

On May 7, 2024, the Connecticut General Assembly passed a budget stabilization bill (Public Act 24-81) that appropriates funds for fiscal year 2025 and makes a number of different policy changes to K-12 education and other areas. Along with maintaining an additional \$150 million in funding for K-12 education in FY 2025, which was allotted as part of the biennial state budget passed in 2023, Public Act 24-81 overhauls how Connecticut distributes state education funding to school districts.

This frequently asked questions document provides more information on FY 2025 funding for the Education Cost Sharing (ECS) grant and the ECS formula's phase-in schedule.

How were ECS grants funded in FY 2024?

In FY 2024, ECS funding was increased to continue the statutory phase-in of funding to historically underfunded towns. These towns received the previous year's ECS grant amount plus 20% of their grant adjustment. Towns considered "overfunded" based on the ECS formula, and therefore expected to receive decreases in funding according to the formula's phase-in schedule, were held harmless at their FY 2023 funding levels instead of seeing reductions in their funding.

How will ECS grants be funded in FY 2025?

In FY 2025, the accelerated phase-in schedule for underfunded towns, established in the state biennial budget, will continue. Underfunding towns will receive their previous year's ECS grant amount plus 56.5 percent of their grant adjustment. Overfunded towns will continue to be held harmless at their FY 2023 funding levels. There are no changes to any ECS formula components.

How will ECS grants be funded in FY 2026 and beyond?

In FY 2026, underfunded towns will receive 100 percent of their calculated ECS grant — the first year of full funding. However, the reductions in funding for overfunded towns is set to resume in FY 2026, with reductions gradually occurring until these towns reach their full funding amount in FY 2032. The Connecticut State Department of Education is required to provide towns with their estimated FY 2026 ECS grant amounts no later than December 31, 2024.¹

Table 1 on the following page details these gradual reductions, known as the phase-out schedule, from FY 2026 to FY 2032.

¹ Conn. Acts 24-81 § 113.

Table 1: ECS Phase-Out Schedule

Fiscal Year	Phase-Out Schedule (Towns Receiving Decreases)
2026	Previous year's ECS grant amount minus 14.29% of its grant adjustment
2027	Previous year's ECS grant amount minus 16.67% of its grant adjustment
2028	Previous year's ECS grant amount minus 20% of its grant adjustment
2029	Previous year's ECS grant amount minus 25% of its grant adjustment
2030	Previous year's ECS grant amount minus 33.33% of its grant adjustment
2031	Previous year's ECS grant amount minus 50% of its grant adjustment
2032	Phase-out schedule completed; fully-funded grants