

SCHOOL + STATE
FINANCE PROJECT

www.schoolstatefinance.org

A Foundation for Disconnection

How an Inequitable School Funding System
Impacts Connecticut's Youth

Contact Us

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To learn more about the School and State Finance Project, visit us at:
www.schoolstatefinance.org.

About the School and State Finance Project



CT-based, 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 Impact on Students, Schools and Communities

- Throughout our history, we have worked to ensure all Connecticut students receive equitable education funding that supports their learning needs.
- We have:
 - Secured an additional \$526 million in need-based funding for Connecticut's public school students.
 - Directly engaged nearly 15,000 community members on education funding.
 - Provided independent and accurate research and analysis to state and local decision makers.
 - Led the reform — and full funding — of Connecticut's main education funding formula.

Evolution of School Funding in Connecticut

How did we get here?

- While the primary sources of education funding are relatively simple, the mechanisms for allocating funding is **not always as straightforward** — particularly when it comes to how the State of Connecticut provides funding to its public schools.
- Currently, the **ECS formula is used to distribute state education aid** to municipalities for their local or regional public school districts.
- The ECS formula was designed as a way to **equitably distribute state education funding** to local public school districts.

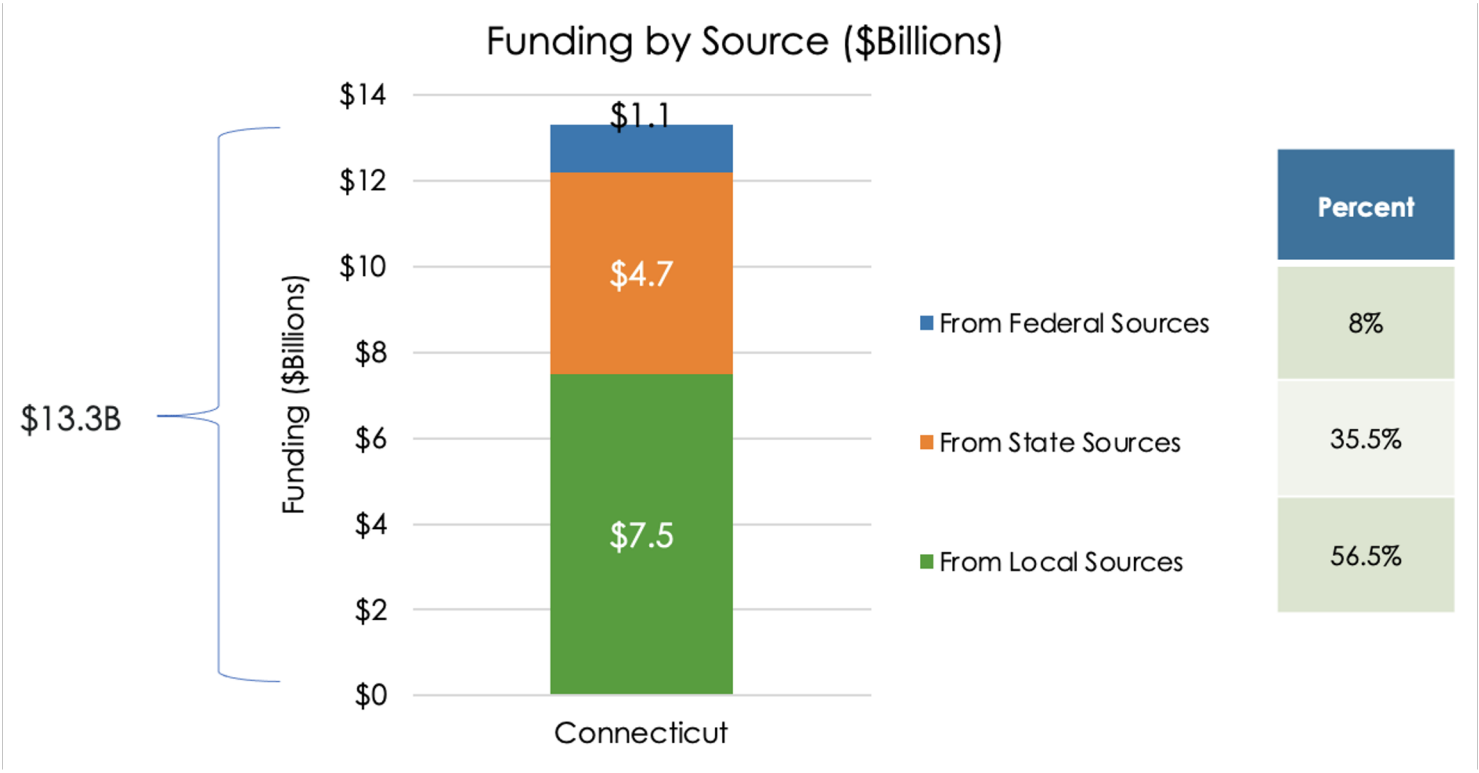
Why CT has an ECS Formula

- The state began providing aid to cities/towns 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**.
- As a result, 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>.

Sources of Education Funding Revenue



Regressive Nature of Property Taxes

- Connecticut's towns and school districts have an **over-reliance on local property taxes** to pay for municipal services.
- Municipalities with higher amounts of taxable property can raise more revenue with lower tax rates than municipalities with low property wealth.
- Municipalities with **low property wealth have to tax themselves at a higher rate** to raise money for public education.

The value of taxable property and mill rates play important roles on the amount of local revenue available to local and regional public schools.

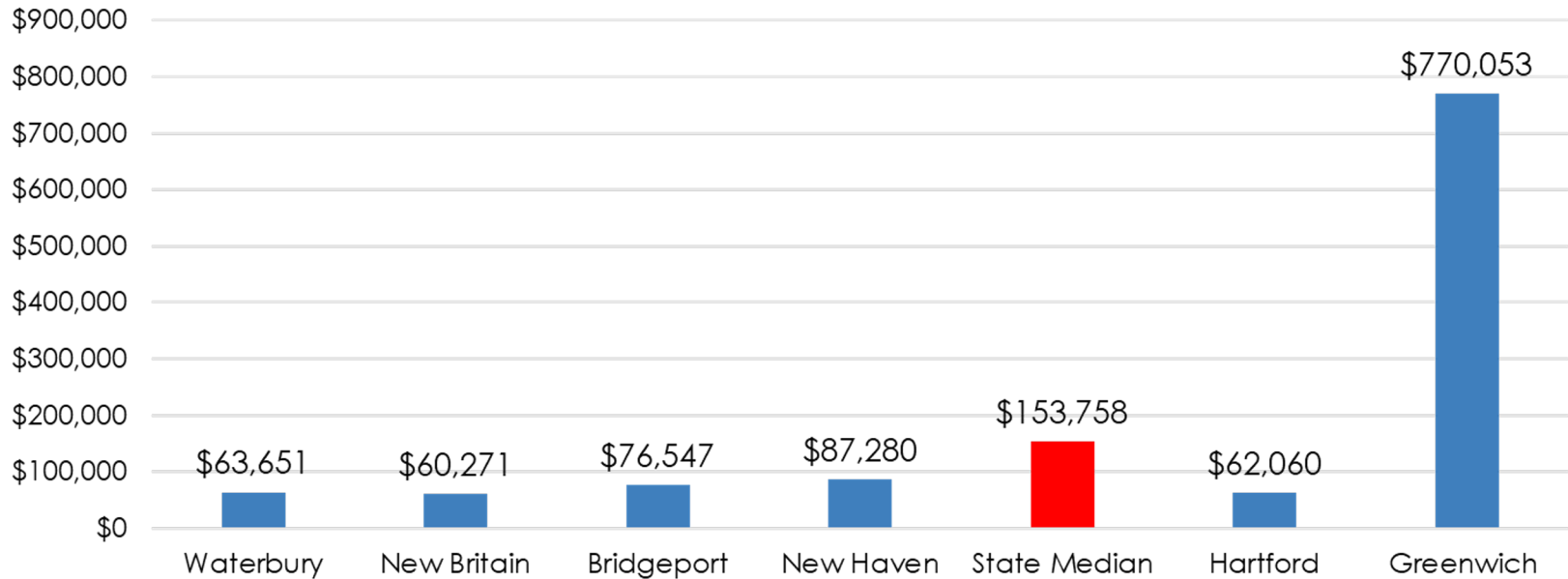
The Value of Grand Lists Varies Widely

Municipality	Equalized Net Grand List GLYR 2021
GREENWICH	\$50,902,026,637
STAMFORD	\$40,182,853,790
NORWALK	\$25,748,651,546
FAIRFIELD	\$20,981,083,824
WESTPORT	\$20,636,390,634
...	...
STATE MEDIAN	\$2,270,541,491
...	...
CANAAN	\$362,753,395
EASTFORD	\$335,391,688
HAMPTON	\$329,544,282
SCOTLAND	\$224,233,435
UNION	\$193,857,459

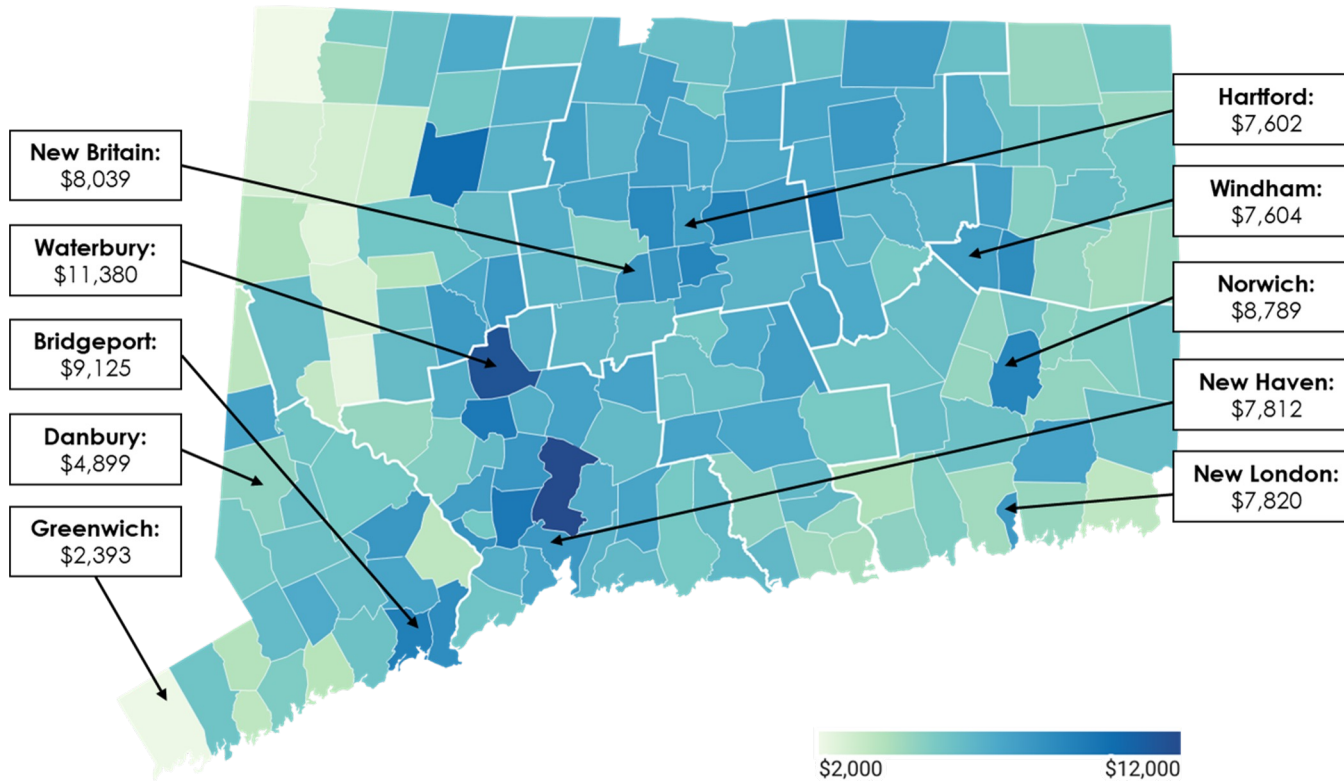
\$50.7B

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



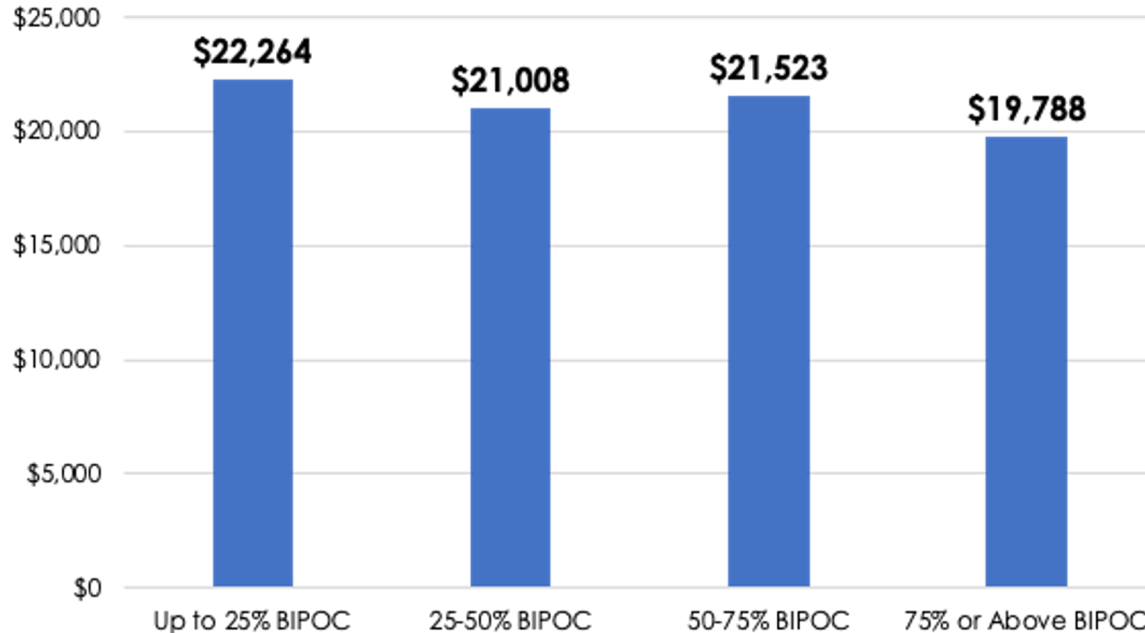
Property Taxes on a \$300,000 House



Segregation and the school finance system has resulted in inequities in Connecticut.

- 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 communities are able to **fund their schools at higher levels**.
- Ultimately, **where a student lives** and **where they go to school** have determined the education funding they receive, and limited the opportunities they have for success in and out of the classroom.

Districts whose student populations are > 75% BIPOC students spend roughly \$2,500 less per student than districts with populations of < 25% BIPOC students



What does \$2,500 less per student actually mean?

\$72,500 less for a classroom of 29 students

\$1,250,000 less for an elementary school

**Outdated
Textbooks &
Materials**



**Less Access to
Extracurriculars**



**Limited
Advanced
Courses**



**Fewer
Counselors**



**Lack of Tutors
and Paras**



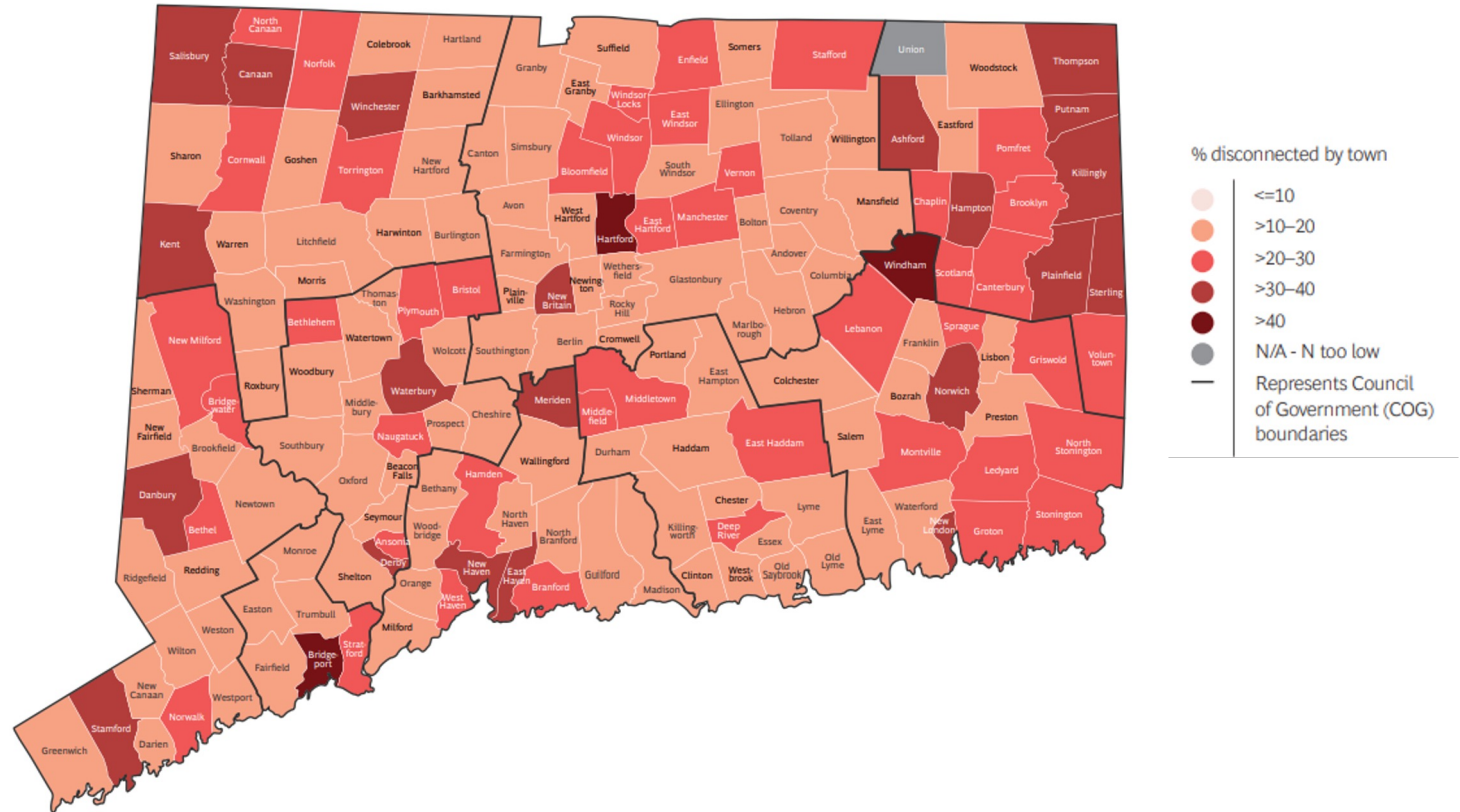
Education Funding and Disconnected Youth in Connecticut

Recent research of disconnected youth has revealed a crisis in Connecticut

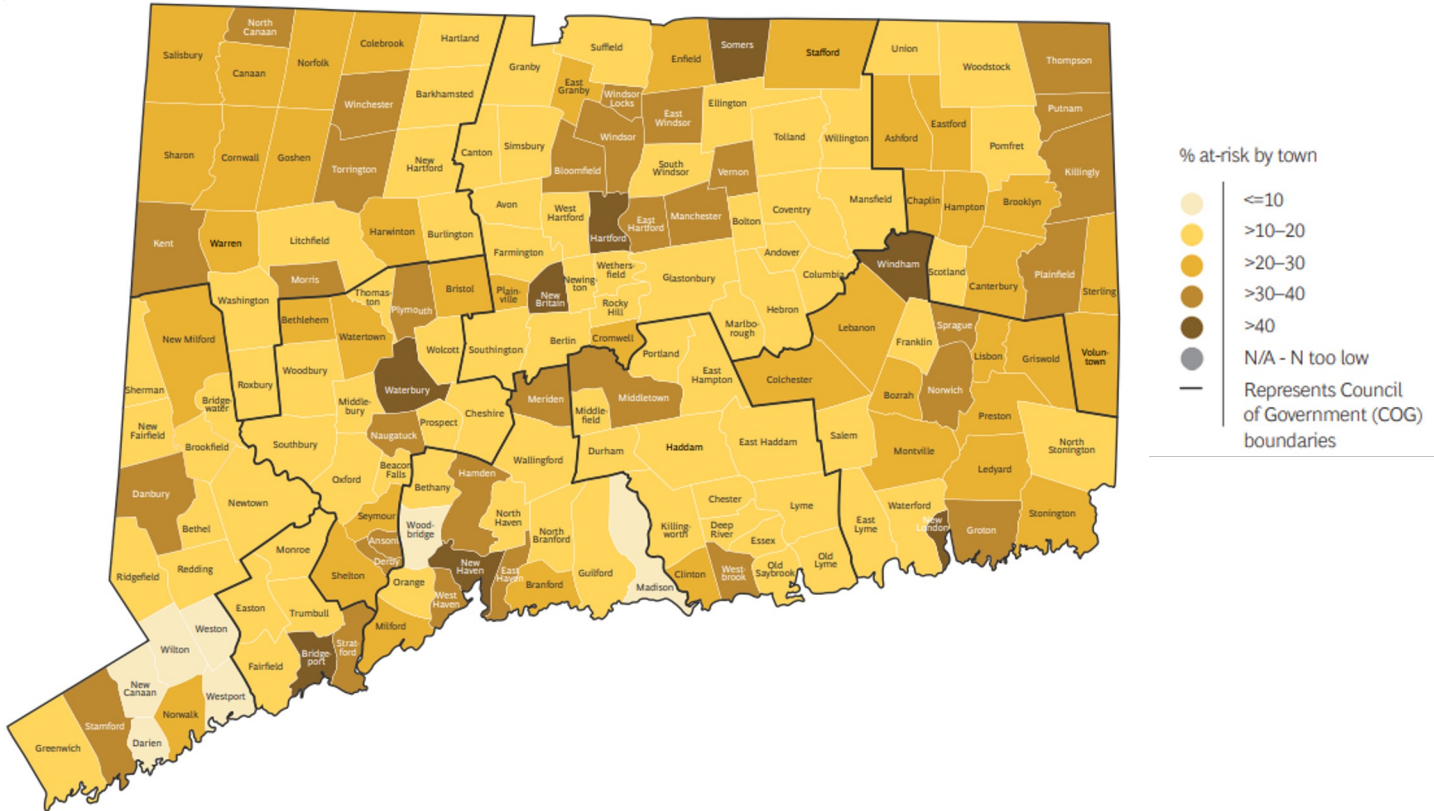
- About **one in five** of Connecticut's 14- to 26-year-olds (~119,000) were either at-risk or disconnected in 2021–2022.
 - This includes 14- to 26-year-olds who are either at risk of not graduating high school on time (four years) or experiencing disconnection through limited educational attainment and low to no labor force participation.
- Despite steps to improve outcomes for students and young people, the count of disconnected youths has **remained consistently high** between 2015 and 2021.
- At-risk and disconnected young people can be found in every town in Connecticut, indicating a **widespread issue**.

Source: Boston Consulting Group & Dalio Education. (2023). [Connecticut's Unspoken Crisis - Getting Young People Back on Track](#)

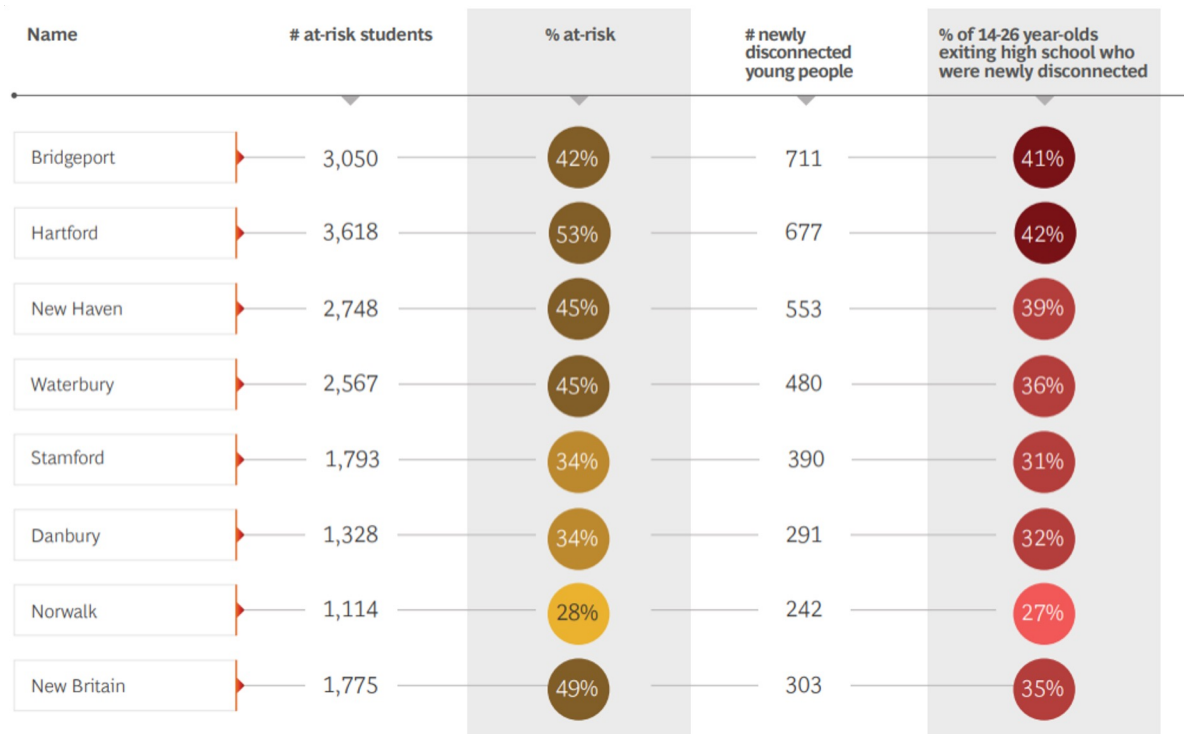
Disconnected youth can be found in nearly every town in CT



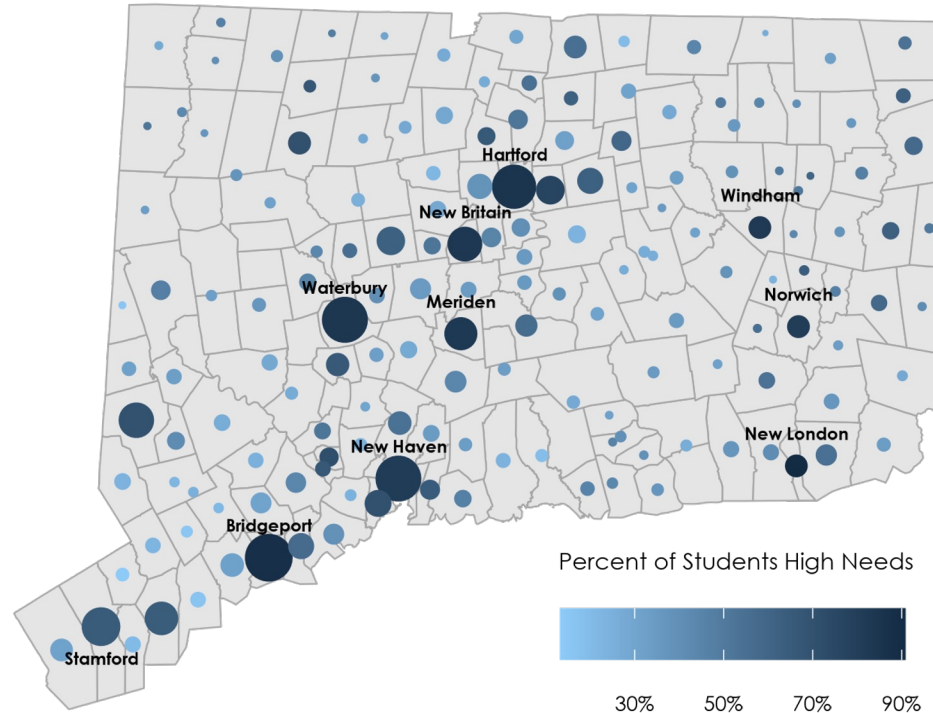
At-risk youth are found all across the state



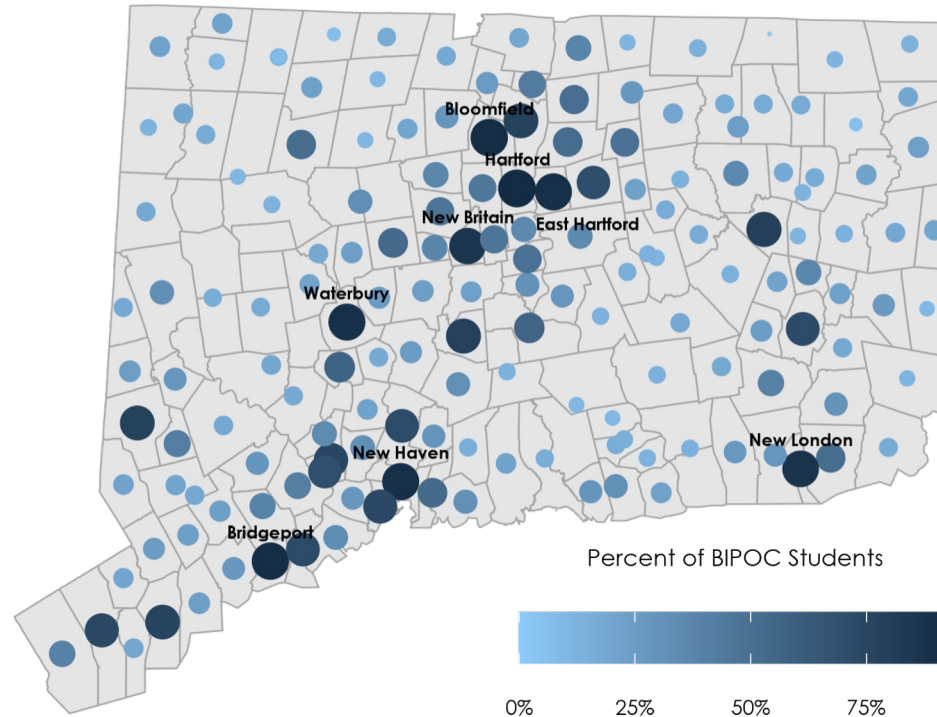
At-risk and disconnected youth are most prevalent in Connecticut's high need communities



These communities often tend to educate students with additional learning needs



These districts also tend to have larger percentages of BIPOC students



However, student need is not equal across all school districts

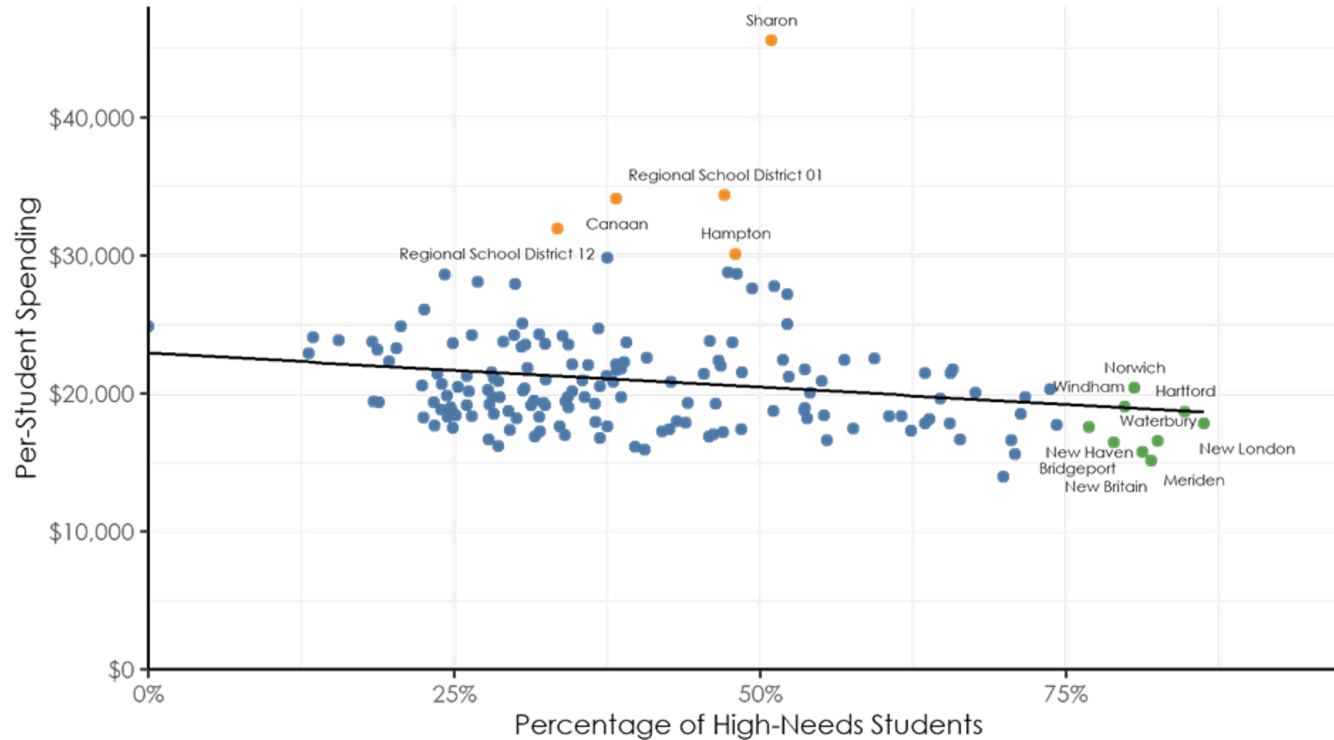
- While the overall enrollment of Connecticut's public schools has decreased over the last 10 years, the needs of the state's students have increased.
- Large, urban districts tend to educate the **highest number** of students with high needs and have student populations composed of the **greatest percentages** of high-needs students.¹

¹ A high-need student is defined as a student classified as having at least one of the following types of needs: (1) economically disadvantaged students, as determined by qualifying for free or reduced-price lunch (FRPL), (2) multilingual learners, and (3) students with disabilities who are receiving special education services.

Districts with more needs generally have less resources to educate their students

- While these students are located throughout the state, high-needs students are concentrated in areas where property values are among the **lowest in the state**.
- As a result, towns are **limited in their ability to raise more money** through property taxes to fund their local schools.
- 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.

Ultimately, there is a mismatch between district needs and district resources to educate students



This has resulted in inequities in achievement and opportunities for students

- Students with high needs require funding at higher levels than their non-need peers to achieve at similar levels to their non-need peers.
- However, districts with the highest needs are both **under-resourced** and generally have the **lowest student achievement levels**.

Where a student lives and where they go to school have determined the education funding they receive, and limited the opportunities they have for success in and out of the classroom.

Disconnection can further impact the educational attainment and employment outcomes of students

- **Only a minority of disconnected young people** completed further education and improved their earning power by age 22.
- **Only 40% of young people who experienced disconnection** immediately after high school could be confirmed as employed at age 22.
 - Compared to the **69% of connected young people** who were employed at age 22
- Those disconnected young people who achieved employment by age 22, their **incomes were well below** what would be considered a “living” wage.

Source: Boston Consulting Group & Dalio Education. (2023). [Connecticut's Unspoken Crisis - Getting Young People Back on Track](#)

Room for Improvement

Impact of inadequate resources

- Inadequate resources have a clear connection with the number of disconnected youth in communities across the state.
- **Areas for improvement within the current funding system:**
 1. Fully and fairly fund all public school students based on their learning needs;
 2. Address the state's current complex way of funding public schools;
 3. Fully enact policy changes that provide resources to high-need districts based on student needs, such as enacting a special education weight;
 4. Equitably provide state resources to all districts to allow them to transform the K-12 education experience and provide innovative programs and learning opportunities that will engage all students.

More work remains...

- The two major sources of funding for public education — local property taxes and state aid — have **weaknesses as well as strengths**.
- However, only solving issues of school funding **won't equalize** educational opportunity and performance across districts.
- This dilemma is “about overcoming the shortcomings of both major funding sources while ensuring that school funding systems can finance an adequate education for all students equitably and efficiently.”

Source: Kenyon, D., Paquin, B., and Reschovsky, A. (2022). [Rethinking the Property Tax-School Funding Dilemma](#)

An inequitable system in need of a fix

- The way funding for Connecticut public schools is currently derived places an over-reliance on property tax revenue, which sets up an inherently inequitable system.
- Unless overhauled, Connecticut's education funding system will require the State to make continued, meaningful investments in the K-12 education of the state's less affluent, higher-need communities.
- Failure to make these investments, or overhaul the existing funding structures, means failing to address the issues of disconnected youth, opportunity gaps, economic segregation, and inequitable educational opportunities.