

Why Stronger Action on Education Funding is Needed This Legislative Session

Addressing Affordability

- If ECS funding does not increase, **Connecticut's overreliance on local property taxes** to fund education will only grow.
 - This will **increase costs for families and exacerbate disparities** in funding and access to resources for students.
 - If we want to make Connecticut more affordable, **we should not shift more of the responsibility for funding education** onto local property taxpayers.
- Relying on a foundation amount set in 2013 **ignores the affordability crisis and fails to reflect economic realities** and the significant increase in the cost of educating students over the last 13 years.
- If the foundation amount had kept pace with inflation, it would be **over \$16,000 per student** today.
- Without additional ECS funding, municipalities will be forced to choose between two impossible options: **raise local property taxes** that residents cannot afford or **cut staff and programs that students rely on**.

ECS Data Changes

- While S.B. 7 and H.B. 5002 are well-intentioned, recent changes to the data used to calculate ECS grants have **significantly reduced fully-funded ECS grant calculations** for many towns.
- Large declines in student enrollment have **reduced calculated ECS grants for many already underfunded cities and towns**.
- Increased property values are compounding this problem by **further reducing grant calculations in many communities**.
 - Increased property values **do NOT reflect increases** in actual municipal tax capacity.
- These shifts mean proposals to raise the ECS foundation amount now **do less for many districts than originally intended**.
- **Cities and towns cannot absorb these reductions**, especially when the ECS formula still relies on a foundation amount set 13 years ago and education costs have risen dramatically.

Policy Proposal: \$16K Foundation + Student-Centered Funding

- Addressing data changes and rising costs requires **greater support from the State**.
- The proposal would **set the ECS foundation amount at \$16,000 in FY 2027** and phase in increased funding over time so districts reach their new fully-funded grant amounts by FY 2033.
- Beginning in FY 2028, the increased foundation amount would also be **annually adjusted for inflation so the formula keeps pace with actual costs** and avoids the need for another major catch-up increase in the future.
- The proposal would **increase support for school districts across the state**, including those currently considered “overfunded” according to the ECS formula, resulting in those districts ultimately receiving annual increases in state support for education.
- Additionally, the phase-out of general education tuition billing for magnet and AgriScience operators would continue — **saving local districts money** — and any lost revenue would be replaced with state aid.
- Need-based funding for public schools of choice would be **fully phased in over four years** from FY 2027 to FY 2030.
- Estimates suggest **annual state cost increases would remain manageable**, with year-over-year increases generally staying below \$220 million and not exceeding roughly \$260 million.
- Using the phase-in approach would increase the number of districts benefiting from the proposal and **drive stronger support to communities across the state**.

Why Targeted ECS Funding is the Best Approach

- One-time blanket municipal aid **does not provide meaningful relief to taxpayers or municipal budgets**, nor does it address the underlying problem of year-over-year inflationary pressures that are increasing local education costs.
- A new phased-in approach for ECS funding would **enhance predictability and stability that municipal and district leaders need** to budget responsibly and plan for future costs.
- **It ensures funding reaches students, classrooms, and schools** where the need is greatest, including staffing, mental health supports, after-school programming, and other essential services.
- Now that ECS is fully funded, **Connecticut should NOT return to blanket municipal aid or block grants** but should instead continue to rely on an equitable funding formula that must be updated to reflect today’s actual costs of educating students.