

Overview

Year-over-year shifts in enrollment, student need, and municipal wealth have materially reduced the fiscal year 2027 fully-funded Education Cost Sharing (ECS) grant calculations for most Connecticut municipalities. In total, the fully-funded ECS grant amounts for 139 towns were reduced. These reductions lower the statewide cost to fully fund the ECS grant by \$135.48 million.

While a town's calculated fully-funded ECS grant amount may have declined, current law prevents any town considered "overfunded" by the ECS formula from receiving a decrease to its ECS grant. As a result, no town would see a decline its actual ECS grant for FY 2027.

However, these shifts in enrollment, student need, and municipal wealth substantially limit the impact of current proposals before the Connecticut General Assembly to moderately raise the ECS formula's foundation amount.

Statewide Fiscal Impact

The cost to the State of fully funding the calculated ECS grants for all towns **decreased** by **\$135.48 million** from FY 2026 to FY 2027.

- Due to **hold-harmless protections** in place for FY 2027, **no town will see its ECS grant decrease next fiscal year**. Alliance Districts are also protected in perpetuity from grant reductions.
- However, because fully-funded grant amounts have declined, **proposed foundation increases will have a more limited impact**. **To drive meaningful increases for towns, the foundation would need to be raised further.**
- Additionally, if no action is taken, many towns could face significant grant reductions in future years once hold-harmless protections end.

Student Demographics

The total number of both Resident Students and Need Students used in calculating ECS grants **declined** between the 2024-25 and 2025-26 school years.

- **Resident Student counts** decreased by **11,381 students** (2.4%)
- **Need Student counts** decreased by **14,679 students** (2.6%)

Most towns experienced these decreases.

- **146 towns** experienced a decrease in their **Resident Student counts**.
- **147 towns** experienced a decrease in their **Need Student counts**.

Town Wealth

Most towns experienced changes to their **Final Base Aid Ratio**, which is the measure used to determine the **State's share of education funding**.

- **97 towns** saw their Final Base Aid Ratio **decrease**, which means the formula assumes they can cover a **larger** portion of education costs locally (**ECS grant decreases**).
- **35 towns** saw their Base Aid Ratio **increase**, which means the formula assumes they can cover a **smaller** portion of education costs locally (**ECS grant increases**).
- Of these 35 towns, **21 (60%) completed a revaluation** in 2023. Revaluations can impact how property-wealthy a town looks under the formula.

Municipal Impact

For FY 2027, **139 towns** saw their fully-funded ECS grant amount **decrease**.

- On average, **70% of the decrease were due to enrollment declines**.
- About **30% were due to changes in measured town wealth**.

30 towns saw their fully-funded ECS grant amount **increase** for FY 2027.

- On average, **enrollment declined in these towns**, but their grants still **increased**.
- The increase was driven almost entirely by changes in how the formula measures municipal wealth.

Note: For many towns, changes in “wealth” occurred even though their actual net assessed property value — what they can tax — changed little or not at all.