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SCHOOL FINANCE 101

How Connecticut Funds
Education

New Britain Edition

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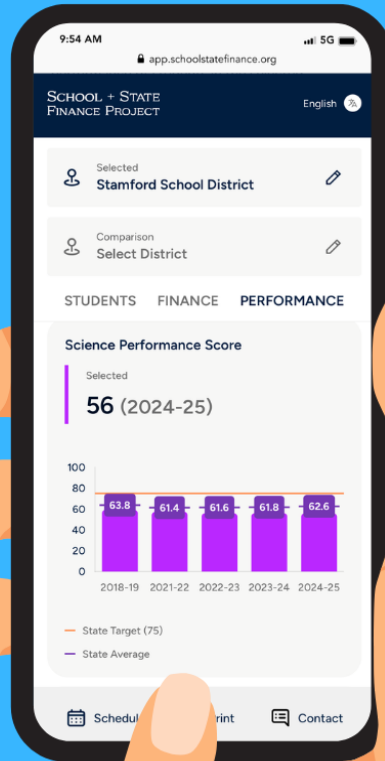
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Statewide
organization
founded in 2015



Nonprofit,
nonpartisan policy
organization



Trusted resource that
works **collaboratively**
with policymakers,
school district
officials, community
leaders, and all
individuals



Develops data-
driven solutions to
ensure **ALL public**
school students
receive **equitable**
education funding
that supports their
learning needs

Our Priorities



Students



Schools



Communities

Our Achievements

With the support of community members, we have...



Secured additional
\$1.2 billion in
equitable education
funding



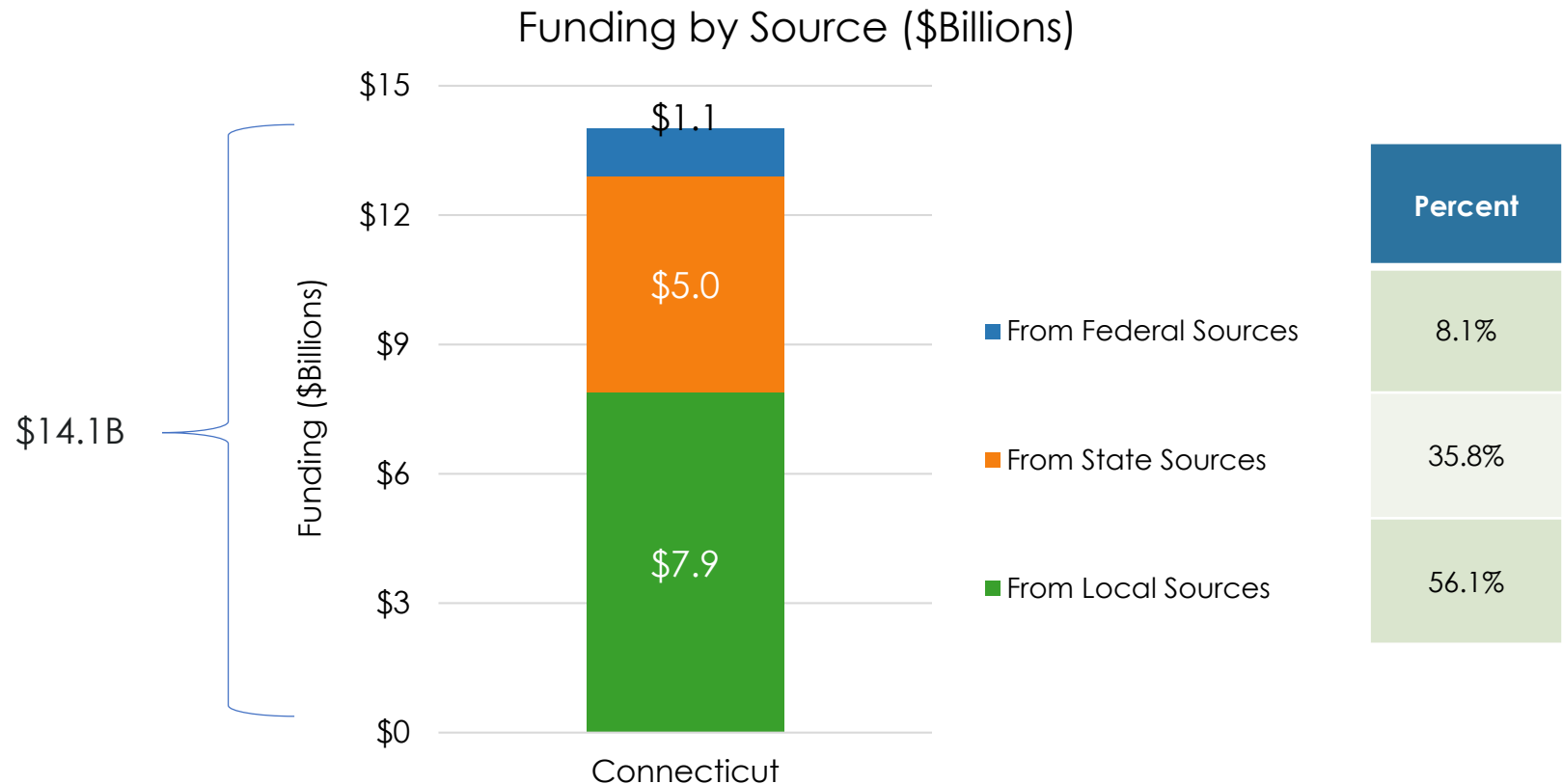
Fully funded the
state's main
education funding
formula for the first
time in state history



Implemented
need-based funding
for ALL public school
students

OVERVIEW

What are the funding sources for K-12 education in Connecticut?

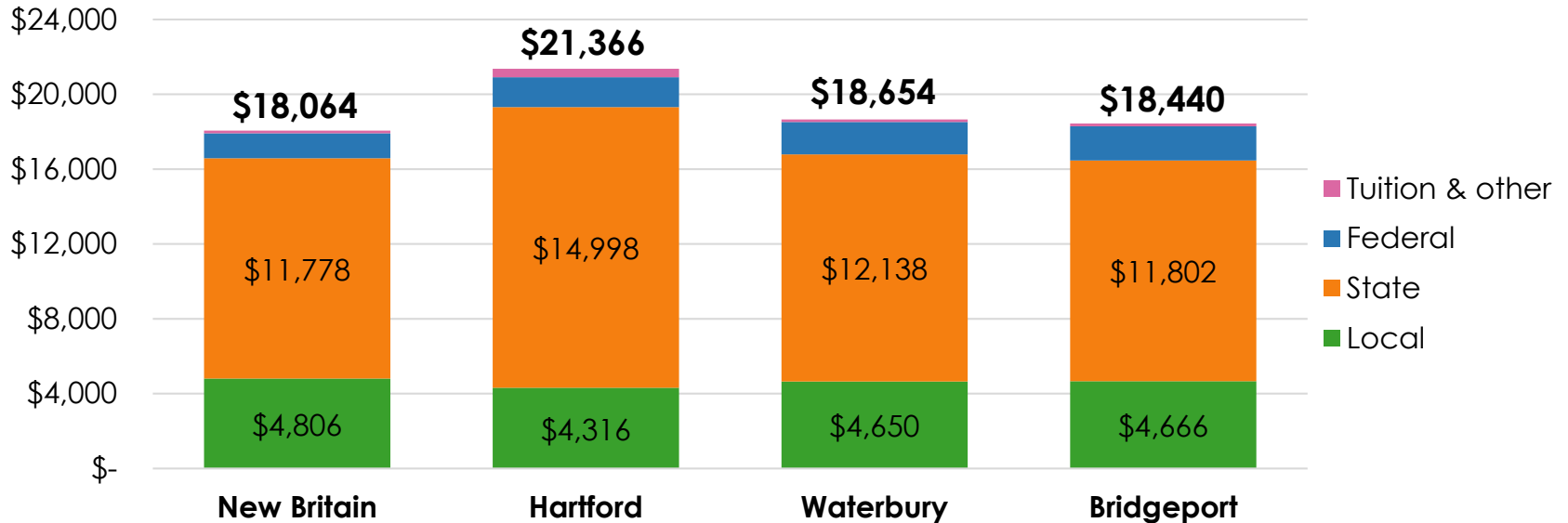


Source: U.S. Census Bureau. (2026). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2024. *2024 Annual Survey of School System Finances*. Washington, DC: Author. Available from <https://www.census.gov/data/tables/2024/econ/school-finance/secondary-education-finance.html>.

NEW BRITAIN EDUCATION SPENDING

New Britain spends \$4,657 less per student than the state average (\$22,721)

Per-Student Funding by Source



Student Demographics	Low-Income	75.8%	76.7%	79.4%	87.5%
	Multilingual Learners	20.3%	26.2%	21%	31.1%
	Students w/ Disabilities	24.5%	20.7%	20.9%	20.7%
	BILPOC Students	86.7%	94.1%	90.4%	92.3%



STATE FUNDING VIA THE EDUCATION COST SHARING FORMULA (ECS)

The ECS formula is used to distribute state education aid to municipalities for their local or regional public school districts.

Several components of the formula are also partially used to provide funds to public schools of choice.

Why CT Has an ECS Formula

- The State began providing education aid to municipalities based, in part, on city/town wealth as a result of a 1977 CT Supreme Court decision, *Horton v. Meskill*.
- In *Horton* (1977), the Court ruled an education funding system that allows “**property wealthy**” towns to spend more on education with less effort is a system that impedes children’s constitutional rights to an **equal education**.
- At the time of the Court’s ruling, **the State had been funding each student equally** — regardless of community wealth or student need — by providing each municipality flat \$250-per-pupil grants.
- **At its core, *Horton v. Meskill* was about equity** and ensuring all Connecticut students had access to the resources and opportunities necessary for them to succeed inside and outside of the classroom.
- As a result of the 1977 ruling, CT established a formula to give money to public school districts that took property wealth into consideration.
 - In 1988, CT established the Education Cost Sharing (ECS) formula to serve this purpose. It has been revised numerous times since.
 - In theory, **the ECS grant is supposed to make up the difference between what a community can afford to pay and what it costs to run a public school system.**

Sources: *Horton v. Meskill*, 172 Conn. 615 (Conn. Sup. Ct. 1977).
Connecticut General Assembly, Office of Legislative Research. (2013). *Task Force to Study State Education Funding Final Report*. Retrieved from <http://www.cga.ct.gov/2013/rpt/2013-R-0064.html>.

Foundation Amount

- The ECS formula begins with a foundation amount, which is supposed to represent the amount of money it costs to educate a child with no additional learning needs.
- In Connecticut, the foundation amount is established by the legislature.
- Currently, the foundation amount is **\$11,525**.
- The foundation amount has not been adjusted since 2013 when it raised from \$9,687 to \$11,525.
- To keep pace with inflation and hold the same value in 2026 as it did in 2013, the foundation amount would need to be raised to over \$16,500.

Source: Conn. Gen. Statutes ch. 172, § 10-262f.

ECS Formula's Student-Need Weights

Low-Income Student Weight	30%
Concentrated Poverty Weight <i>Applied to Every Student Above 60% Concentrated Poverty</i>	15%
Multilingual Learner Weight	25%



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Student Need	Funding Per Student	Funding Per Student if Foundation for Inflation
General Education (Non-need) Student	\$11,525	\$16,500
Low-income Student	\$14,983 (+ \$3,458)	\$21,450 (+ \$4,950)
Concentrated Low-income Student	\$16,711 (+ \$5,186)	\$23,925 (+ \$7,425)
Low-income and Multilingual Learner	\$17,864 (+ \$6,339)	\$25,575 (+ \$9,075)
Multilingual Learner	\$14,406 (+ \$2,881)	\$20,625 (+ \$4,125)
Concentrated Low-income Multilingual Learner	\$19,592 (+ \$8,067)	\$28,050 (+ \$11,550)

Source: Conn. Gen. Statutes ch. 172, § 10-262f.
All numbers are rounded

Base Aid Ratio

A town's **ability to fund its public schools** is determined by two factors in the ECS formula. These factors make up the **Base Aid Ratio**.

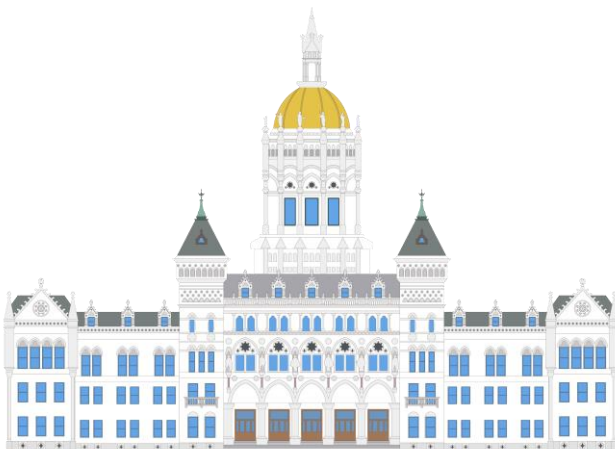
<u>Property</u> Wealth Factor	70%
<u>Income</u> Wealth Factor	30%



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Additional Funding for Towns in Need

- The ECS formula also adjusts the Base Aid Ratio to provide additional funding to the 19 communities with the lowest wealth and highest needs.
- Using a 4-tiered scale, additional percentage points are added to the Base Aid Ratio to drive more state funding to these 19 communities based on their relative wealth and need.



Additional ECS Dollars



**Towns with
19-Highest PIC Scores**



ECS grants fluctuate year to year based on changing data

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

Factors Impacting a Town's ECS Grant

- Town's prior year ECS grant amount
- # of students residing in town
- # of economically disadvantaged students
- % of economically disadvantaged students
- # of multilingual learner students
- Town's property wealth (ENGLPC)
- Income of town residents (Median Household Income)
- # of students sent to regional school districts, and how many grades the regional district has
- PIC Index score
- Alliance District status

New Britain's ECS Components: Total Cost

Variable	Count	Weight	Weighted Count
Resident Student Count	11,162	None	11,162
Low-income Student Count (i.e. # of students eligible for free or reduced-price lunch)	8,300	30%	2,490
Multilingual Learners Count	2,127	25%	532
% of Low-income Students (determines eligibility for concentrated poverty weight)	74.4%	60%	240

Need Student Count	14,424
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Foundation	x	Need Student Count	=	Foundation x NSC
\$11,525	x	14,424	=	\$166,233,488

New Britain's Calculated Base Aid Ratio

Variable	Value	Variable	Value
Equalized Net Grand List per Capita (ENGLPC)	\$83,581	CT Median ENGL	\$204,090
Median Household Income (MHI)	\$57,036	CT Median MHI	\$107,667
Alliance District	Yes		
Public Investment Communities (PIC) Index Rank	3		
PIC Score	394		
PIC Index Factor BAR Adjustment	6.0%		

Base Aid Ratio	72.99%
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Foundation	x	Need Student Count	x	Base Aid Ratio	=	Initial Grant
\$11,525	x	14,424	x	72.99%	=	\$121,338,810

WHAT DOES THIS MEAN FOR NEW BRITAIN?

How do cities and towns raise money to pay for public schools?

- Cities and towns raise money to pay for services (including public schools) through property taxes.
 - Cities and towns are able to collect tax on property that is owned by the people who live there.
 - Cities and towns can collect taxes on “real” property (e.g. office building, apartment buildings, houses) and “personal” property (e.g. cars and boats).
 - Property that belongs to some nonprofit organizations, like universities, hospitals, and churches, may be exempt from property tax.
 - Cities and towns are limited in how they can raise revenue through other means.

Source: State of Connecticut, Office of Policy and Management. (n.d.). Statutes Governing Property Assessment and Taxation. Retrieved from <https://portal.ct.gov/OPM/IGPP/Services/Statutes-Governing-Property-Assessment-and-Taxation>.

How much do cities and towns need to contribute toward funding their public schools?

- Cities and towns must make up the difference between what their local public school system receives from state and federal sources and the local public school district's budget.

$$\begin{aligned} &\text{School District Budget} - \text{Federal Revenue} - \text{State Revenue} \\ &= \\ &\text{Municipal (Local) Contribution} \end{aligned}$$

THE ROLE OF WEALTH AND PROPERTY TAXES

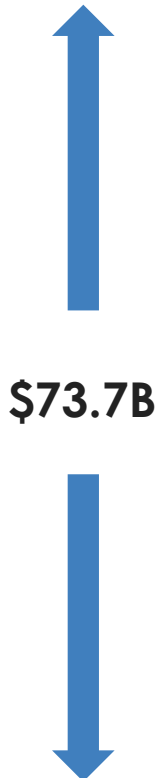
One of the most *fundamentally flawed* parts of education funding is its **reliance on local property taxes.**

It enables an *inequitable* system where affluent, predominantly white suburban communities with high property wealth are able to **fund their schools at higher levels.**



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The Values of Grand Lists Vary Widely

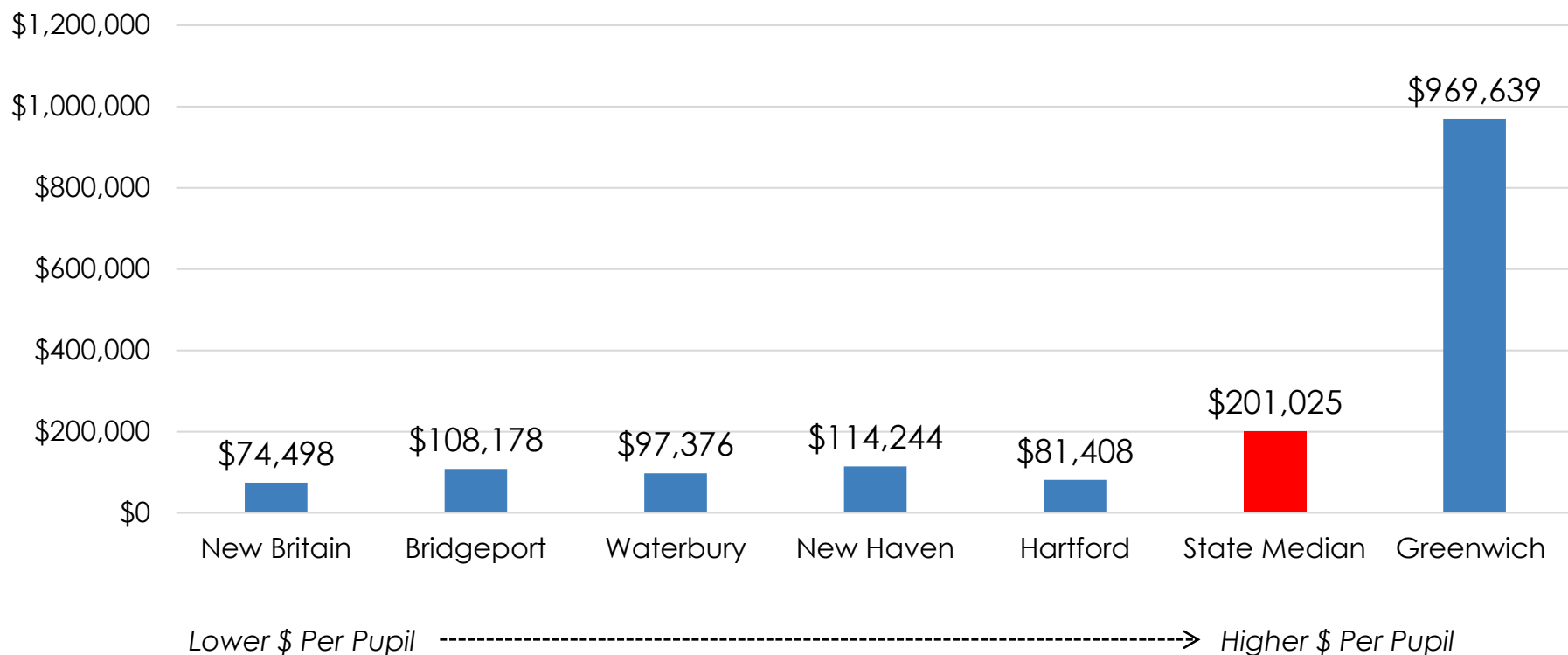


Municipality	Equalized Net Grand List GLYR 2024
GREENWICH	\$73,944,996,368
STAMFORD	\$47,705,075,428
NORWALK	\$31,716,800,731
FAIRFIELD	\$26,953,629,639
WESTPORT	\$26,492,590,931
...	...
NEW BRITAIN	\$7,381,187,294
...	...
STATE MEDIAN	\$2,885,028,873
...	...
SPRAGUE	\$399,495,557
EASTFORD	\$391,540,328
HAMPTON	\$365,968,393
SCOTLAND	\$280,874,223
UNION	\$222,501,873

Source: State of Connecticut, Office of Policy and Management. (2026). Equalized Net Grand List by Town (2011-2024 GL). Available from https://data.ct.gov/Local-Government/Equalized-Net-Grand-List-by-Town-2011-2024-GL-/8rr8-a322/about_data.

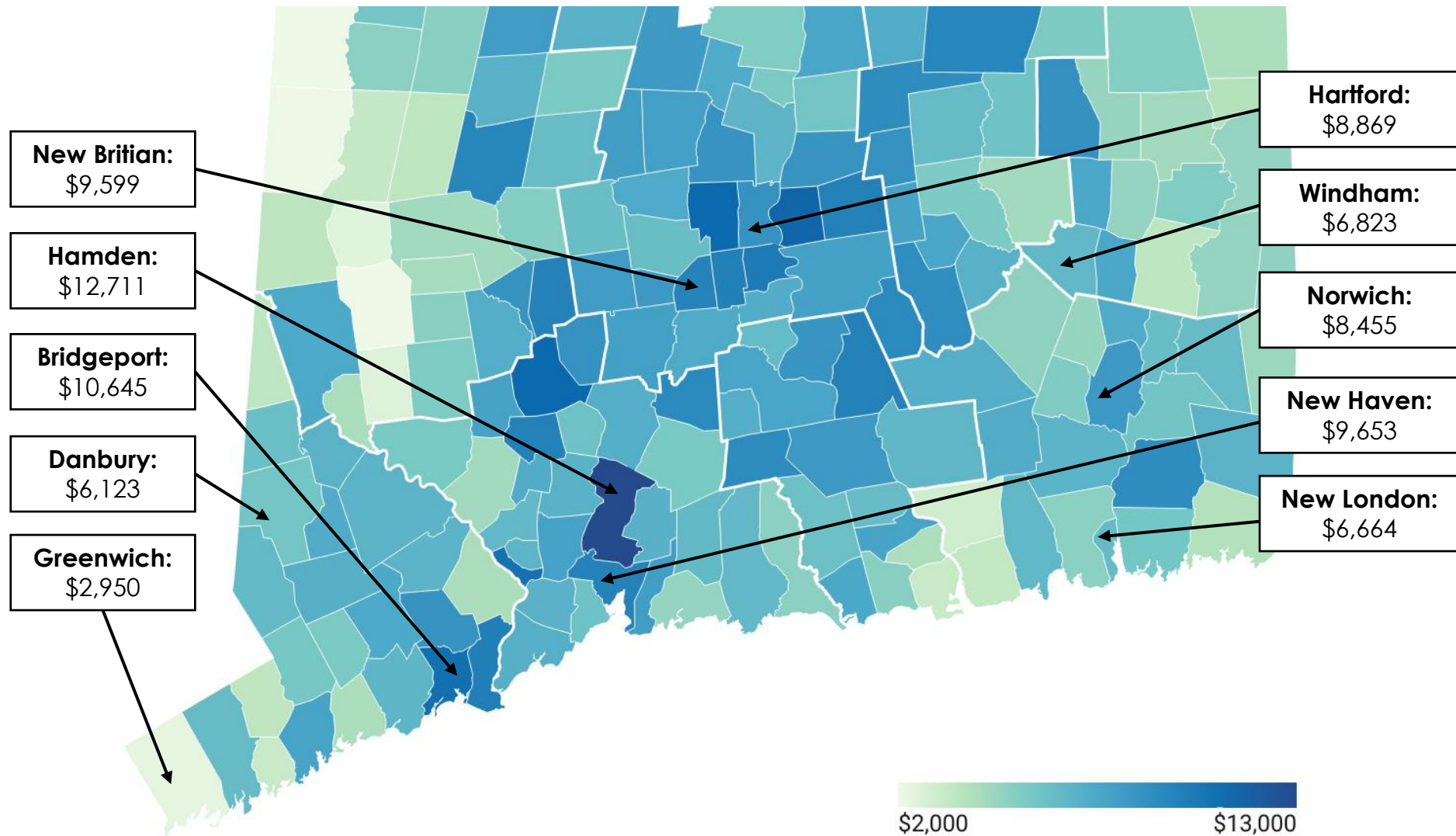
Equalized Net Grand List per Capita (ENGLPC) represents the value of taxable property in a town per resident

Equalized Net Grand List per Capita by Town



Sources: State of Connecticut, Office of Policy and Management. (2026). *Municipal Fiscal Indicators, Fiscal Years Ended 2019-2023*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/opm/finance/mfs-unit/municipal-fiscal-indicators/municipal-fiscal-indicators-2019-23---final---revised-asof-1-14-2026.pdf>. Connecticut State Department of Education. (n.d.). *Per Pupil Expenditures by Function (District), 2024-2025*. Retrieved from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district?language=en_US.

Property Taxes on a \$350,000 House



Understanding Tax Abatements

- In Connecticut, local municipalities may provide tax abatements to a person/business purchasing or leasing a property or airspace.
- **A tax abatement** is when a local municipality **reduces or exempts a property from taxes for a certain amount of time**. This includes both the property and any improvements made to the property.

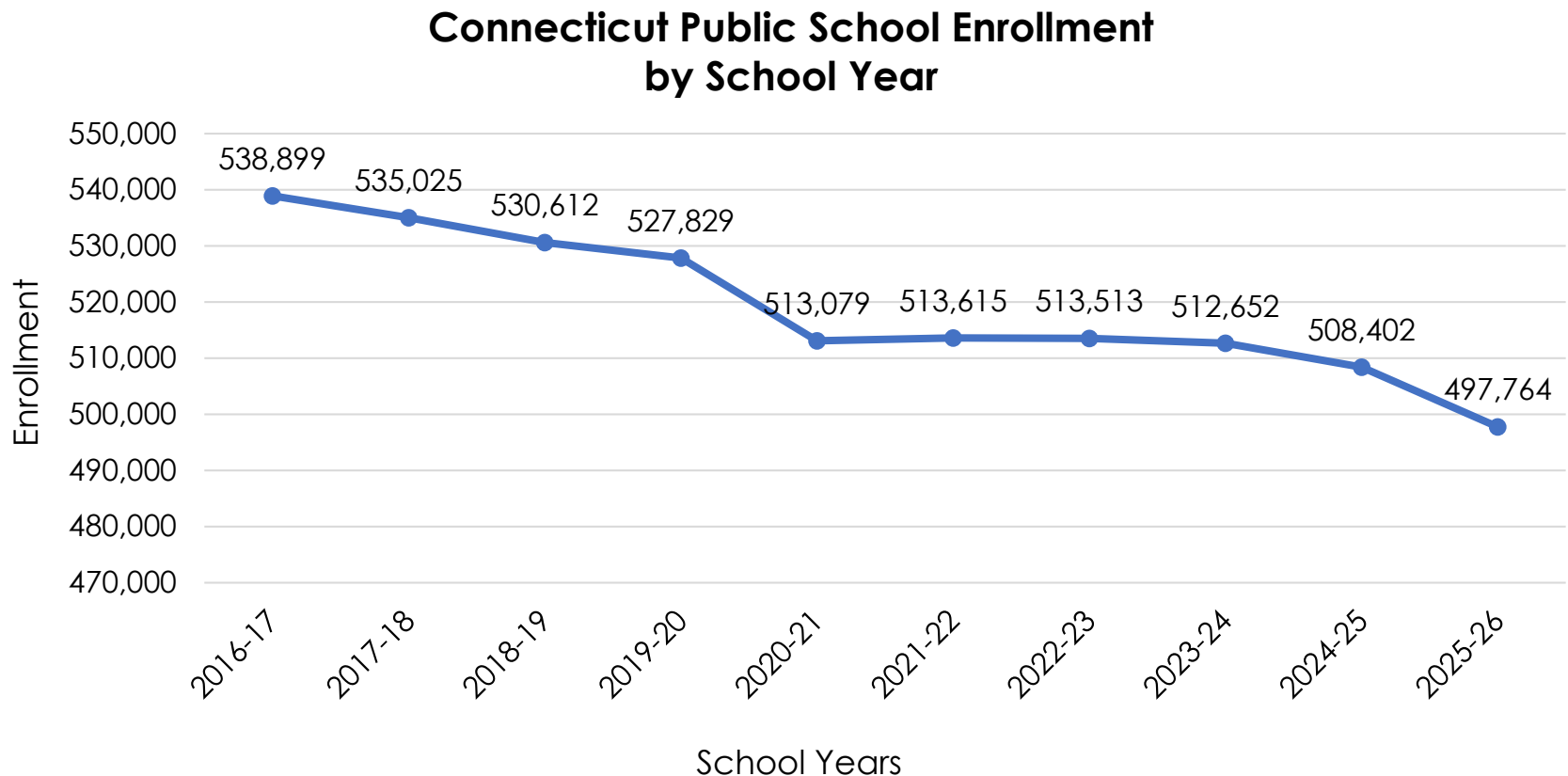
Things to keep in mind:

- Local property taxes account for 56.1% of school funding in Connecticut.
- **Reducing or eliminating property taxes** results in lower property tax revenue for a municipality and may lead to **lower school funding**.
- Abatements **can encourage** companies to create more retail or manufacturing space, which results in **more jobs**.



SPECIAL EDUCATION

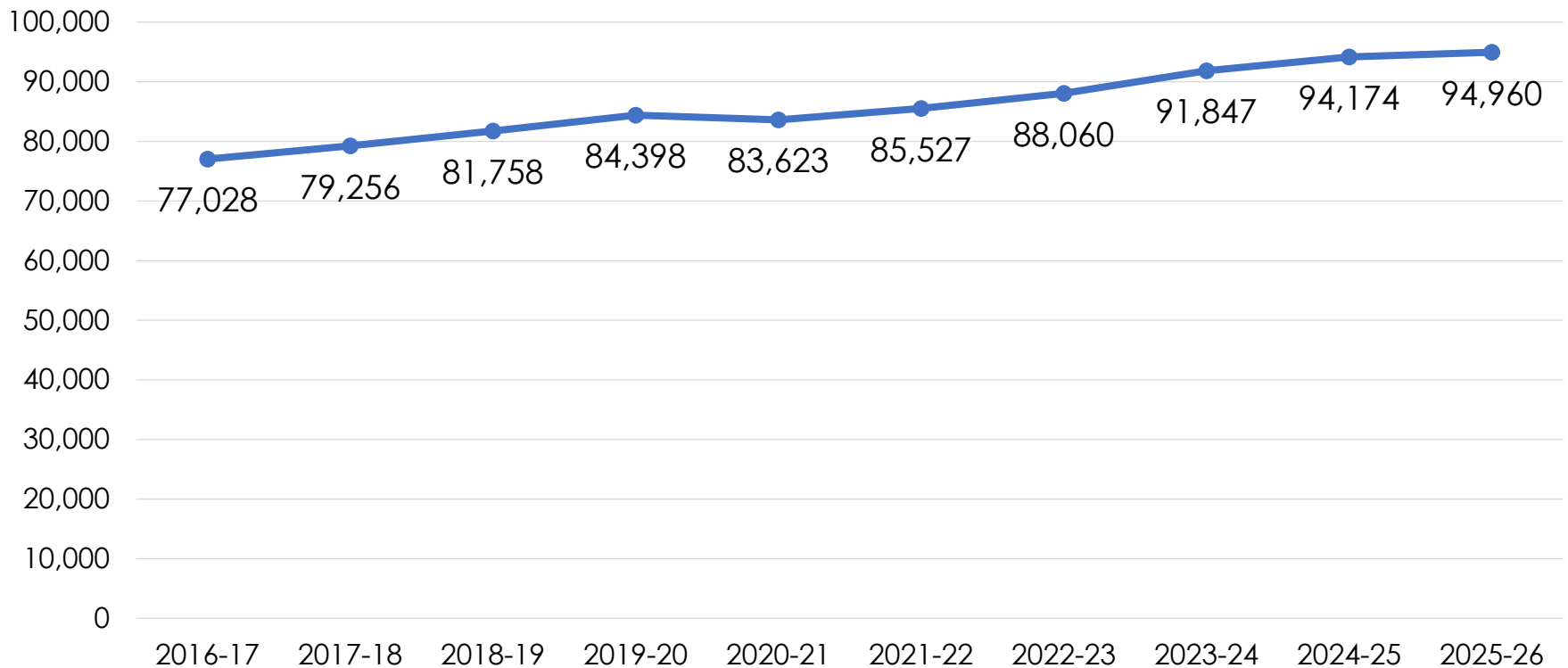
Over the last 10 years, the total number of students in Connecticut public schools has declined by 7.6%



Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <https://public-edsight.ct.gov/students/enrollment-dashboard>.

Despite declining enrollment, the total number of students with disabilities in Connecticut public schools has increased by 23.3% over the past 10 years

Connecticut Students with Disabilities by School Year



Source: Connecticut State Department of Education. (n.d.). EdSight: Public School Enrollment. Available from <https://public-edsight.ct.gov/students/enrollment-dashboard>.

How does Connecticut fund special education?

- Until 2025, Connecticut was one of the few states in the country that lacked a separate special education funding system.
- Connecticut's local public school districts primarily receive funding for students with disabilities from the ECS grant.
- Additionally, districts are partially reimbursed for extraordinary special education costs through the state's Excess Cost grant.
 - The Excess Cost grant reimburses districts when costs for educating a student with disabilities are 4.5 times greater than the district's per-student spending.
- In 2025, the General Assembly made changes to the way CT funds special education, including:
 - Providing an additional \$40 million to support the Excess Cost grant for FYs 2026 and 2027.
 - Creating a new Special Education and Expansion Development (SEED) grant that provides state grants to school districts solely for special education purposes.

Special education funding in the Education Cost Sharing (ECS) formula

- All of a town's resident students, including special education students, are included in resident student counts used to calculate equalization grants.
- In 1995, the CT General Assembly increased the ECS foundation by \$911 to account for special education costs.
- The CT State Department of Education assumes approximately 28.6% of ECS funding is attributed to special education expenditures.
- However, the ECS formula does not take a district's special education needs into consideration.
- The ECS formula does not include a weight (like the formula does for low-income students and multilingual learners) that provides additional state funding for each student who requires special education services.

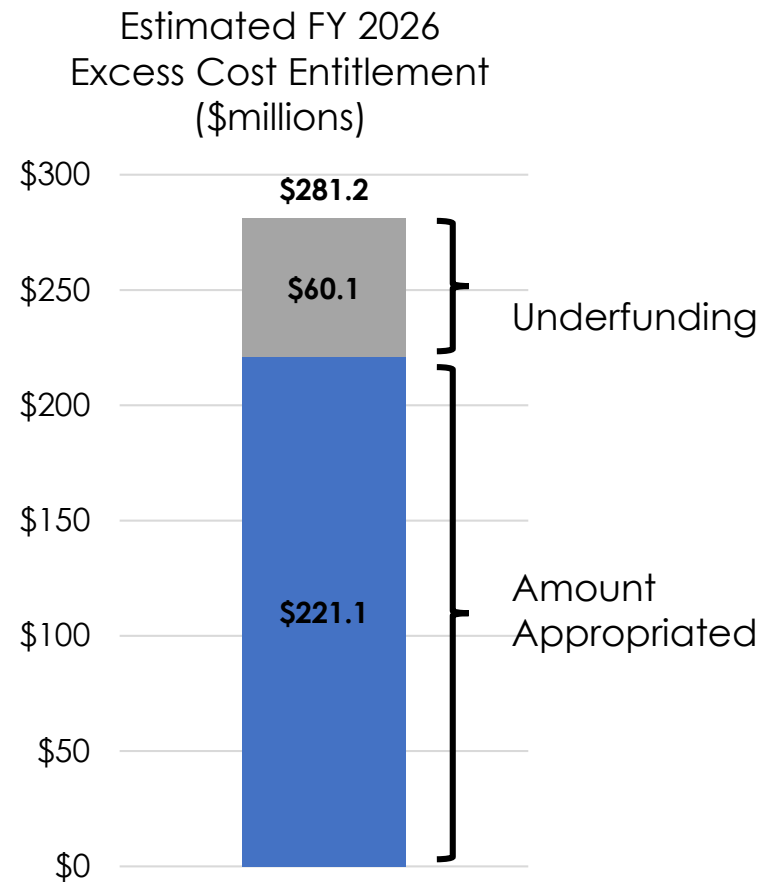
Sources: Conn. Gen. Statutes ch. 172, § 10-262f.

Office of the Governor, Blue-Ribbon Commission on K-12 Education Funding and Accountability. (2026, July 16). *Full Commission Meeting – July 16, 2026* [PowerPoint presentation]. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/governor/-/media/office-of-the-governor/working-groups/blue-ribbon-commission-on-k-12-education/documents/20260716-presentation.pdf>.

Estimated Excess Cost Support FY 2026

For FY 2026, the Excess Cost grant is not fully funded. The total amount appropriated by the legislature is currently estimated to be at least:

- \$60.1 million short of what is needed to fully fund the grant at its reimbursement tiers.
- \$95.9 million short of what is needed to fund the grant at 100% reimbursement.



Special Education and Expansion Development (SEED) grant

- Connecticut has historically provided limited special education funding until districts reach the Excess Cost threshold (4.5 times the district's per-student spending).
- The new Special Education and Expansion Development (SEED) grant introduces a 50% weight for students with special education needs, based on the ECS formula.
- The grant allows for proportional reductions if not fully funded.
- While full funding for the grant in FY 2027 would require an estimated \$185+ million, the state budget appropriates only \$30 million, resulting in districts receiving roughly 16.2% of their fully-funded grant amounts.

WHAT YOU CAN DO

Participate at the Local Level

- Attend board of education meetings
 - [Board of education meeting listing](#)
- Submit public testimony at the board of education and city council during budget season
- Reach out to local decision-makers to ask questions, begin a conversation about education funding, or ask them to support state initiatives that will benefit New Britain Public Schools
 - The members of the board of education can be found [here](#), along with their contact information.
 - Common council members can be found [here](#), along with their contact information.
- Find other decision-makers for education finance in your town and talk to them about your priorities

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APPENDIX

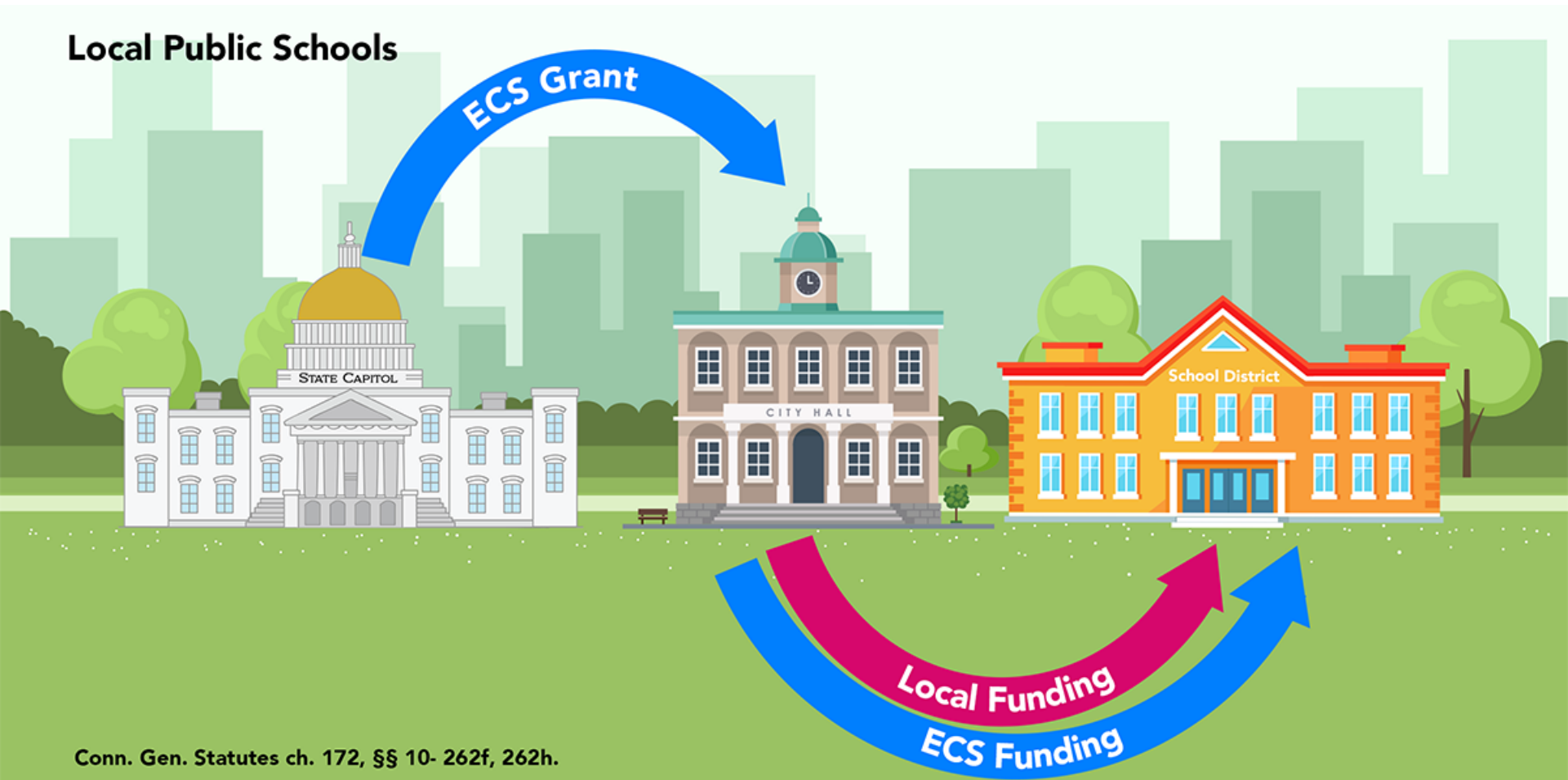
Connecticut's **10 different formulas** for funding public schools



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Local and Regional School Districts (166 districts)

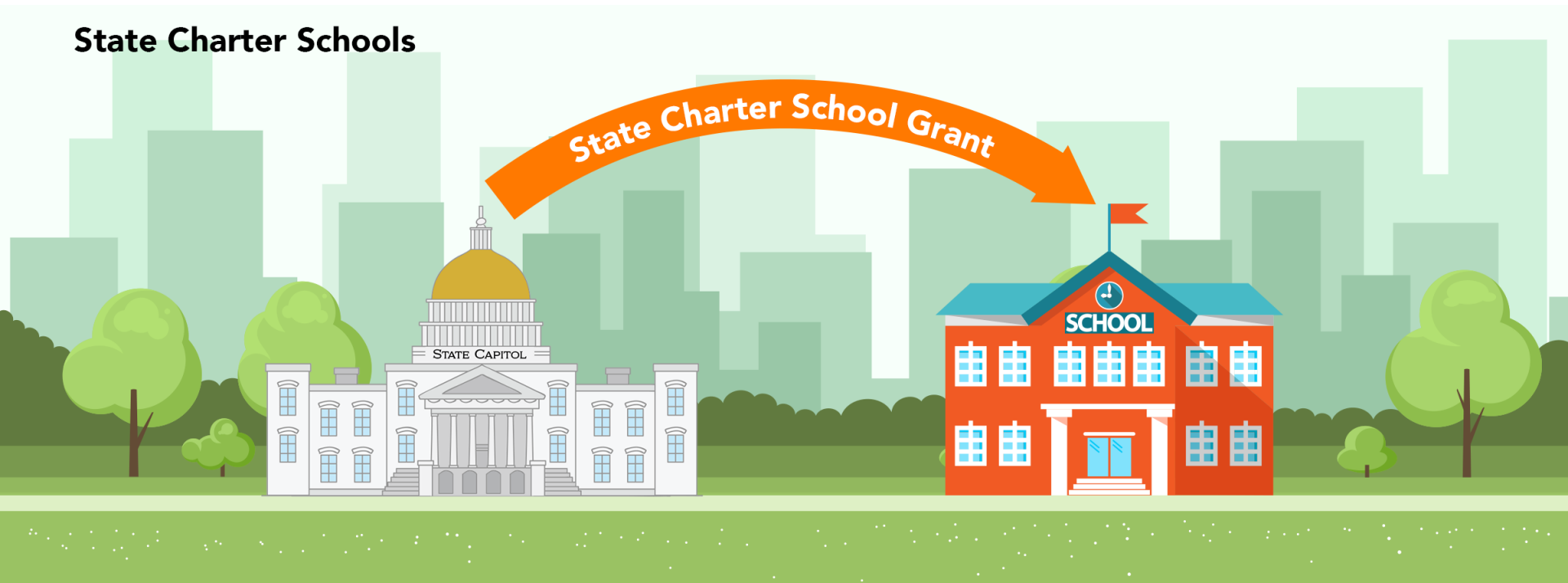
Local Public Schools



Conn. Gen. Statutes ch. 172, §§ 10- 262f, 262h.

State Charter Schools (22 schools)

State Charter Schools

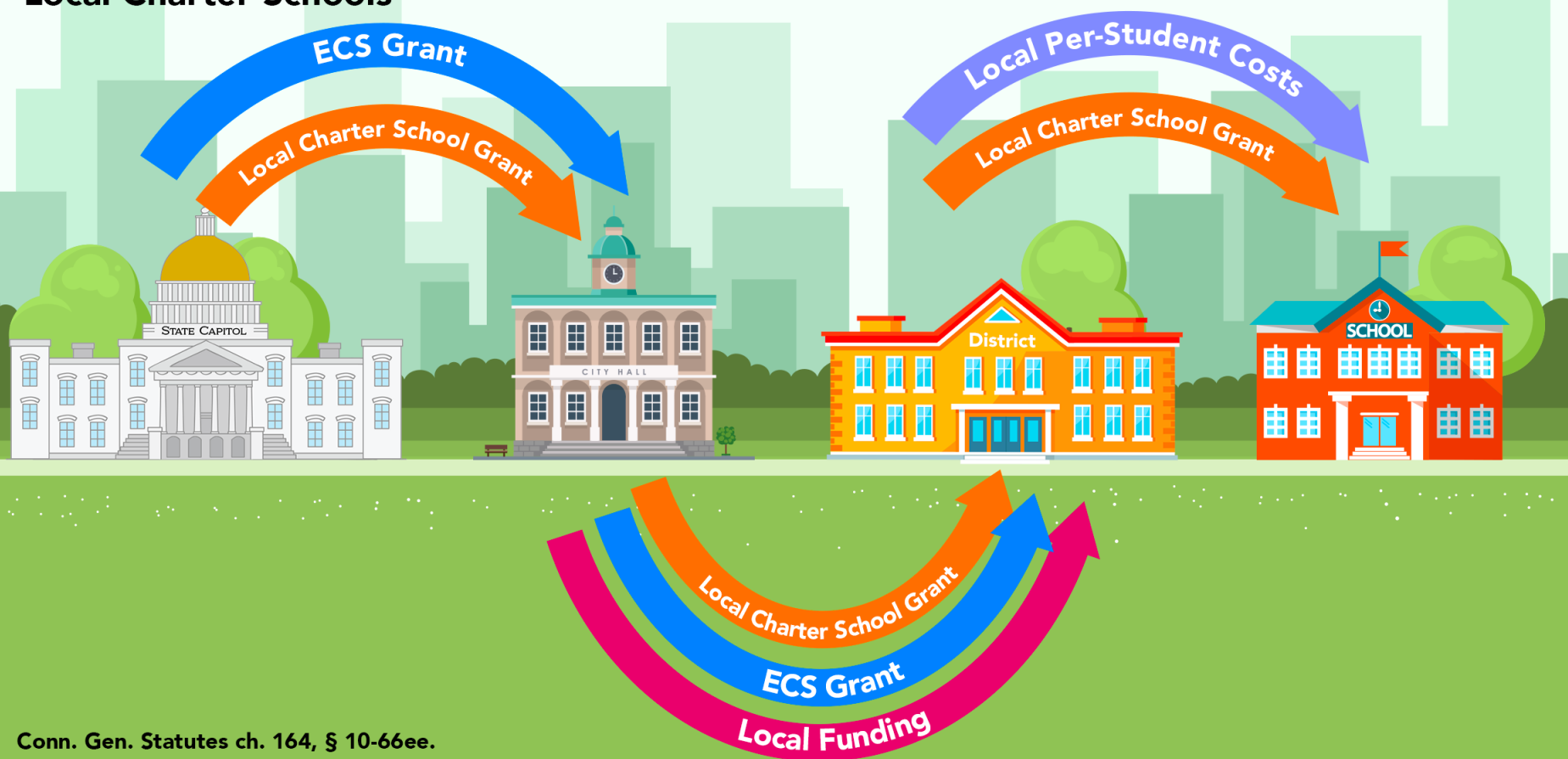


In FY 2025, and thereafter, state charter school students will receive the ECS foundation plus 56.7% of their full weighted funding based on their individual learning needs.

Conn. Gen. Statutes ch. 164, § 10-66ee.

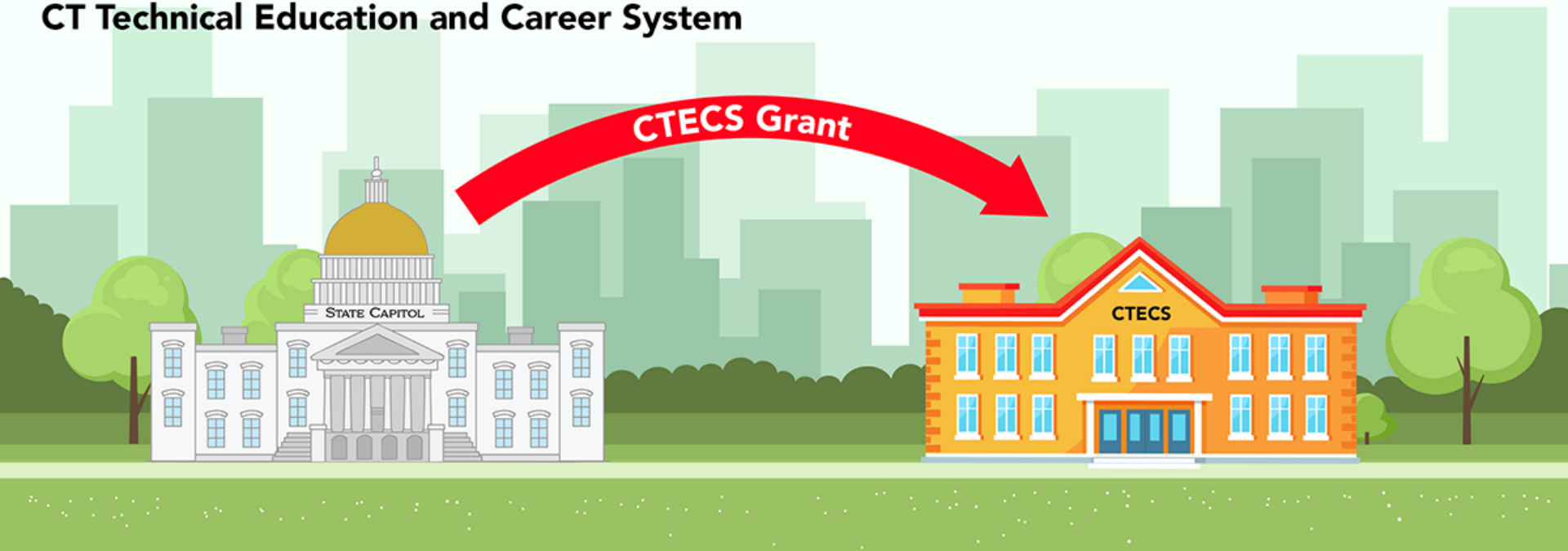
Local Charter Schools (1 school)

Local Charter Schools



CT Technical Education and Career System (20 schools)

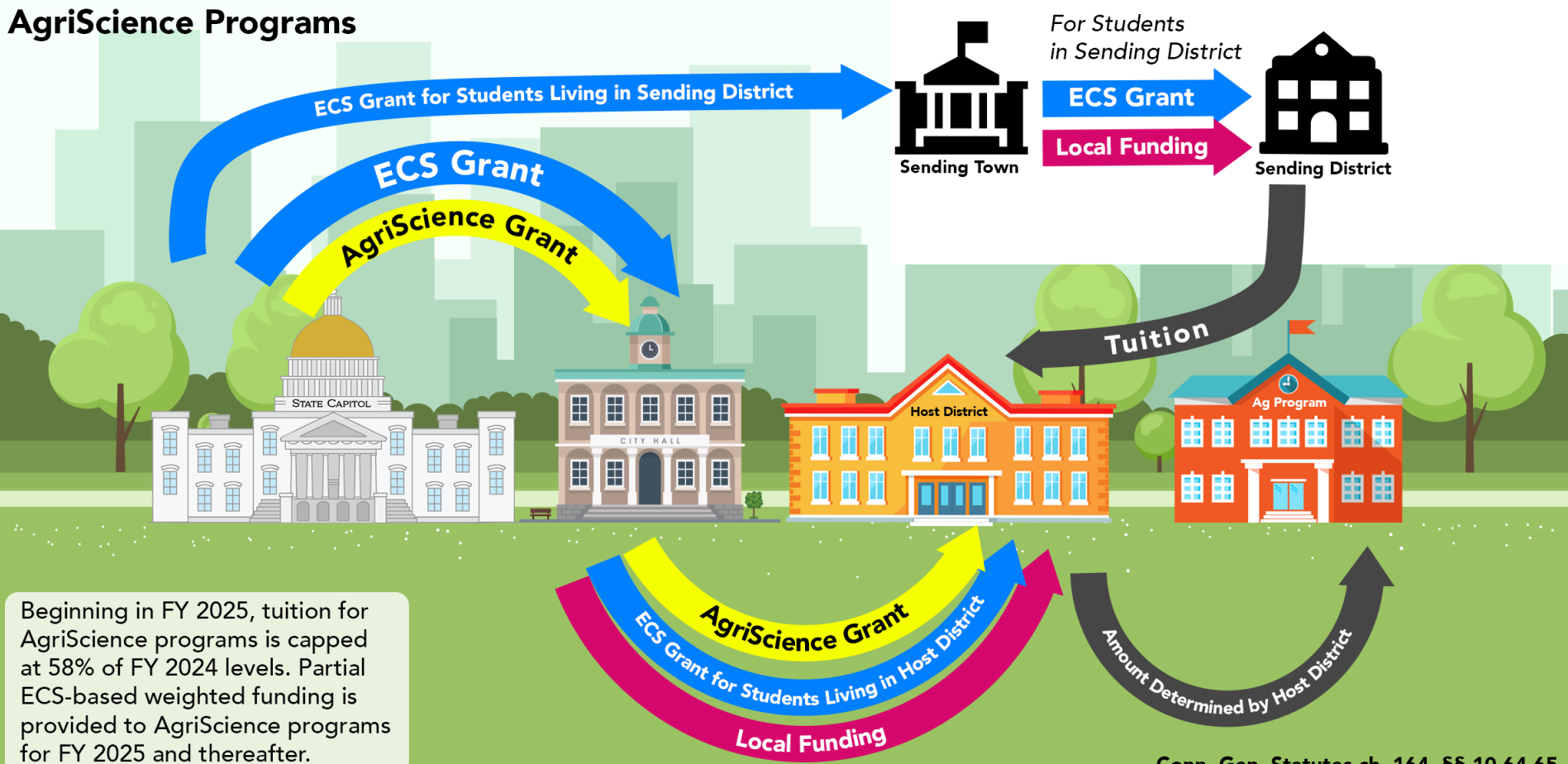
CT Technical Education and Career System



Conn. Gen. Statutes ch. 164, § 10-95.

Agriscience Program (20 centers)

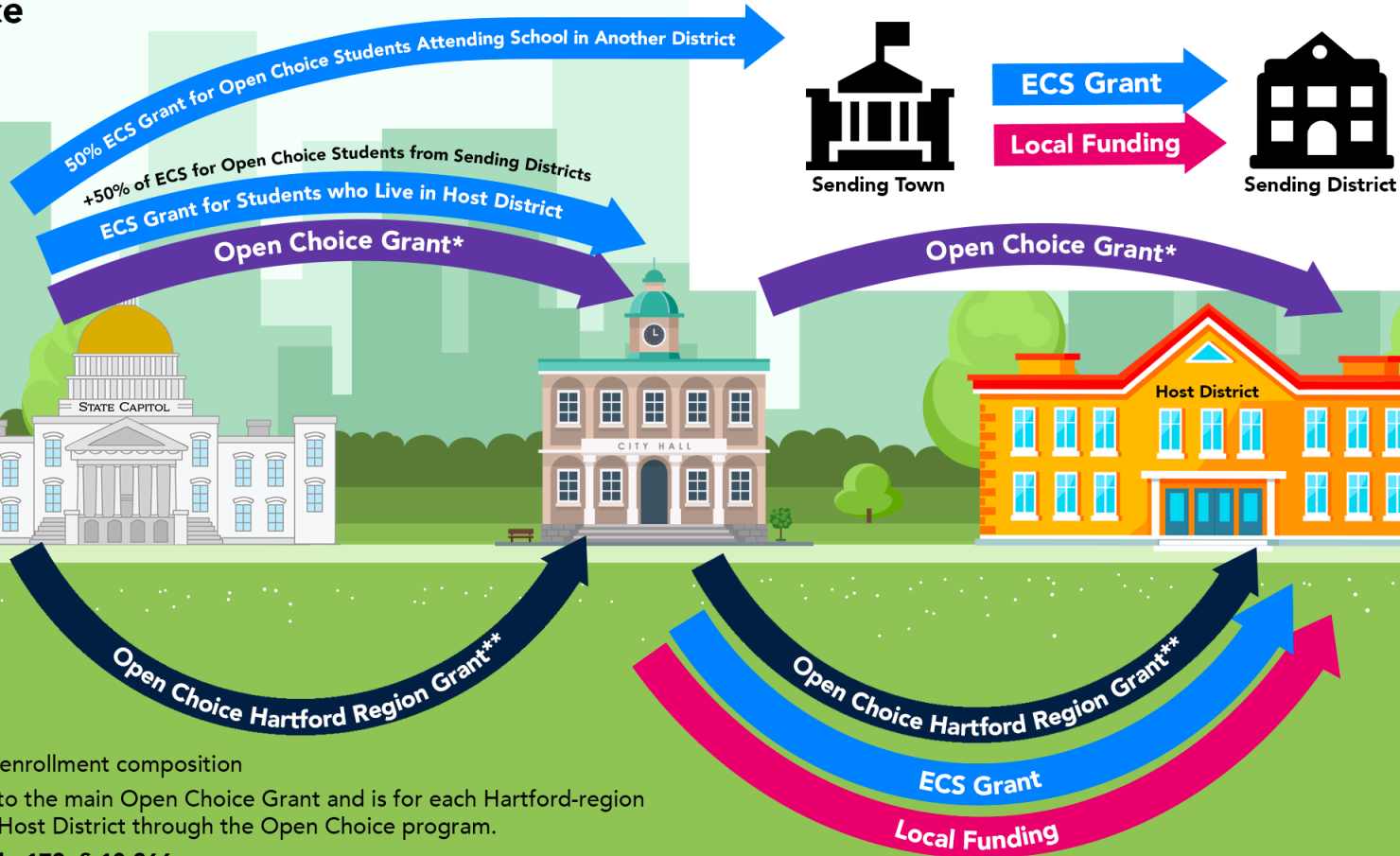
Agriscience Programs



Conn. Gen. Statutes ch. 164, §§ 10-64-65.

Open Choice (47 participating districts)

Open Choice



* Amount depends on enrollment composition

** Grant is in addition to the main Open Choice Grant and is for each Hartford-region student attending the Host District through the Open Choice program.

Conn. Gen. Statutes ch. 172, § 10-266aa.

RESC Magnet School (Sheff) (18 schools)

Regional Educational Service Center (RESC)
Magnet School (Sheff)

ECS Grant to Sending District



ECS Grant

Local Funding



Amount varies*

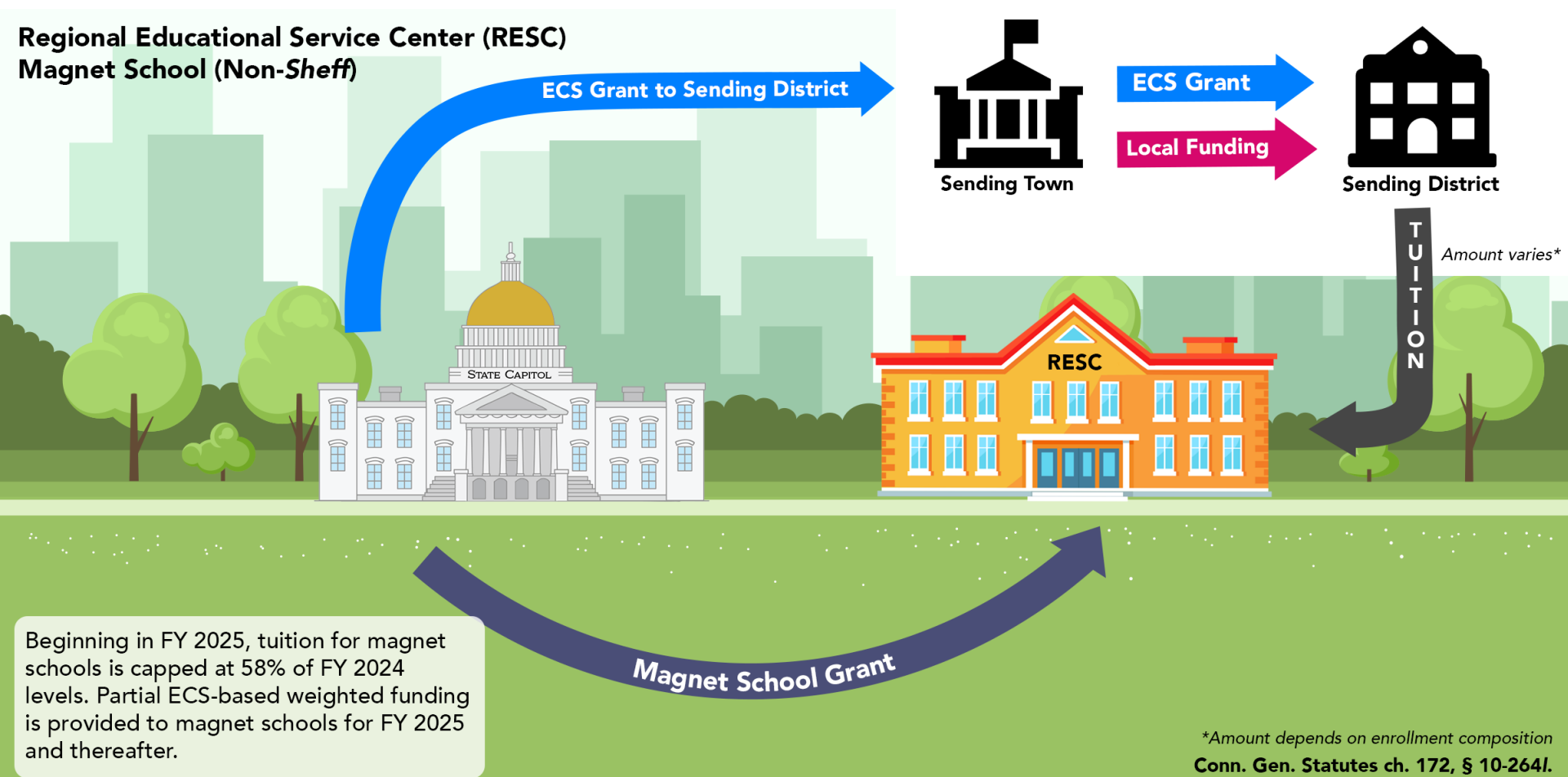
TUITION

Beginning in FY 2025, tuition for magnet schools is capped at 58% of FY 2024 levels. Partial ECS-based weighted funding is provided to magnet schools for FY 2025 and thereafter.

Magnet School Grant

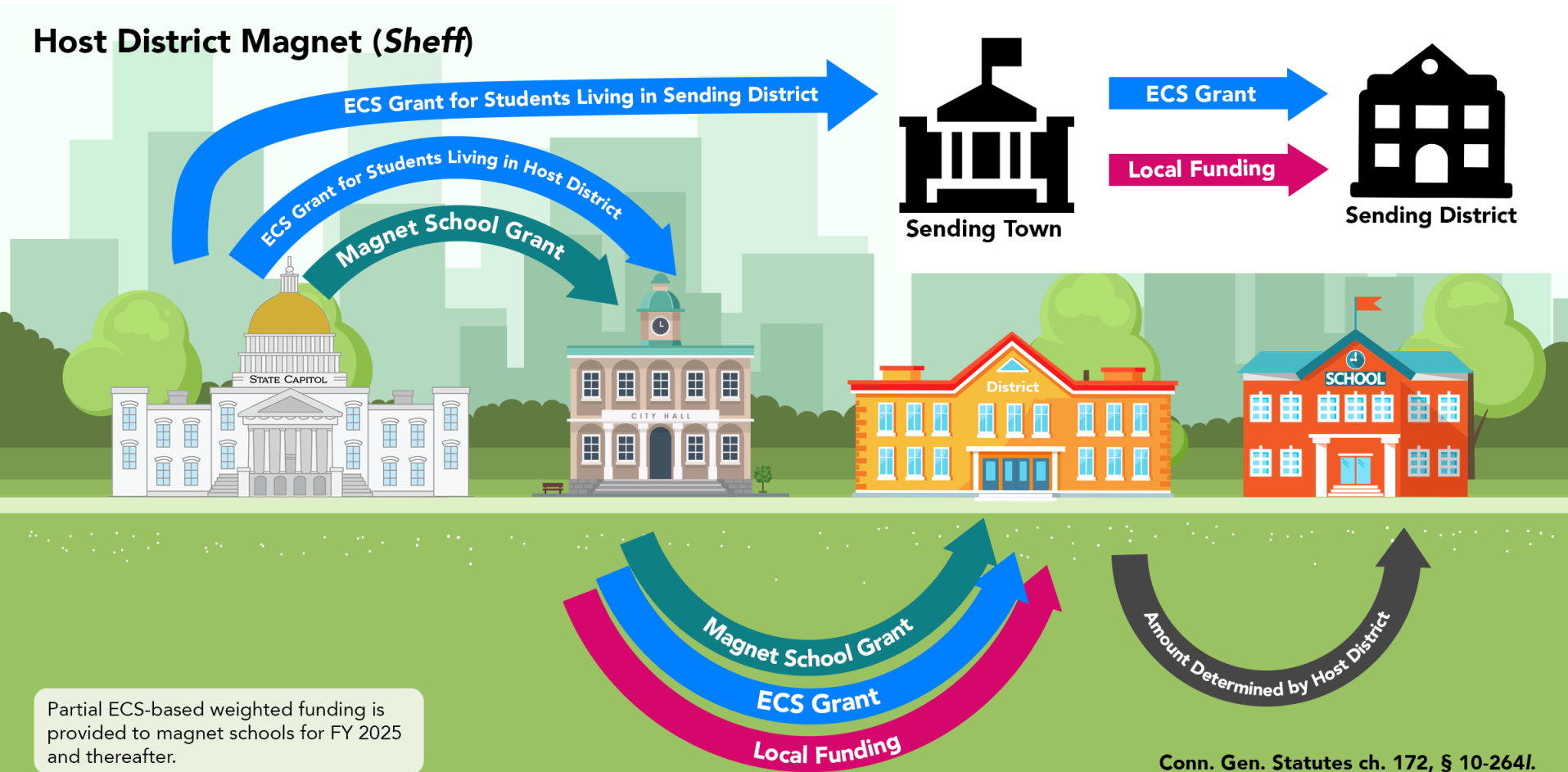
*Amount depends on enrollment composition
Conn. Gen. Statutes ch. 172, § 10-264I.

RESC Magnet School (Non-Sheff) (12 schools)



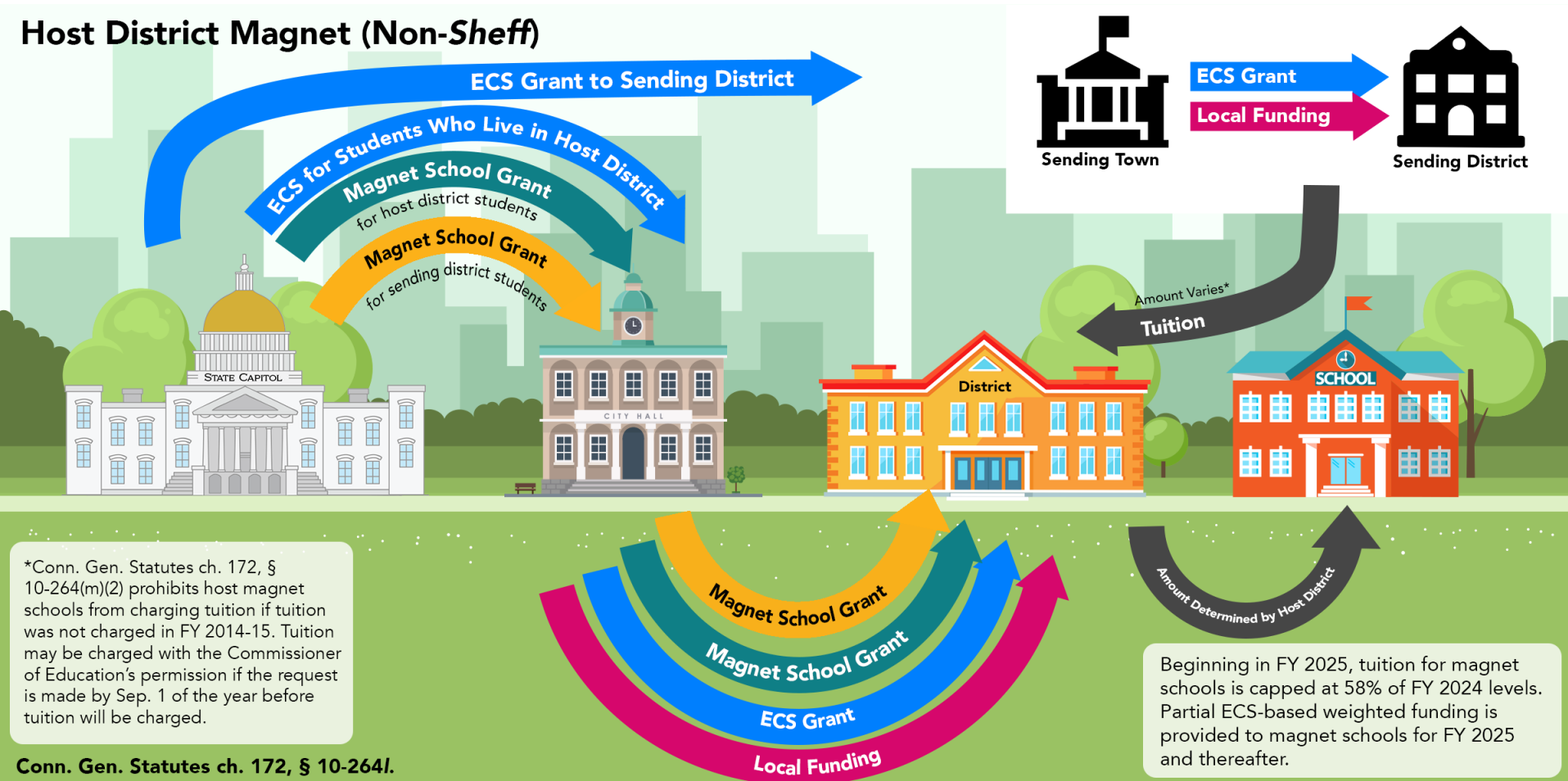
Host District Magnet (Sheff) (20 schools)

Host District Magnet (Sheff)



Host District Magnet (Non-Sheff) (34 schools)

Host District Magnet (Non-Sheff)



What is the PILOT Grant Program?

- The Payment in Lieu of Taxes (PILOT) program provides annual grants to municipalities to **partially reimburse them for the property tax revenue they do not collect** from certain properties exempted from paying property taxes.
- Exempted properties that fall under the PILOT grant program include:
 - State-owned property;
 - Municipally-owned airports;
 - Tribal reservation land; and
 - Private nonprofit college and hospital property.
- How much a municipality receives from the **PILOT grant depends on several factors**, including the:
 - Type of property exempted;
 - Amount appropriated by the legislature to the PILOT grant;
 - Value of taxable property per person in the municipality;
 - Municipality's Alliance District status; and
 - Percentage of state-owned property in the municipality.
- Under current law, every municipality **must receive at least** the same amount of PILOT funding as they received in FY 2021.



PILOT Grant Program Funding

- PILOT grant amounts are determined by **multiplying the assessed value of a tax-exempted property by the reimbursement rate** that has been established by legislature for that type of property.
- **Each type of exempted property has a different reimbursement rate.**
 - State-owned property: 45%
 - Municipally-owned airports: 45%
 - Private nonprofit college and hospital property: 77%
 - Correctional facilities or juvenile detention centers: 100%
 - Tribal reservation land: 100%
- However, municipalities **typically do not receive their fully funded PILOT grant amount**. This is because the legislature has frequently not allocated enough money to the PILOT program to **fully reimburse cities and towns at the rates laid out in the law**.
- When the State does not provide enough money to fully fund PILOT grants according to the reimbursement rates in law, **municipalities receive a prorated grant**.

Tiered PILOT Grants

- When the PILOT grant program is not fully funded, **municipalities are placed into one of three tiers** with Tier 1 receiving the highest percentage of its total PILOT grant amount.
- Tiers are determined based on a municipality's amount of taxable property per person (Equalized Net Grand List Per Capita (ENGLPC)) and other factors.

Tier	Municipality Eligibility	Reimbursement %
Tier 1	<ul style="list-style-type: none">• ENGLPC less than \$100,000• Alliance District• More than 50% of land is state-owned	53% of total PILOT grant amount
Tier 2	<ul style="list-style-type: none">• ENGLPC between \$100,000 and \$200,000	43% of total PILOT grant amount
Tier 3	<ul style="list-style-type: none">• ENGLPC greater than \$200,000	33% of total PILOT grant amount