

Introduction

Over the past 10 years, the needs of Connecticut students have changed significantly. While the overall enrollment of Connecticut's local and regional public school districts has decreased by approximately 36,835 students, the needs of the state's students have increased.¹

During the 2023-24 school year, 43 percent of Connecticut students in local and regional school districts qualified for free or reduced-price lunch — an indicator for economically disadvantaged students — compared to 37 percent for the 2014-15 school year.² Meanwhile, the percentage of Connecticut students who are multilingual learners increased from seven percent in 2014-15 to 11 percent in 2023-24.³ It is important to note these changes should be placed in the context of the COVID-19 pandemic, which resulted in significant enrollment changes.⁴

In Connecticut, increases in student need are not equal across school districts. Large, urban districts tend to educate the greatest number of students with higher learning needs, and have student populations composed of the largest percentages of economically disadvantaged students, multilingual learners, and students with disabilities. These districts also tend to have larger percentages of BIPOC^B students. Despite serving students with overall greater learning needs, these districts often do not receive funding that reflects the needs of their student populations. This inequity occurs due to the varying ability of communities in Connecticut to pay for their local education costs.⁴ Furthermore, research has shown that higher-need students require funding at higher levels than their non-need peers to achieve at similar levels to their non-need peers.^C

Ultimately, this has resulted in a mismatch between district needs and district resources, with districts that serve larger populations of higher-need students receiving less funding than their lower-need peers. Additionally, Connecticut's higher-need, lower-wealth

^A Between the 2019-20 and 2020-21 school years, three percent fewer students enrolled in Connecticut local and regional public schools — a significant acceleration in enrollment declines when compared to prior years. Though local public school enrollment recovered by 0.1 percent between the 2020-21 and 2022-23 school years, enrollment remains low compared to prior to the COVID-19 pandemic.

^B The School and State Finance Project uses BIPOC (Black, Indigenous, People of Color) to refer to individuals who self-identify as American Indian or Alaska Native; Asian; Black or African American; Hispanic/Latino of any race; Native Hawaiian or other Pacific Islander; or two or more races. Individual demographic categories and data used in this report come from the Connecticut State Department of Education. The acronym BIPOC is used in an effort to be as inclusive, succinct, and accurate as possible when using racial and ethnic demographics in our work. However, we know no single acronym, identifier, or label can accurately define an individual or fully encompass the rich diversity of cultures, heritages, and backgrounds represented in the demographic data we use. For questions or comments about the demographic terms we use, please contact us at info@schoolstatefinance.org.

^C Duncombe & Yinger (2005) note: "Both scholars and policy makers have recognized that it costs more to achieve any given level of student performance when the students are disadvantaged than when they are not" (p.513). For multilingual learners, Gándara & Rumberger (2008) conclude "English Learners and other linguistic minority students, do require additional resources, above and beyond those of all other students" (p. 145).

Duncombe, W.D., & Yinger, J. (2005). How Much More Does a Disadvantaged Student Cost? *Economics of Education Review*, 24(5), 513-532.

Gándara, P., & Rumberger, R.W. (2008). Defining an Adequate Education for English Learners. *Education Finance and Policy*, 3(1), 130-148.

districts tend to serve more BIPOC students than the state's lower-need, higher-wealth districts, contributing to a significant racial funding disparity in Connecticut education.

This policy briefing examines this mismatch between student needs and per-student spending in Connecticut, and highlights the importance of a student-based funding model to ensure all students have the resources they need to succeed, regardless of where they are educated.

Key Takeaways

- While Connecticut's total local and regional public school district enrollment has decreased by approximately 36,835 students over the past 10 years, the needs of students have increased.
- There is a significant mismatch between district needs and district resources available to educate students.
 - The amount of resources districts have to educate students is not aligned to the needs of students or the ability for districts to pay for their local schools through local property tax revenue.
 - Districts with more needs generally have fewer resources to educate their students.
- Districts with the highest needs are both under-resourced and generally have the lowest student achievement levels.
- Districts that serve the highest percentages of BIPOC students also serve the highest percentages of high-need students.
- Districts with higher levels of student need are spending less per student than districts with lower-need students.
- While the largest cities in the state have the highest number of students with disabilities, smaller, rural districts have the highest percentages.
- The legislature should fully fund the Education Cost Sharing (ECS) formula and fully implement equitable education funding across Connecticut's public schools of choice to help meet the needs of Connecticut's highest-need students.
- Equity and data-focused policies should be implemented to help improve the way the State funds its schools and serves its public school students.

Student Need Demographics

Definition of Need

For the purpose of this policy briefing, student need is defined at the district level as the percentage of students classified as having at least one of the following types of needs:

- Economically disadvantaged students, as determined by qualifying for free or reduced-price lunch (FRPL)
- Multilingual learners
- Students with disabilities who are receiving special education services

While additional measures of need exist, these three data points were selected because they have been used at one time or another in calculating state education aid to municipalities, and are publicly available from the Connecticut State Department of Education (CSDE). Furthermore, research has shown that students in the above categories require funding at higher levels than their non-need peers to achieve at similar levels to their non-need peers.^D

High-Needs Students

The CSDE provides a count of “high-needs students” per district. This measure counts each unique student that fits into one or more of the need groups mentioned above. While these students are located throughout the state, high-needs students are concentrated in urban communities that are majority BIPOC. Connecticut’s high-needs students are also concentrated in areas where property values are among the lowest in the state and, as a result, towns are limited in their ability to raise more money through property taxes to fund their local schools.

Map 1 on the following page displays the percentage and number of students classified as high-needs by district. The larger the bubble, the more high-needs students a district serves. The darker shade of blue of the bubble, the higher the percentage of high-needs students the district serves.

For the 2023-24 school year, Bridgeport, New London, and Waterbury had the highest percentages of high-needs students, while Bridgeport, New Haven, and Waterbury served the highest number of high-needs students.⁵ These districts are all urban districts that have been identified as Opportunity Districts — districts that have the 10 lowest Accountability Index^E scores in the state.⁶

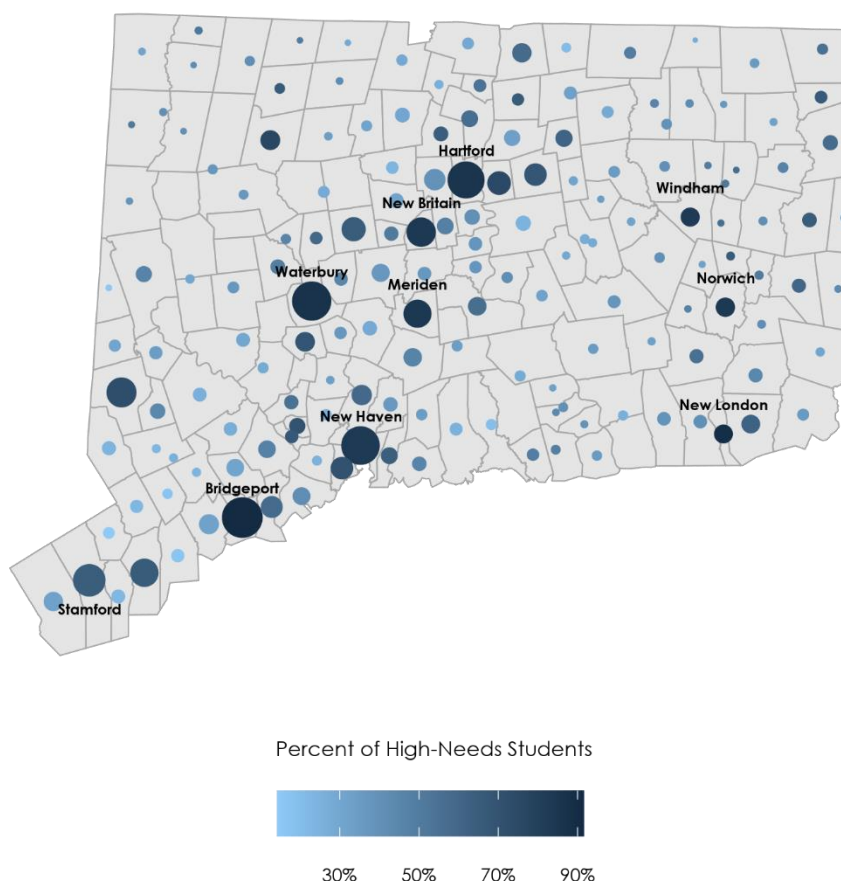
^D Duncombe & Yinger (2005) note: “Both scholars and policy makers have recognized that it costs more to achieve any given level of student performance when the students are disadvantaged than when they are not” (p.513). For multilingual learners, Gándara & Rumberger (2008) conclude “English Learners and other linguistic minority students, do require additional resources, above and beyond those of all other students” (p. 145).

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^E Connecticut’s Next Generation Accountability System is a set of 12 indicators used by the Connecticut State Department of Education to evaluate how well a district is preparing its students for success in college, careers, and life. A district’s Accountability Index score is the product of how it is performing according the Accountability System’s 12 indicators. For more information, please visit <https://portal.ct.gov/SDE/Performance/Performance-and-Accountability/Next-Generation-Accountability-System>.

**Map 1: Percentage and Number of High-Needs Students per District,
2023-24 School Year**

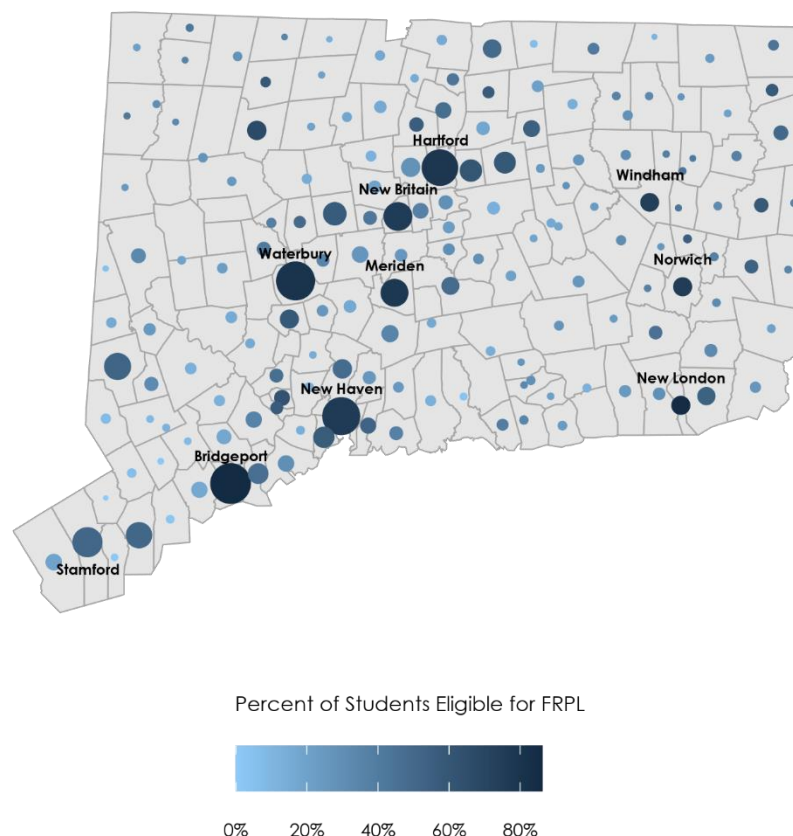


Students Eligible for Free or Reduced-Price Lunch

As stated above, students in Connecticut's large, urban districts tend to serve the highest percentage and number of economically disadvantaged students as measured by FRPL qualification. Map 2 below indicates the percentage and number of students eligible for FRPL by district for the 2023-24 school year.

The larger the bubble, the more students eligible for FRPL a district serves. The darker shade of blue of the bubble, the higher the percentage of students eligible for FRPL. Any district labeled on the map has more than 7,000 students eligible for FRPL, or more than 70 percent of the district's student population is eligible for FRPL. Cities such as Bridgeport, New London, and Waterbury have the largest percentages of students eligible for FRPL, while Bridgeport, Waterbury, and New Haven serve the highest number of students eligible for FRPL.⁷

Map 2: Percentage and Number of Students Eligible for FRPL per District, 2023-24 School Year

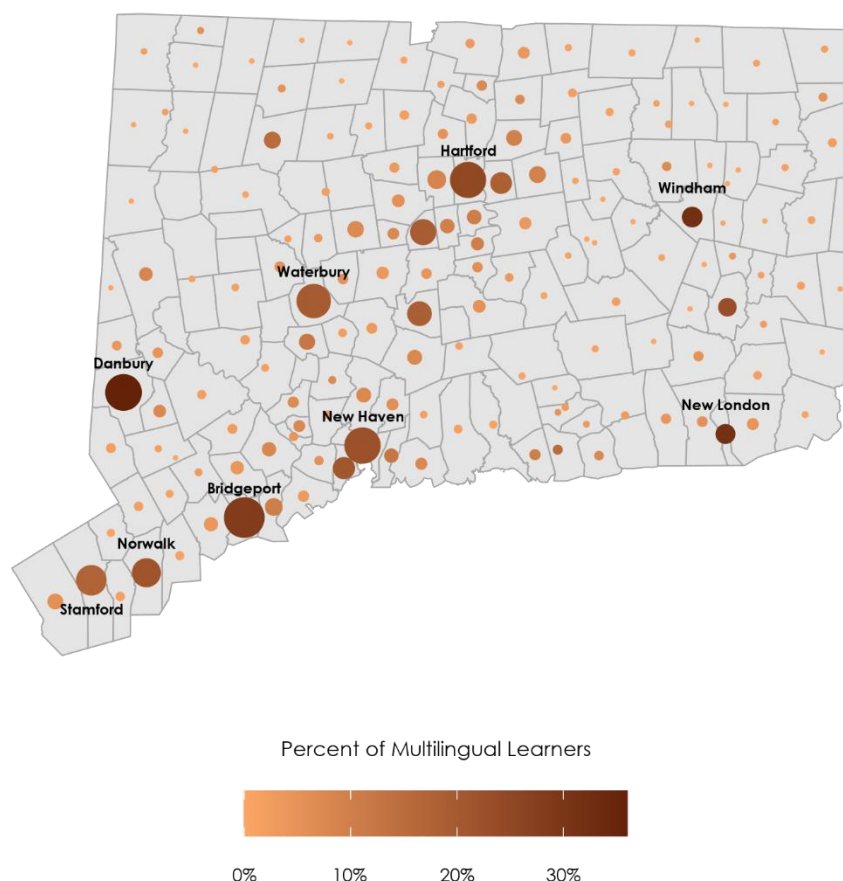


Multilingual Learners

A large portion of multilingual learner students, much like high-needs students and FRPL-eligible students, are also concentrated in Connecticut's urban districts. Map 3 below displays the percentage and number of students per district who are identified as multilingual learners. Districts labeled on the map serve more than 2,000 multilingual learner students, or have multilingual learner student populations greater than 25 percent of the district's total enrollment.⁸

The size of the bubble on the map indicates the number of multilingual learner students served by the local or regional school district. The darker shade of orange of the bubble, the higher the percentage of multilingual learner students the district serves. Danbury, Windham, and New London have the highest percentages of students who are multilingual learners, while Bridgeport, Danbury, and New Haven serve the largest number of multilingual learner students.

Map 3: Percentage and Number of Multilingual Learners per District, 2023-24 School Year

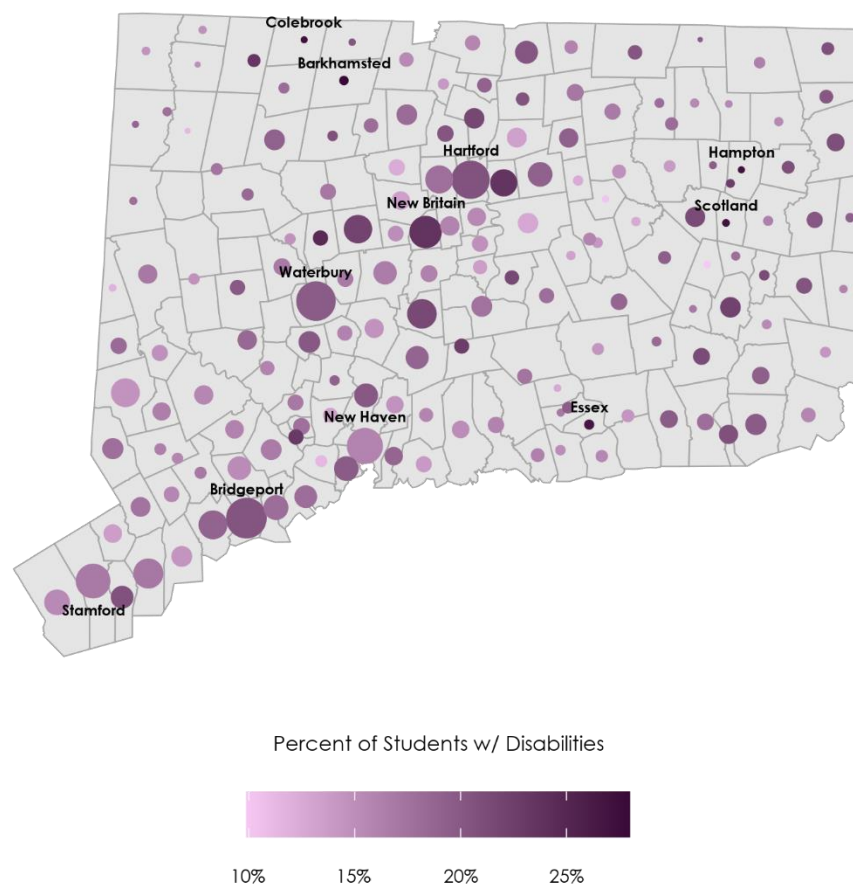


Students with Disabilities

While there are higher concentrations of students with disabilities in the largest cities across the state, unlike the previous three sections, districts with the highest percentages of students requiring special education services are generally smaller and more rural in nature. Map 4 below displays the percentage and number of students with disabilities per district. Districts labeled on the map are those that have either more than 2,000 students with disabilities or those that have more than 25 percent of their student population identified as students with disabilities.⁹

There is a notable difference between this measure of student need and the others discussed in this report. Unlike other measures, where large, urban districts typically report the highest proportions of need, it is the smaller, more rural districts that report the highest prevalence of students with disabilities. Barkhamsted, Colebrook, and Scotland have the highest percentages of students with disabilities, while Bridgeport, Waterbury, and Hartford serve the largest number of students with disabilities.¹⁰

Map 4: Percentage and Number of Students with Disabilities per District, 2023-24 School Year

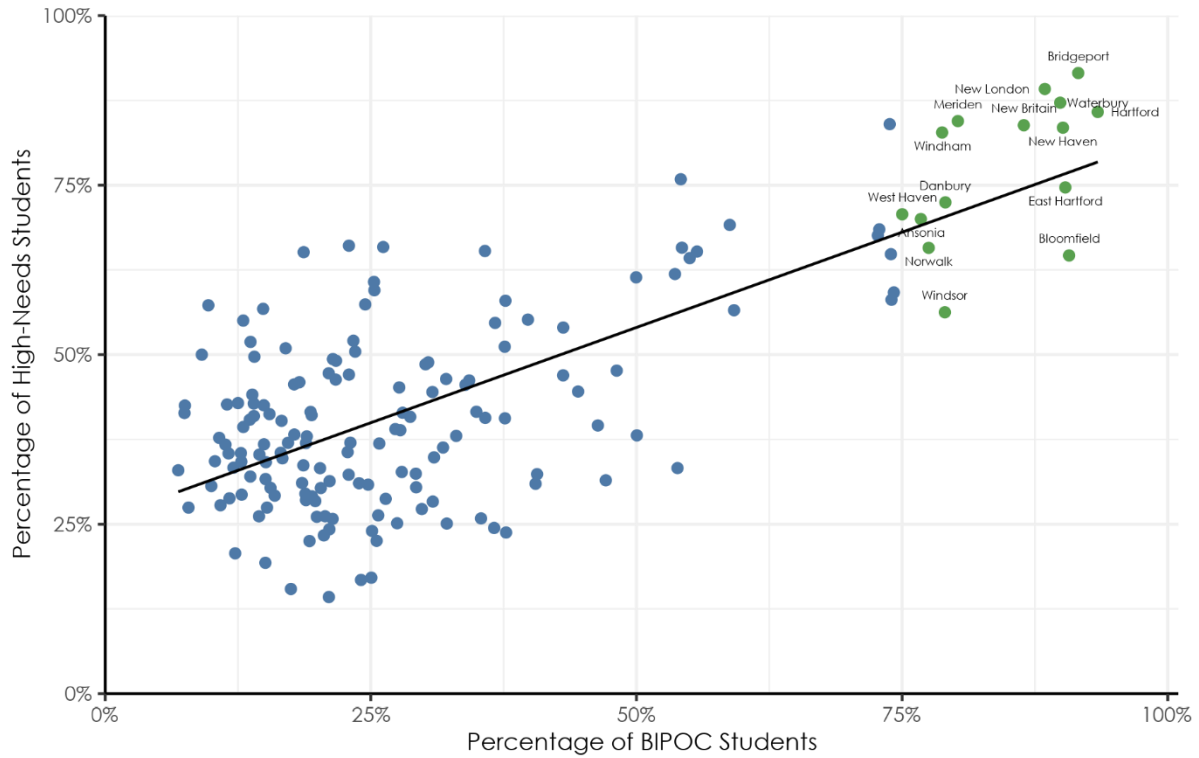


High-Needs Students and BIPOC Communities

There is a significant relationship between districts serving the highest-need students having the least resources, and between the percentage of BIPOC students a district serves and the percentage of high-needs students it serves. Districts that serve the highest percentages of BIPOC students also serve the highest percentages of high-needs students. This disparity between resources and student needs results in a significant racial funding gap, which is discussed later in this policy briefing.

In Chart 1 below, highlighted in green, are districts serving student populations where more than 75 percent of the students are BIPOC.¹¹

**Chart 1: Relationship Between Percentage of District's High-Needs Students
and Percentage of District's BIPOC Students,
2023-24 School Year**



Funding Disparities

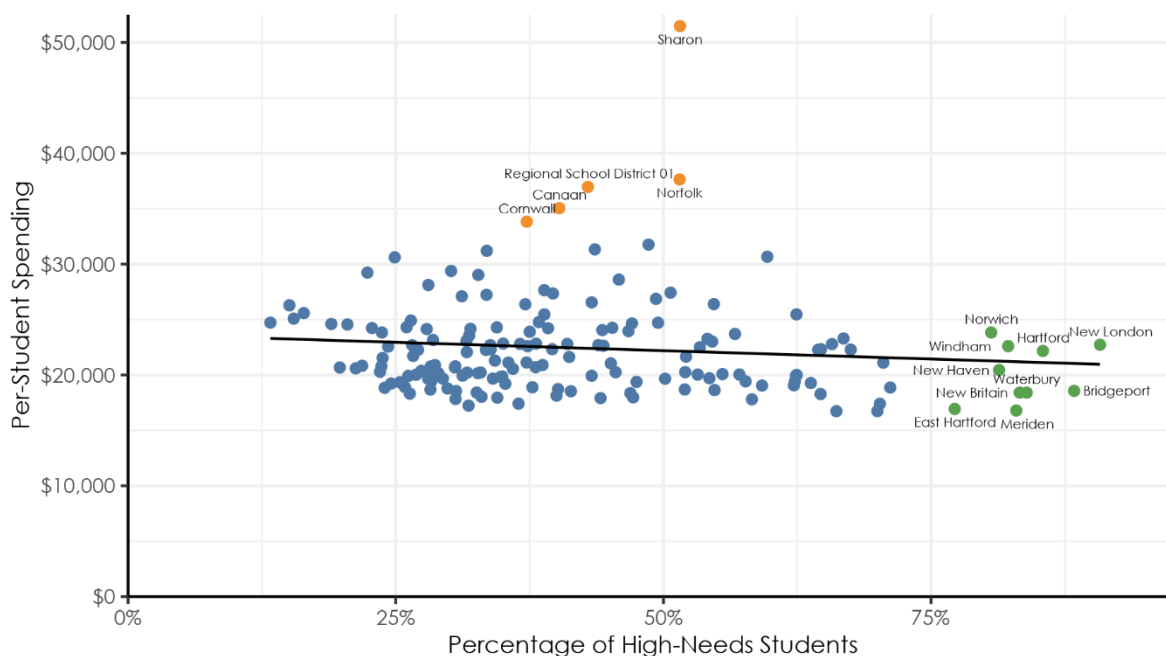
Town Wealth

In Connecticut, the majority of education funding (56.5 percent) comes from local property tax revenue.¹² However, across Connecticut, the value of taxable property and community wealth varies widely from municipality to municipality.¹³ As a result, even neighboring school districts can have vastly different budgets. In Connecticut, many districts with the highest-need students have some of the lowest amounts of taxable property per resident and some of the highest property tax rates, which make it difficult to raise revenue to fund the community's local public schools.^F

Impact of Funding and Need Mismatch

Due to this mismatch between funding and needs, districts with higher-need students spend less per student than districts serving lower-need student populations. Chart 2 below highlights districts that spend more than \$32,000 per student (displayed in orange) or have more than 75 percent of their students classified as high-needs (displayed in green). All but four districts, which have more than 75 percent of their students classified as high-needs, spend less than \$21,000 per student.^{14,15} It is important to note per-student spending amounts reflect increased funding to school districts in the form of one-time COVID-relief aid from the federal government.^G

Chart 2: Relationship Between District Per-Student Spending and Percentage of High-Needs Students, 2022-23 School Year



^F To learn more about how Connecticut's property tax system impacts education funding, please visit <https://schoolstatefinance.org/issues/property-taxes>

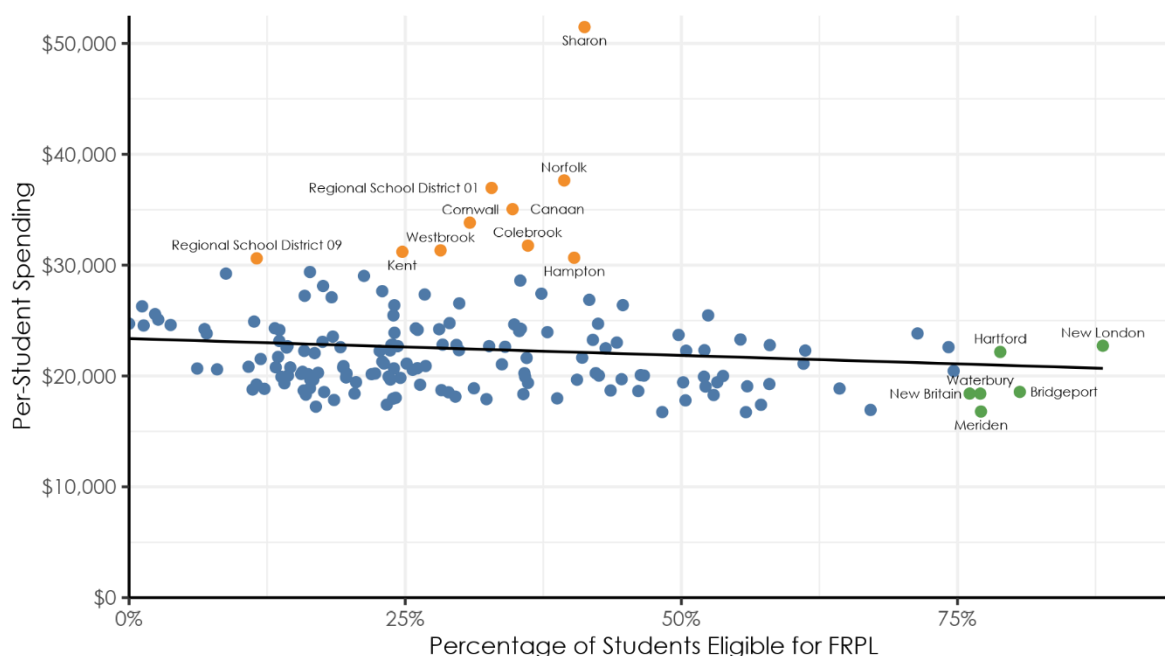
^G For more on federal COVID-relief aid, please visit <https://schoolstatefinance.org/issues/esser-funding>.

Per-Student Spending vs. Economically Disadvantaged Student Population

Districts that serve a higher percentage of students who qualify for FRPL spend less per student than districts that serve populations with lower percentages of FRPL-eligible students. Chart 3 below highlights districts that spend more than \$30,000 per student (orange) and districts with more than 75 percent of students eligible for FRPL (green). All districts with more than 75 percent of students eligible for FRPL spend less than \$23,000 per student.^{16,17}

In recent years, FRPL percentages in the neediest districts are suspected to be artificially low due to the COVID-19 pandemic, which presented difficulties in identifying students and allowed for qualifying districts to provide all students with free or reduced-price meals through the federal Community Eligibility Provision.^H

Chart 3: Relationship Between District Per-Student Spending and Percentage of Students Eligible for FRPL, 2022-23 School Year



^H Under the federal Healthy, Hunger-Free Kids Act of 2010, the Community Eligibility Provision (CEP) allows all students to receive no-cost meals if their school or district qualifies and participates, and eliminates the need to collect individual household applications for FRPL. To qualify for the CEP, at least 40 percent of a school or district's enrollment must be identified as eligible for FRPL via direct certification.

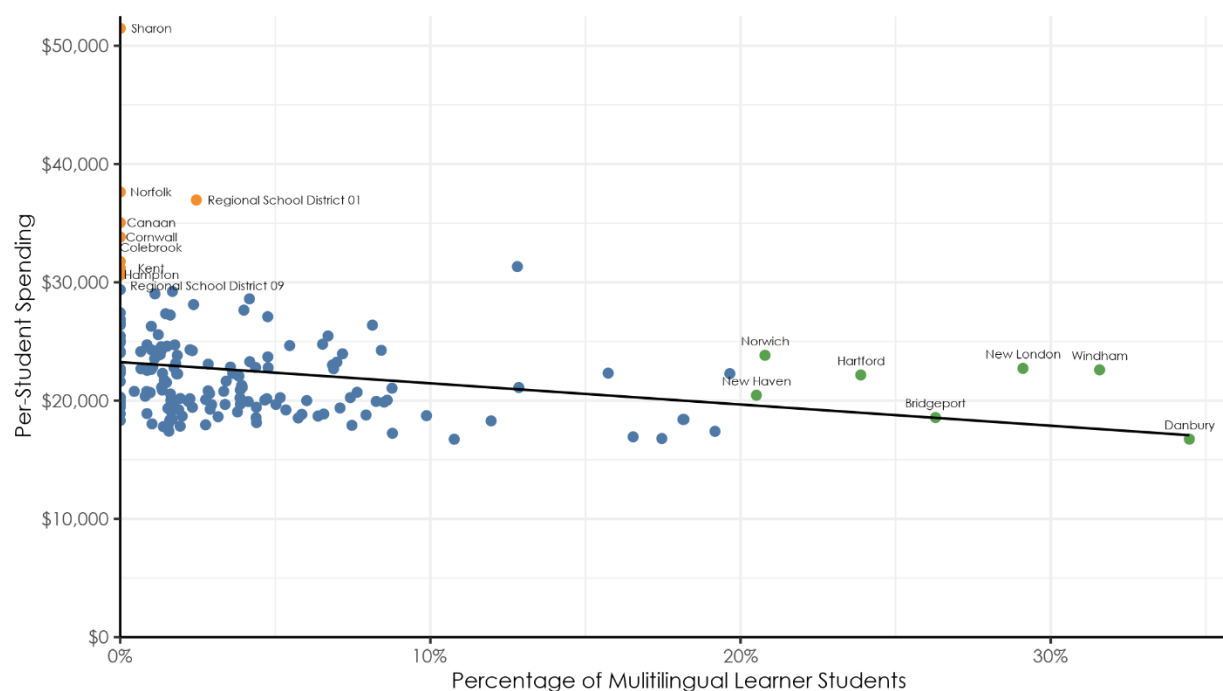
Connecticut State Department of Education. (n.d.). Community Eligibility Provision (CEP). Retrieved from <https://portal.ct.gov/SDE/Nutrition/Community-Eligibility-Provision>.

Per-Student Spending vs. Multilingual Learner Population

Districts that serve the highest percentages of students identified as multilingual learners spend less per student than districts that serve lower percentages of multilingual learner students.

Chart 4 below highlights districts that spend over \$30,000 per student (orange) and those with more than 20 percent of students identified as multilingual learner students (green). Districts that have more than 20 percent of students identified as multilingual learners spend less than \$24,000 per student.^{18,19}

Chart 4: Relationship Between District Per-Student Spending and Percentage of Multilingual Learner Students, 2022-23 School Year

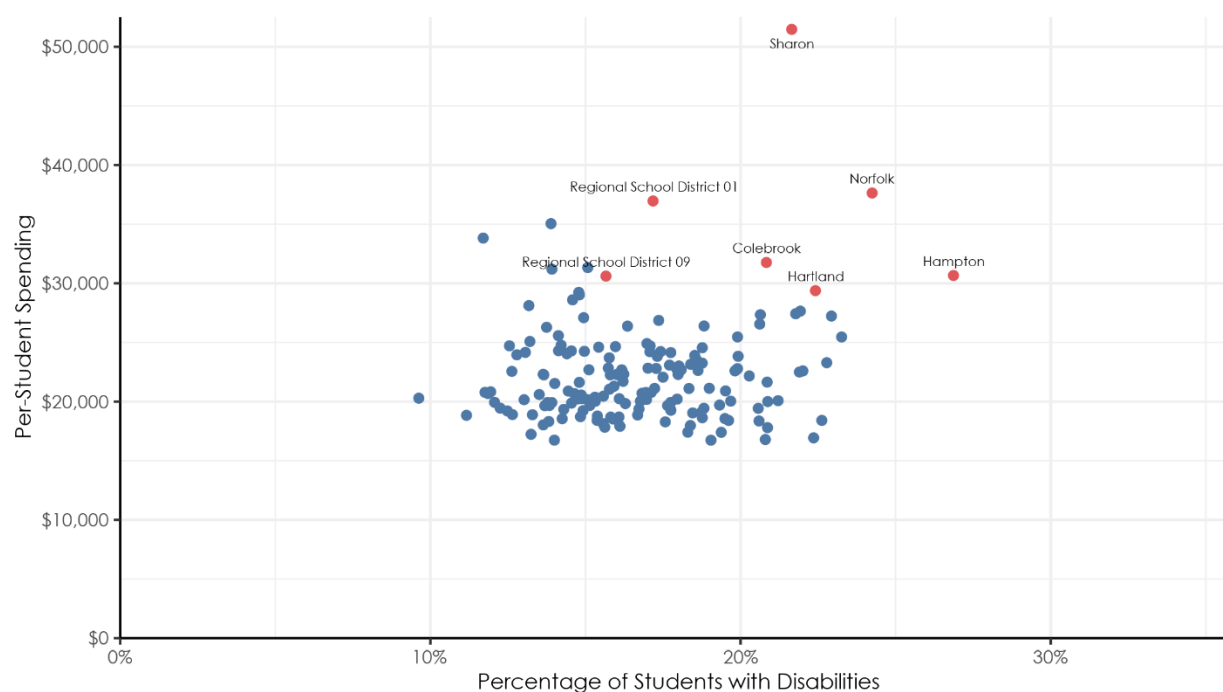


Per-Student Spending vs. Students with Disabilities Population

There is no statistically significant link between district per-student spending and the percentage of students in a district identified as requiring special education services. Unlike FRPL-eligible students and multilingual learners, students with disabilities are spread more evenly across Connecticut, with smaller districts often having higher percentages of students needing special education services.

In Chart 5 below, districts labeled in red have per-student expenditures that exceed \$28,000 and populations of students with disabilities greater than 15.5 percent of their total student populations.^{20,21}

Chart 5: Relationship Between District Per-Student Spending and Percentage of Students with Disabilities, 2022-23 School Year



Recommendations

To address the inequitable relationship between student need and education spending in Connecticut, policymakers should consider the following recommendations to ensure students are supported with the resources they need, no matter where they go to school.

Fully Fund Education Cost Sharing (ECS) Formula and Extend Weighted Student Funding to All Students

In 2019, Connecticut began implementing the 10-year phase-in of the ECS formula, which allocates state education funding to municipalities based on the needs of their students and the municipality's ability to fund its local schools. After the phase-in schedule was accelerated by two years in 2023, school districts that have been historically underfunded are now scheduled to receive their fully funded amount, according to the ECS formula, in fiscal year 2026, which means these districts will continue to be underfunded until then.²²

On May 7, 2024, the Connecticut General Assembly passed H.B. 5523, a budget stabilization bill for FY 2025 that makes significant changes to K-12 education funding.²³ The bill maintains an appropriation of \$150 million in additional funding for K-12 education in FY 2025. In addition, the bill also partially implements a student-centered funding system in Connecticut, moving the state closer to funding all public school students based on their individual learning needs, regardless of their school type or location.²⁴ H.B. 5523 marks a historic shift toward a more equitable funding system.

However, while these changes will help address some of the mismatch between student needs and resources described in this policy brief, the State should fully phase-in the student-centered funding formula to all public school students, including those attending public schools of choice like interdistrict magnet schools, state charter schools, and AgriScience programs. Fully implementing the formula across all public school types would ensure students with additional learning needs receive the support they need — no matter what type of public school they attend — while also providing additional financial stability for local and regional public school districts.

Study Actual Cost of Educating High-Needs Students

The needs of students across the state vary and in order to ensure students are supported, the State should conduct a study to understand the costs associated with meeting those needs. As outlined in this policy briefing, Connecticut's highest-need districts are not receiving the necessary funding to support the needs of their students, especially compared to districts with lower-need students.

In order to best understand the reason this is occurring, the State should invest in an in-depth research study and analysis of what it costs to educate the average student, and what it would cost to educate students with additional learning needs. Currently, the ECS formula has student-need weights that provide additional support to districts educating economically disadvantaged students and multilingual learners. While an analysis of the special education funding system is similarly necessary, this analysis should occur within an overall understanding of the cost of educating students in the state, and the current lack of connection between the amount spent and what's needed. By investing in this

research, the State can gain greater insight into the actual cost of educating students based on their needs and can then enact policies to support them.

Create Equity-Focused and Data-Driven Policies to Close Opportunity Gap

In order to provide continued supports to Connecticut's highest-need students, and invest in the success of all students, the State should consistently examine current policies and practices to determine the level of equity and success in outcomes and seek to enact policies that will close the state's large opportunity gap. There are currently many policies in place that hinder closing the opportunity gap for students, plaguing a state touted as having one of the best education systems in the country. Through the creation of equity-focused and data-driven policies, Connecticut could close funding gaps by hundreds of millions of dollars, providing greater opportunity for the state's highest-need students.

Some potential areas where Connecticut can begin to utilize equity and data-focused policies are:

- **Leveraging Data and Research to Enact an Ideal Funding Formula**
 - To ensure Connecticut's education funding system meets the diverse needs of all students, data and research should be leveraged to continuously refine and improve the ECS formula. This involves continuously evaluating the components included in the formula, such as weights assigned to low-income students and multilingual learners, and adjusting the foundation amount annually. The State should aim to enact a funding formula that holistically addresses student needs across all districts and school types, creating a more equitable and responsive system that adapts to the evolving educational landscape.
- **Closing the Racial Funding Gap**
 - There continues to be a disparity in Connecticut education funding between districts serving predominantly BIPOC students and districts serving mostly white students. Currently, there is an approximately \$674 million funding gap between predominately BIPOC districts and predominately white districts. Policymakers should examine what policies are in place that exacerbate this disparity to understand how best to ensure all students have the resources they need.
- **Improving Special Education Funding**
 - As detailed in this briefing, districts are not receiving appropriate funding to provide the supports necessary for students with disabilities. The General Assembly must examine the relationship between special education funding and the ECS formula to ensure these students are supported effectively. The General Assembly should consider including a weight for students with disabilities within the ECS formula.

- **Implementing Equitable Capital Funding for School Construction**
 - The current school construction grant process is inconsistent, with local public school districts often receiving timely reimbursements after legislative approval, while other types of public schools facing delays due to additional steps required by the State Bond Commission. To address this inequity, a review should be done to streamline the entire process for applying, approving, and disbursing capital funding — ensuring all public schools receive the necessary resources for essential construction projects in a fair and timely manner.
- **Reevaluating the Role of Property Taxes in Education Funding**
 - Property tax revenue is a major component Connecticut education funding. As stated earlier, a district's ability to invest in its students is significantly impacted by the amount of taxable property in the district. An examination of the role of property taxes in education funding, and how to mitigate the inequities caused by the current system, is another important area the State should undertake.
- **Strengthening Connecticut's Turnaround Programs**
 - While there is a need for programs for districts that require extra support to ensure all students are college and career ready, an examination of Connecticut's turnaround programs should be conducted to ensure the State is identifying districts appropriately, investing in research-based interventions, and providing the support districts need. Policymakers should identify best practices in other states and implement policies that will provide funding to support districts that are required to provide more programming in support of students.
- **Supporting Multilingual Learner Education**
 - Currently, there are two primary ways districts receive funding for multilingual learner students: the multilingual learner weight in the ECS formula and the state's Bilingual Education Program grant. The funding generated by the multilingual learner weight in the ECS formula is not required to be spent on multilingual learner education, and the Bilingual Education Program grant is focused on a single program model and provides a minimal amount of funding (less than \$5 million per year statewide). Both are limited in scope and do not meet the needs of multilingual learner students in the state. There is a need for policymakers to implement equity-focused and data-driven policies to support multilingual learner students throughout the state.
- **Examining Housing Policies**
 - While housing is not directly under education, where a student lives is, unfortunately, a significant factor in the quality of education they receive the resources and opportunities that are available to them. For generations, housing policies in Connecticut have led to many of the education inequities currently facing the state. State policymakers should examine the

impacts of these historical inequities and implement policies to ensure housing policies no longer prohibit families' equal access to educational opportunities.

Endnotes

¹ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

² Ibid.

³ Ibid.

⁴ School and State Finance Project. (2020). *Fact Sheet: Racial Disparities in Connecticut Education Funding*. New Haven, CT: Author. Retrieved from <https://schoolstatefinance.org/resource-assets/Racial-Disparities-and-Educational-Funding-Fact-Sheet.pdf>.

⁵ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

⁶ Connecticut State Department of Education. (2022). *2022-2023 Connecticut Opportunity School Districts*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/SDE/Alliance-Districts/OpportunityDistricts.pdf>.

⁷ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² U.S. Census Bureau. (2024). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2022. *2022 Annual Survey of School System Finances*. Washington, DC: Author. Available from https://www2.census.gov/programs-surveys/school-finance/tables/2022/secondary-education-finance/elsec22_sumtables.xls.

¹³ State of Connecticut, Office of Policy and Management. (2023). *Municipal Fiscal Indicators, Fiscal Years Ended 2017-2021*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/opm/finance/mfs-unit/fhms/municipal-fiscal-indicators-2017-21-asof-7-28-23.pdf>.

¹⁴ Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from <https://edsight.ct.gov/>.

¹⁵ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

¹⁶ Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from <https://edsight.ct.gov/>.

¹⁷ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

¹⁸ Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from <https://edsight.ct.gov/>.

¹⁹ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

²⁰ Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from <https://edsight.ct.gov/>.

²¹ Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard?language=en_US.

²² Conn. Acts 24-81.

²³ Ibid.

²⁴ Ibid.