

Research has shown increased public investment in K-12 education can lead to greater student achievement and outcomes, especially among students attending low-income districts. Additionally, increasing student achievement and enhancing educational opportunities for all students benefits a state's economy and strengthens its workforce.

Since a majority of Connecticut education dollars come from state and local tax revenue, and a town's ability to financially supports its local schools varies significantly, an equitable state funding formula is best positioned to address the disparities that exist among different communities, while ensuring all schools have access to the resources needed to improve student outcomes.

Short-Term Impact		Long-Term Impact
<p><b>Greater Student Achievement</b></p> <ul style="list-style-type: none"> <li>Increased education spending led to increases in math and reading scores.<sup>1</sup> For students in low-income districts, standardized test scores improved as a whole and as compared to peers.<sup>2</sup></li> <li>Investing in education before students even enter school can improve their future test scores, which suggests investments have lasting effects.<sup>3</sup></li> </ul> <p><b>Increased Graduation Rates</b></p> <ul style="list-style-type: none"> <li>Students exposed to increased spending are more likely to complete more years of schooling, particularly for students from low-income families.<sup>4</sup></li> <li>One study found a 10% increase in spending can improve graduation rates by 2 to 4 percentage points.<sup>5</sup></li> </ul>	<p><b>Higher College Entrance Rates</b></p> <ul style="list-style-type: none"> <li>Students exposed to increased spending are more likely to enroll and attend some college.<sup>6,7</sup></li> <li>Additional spending can also lead to greater rates of college completion.<sup>8</sup></li> </ul> <p><b>Increased Wages</b></p> <ul style="list-style-type: none"> <li>Increased spending can improve wages or annual earnings for students, and effects are more pronounced for low-income students.<sup>9,10</sup></li> <li>As schools improve and students develop more skills, incomes and state revenue increase in the long-run.<sup>11</sup></li> </ul> <p><b>More Highly-Skilled Workers</b></p> <ul style="list-style-type: none"> <li>However, the labor force can only improve as new, more skilled students replace retiring, less skilled workers.<sup>12</sup></li> </ul>	<p><b>Lower Rates of Adult Poverty</b></p> <ul style="list-style-type: none"> <li>Increased spending can lead to a reduction in the annual incidence of adult poverty, especially for children from low-income families.<sup>13</sup></li> <li>One study found states could even increase growth and decrease income inequality through greater public education spending.<sup>14</sup></li> </ul> <p><b>Stronger State Economy</b></p> <ul style="list-style-type: none"> <li>By investing in education and increasing the number of educated and skilled workers, states can strengthen their economies and grow and attract high-wage employers.<sup>15</sup></li> <li>Improving student achievement and outcomes are associated with strong economic returns, such as growth to a state's GDP.<sup>16</sup></li> </ul>

**What are additional dollars spent on?**

As spending in public education increases, districts have the opportunity to invest in practices that directly support students, improve academic performance, and recruit and retain high-quality teachers. One study found education spending increases have been used to reduce student-teacher ratios, provide longer school years, and increase teacher salaries.<sup>17</sup> Another study found schools used additional funds on instructional spending and to reduce class sizes.<sup>18</sup>

## What happens if school funding decreases?

Large persistent cuts to education spending can greatly impact student achievement and outcomes. During the Great Recession, public education faced a large decline in national spending, and these budget cuts harmed students, in particular children from low-income families. These spending cuts led to lower test scores and lower rates of college enrollment. These impacts were also disproportionately felt by low-income students and their families.<sup>19</sup>

### Sources

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