,521**	**$143,190**	**$284,332**
Percentage		**33.5%**	**66.5%**

Appendix B – Per Pupil Pension Subsidy Disaggregated by Race, White and Students of Color

District	Per Pupil Pension Subsidy	What Share of State "Subsidy" Via Per Student Contributions is for Students of Color?	What Share of State "Subsidy" Via Per Student Contributions is for White Students?
Great Oaks Charter School District	$377	$355	$22
Stamford Charter School for Excellence District	$585	$585	$0
Achievement First Bridgeport Academy District	$676	$668	$8
Achievement First Hartford Academy District	$875	$875	$0
Elm City College Preparatory School District	$884	$860	$24
Capital Preparatory Harbor School District	$936	$936	$0
Highville Charter School District	$1,074	$1,060	$14
Amistad Academy District	$1,134	$1,134	$0
Booker T. Washington Academy District	$1,141	$1,141	$0
Jumoke Academy District	$1,229	$1,229	$0
Park City Prep Charter School District	$1,259	$1,191	$68
Brass City Charter School District	$1,264	$1,148	$116
New Beginnings Inc Family Academy District	$1,337	$1,281	$56
Integrated Day Charter School District	$1,516	$717	$799
Deep River School District	$1,632	$209	$1,422
Stamford Academy District	$1,674	$1,549	$125
The Bridge Academy District	$1,711	$1,711	$0
Bridgeport School District	$1,715	$1,509	$206
Ansonia School District	$1,745	$1,215	$531
Essex School District	$1,750	$228	$1,523
Interdistrict School for Arts and Comm District	$1,752	$1,435	$317
Waterbury School District	$1,756	$1,486	$270
Side By Side Charter School District	$1,762	$1,562	$200
Sprague School District	$1,767	$500	$1,266
Odyssey Community School District	$1,802	$1,146	$656
Woodstock School District	$1,850	$175	$1,675
Plainfield School District	$1,857	$275	$1,582
Sterling School District	$1,862	$302	$1,560
Danbury School District	$1,917	$1,262	$655
Norwich School District	$1,921	$1,352	$569
Brooklyn School District	$1,922	$397	$1,525

Appendix B - Per Pupil Pension Subsidy Disaggregated by Race, White and Students of Color

District	Per Pupil Pension Subsidy	What Share of State "Subsidy" Via Per Student Contributions is for Students of Color?	What Share of State "Subsidy" Via Per Student Contributions is for White Students?
Killingly School District	$1,939	$389	$1,550
The Woodstock Academy District	$1,946	$297	$1,649
Meriden School District	$1,948	$1,432	$516
New London School District	$1,965	$1,632	$333
Naugatuck School District	$1,976	$927	$1,048
New Haven School District	$2,014	$1,765	$249
Griswold School District	$2,014	$428	$1,586
East Haven School District	$2,016	$847	$1,169
Hartford School District	$2,025	$1,839	$186
Watertown School District	$2,029	$324	$1,705
Windham School District	$2,048	$1,598	$450
Cromwell School District	$2,048	$609	$1,438
Canterbury School District	$2,053	$146	$1,907
Bristol School District	$2,057	$951	$1,106
New Britain School District	$2,059	$1,721	$338
Chester School District	$2,059	$235	$1,824
Southington School District	$2,061	$415	$1,646
Common Ground High School District	$2,076	$2,076	$0
New Milford School District	$2,080	$496	$1,584
Barkhamsted School District	$2,087	$107	$1,980
West Haven School District	$2,112	$1,472	$640
Ledyard School District	$2,125	$584	$1,541
Seymour School District	$2,127	$595	$1,533
Tolland School District	$2,127	$297	$1,830
Portland School District	$2,129	$523	$1,606
Ellington School District	$2,132	$511	$1,621
Putnam School District	$2,134	$447	$1,687
Pomfret School District	$2,146	$118	$2,028
Norwich Free Academy District	$2,154	$1,027	$1,127
Salem School District	$2,168	$285	$1,883
Bethel School District	$2,169	$777	$1,392
Canton School District	$2,180	$356	$1,823
Lisbon School District	$2,181	$454	$1,727
Torrington School District	$2,183	$915	$1,268
Wolcott School District	$2,207	$383	$1,824

Appendix B - Per Pupil Pension Subsidy Disaggregated by Race, White and Students of Color

District	Per Pupil Pension Subsidy	What Share of State "Subsidy" Via Per Student Contributions is for Students of Color?	What Share of State "Subsidy" Via Per Student Contributions is for White Students?
Thomaston School District	$2,207	$220	$1,988
Thompson School District	$2,210	$205	$2,004
The Gilbert School District	$2,227	$668	$1,559
Coventry School District	$2,228	$280	$1,949
Oxford School District	$2,230	$316	$1,915
Derby School District	$2,233	$1,393	$840
New Hartford School District	$2,236	$119	$2,117
Regional School District 16	$2,239	$272	$1,967
Wethersfield School District	$2,243	$692	$1,551
Enfield School District	$2,247	$724	$1,523
North Canaan School District	$2,249	$396	$1,854
Plymouth School District	$2,254	$403	$1,851
Regional School District 08	$2,254	$205	$2,049
Ashford School District	$2,259	$323	$1,937
Plainville School District	$2,263	$718	$1,545
Granby School District	$2,269	$336	$1,934
North Branford School District	$2,273	$273	$2,000
Brookfield School District	$2,275	$507	$1,767
East Hartford School District	$2,280	$2,017	$263
Shelton School District	$2,283	$744	$1,538
Bloomfield School District	$2,284	$2,089	$196
Regional School District 10	$2,287	$324	$1,963
South Windsor School District	$2,310	$1,045	$1,265
Stratford School District	$2,320	$1,505	$815
Eastford School District	$2,326	$339	$1,987
Regional School District 17	$2,326	$206	$2,121
Regional School District 07	$2,345	$121	$2,224
Voluntown School District	$2,350	$274	$2,075
North Haven School District	$2,355	$579	$1,776
Preston School District	$2,358	$363	$1,995
East Lyme School District	$2,359	$555	$1,804
Vernon School District	$2,365	$1,070	$1,295
Regional School District 15	$2,366	$370	$1,996
Lebanon School District	$2,366	$267	$2,098
Regional School District 04	$2,368	$234	$2,134

Appendix B - Per Pupil Pension Subsidy Disaggregated by Race, White and Students of Color

District	Per Pupil Pension Subsidy	What Share of State "Subsidy" Via Per Student Contributions is for Students of Color?	What Share of State "Subsidy" Via Per Student Contributions is for White Students?
Newington School District	$2,369	$1,015	$1,354
Woodbridge School District	$2,372	$694	$1,678
Berlin School District	$2,372	$441	$1,931
Colchester School District	$2,372	$352	$2,020
Orange School District	$2,374	$646	$1,728
Farmington School District	$2,375	$950	$1,425
East Hampton School District	$2,384	$266	$2,118
Franklin School District	$2,387	$295	$2,093
Trumbull School District	$2,389	$759	$1,630
Bethany School District	$2,393	$381	$2,012
Stonington School District	$2,402	$328	$2,074
Hamden School District	$2,406	$1,587	$819
Stafford School District	$2,410	$296	$2,114
Middletown School District	$2,420	$1,319	$1,101
West Hartford School District	$2,420	$1,055	$1,365
Guilford School District	$2,422	$391	$2,032
Cheshire School District	$2,435	$517	$1,918
Somers School District	$2,443	$262	$2,181
Hebron School District	$2,445	$201	$2,244
Rocky Hill School District	$2,447	$1,161	$1,286
Salisbury School District	$2,455	$456	$1,999
Glastonbury School District	$2,456	$771	$1,685
Hartland School District	$2,470	$291	$2,179
Simsbury School District	$2,473	$662	$1,811
Newtown School District	$2,474	$325	$2,150
Winchester School District	$2,476	$432	$2,044
Suffield School District	$2,476	$389	$2,087
Norwalk School District	$2,486	$1,843	$643
Stamford School District	$2,488	$1,737	$751
Willington School District	$2,493	$256	$2,237
Manchester School District	$2,504	$1,660	$844
North Stonington School District	$2,516	$275	$2,241
Montville School District	$2,520	$932	$1,588
Groton School District	$2,529	$1,197	$1,332
Easton School District	$2,547	$432	$2,114

Appendix B - Per Pupil Pension Subsidy Disaggregated by Race, White and Students of Color

District	Per Pupil Pension Subsidy	What Share of State "Subsidy" Via Per Student Contributions is for Students of Color?	What Share of State "Subsidy" Via Per Student Contributions is for White Students?
Marlborough School District	$2,555	$297	$2,259
Regional School District 06	$2,602	$234	$2,368
Andover School District	$2,614	$345	$2,269
Regional School District 14	$2,614	$282	$2,331
Kent School District	$2,618	$295	$2,322
Avon School District	$2,619	$943	$1,676
Bolton School District	$2,619	$602	$2,017
Regional School District 05	$2,624	$665	$1,959
Clinton School District	$2,625	$606	$2,019
Madison School District	$2,631	$352	$2,280
Regional School District 19	$2,632	$672	$1,960
Monroe School District	$2,642	$569	$2,073
Bozrah School District	$2,654	$326	$2,328
Milford School District	$2,672	$773	$1,900
Wallingford School District	$2,681	$732	$1,949
Fairfield School District	$2,681	$667	$2,014
Ridgefield School District	$2,711	$515	$2,196
New Fairfield School District	$2,719	$499	$2,220
Branford School District	$2,727	$746	$1,982
Capitol Region Education Council	$2,738	$2,132	$606
Waterford School District	$2,741	$667	$2,074
Norfolk School District	$2,752	$0	$2,752
Windsor School District	$2,764	$2,087	$678
Litchfield School District	$2,772	$278	$2,495
Regional School District 18	$2,780	$324	$2,456
East Granby School District	$2,786	$730	$2,056
East Haddam School District	$2,796	$204	$2,592
Mansfield School District	$2,804	$913	$1,892
Explorations District	$2,810	$327	$2,483
Darien School District	$2,834	$404	$2,430
East Windsor School District	$2,856	$1,203	$1,653
New Canaan School District	$2,912	$513	$2,399
Windsor Locks School District	$2,915	$1,211	$1,703
Cornwall School District	$2,950	$454	$2,496
Hampton School District	$2,951	$0	$2,951

Appendix B - Per Pupil Pension Subsidy Disaggregated by Race, White and Students of Color

District	Per Pupil Pension Subsidy	What Share of State "Subsidy" Via Per Student Contributions is for Students of Color?	What Share of State "Subsidy" Via Per Student Contributions is for White Students?
Weston School District	$2,961	$579	$2,382
Columbia School District	$2,970	$293	$2,677
Wilton School District	$2,975	$698	$2,277
Old Saybrook School District	$2,981	$571	$2,410
Regional School District 13	$3,027	$341	$2,685
Westport School District	$3,044	$583	$2,460
Regional School District 11	$3,065	$222	$2,842
Regional School District 09	$3,111	$517	$2,594
Greenwich School District	$3,227	$1,241	$1,986
Chaplin School District	$3,239	$199	$3,040
Colebrook School District	$3,271	$0	$3,271
Redding School District	$3,356	$596	$2,760
Westbrook School District	$3,525	$893	$2,632
Regional School District 12	$3,559	$418	$3,141
Canaan School District	$3,709	$0	$3,709
Sherman School District	$3,803	$346	$3,457
Sharon School District	$4,547	$464	$4,083
Regional School District 01	$5,330	$1,027	$4,303
Scotland School District	Data on enrollment by race suppressed		
Union School District	Data on enrollment by race suppressed		
Statewide Totals	**$440,001**	**$131,752**	**$308,253**
Percentage		**29.9%**	**70.1%**

Sources

[1] Courts have already found that the state has failed in the past to adequately consider equity in its distribution of resources. (See e.g., Harris, A. (New York Times, 2018). "Connecticut Supreme Court Overturns Sweeping Education Ruling." Retrieved December 2021 at https://www.nytimes.com/2018/01/18/nyregion/connecticut-supreme-court-education-funding.html.) The Per Pupil Pension Subsidy is yet another factor that must be considered.

[2] In the most recent biennium budget, Connecticut allocated the following towards education costs: $3,118,629,990- Department of Education, $251,916,334 - Office of Early Childhood, $9,277,287 - State Library, $37,511,975 - Office of Higher Education, $208,184,065 - University of Connecticut, $135,730,117 - University of Connecticut Health Center, $1,477,611,514 - Teachers' Retirement Board, $317,864,939 - Connecticut State Colleges and Universities. We find this totals $5,556,726,221 in the education budget, of which teacher retirement contributions in 2021-22 have been budgeted $1,443,656,000. (Source: Special Act No. 21-15 (2021). Retrieved November 2021 at https://www.cga.ct.gov/2021/ACT/SA/PDF/2021SA-00015-R00HB-06689-SA.PDF.)

[3] See e.g., Caplan, L (The New Yorker, 2016). "Two Connecticut School Systems, for the Rich and Poor. Retrieved November 2021 at https://www.newyorker.com/news/news-desk/two-connecticut-school-districts-for-the-rich-and-poor.

[4] Equable Institute review of state funding practices for teacher retirement systems and public school employee retirement systems.

[5] Ibid.

[6] For a 20-year history of TRS funding progress and actual contribution rates relative to actuarially determined contributions, see Equable Institute (2019). "Hidden Education Funding Cuts: Connecticut." Retrieved November 2021 at https://equable.org/wp-content/uploads/2020/04/CT-Profile_Hidden-Funding-Cuts_Final.pdf; for a break out of the sources of STRS unfunded liabilities, see Equable Institute (2021). "Sources of Unfunded Liabilities, in $Billions Connecticut TRS." Retrieved November 2021 at https://equable.org/wp-content/uploads/2021/07/ConnecticutTRS.pdf; for an analysis of policy decisions between 1970 and 2000 that contributed to the accumulation of unfunded liabilities, see Center for Retirement Research at Boston College (2015). "Final Report on Connecticut State Retirement Systems: SERS and TRS." Retrieved November 2021 at http://crr.bc.edu/wp-content/uploads/2015/11/Final-Report-on-CT-SERS-and-TRS_November-2015.pdf.

[7] GASB Statement No. 68 Report for the Connecticut State Teachers' Retirement System Prepared as of June 30, 2020. Retrieved November 2021 at https://portal.ct.gov/-/media/TRB/Content/StatisticsResearch/SR_GASB6820.pdf

[8] Equable Institute review of state funding practices for teacher retirement systems and public school employee retirement systems.

[9] GASB Statement No. 68 Report for the Connecticut State Teachers' Retirement System Prepared as of June 30, 2020.

10 There is a much narrower difference between the median amount of per pupil pension debt in Connecticut's public school districts and the average, suggesting that although the largest public school districts may accumulate larger amounts of pension debt overall, their per pupil pension costs are actually not skewed.

[11] We determined the relative performance of Connecticut's public school districts based upon the latest data from the Next Generation Accountability System for the year 2018-19. This system uses a broad set of 12 indicators to provide a multifactor perspective of district and school performance. We sorted the 2018-19 data by the "Outcome Rate Percentage" data point. The State Department of Education uses this same dataset to identify the Alliance Districts.

[12] Using the most recent data from the Next Generation Accountability System, from the year 2018-19, Stamford Academy District actually receives the lowest "Outcome Rate Percentage" of any public school district, at 34.8. However, as of the writing of this analysis, the school has closed. We have therefore excluded it from this table, in order to avoid confusion.

[13] See methodology for more details.
[14] For some smaller districts, data on enrollment by race have been entirely suppressed. These districts are excluded from this portion of the analysis.
[15] See methodology for more details.
[16] Governor Lamont Press Release (2021). "Governor Lamont Proposes Long-Overdue Structural Reforms: “This Is the Land of Steady Habits, but We Can’t Continue Along the Same Path and Expect That Things Will Fix Themselves." Retrieved September 2021 at portal.ct.gov/Office-of-the-Governor/News/Press-Releases/2019/02-2019/Governor-Lamont-Proposes-Long-Overdue-Structural-Reforms.
[17] Defined benefit pension plans, like TRS, are funded on an advance basis. The "normal cost" of a pension plan is the cost of all benefits accumulated by active members in the current year. This is determined by actuaries looking at benefit provisions, making assumptions about tenure, salary, and future investment returns. The final normal cost number, if fully paid, in theory should be enough to cover all benefits earned in a given year—if future experience perfectly lines up with all actuarial assumptions. Any time reality differs from assumptions, such as earning less in investment returns than anticipated, that could create an "unfunded liability." Actuaries develop a separate calculation for "unfunded liability amortization payments" that, if fully provided for, should eliminate the pension plan's funding shortfall over time. In this sense, the "normal cost" for a pension plan is directly related to salaries paid in a given year. The "amortization" cost is a separate amount of money needed to pay down a funding shortfall for future benefits that results from management decisions and legislative commitments to making required payments.