

The Education Cost Sharing (ECS) formula is the method the State of Connecticut has established to distribute over \$2.36 billion annually in state education funding to local and regional public school districts. The formula is made up of several different components: the foundation, student need-based weights, the Base Aid Ratio, and the phase-in schedule.

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 and estimates due to changes in enrollment, student needs, and/or community wealth.

Since being passed by the General Assembly in October 2017, the ECS formula has been adjusted several times. Below is a table detailing the current components of the ECS formula, which was last revised during the 2023 regular legislative session.

Current Education Cost Sharing (ECS) Formula	
Formula Component	Details
Foundation ¹	\$11,525 per student
State Aid for Special Education Incorporated in Foundation ²	Yes
Low-income Student Weight ³	Weight per Student: 30% Identification Method: Eligibility for Free or Reduced-Price Lunch
Concentrated Poverty Weight ⁴	Weight per Student: 15% Identification Method: Low-income student residing in district where low-income students account for over 60% of the district's enrollment
Multilingual Learner Weight ⁵	Weight per Student: 25%
Base Aid Ratio ⁶	70% Property Wealth Factor Determined by a town's Equalized Net Grand per Capita (ENGLPC), compared to state median town ENGLPC 30% Income Wealth Factor Determined by a town's Median Household Income (MHI), compared to state median MHI
Base Aid Ratio Bonus for Higher-need Towns ⁷	Adds a bonus of 3-6 percentage points to the Base Aid Ratio of communities that have one of the 19 highest Public Investment Communities (PIC) index scores
Regional District Bonus	The state pays a \$100 per grade per student regional bonus for any town that pays tuition for its students to attend a State Board of

Current Education Cost Sharing (ECS) Formula	
Formula Component	Details
	Education-approved incorporated or endowed high school or academy.
Statewide Guaranteed Wealth Level⁸	1.35
Minimum Aid Ratio⁹	Alliance Districts: 10% Priority School Districts: 10% Non-Alliance Districts: 1%
Hold Harmless	Alliance Districts are “held harmless” and will receive the greater of their base grant amount (FY 2017), current year grant, or prior year grant. Towns that are overfunded, according to the formula, and would normally experience decreases in their ECS funding are “held harmless” for FYs 2024 and 2025 and will receive their FY 2023 grant amounts instead.
Includes Public School Choice Programs	State charter schools are funded based on the ECS foundation and student-need weights.
Phase-in Schedule	Formula is phased in over time with the phase-in schedule differing between towns receiving, according to the formula, an increase in ECS funding over their prior year grant amounts and those receiving a decrease compared to their prior year grant amounts. <u>Towns Receiving an Increase</u> FY 2025: Increase phased in by 56.5% FY 2026: Grant fully funded <u>Towns Receiving a Decrease</u> FY 2025: Phase out paused and any town receiving a decrease is held harmless at FY 2023 grant amount FY 2026: Decrease phased out by 14.29% per year FY 2027: Decrease phased out by 16.67% per year FY 2028: Decrease phased out by 20% per year FY 2029: Decrease phased out by 25% per year FY 2030: Decrease phased out by 33.33% per year FY 2031: Decrease phased out by 50% per year FY 2032: Grant fully funded
Estimated Total Cost When Fully Funded (based on FY 2024 data)	\$2.41 billion

¹ Amount that is intended to represent the estimated cost of educating a Connecticut general education student who does not have any additional learning needs.

² Approximately 22% of the ECS foundation amount is attributable to special education.

Connecticut General Assembly, Office of Fiscal Analysis and the Office of Legislative Research. (2014). *CT Special Education Funding*. Retrieved from http://www2.housedems.ct.gov/MORE/SPED/pubs/OFA-OLR_Presentation_2013-01-23.pdf.

³ Increases foundation amount by a certain percentage for students who live in low-income households as identified by a designated eligibility metric.

⁴ Increases foundation amount by a certain percentage for students who reside in a district where the percentage of the district's enrollment of low-income students is above a designated threshold.

⁵ Increases foundation amount by a certain percentage for students who are identified as needing additional English-language skills.

⁶ Variable in the ECS formula that determines each community's ability to financially support its public schools.

⁷ Calculated annually by Connecticut's Office of Policy and Management, the PIC index measures the relative wealth and need of Connecticut's towns by ranking them in descending order by their cumulative point allocations based on: per capita income; adjusted equalized net grand list per capita; equalized mill rate; per capita aid to children receiving Temporary Family Assistance benefits; and unemployment rate. The below chart outlines the additional percentage point bonus towns with one of the 19 highest PIC index scores will see added to their Base Aid Ratio.

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

⁸ Commonly referred to as the threshold factor, the Statewide Guaranteed Wealth Level (SGWL) determines each town's ECS aid percentage. Each town's ability to support its public schools (as determined by the Base Aid Ratio) is compared to the SGWL to determine what percentage of the per-student funding amount the town will receive from ECS and what will have to come from local tax dollars. As the SGWL is lowered, and all other formula factors remain constant, the formula distributes education aid more equitably.

⁹ Ensures every town receives some amount of ECS funding, even when the result of the ECS formula calculation would be that the town would be ineligible to receive ECS grant funding.