

SCHOOL + STATE
FINANCE PROJECT

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SCHOOL FINANCE 101

How Connecticut Funds
Education

Contact Us

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To learn more about the
School and State Finance Project, visit us at:

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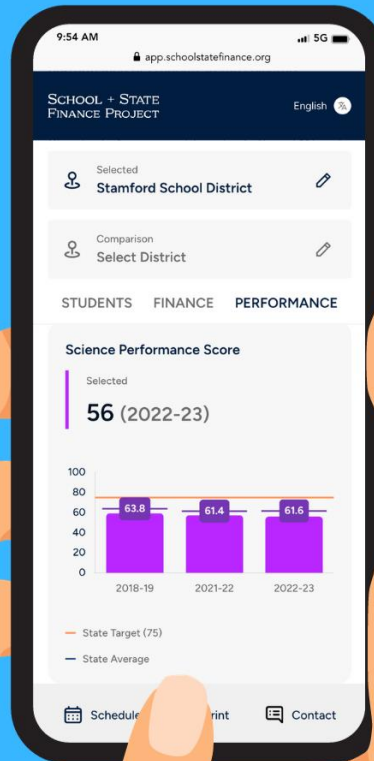
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app.schoolstatefinance.org



**student
performance**



**school
finance**



demographics

developed by

**SCHOOL + STATE
FINANCE PROJECT**

About Us



Statewide
organization
founded in 2015



Nonprofit,
nonpartisan policy
organization



Trusted resource that
works **collaboratively**
with policymakers,
school district
officials, community
leaders, and all
individuals



Develops data-
driven solutions to
ensure **ALL public**
school students
receive **equitable**
education funding
that supports their
learning needs

Our Priorities



Students



Schools



Communities

Our Achievements

With the support of community members, we have...



Secured additional
\$1.2 billion in
equitable education
funding



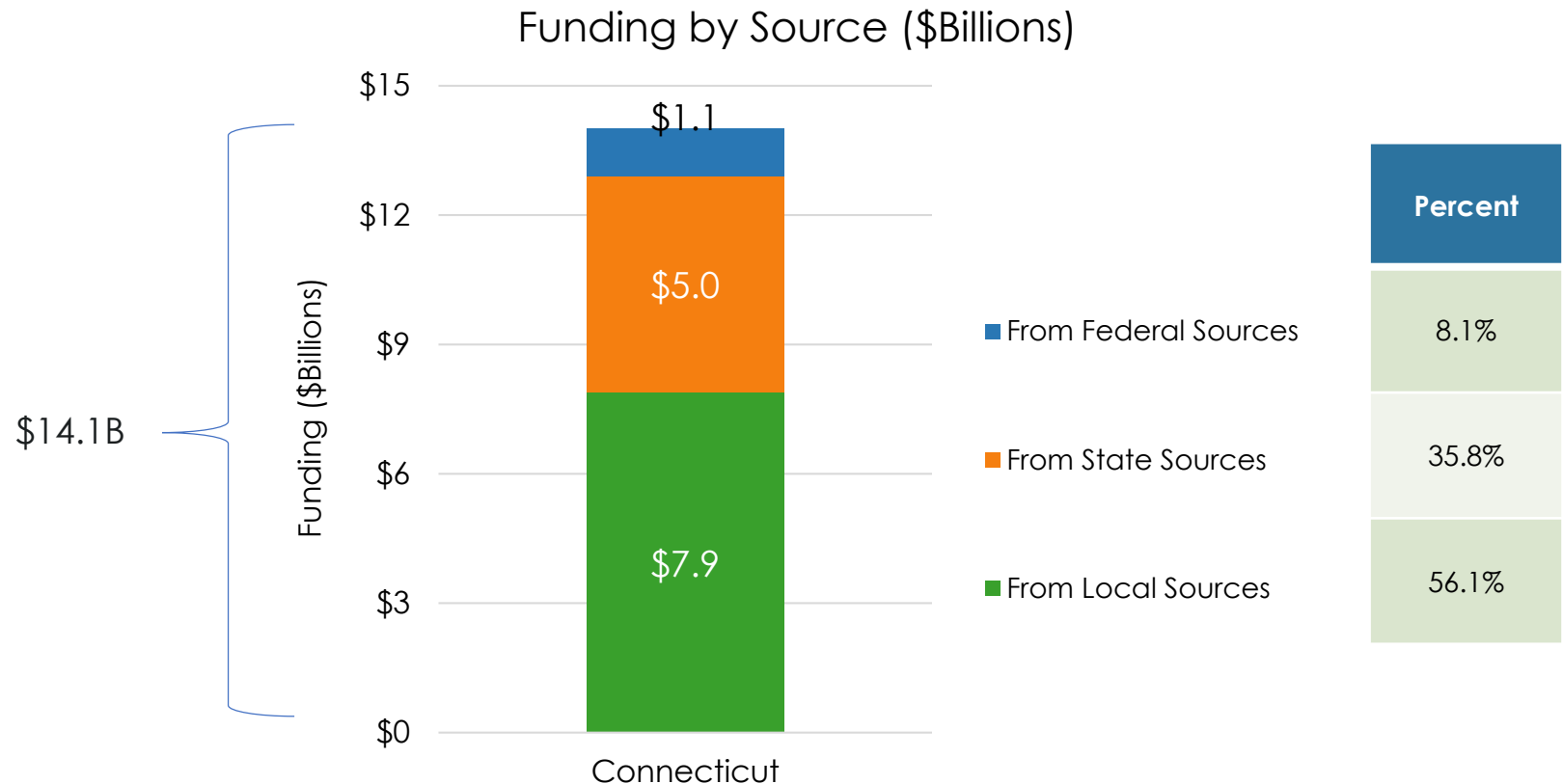
Fully funded the
state's main
education funding
formula for the first
time in state history



Implemented
need-based funding
for ALL public school
students

OVERVIEW

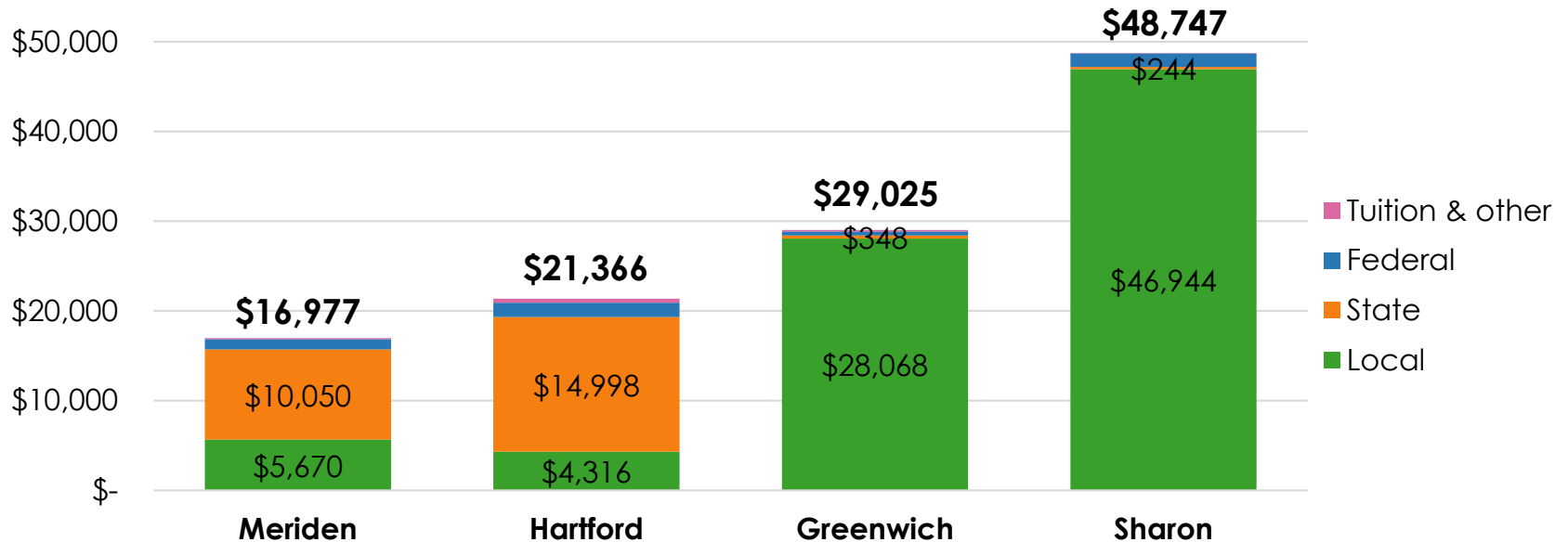
What are the funding sources for K-12 education in Connecticut?



Source: U.S. Census Bureau. (2026). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2024. *2024 Annual Survey of School System Finances*. Washington, DC: Author. Available from <https://www.census.gov/data/tables/2024/econ/school-finance/secondary-education-finance.html>.

District per-student spending ranges significantly across Connecticut with a state average \$22,721

Per-Student Funding by Source, 2024-25



Student Demographics	Low-Income	77.8%	76.7%	20%	32%
	Multilingual Learners	20%	26.2%	5.4%	*
	Students w/ Disabilities	21.6%	20.7%	16%	20.6%
	BILPOC Students	80.9%	94.1%	41%	18.6%

*Due to the low number of students meeting this demographic, data is suppressed by the State to ensure student confidentiality.



STATE FUNDING VIA THE EDUCATION COST SHARING FORMULA (ECS)

The ECS formula is used to distribute state education aid to municipalities for their local or regional public school districts.

Several components of the formula are also partially used to provide funds to public schools of choice.

Why CT Has an ECS Formula

- The State began providing aid to cities/towns as a result of a 1977 CT Supreme Court decision, *Horton v. Meskill*.
- In *Horton* (1977), the Court ruled an education funding system that allows **“property wealthy” towns to spend more on education with less effort** is a system that **impedes** children’s constitutional rights to an **equal education**.
- **At its core, *Horton v. Meskill* was about equity** and ensuring all Connecticut students had access to the resources and opportunities necessary for them to succeed inside and outside of the classroom.
- As a result of the 1977 ruling, CT established a formula to give money to public school districts that took property wealth into consideration.
 - In 1988, CT established the Education Cost Sharing (ECS) formula to serve this purpose. It has been revised numerous times since.
 - In theory, **the ECS grant is supposed to make up the difference between what a community can afford to pay and what it costs to run a public school system.**

Sources: *Horton v. Meskill*, 172 Conn. 615 (Conn. Sup. Ct. 1977).
Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.html>.

Foundation Amount

- The ECS formula begins with a foundation amount, which is supposed to represent the amount of money it costs to educate a child with no additional learning needs.
- In Connecticut, the foundation amount is established by the legislature
- Currently, the foundation amount is **\$11,525**
- The foundation amount has not been adjusted since 2013 when it raised from \$9,687 to \$11,525
- To keep pace with inflation and hold the same value in 2026 as it did in 2013, the foundation amount would need to be raised to more than \$16,000

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

ECS Formula's Student-Need Weights

Low-Income Student Weight	30%
Concentrated Poverty Weight <i>Applied to Every Student Above 60% Concentrated Poverty</i>	15%
Multilingual Learner Weight	25%



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Student Need	Funding Per Student
General Education (Non-need) Student	\$11,525
Low-income Student (+ \$3,458)	\$14,983
Concentrated Low-income Student (+ \$5,186)	\$16,711
Low-income and Multilingual Learner (+ \$6,339)	\$17,864
Multilingual Learner (+ \$2,881)	\$14,406
Concentrated Low-income Multilingual Learner (+ \$8,067)	\$19,592

Source: Conn. Gen. Statutes ch. 172, § 10-262f.
All numbers are rounded

Base Aid Ratio

A town's **ability to fund its public schools** is determined by two factors in the ECS formula. These factors make up the **Base Aid Ratio**.

<u>Property</u> Wealth Factor	70%
<u>Income</u> Wealth Factor	30%



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Additional Funding for Towns in Need

- The ECS formula also adjusts the Base Aid Ratio to provide additional funding to the 19 communities with the lowest wealth and highest needs.
- Using a 4-tiered scale, additional percentage points are added to the Base Aid Ratio to drive more state funding to these 19 communities based on their relative wealth and need.

Town's PIC Index Rank	Additional % Points Added to Base Aid Ratio
1-5	6 percentage points
6-10	5 percentage points
11-15	4 percentage points
16-19	3 percentage points

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

ECS grants fluctuate year to year based on changing data

ECS grants are calculated on an annual basis and take into account updated data that may alter previous grant estimates.

As a result, actual ECS grant amounts may differ from previous projections due to changes in enrollment, student needs, and/or community wealth.

Factors Impacting a Town's ECS Grant

- Town's prior year ECS grant amount
- # of students residing in town
- # of economically disadvantaged students
- % of economically disadvantaged students
- # of multilingual learner students
- Town's property wealth (ENGLPC)
- Income of town residents (Median Household Income)
- # of students sent to regional school districts, and how many grades the regional district has
- PIC Index score
- Alliance District status

WHAT DOES THIS MEAN FOR COMMUNITIES?

How do cities and towns raise money to pay for public schools?

- Cities and towns raise money to pay for services (including public schools) through property taxes.
 - Cities and towns are able to collect tax on property that is owned by the people who live there.
 - Cities and towns can collect taxes on “real” property (e.g. office building, apartment buildings, houses) and “personal” property (e.g. cars and boats).
 - Property that belongs to some nonprofit organizations, like universities, hospitals, and churches, may be exempt from property tax.
 - Cities and towns are limited in how they can raise revenue through other means.

Source: State of Connecticut, Office of Policy and Management. (n.d.). Statutes Governing Property Assessment and Taxation. Retrieved from <https://portal.ct.gov/OPM/IGPP/Services/Statutes-Governing-Property-Assessment-and-Taxation>.

How much do cities and towns need to contribute toward funding their public schools?

- Cities and towns must make up the difference between what their local public school system receives from state and federal sources and the local public school district's budget.

$$\begin{aligned} &\text{School District Budget} - \text{Federal Revenue} - \text{State Revenue} \\ &= \\ &\text{Municipal (Local) Contribution} \end{aligned}$$

THE ROLE OF WEALTH AND PROPERTY TAXES

One of the most ***fundamentally flawed*** parts of education funding is its **reliance on local property taxes.**

It enables an ***inequitable*** system where affluent, predominantly white suburban communities with high property wealth are able to **fund their schools at higher levels.**



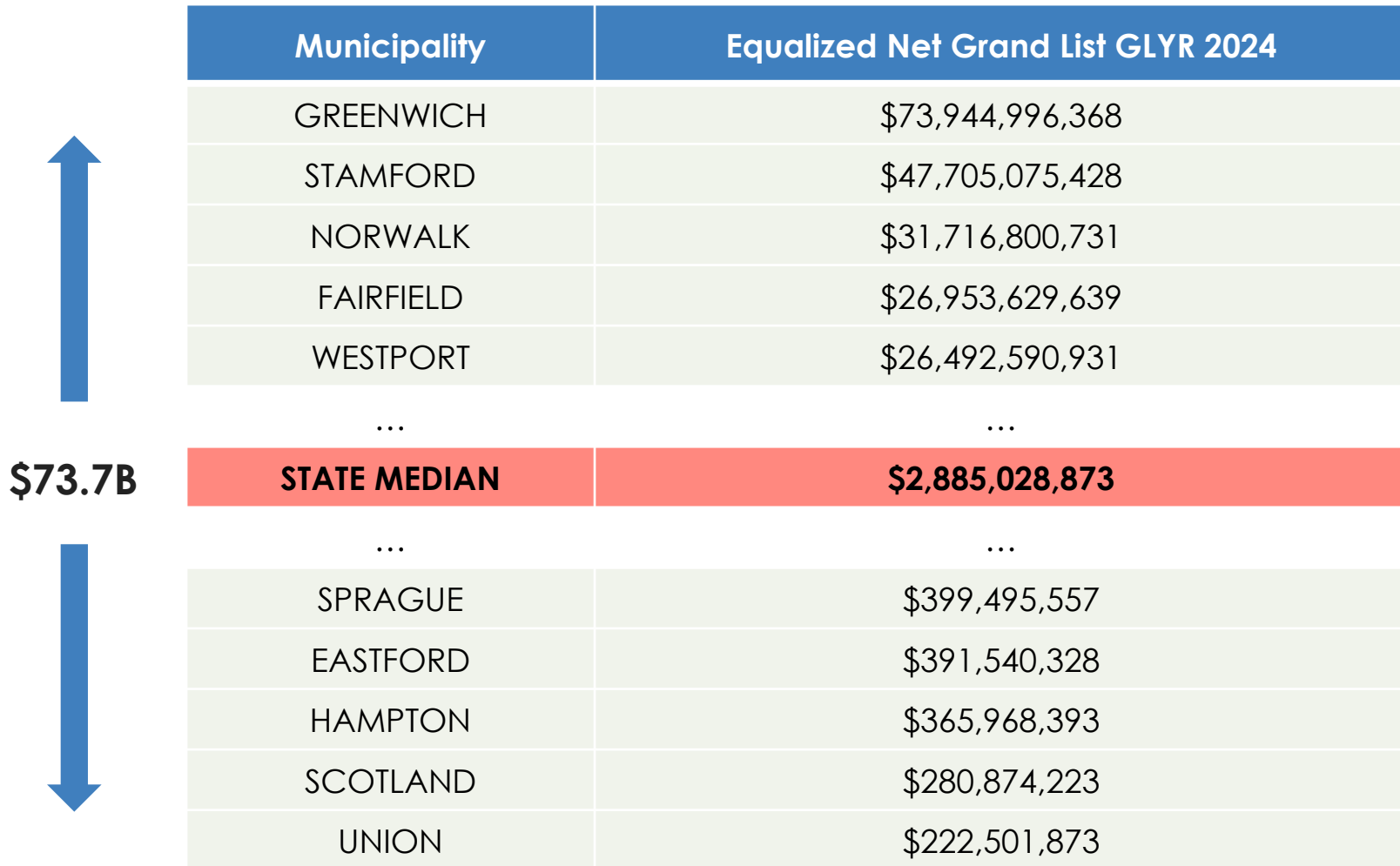
LEARN MORE

Facts About Property Taxes

- Property taxes are the primary way Connecticut municipalities can raise revenue.
- Each municipality has a different amount of property available to tax.
 - Each city and town adds up the value of all of the taxable property in the town – this is known as the “grand list.”
 - There are big differences in the grand lists for Connecticut’s municipalities.
- Once a municipality knows how much money they need to raise in taxes and the value of the “grand list,” the municipality sets a tax rate for property, known as a “mill rate.”

Source: State of Connecticut, Office of Policy and Management. (n.d.). Statutes Governing Property Assessment and Taxation. Retrieved from <https://portal.ct.gov/opm/igpp/resources-and-forms/statutes-governing-property-assessment-and-taxation>.

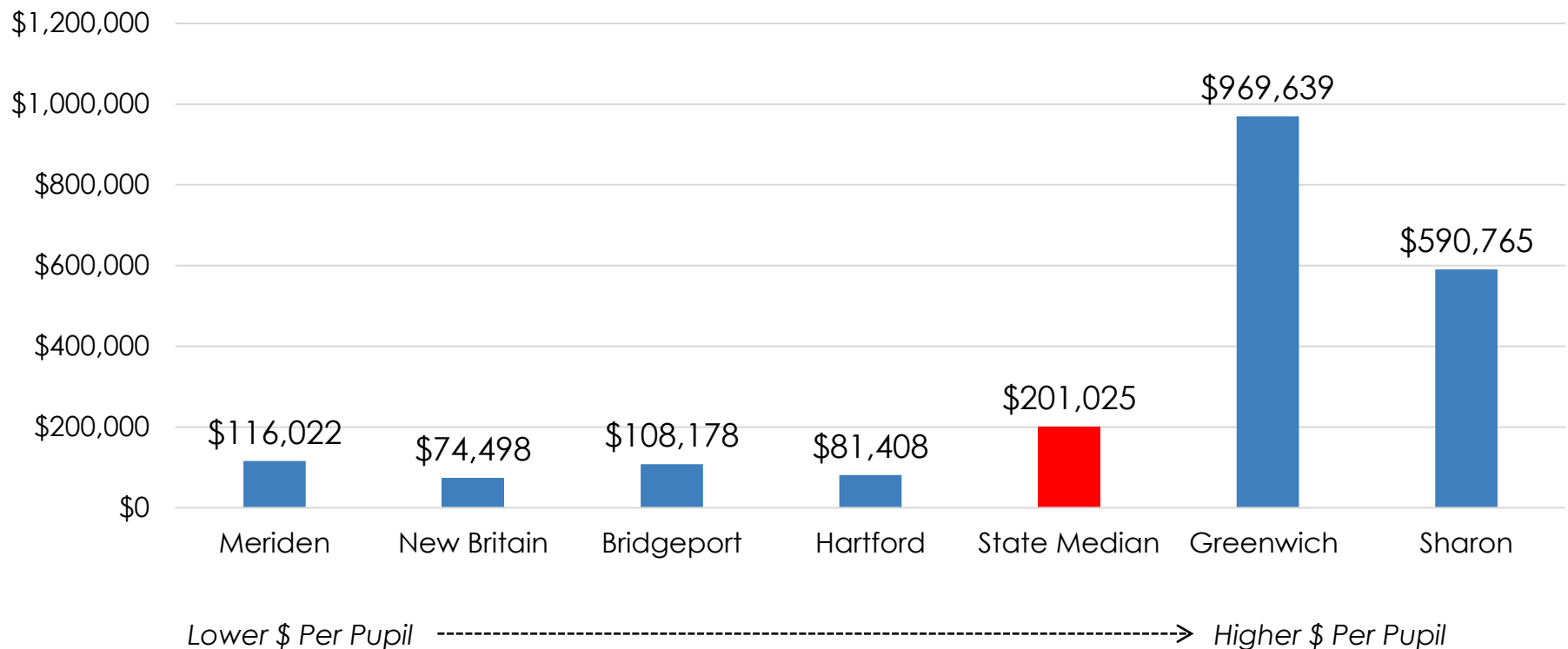
The Values of Grand Lists Vary Widely



Source: State of Connecticut, Office of Policy and Management. (2026). Equalized Net Grand List by Town (2011-2024 GL). Available from https://data.ct.gov/Local-Government/Equalized-Net-Grand-List-by-Town-2011-2024-GL-/8rr8-a322/about_data.

Equalized Net Grand List per Capita (ENGLPC) represents the value of taxable property in a town per resident

Equalized Net Grand List per Capita by Town



Sources: State of Connecticut, Office of Policy and Management. (2026). *Municipal Fiscal Indicators, Fiscal Years Ended 2019-2023*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/opm/finance/mfs-unit/municipal-fiscal-indicators/municipal-fiscal-indicators-2019-23---final---revised-asof-1-14-2026.pdf>. Connecticut State Department of Education. (n.d.). *Per Pupil Expenditures by Function (District), 2024-2025*. Retrieved from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district?language=en_US.

Mill Rates Vary Widely as Well



\$73.7B

Municipality	FY 2026 Mill Rate
HARTFORD	68.95*+
HAMDEN	51.88*
EAST HARTFORD	45.9*
WATERBURY	44.98*
WEST HARTFORD	44.78*
...	...
WARREN	12.75
GREENWICH	12.041
SHARON	11.15
SALISBURY	11
WASHINGTON	10.85

*For Real & Personal Property only; vehicle mill rate is 32.46 for these communities

+ Residential property in the city of Hartford is not assessed at the standard rate of 70%. Instead, Hartford's current assessment rate for residential property is 36.75%. Due to this difference, the property taxes for the house in this example may be lower in Hartford than the taxes in other towns with lower mill rates.

Source: State of Connecticut, Office of Policy and Management. (2026). Mill Rates for FY 2014-2026. Available from https://data.ct.gov/Local-Government/Mill-Rates-for-FY-2014-2026/emyx-j53e/about_data.

How are property taxes calculated?



\$350,000 house in East Hartford

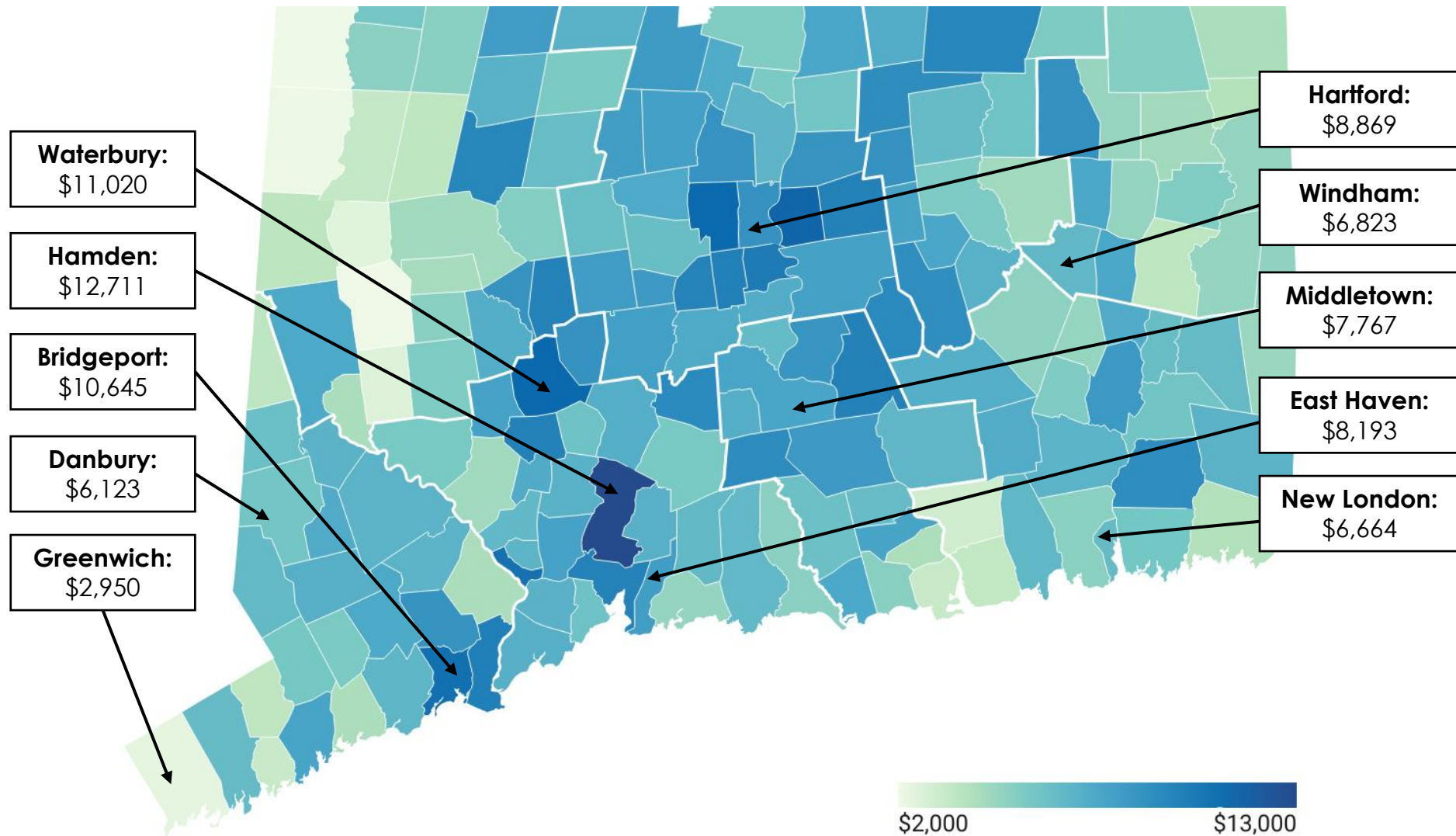
Mill rate of 45.9

1 mill equals \$1 in tax for every \$1,000 in assessed property

- Property Tax = Value of Property * Assessed Value (70%) * Mill Rate /1000
- Property Tax = $((\$350,000) * (.7) * 45.9) / 1000$
- Property Tax = \$11,246

Source: State of Connecticut, Office of Policy and Management. (2026). Mill Rates for FY 2014-2026. Available from https://data.ct.gov/Local-Government/Mill-Rates-for-FY-2014-2026/emyx-j53e/about_data.

Property Taxes on a \$350,000 House

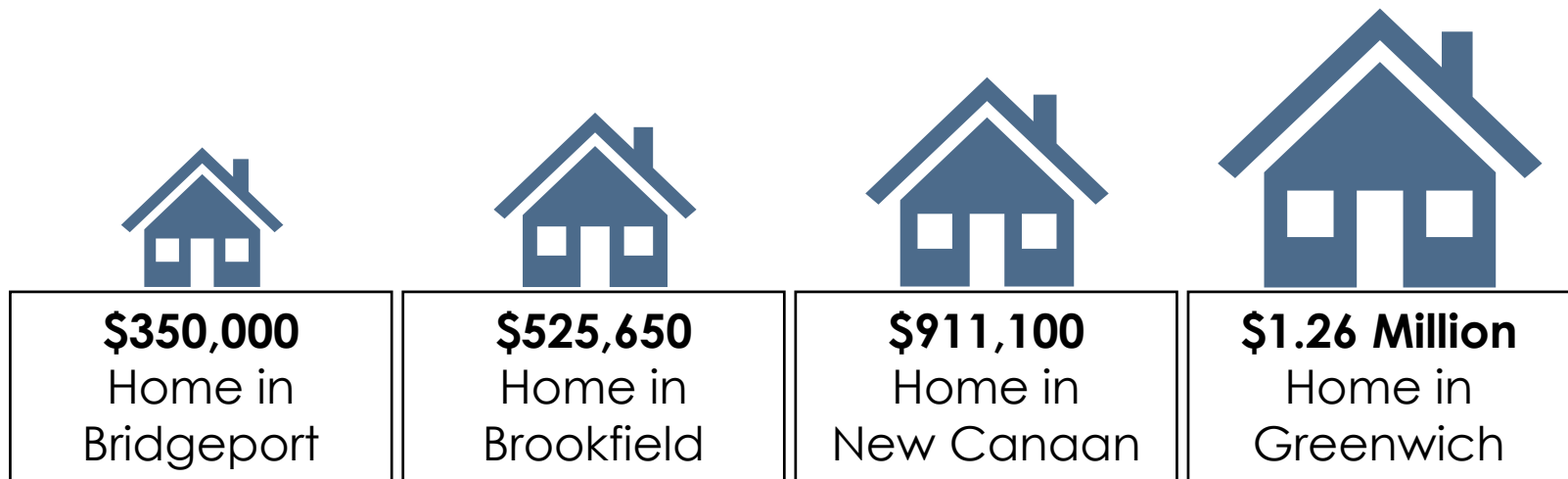


What does this mean for Connecticut communities?

Municipalities with **low property wealth** have to tax themselves at a **higher rate** to raise money for public education.

Meanwhile, municipalities with **higher amounts of taxable property** can raise **more revenue with less effort**.

Ultimately, the property taxes generated from a \$350,000 home in one community may not be **comparable** to homes in neighboring communities.



APPENDIX

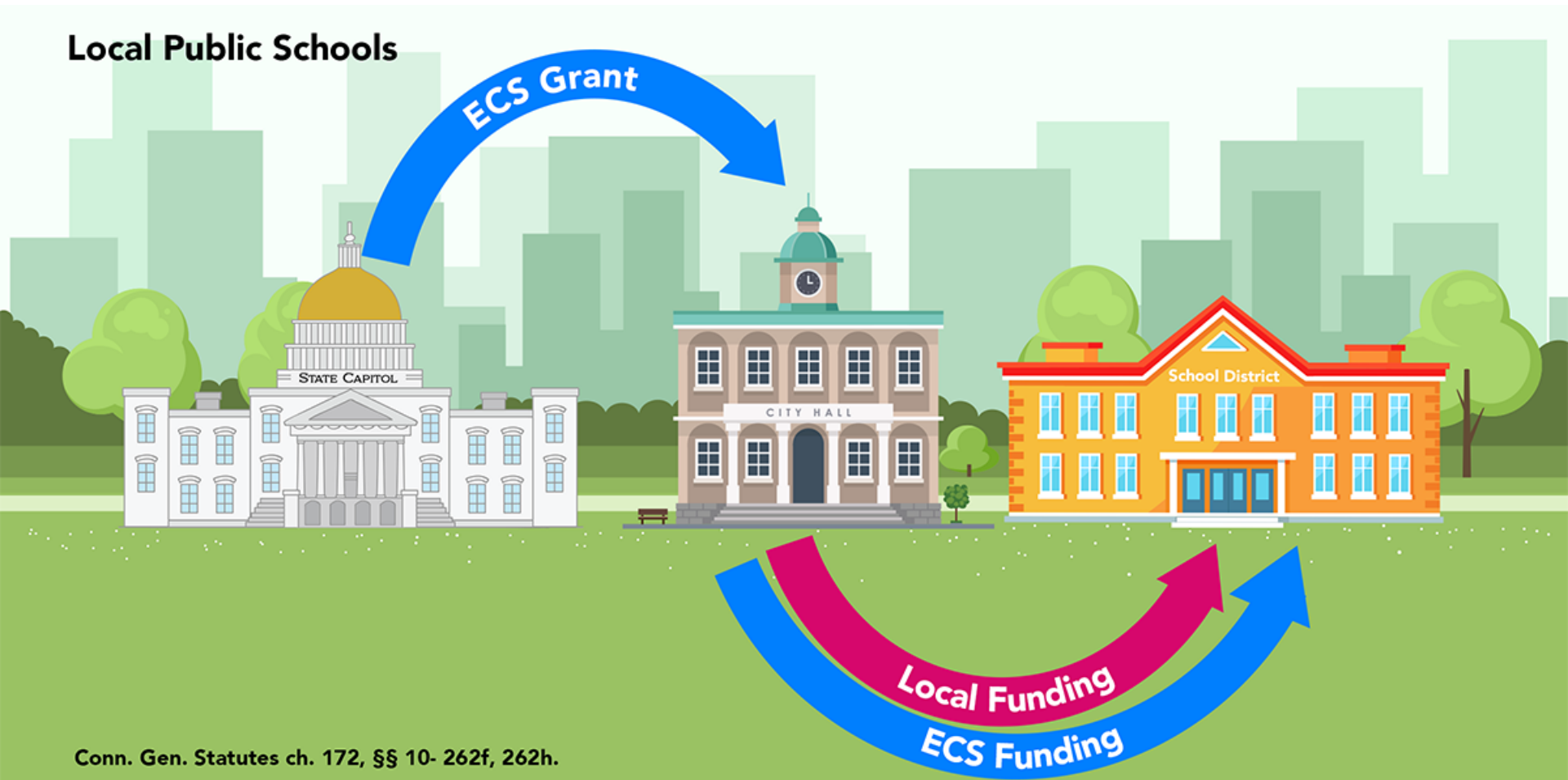
Connecticut's **10 different formulas** for funding public schools



LEARN MORE

Local and Regional School Districts (166 districts)

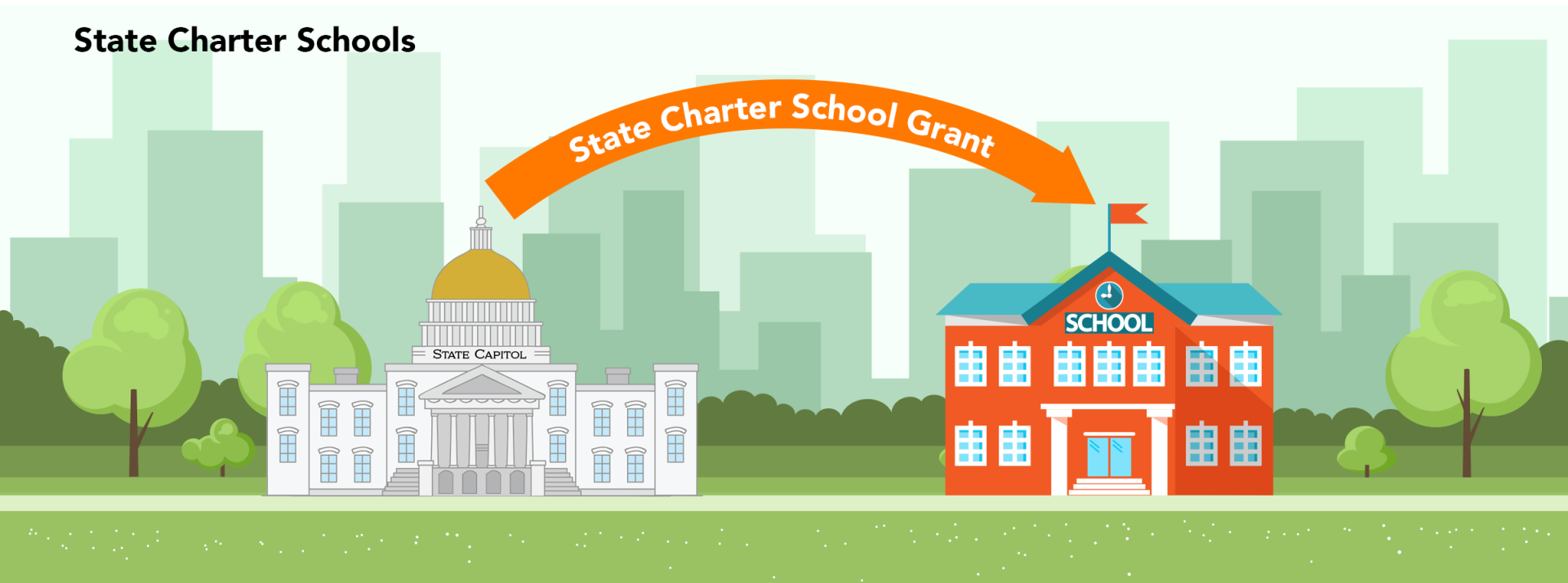
Local Public Schools



Conn. Gen. Statutes ch. 172, §§ 10- 262f, 262h.

State Charter Schools (21 schools)

State Charter Schools

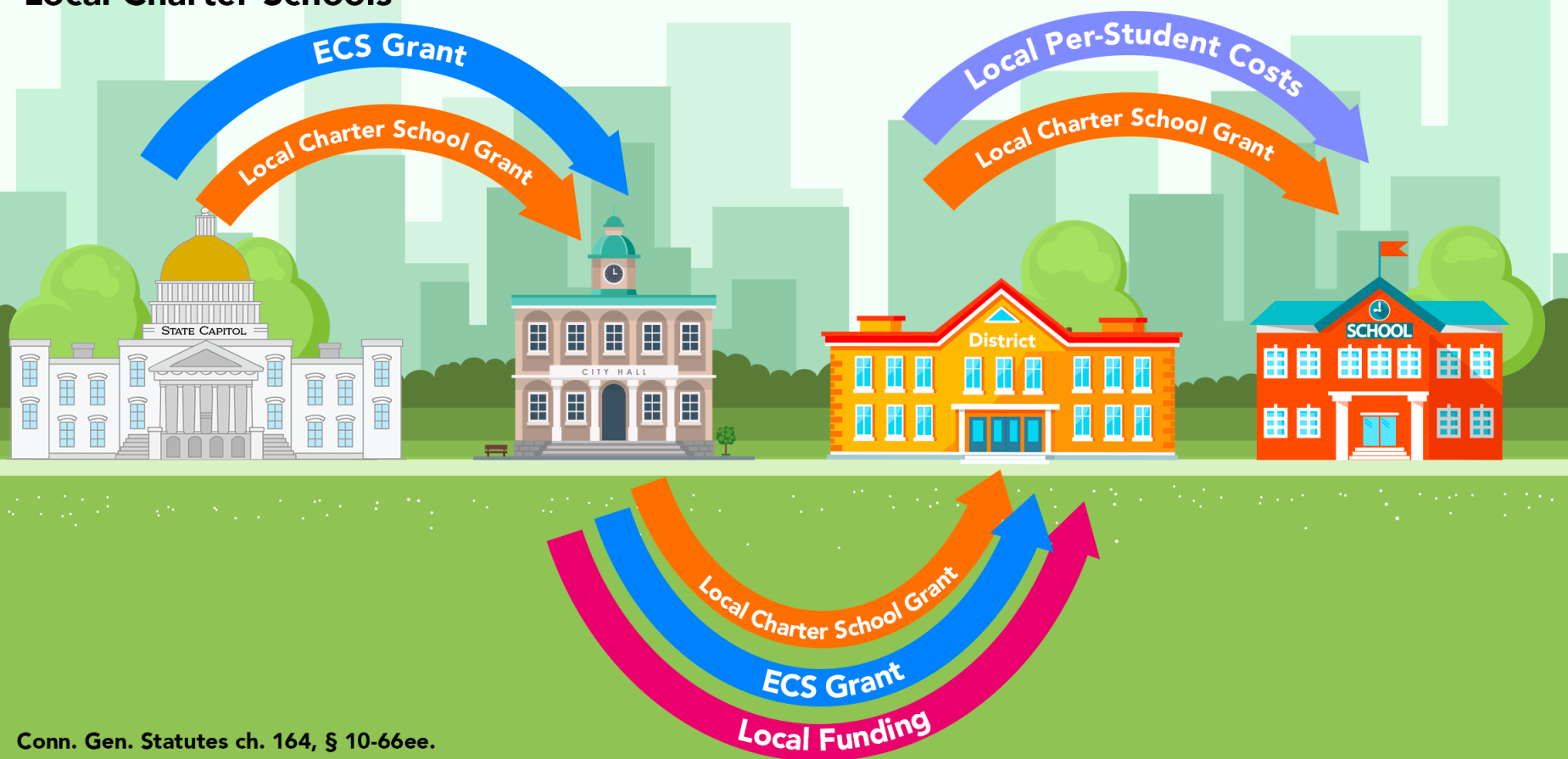


In FY 2025, and thereafter, state charter school students will receive the ECS foundation plus 56.7% of their full weighted funding based on their individual learning needs.

Conn. Gen. Statutes ch. 164, § 10-66ee.

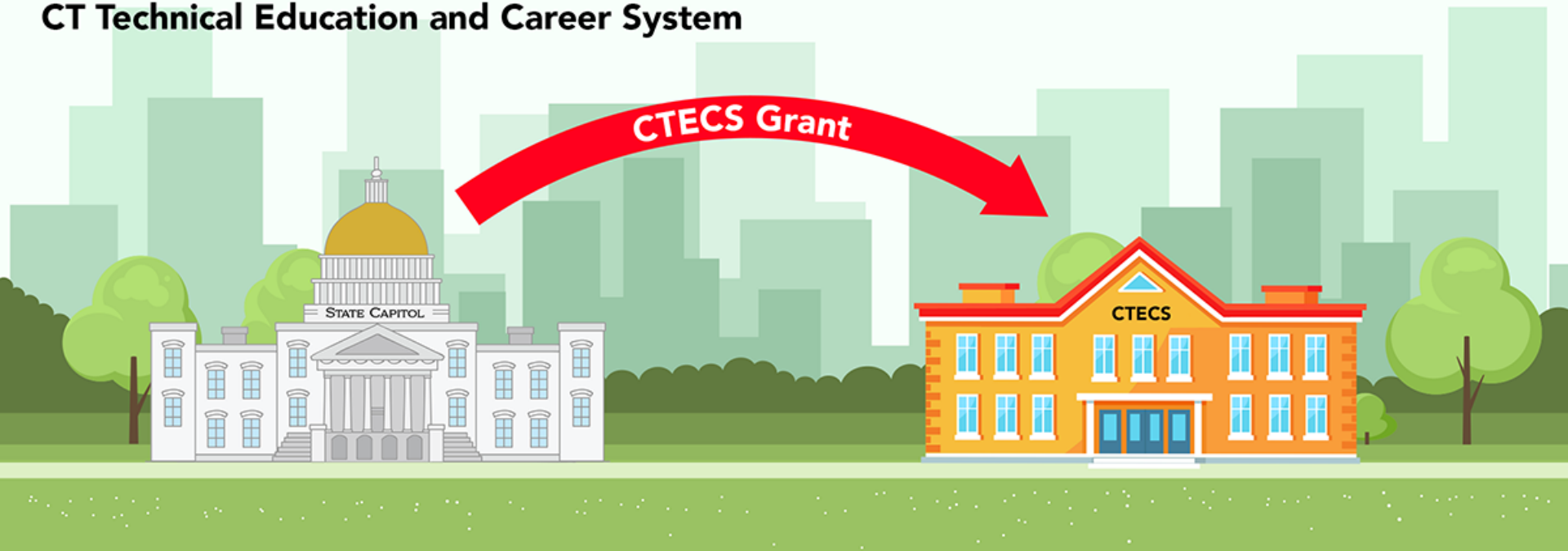
Local Charter Schools (1 school)

Local Charter Schools



CT Technical Education and Career System (20 schools)

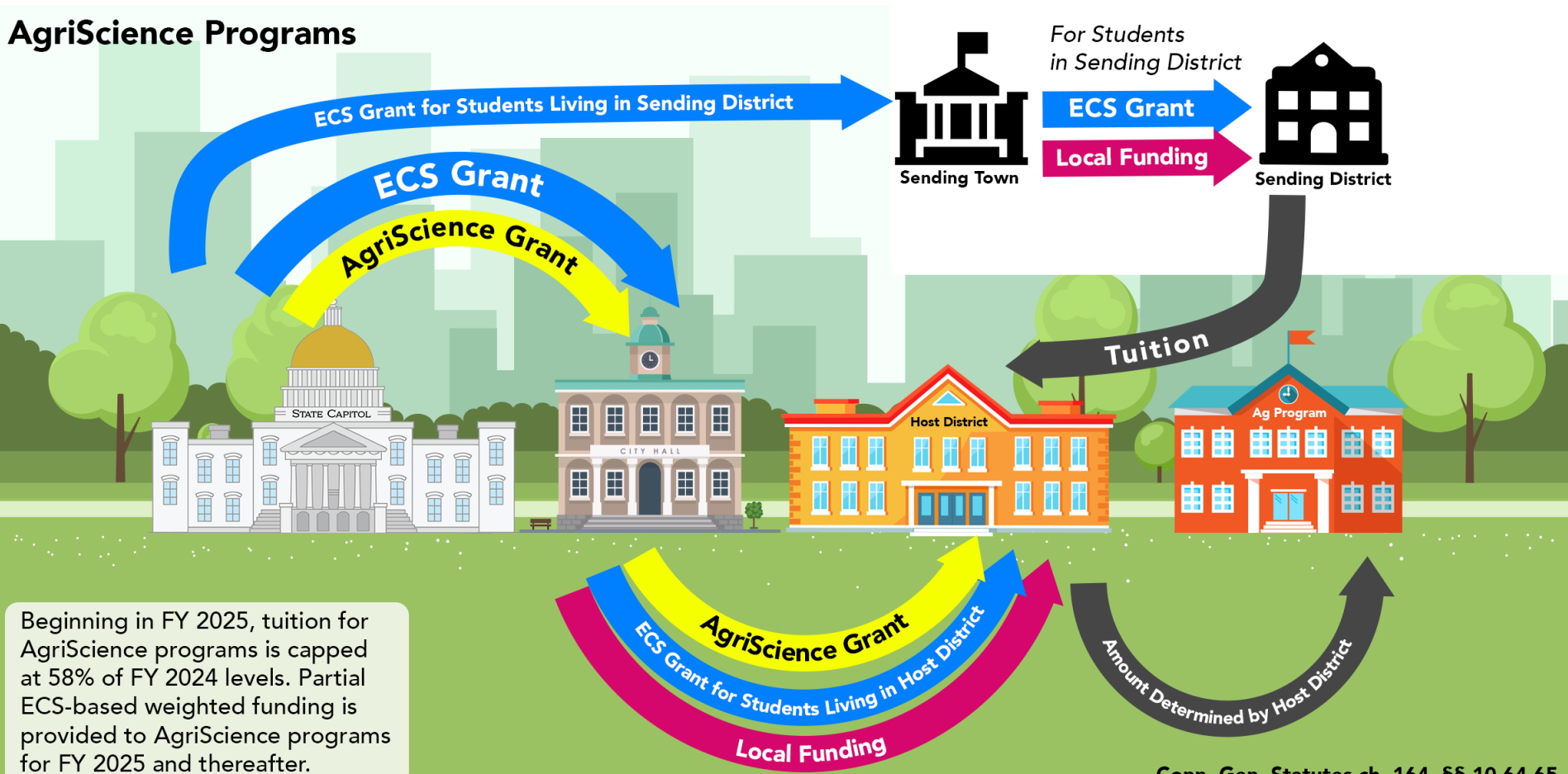
CT Technical Education and Career System



Conn. Gen. Statutes ch. 164, § 10-95.

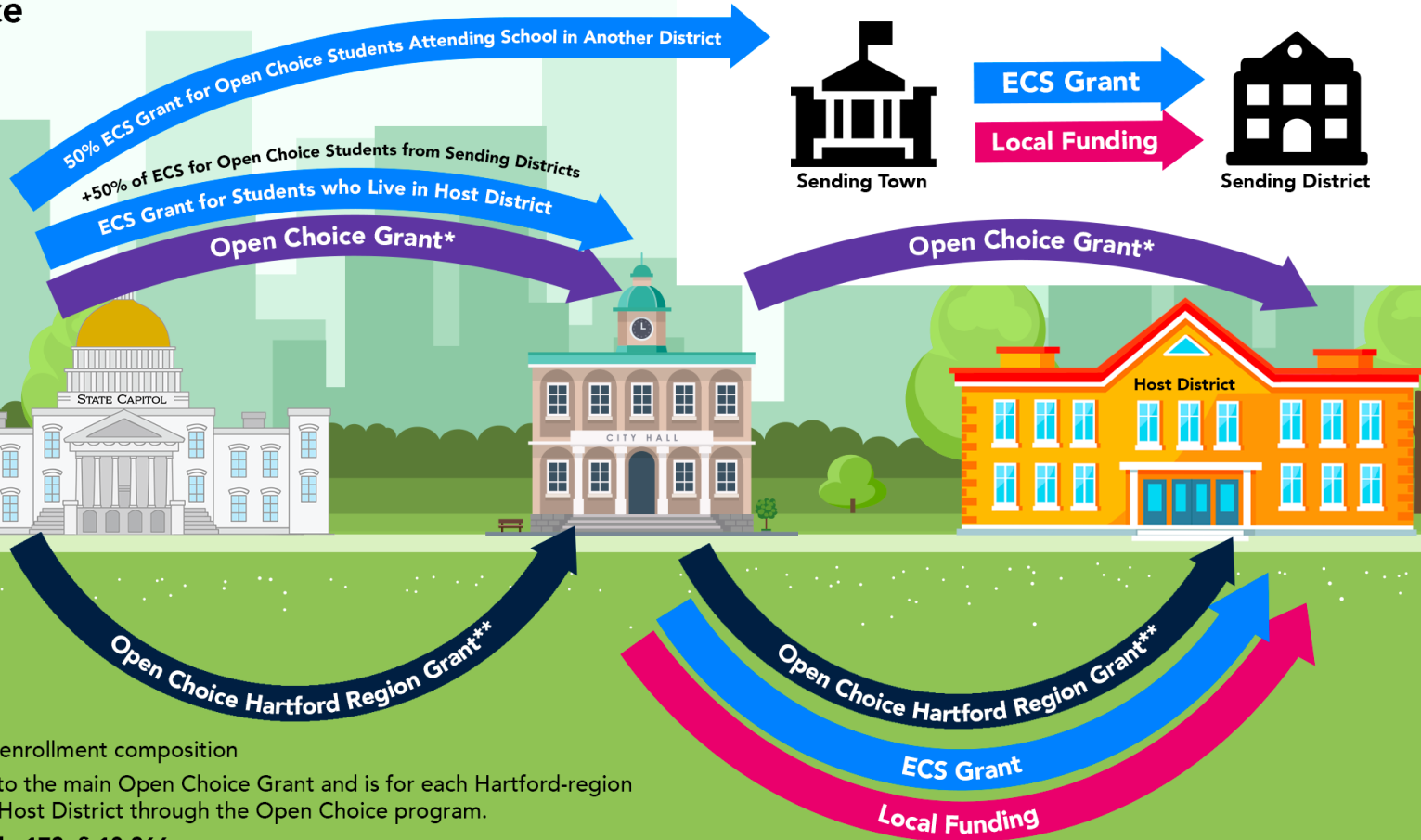
Agriscience Program (20 centers)

Agriscience Programs



Open Choice (47 participating districts)

Open Choice



* Amount depends on enrollment composition

** Grant is in addition to the main Open Choice Grant and is for each Hartford-region student attending the Host District through the Open Choice program.

Conn. Gen. Statutes ch. 172, § 10-266aa.

RESC Magnet School (Sheff) (18 schools)

Regional Educational Service Center (RESC)
Magnet School (Sheff)

ECS Grant to Sending District



ECS Grant

Local Funding



Amount varies*

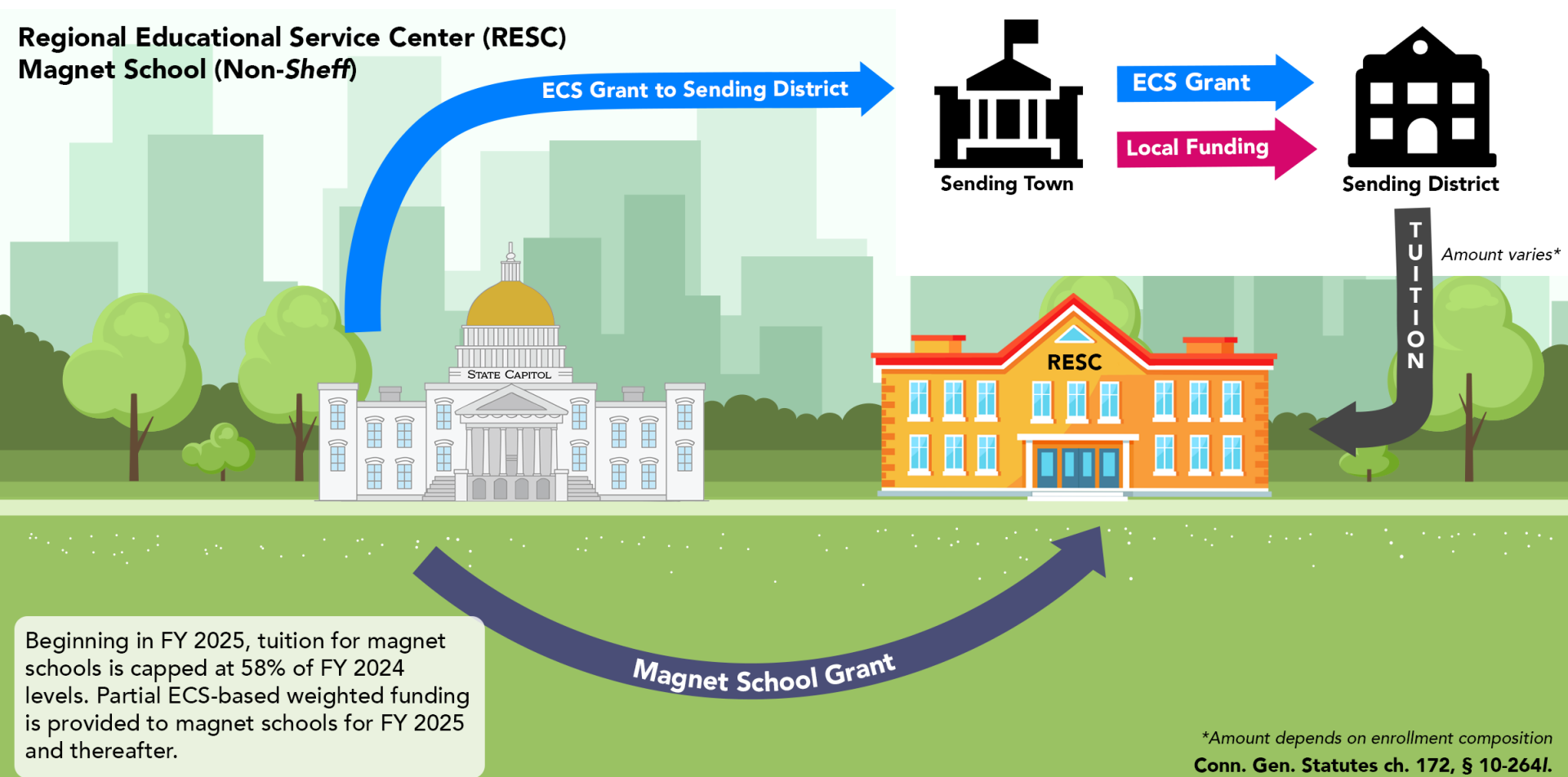
TUITION

Beginning in FY 2025, tuition for magnet schools is capped at 58% of FY 2024 levels. Partial ECS-based weighted funding is provided to magnet schools for FY 2025 and thereafter.

Magnet School Grant

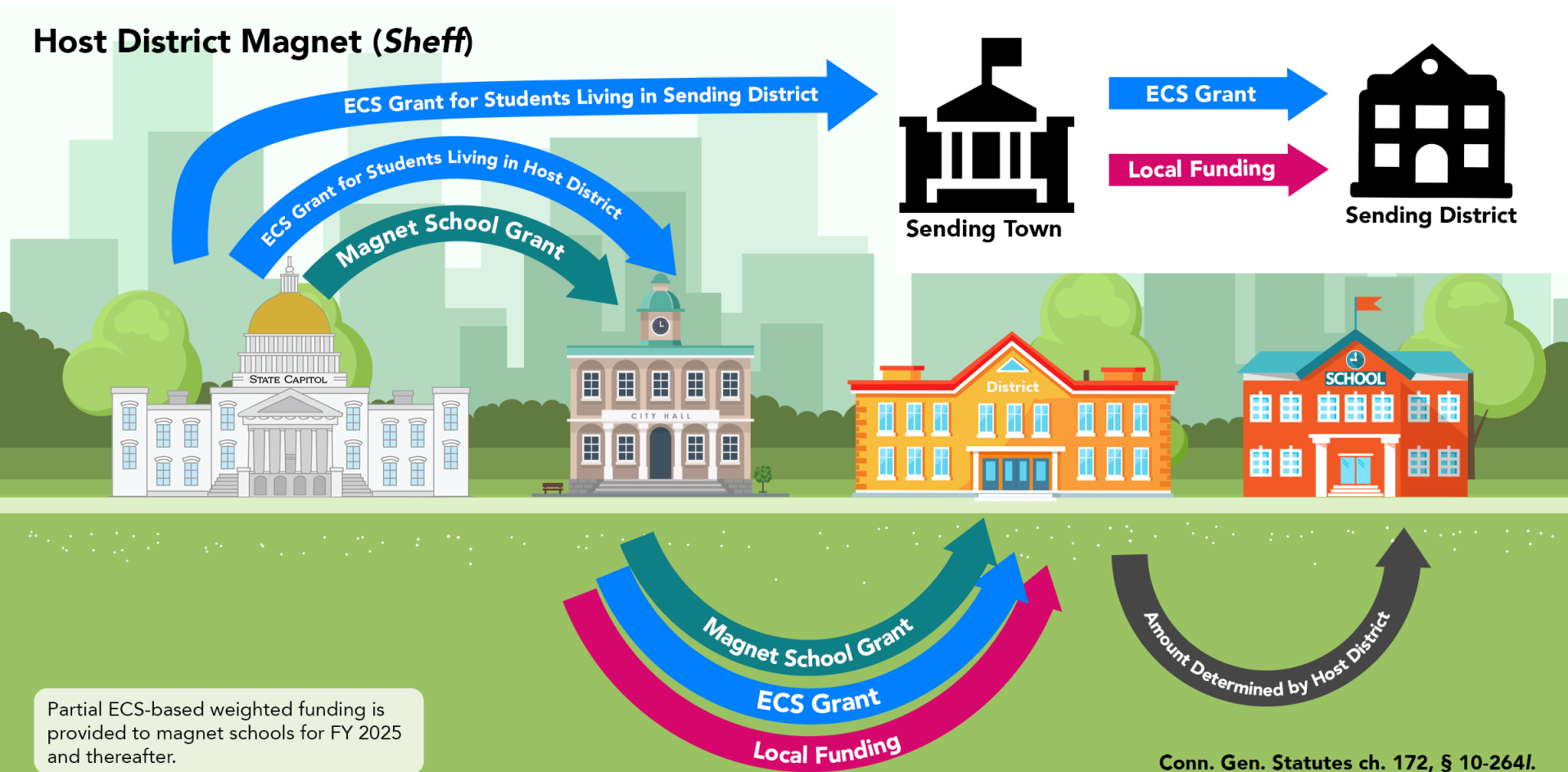
*Amount depends on enrollment composition
Conn. Gen. Statutes ch. 172, § 10-264I.

RESC Magnet School (Non-Sheff) (12 schools)



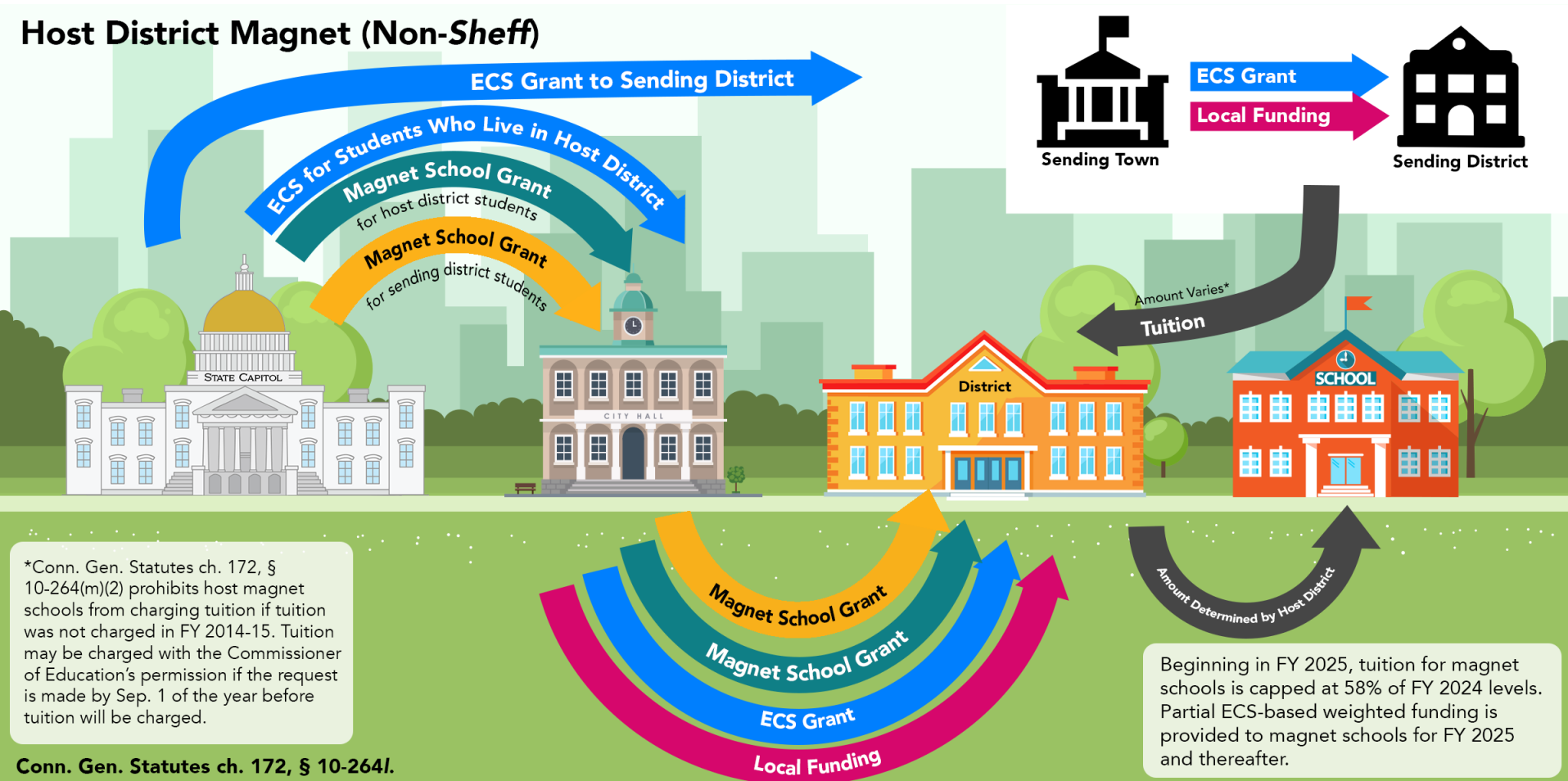
Host District Magnet (Sheff) (20 schools)

Host District Magnet (Sheff)



Host District Magnet (Non-Sheff) (34 schools)

Host District Magnet (Non-Sheff)



Conn. Gen. Statutes ch. 172, § 10-264I.