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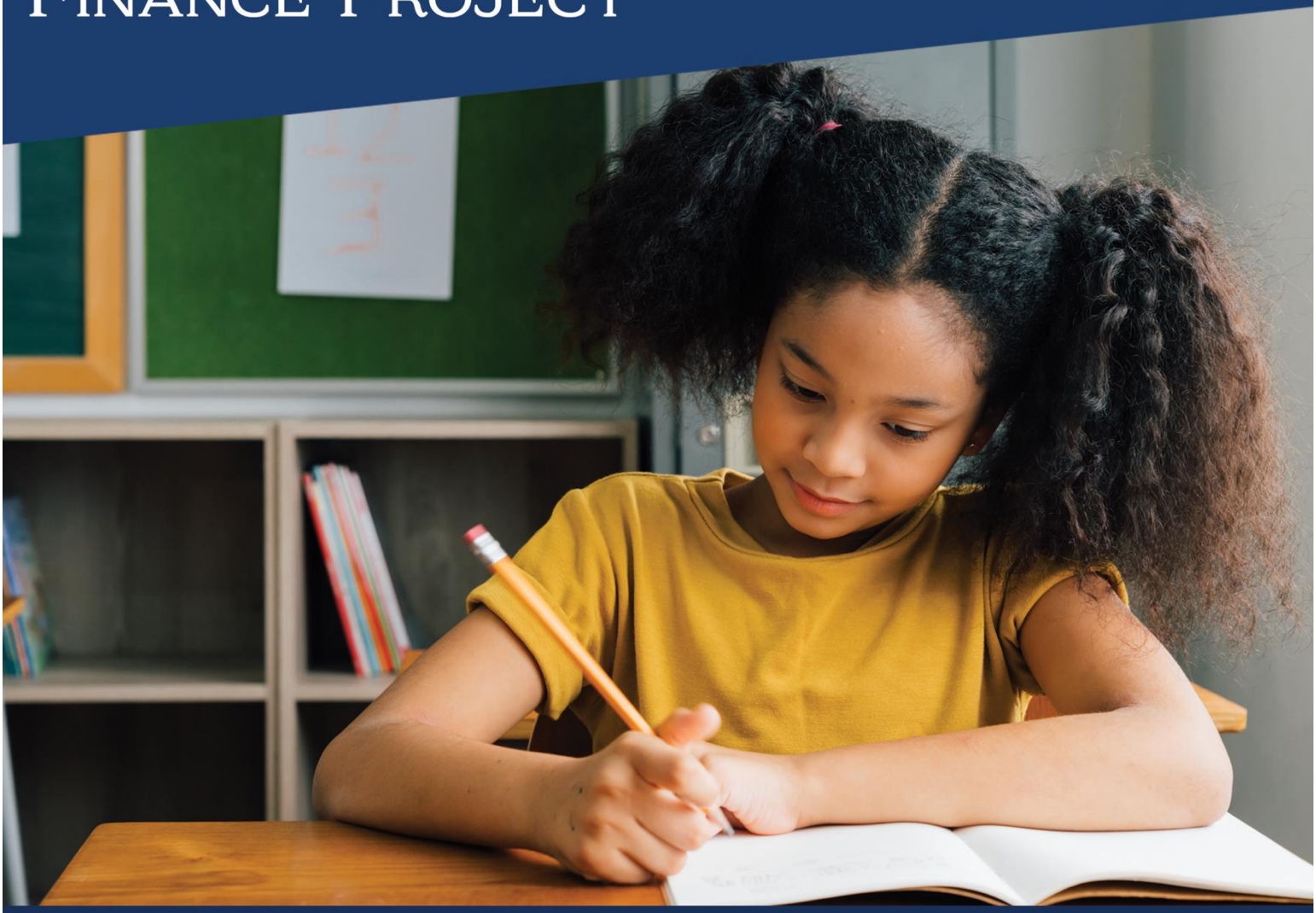

Mismatch Between Funding and Student Needs in Connecticut

How disparities in wealth and need have persisted across school districts and what can be done to address them

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Introduction

Despite meaningful policy improvements over the past decade, Connecticut's current approach to funding K-12 public education does not meet the scale or depth of student needs — particularly in light of the state's persistent wealth disparities.

At the heart of the problem is Connecticut's heavy reliance on local property taxes to fund education. While the State does provide equalization aid through the Education Cost Sharing (ECS) grant, there is no cap on how much localities can contribute to their local districts. As a result, districts with greater wealth are able to raise far more for their schools, while lower-wealth districts are often unable to raise sufficient funds to meet their students' needs — no matter how great those needs may be. This system ultimately favors what districts *can afford* over what students *actually need*, reinforcing and deepening opportunity gaps across communities.

This challenge is growing more urgent as student needs in Connecticut increase. While the overall enrollment of Connecticut's local and regional public school districts decreased by 33,413 over the past decade, the concentration of need has intensified.[1] For example, during the 2024-25 school year, the share of economically disadvantaged students (as indicated by eligibility for free or reduced-price lunch) rose from 38% in 2015-16 to 45% in 2024-25.[2] Similarly, the percentage of Connecticut students who are multilingual learners increased from 7% in 2015-16 to over 11% in 2024-25.[3] It is important to note these changes span the COVID-19 pandemic, which resulted in significant enrollment changes.[A]

Importantly, increases in student need are not equal across school districts. Large, urban districts tend to educate the greatest number and highest concentrations of students with higher learning needs, including economically disadvantaged students, multilingual learners, and students with disabilities. These districts also tend to have larger percentages of BILPOC[B] students. Despite serving students with overall greater learning needs, these districts often do not receive sufficient funding — an inequity stemming from the unequal ability of communities to raise local education revenues, as mentioned above. This has serious consequences for students, as research indicates higher-need students require funding at higher levels than their non-need peers to achieve at similar levels.[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, 3% 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% between the 2020-21 and 2022-23 school years, enrollment remains lower compared to before the COVID-19 pandemic.

[B] The School and State Finance Project uses BILPOC (Black, Indigenous, Latino/a/e, 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. The acronym BILPOC 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 & Rumburger (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 BILPOC 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 by first exploring statewide need demographics, then illustrating the funding disparities within each category of need. We conclude with policy recommendations aimed at ensuring all students have the resources they need to succeed, regardless of where they are educated.

Key Takeaways

- **Student needs are rising, even as enrollment declines.** While Connecticut's total local and regional public school district enrollment has decreased by approximately 33,413 students over the past 10 years, the needs of students have increased significantly.

- **There is a significant mismatch between district needs and district resources available to educate students.** Districts with the highest needs often have the fewest resources, due to the State's overreliance on property taxes to fund education.

- **Economically disadvantaged and multilingual learner students are heavily concentrated in Connecticut's urban districts, yet funding remains insufficient.** Despite serving students with some of the highest needs, less wealthy, urban districts have the lowest per-student spending in the state.

- **Students with disabilities are widely dispersed across the state.** While urban districts serve the highest numbers of students with disabilities, rural districts serve the highest percentages.

- **Racial disparities are deeply intertwined with funding disparities.** Districts that serve the highest percentages of BILPOC students also serve the highest percentages of high-need students, and face some of the most significant resource gaps.

- **Connecticut should deliver on its current commitments to make education funding more equitable.** The State should: continue to fully fund the ECS grant and index its foundation amount for inflationary costs, provide full funding to special education grants, and extend student-centered funding to all public school types.

- **Bolder education funding reforms are needed to break structural disparities.** Connecticut should modernize how it calculates and distributes local education costs by tying local contributions to a town's ability to pay, and consider new mechanisms for aligning education funds to district needs.

- **Stronger supports and accountability measures are needed to ensure funding leads to meaningful outcomes for students.** The State should invest in studying the true cost of educating students with varying needs, refining accountability systems, and strengthening its evaluation of education funding systems.

Student Need Demographics

Definition of Need

For the purpose of this policy briefing, student need is defined at the district level by the number or 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 historically been used to calculate state education aid to municipalities and are publicly available from the Connecticut State Department of Education (CSDE). Furthermore, research has shown 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.

High-Needs Students

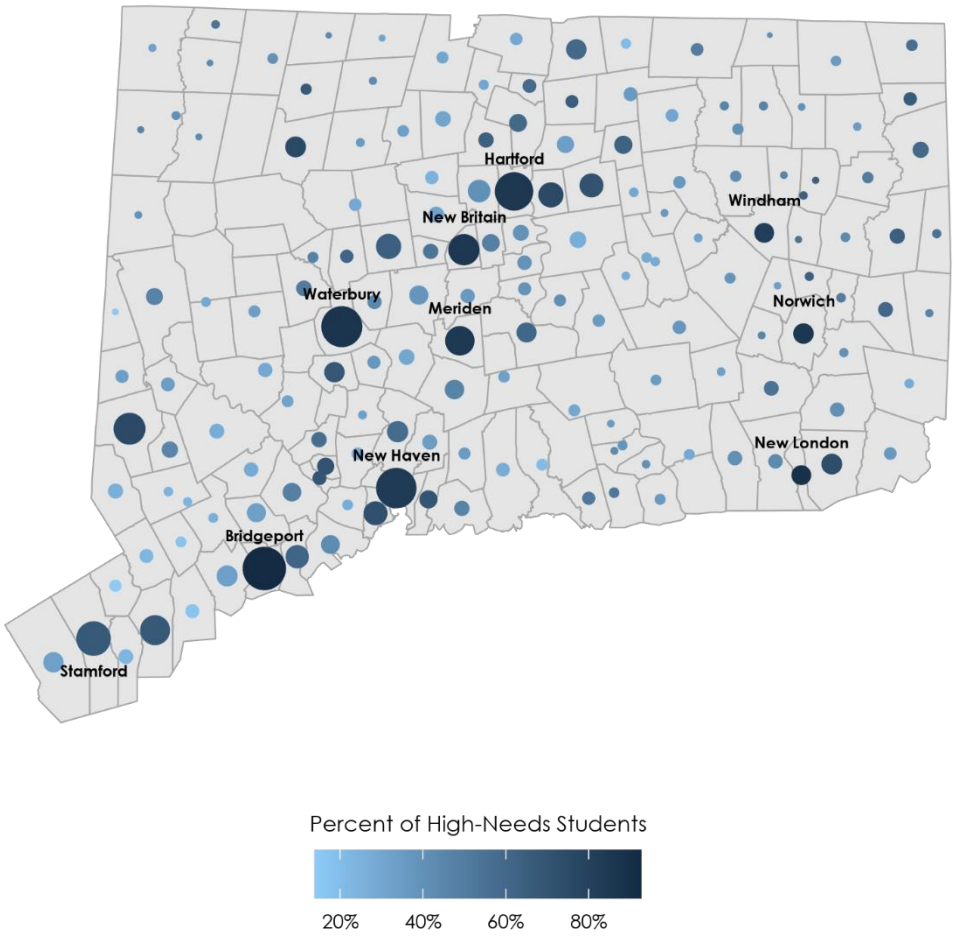
The CSDE provides a count of "high-needs students" per district. This measure counts each unique student that fits into one or more of the need groups mentioned above. While these students are located throughout the state, high-needs students are concentrated in urban communities that are majority BILPOC. 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 2024-25 school year, Bridgeport, New London, and Waterbury had the highest percentages of high-needs students, while Bridgeport, Waterbury, and New Haven served the highest number of high-needs students.[4] These districts are all urban districts that have been identified as Opportunity Districts — districts that have the 10 lowest Accountability Index[D] scores in the state.[5]

[D] 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 to 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, 2024-25 School Year

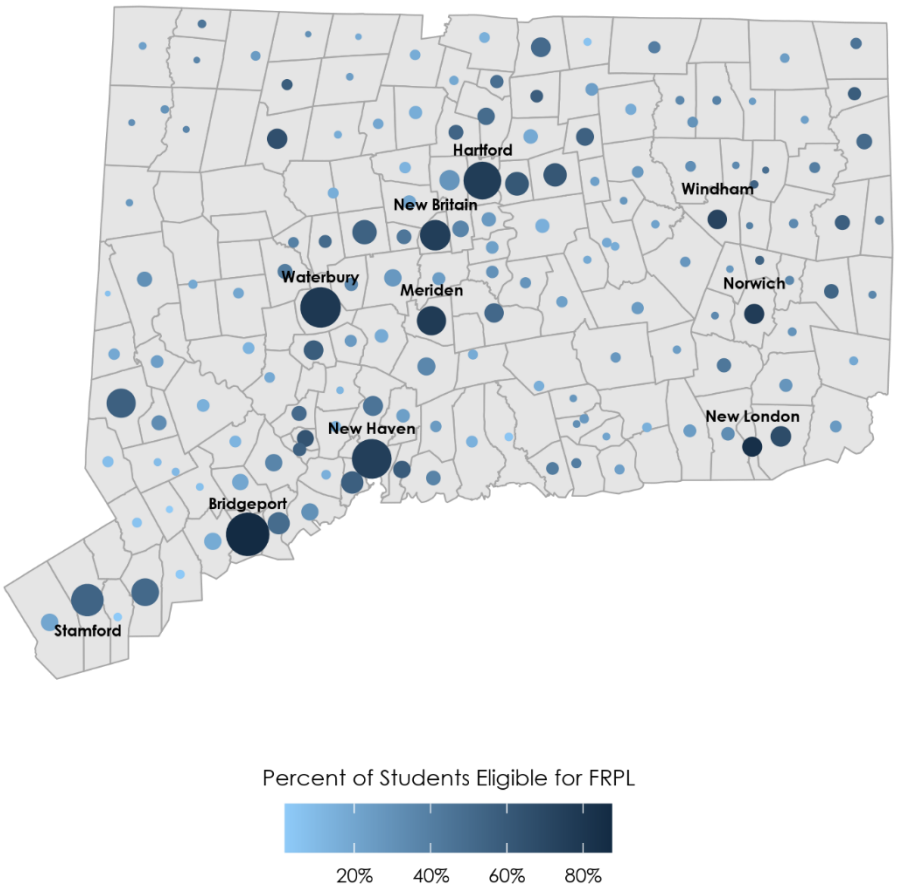


Students Eligible for Free or Reduced-Price Lunch

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 2024-25 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% 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.[6]

Map 2: Percentage and Number of Students Eligible for FRPL per District, 2024-25 School Year

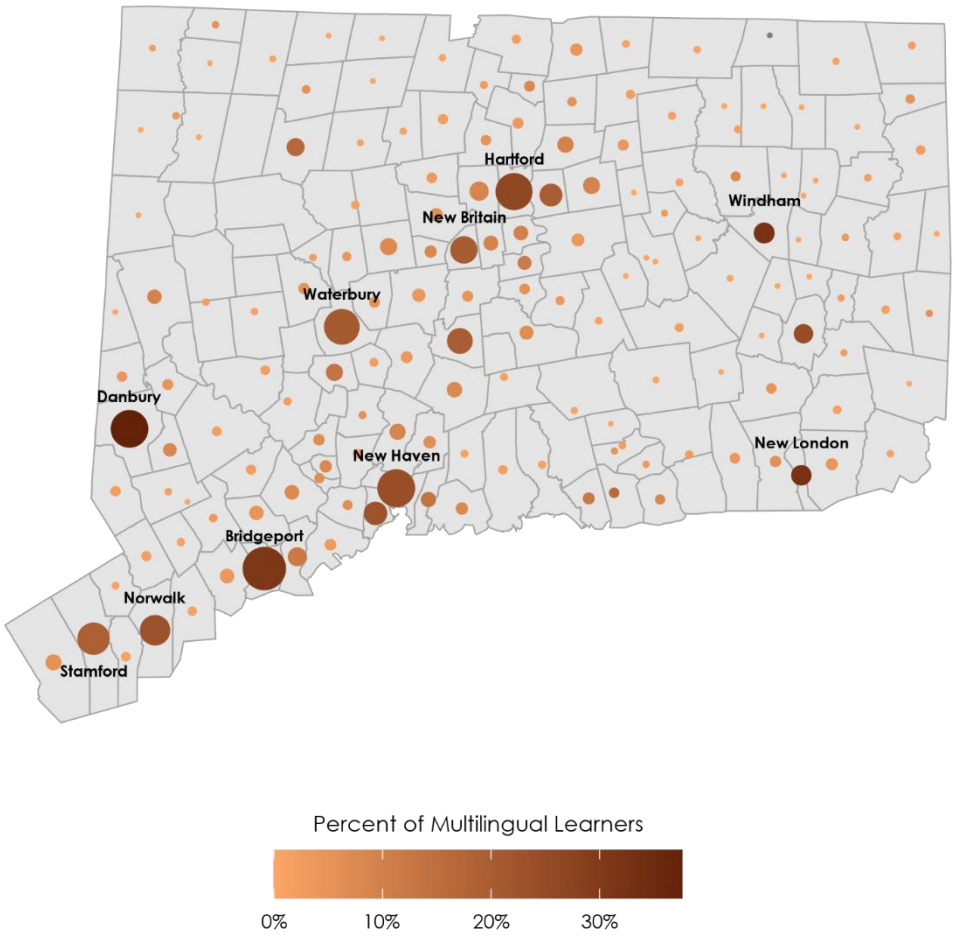


Multilingual Learners

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% of the district's total enrollment.[7]

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, New London, and Windham have the highest percentages of students who are multilingual learners, while Bridgeport, New Haven, and Danbury serve the largest number of multilingual learner students.

Map 3: Percentage and Number of Multilingual Learners per District, 2024-25 School Year

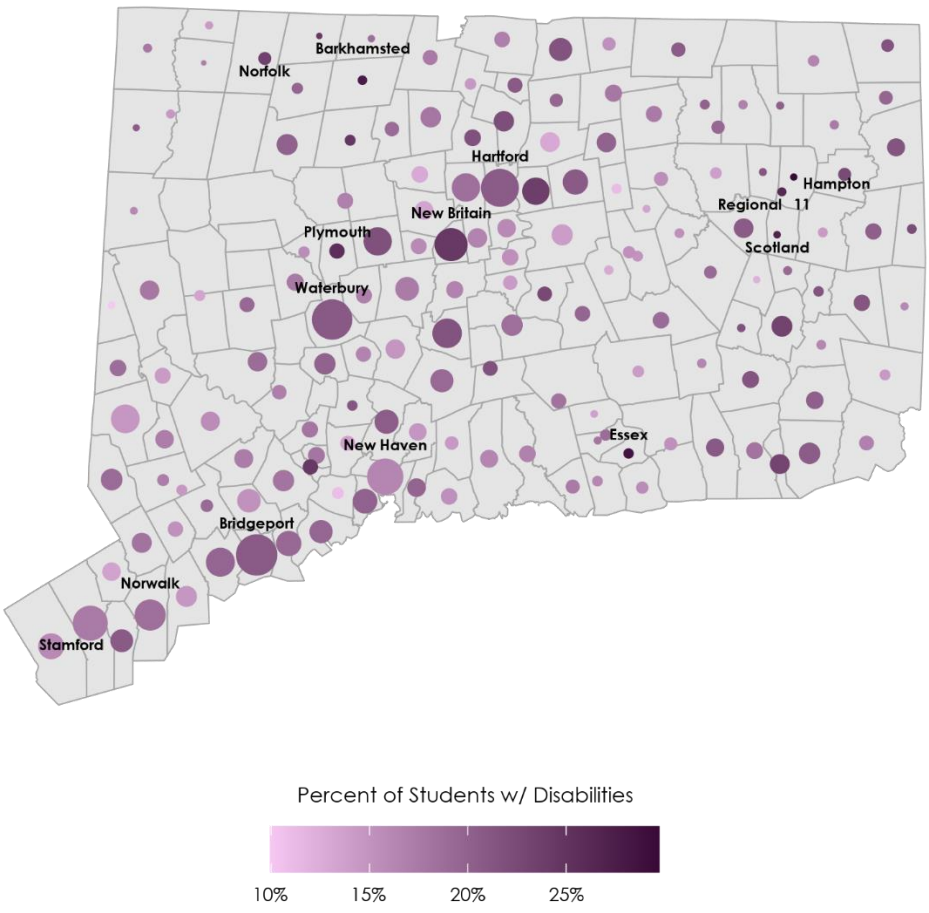


Students with Disabilities

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% of their student population identified as students with disabilities.[8]

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 percentages of students with disabilities. Hampton, Essex, and Barkhamsted have the highest percentages of students with disabilities, while Bridgeport, Waterbury, and Hartford serve the largest number of students with disabilities.[9]

Map 4: Percentage and Number of Students with Disabilities per District, 2024-25 School Year

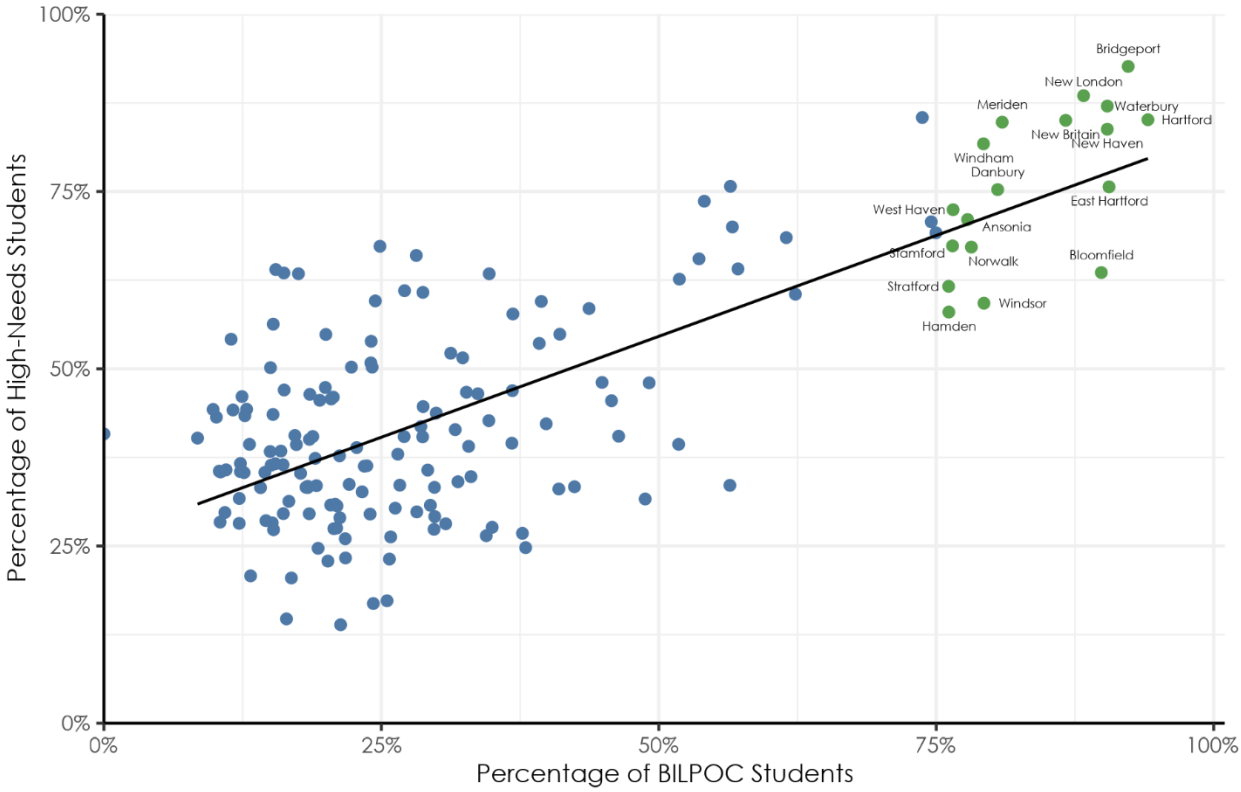


High-Needs Students and BILPOC Communities

Districts serving the highest-need students often have the fewest resources, but there is also a strong correlation between the percentage of BILPOC students a district serves and the percentage of high-need students it enrolls. In other words, districts that serve the highest percentages of BILPOC students tend to serve the highest percentages of high-needs students. This disparity between resources and student needs results in a significant racial funding gap.

In Chart 1 below, highlighted in green, are districts serving student populations where more than 75% of the students are BILPOC.[10]

Chart 1: Relationship Between Percentage of District's High-Needs Students and Percentage of District's BILPOC Students, 2024-25 School Year



Funding Disparities

Town Wealth

In Connecticut, local property taxes account for 56.7% of total K-12 education funding — making the state one of the most locally dependent in the country.[11] However, the value of taxable property and community wealth in Connecticut varies widely across municipalities.[12] As a result, even neighboring school districts can have vastly different budgets — not because of student need but because of differences in community wealth.

Connecticut's primary mechanism for distributing state education aid, the ECS formula, is designed to be progressive. However, in practice, its progressivity is dwarfed by the vast differences in local property wealth among towns. The table below illustrates this disparity by comparing the average per-student ECS grant to the average local revenue per student within each town wealth decile.

Table 1: Average Per-Student ECS Grant and Local Revenue Per Student by Town Wealth Decile, FY 2024

Town Wealth Decile	Average ECS Grant Per Student	Average Local Revenue Per Student
1 (Wealthiest)	$168.52	$25,775
2	$638.93	$20,097
3	$1,058.93	$19,150
4	$2,299.52	$18,507
5	$2,926.30	$17,047
6	$3,639.77	$15,739
7	$4,497.97	$14,208
8	$5,338.95	$13,901
9	$6,521.11	$12,682
10 (Least Wealthy)	$9,808.89	$6,341

As illustrated above, state aid per student increases as local wealth decreases, but the ECS grant does not fully offset the differences in local revenue. For example, wealthy towns in Decile 1 receive minimal state aid, but can still provide an average of nearly $26,000 per student through local funding — more than 1.5 times the total funding available in many lower-wealth districts.[E] This leads to substantially higher overall funding for students in wealthier districts compared to those in less wealthy districts.

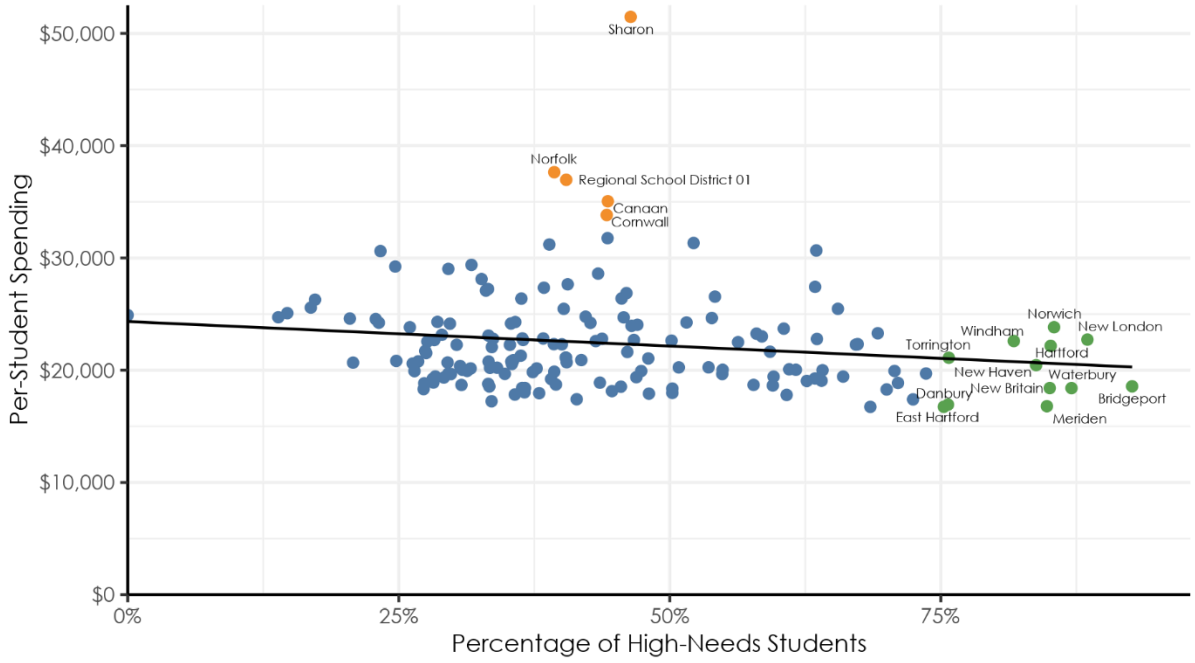
Many of the districts with the highest-need student populations have some of the lowest levels of taxable property per resident and some of the highest property tax rates. This imbalance makes it extremely difficult for these communities to raise enough revenue to fund the community's local public schools.[F]

[E] It is important to note that while property values are substantially higher in wealthier districts, the relative tax burden is much heavier for residents in less wealthy communities. This is a result of Connecticut's regressive mill rate system, which places a disproportionate strain on lower-wealth areas. For more information on the role of property taxes in funding education, please see https://schoolstatefinance.org/issues/property-taxes.

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% of their students classified as high-needs (displayed in green). All but four districts, which have more than 75% of their students classified as high-needs, spend less than $21,000 per student.[13,14,G]

Chart 2: Relationship Between District Per-Student Spending and Percentage of High-Needs Students, 2024-25 School Year



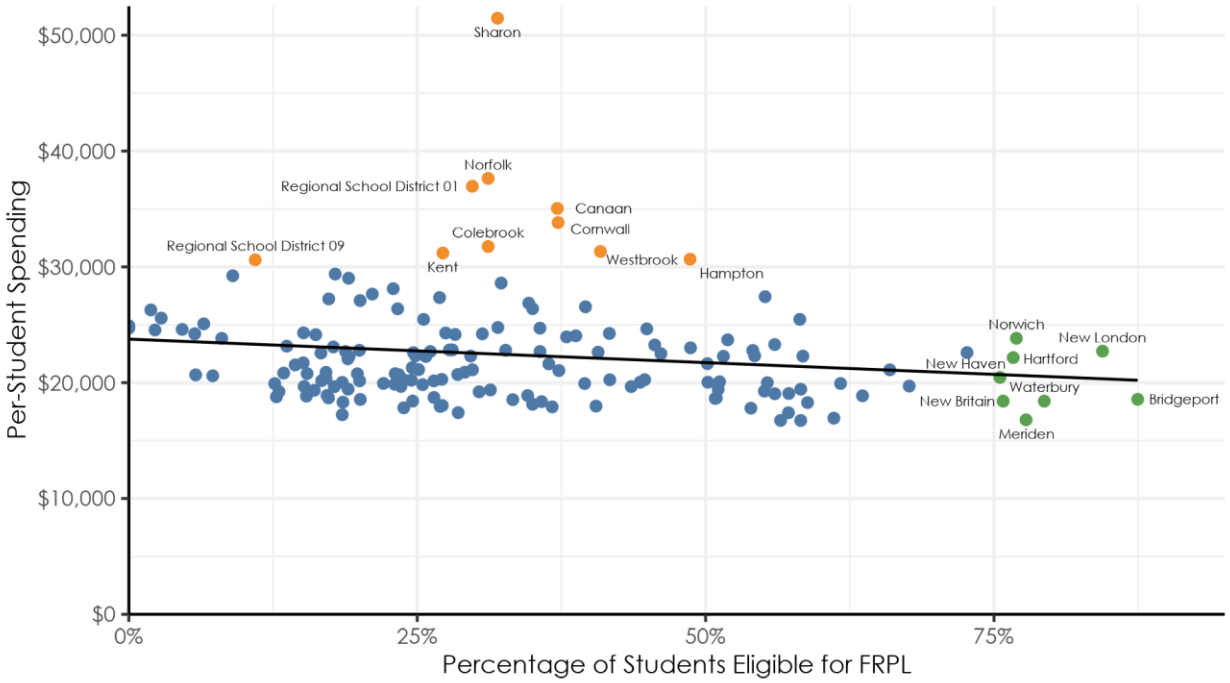
[G] It is important to note per-student spending amounts reflect some increased funding to school districts in the form of one-time COVID-relief aid from the federal government. While most districts spent their relief funds by the original deadline of September 30, 2024, some districts continued spending through April 2025. 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% of their students eligible for FRPL (green). All districts with more than 75% of students eligible for FRPL spend less than $24,000 per student.[15,16]

In recent years, FRPL percentages in the neediest districts are suspected to be artificially low since the COVID-19 pandemic, which presented difficulties in identifying students but 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, 2024-25 School Year



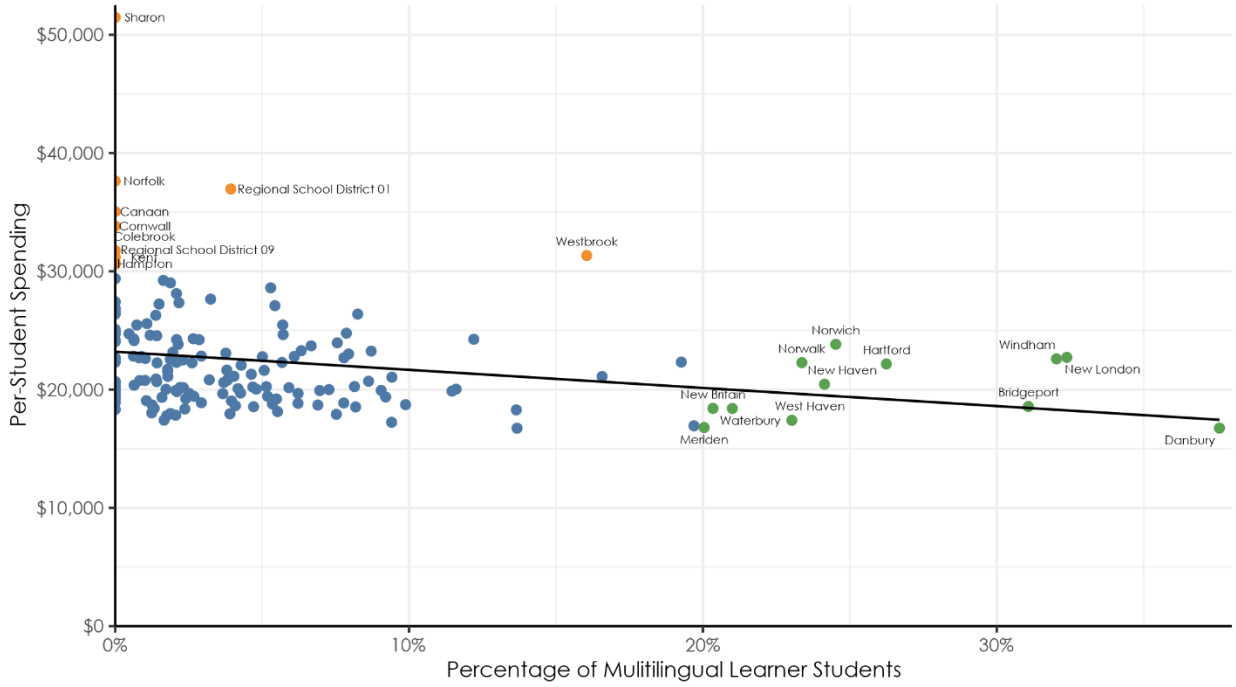
[H] Under the federal Healthy, Hunger-Free Kids Act of 2010, the Community Eligibility Provision (CEP) allows all students to receive no-cost meals if their school or district qualifies and participates. CEP eliminates the need for schools and districts to collect individual household applications for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

Chart 4 below highlights districts that spend over $30,000 per student (orange) and those with more than 20% of their students identified as multilingual learner students (green). All districts with more than 20% of their student population identified as multilingual learners spend less than $24,000 per student.[17,18]

Chart 4: Relationship Between District Per-Student Spending and Percentage of Multilingual Learner Students, 2024-25 School Year

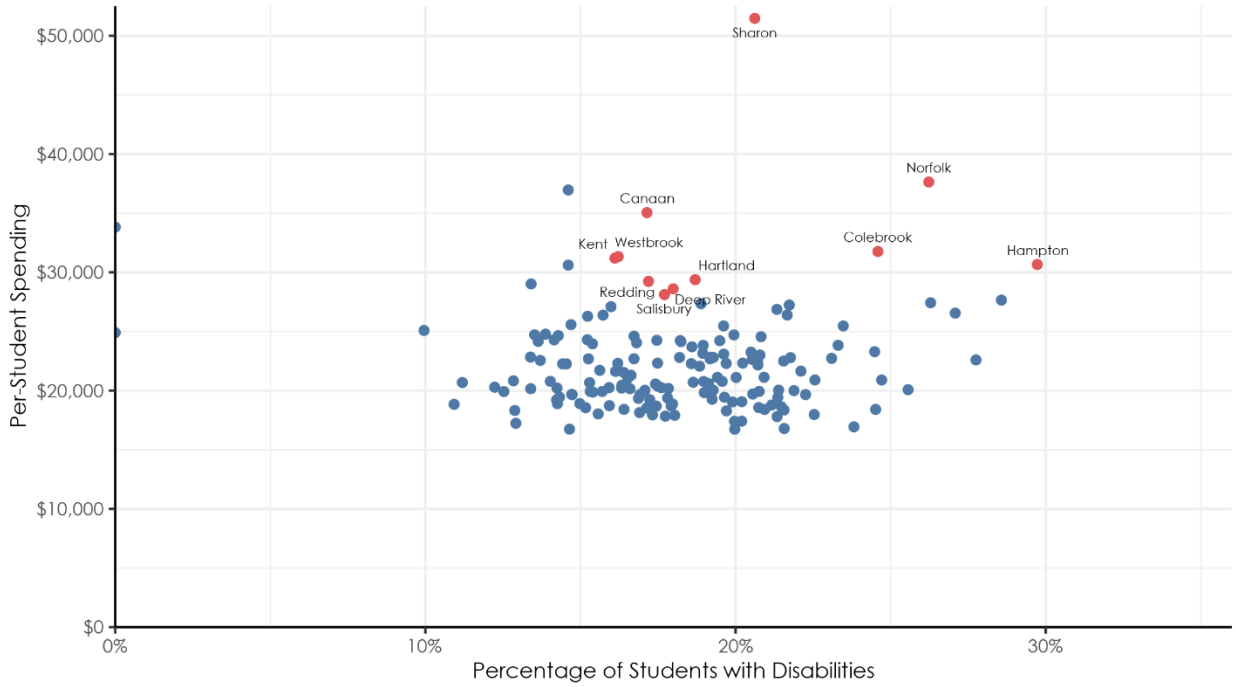


Per-Student Spending vs. Students with Disabilities Population

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% of their total student populations.[19,20]

Chart 5: Relationship Between District Per-Student Spending and Percentage of Students with Disabilities, 2024-25 School Year



Recommendations

To address the inequitable relationship between student needs and education funding 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.

Deliver on Existing Promises by Fully Funding Current Initiatives that Prioritize Student Needs

Connecticut has made progress toward a more equitable education funding system by adopting and partially implementing policies that allocate resources based on student need and community wealth. To ensure this progress is not only preserved but expanded, the State must fulfill its existing commitments by fully funding and implementing key initiatives, including: the ECS formula, student-centered funding,[I] the Excess Cost grant, and the new Special Education and Expansion Development (SEED) Grant.

These initiatives represent a path toward creating a fairer funding system for all students, and it begins with completing the phased-in implementation of the ECS formula. The State made progress toward this goal with the passage of Public Act 25-168, as towns that have been historically underfunded are receiving their fully funded grant amounts for the first time in history, starting in fiscal year 2026.[21] At the same time, previously scheduled decreases for towns considered overfunded will be paused through FY 2027.[22] To promote a more equitable distribution of resources, the State should avoid implementing "hold-harmless" provisions that result in further delays in decreases for towns considered "overfunded" according to the ECS formula.

Connecticut must also continue to expand student-centered funding to all public school students, including those in charter schools, magnet schools, and AgriScience programs. Public Act 25-168 preserved partial implementation of student-centered funding, but a full phase-in and implementation across all school types is necessary to ensure students with additional learning needs receive consistent support, regardless of where they attend school.[23]

Additionally, the State must also strengthen its commitment to students receiving special education services. While the Excess Cost grant program received an additional $40 million boost in funding for FYs 2026 and 2027, it remains underfunded.[J] Meanwhile, the SEED grant — designed to provide additional support for special education based on town wealth — is only funded at approximately 15.7% of the calculated fully funded grant amount. Fully funding both grants would move Connecticut closer to adequate and equitable support for students with disabilities.

Though these investments will help address some of the mismatch between student needs and resources described in this policy brief, they are not sufficient on their own. To achieve a truly student-centered funding system, Connecticut must go beyond simply preserving current policies and take deliberate steps to improve them.

[I] Student-centered funding refers to a funding system that funds all public school students based on their individual learning needs, not where they live or the type of public school they attend. To read more about implementing student-centered funding, please visit https://files.schoolstatefinance.org/hubfs/2025%20Student-Centered%20Funding%20One-Pager.pdf.

[J] To read more about the Excess Cost grant, please visit https://schoolstatefinance.org/reports/faqs-excess-cost-grant.

Reimagine the Role of Local Contributions in Education Funding

While Connecticut has made important strides in distributing state education aid more equitably, its overall funding system remains deeply reliant on local property tax revenue. This reliance reinforces long-standing disparities between communities and weakens the state's ability to deliver on its promise of education equity.

Currently, the ECS formula includes a state/local share component (known as the Base Aid Ratio) that considers property wealth when determining state aid. However, it does not define how much each town is expected to contribute toward education. Instead, the State relies on the Minimum Budget Requirement (MBR),[K] which simply mandates that towns contribute to their local public schools at least as much as they did in the previous year, regardless of changes in town wealth or student needs. This system detaches local contributions from a town's fiscal capacity and the real cost of educating students.

To move toward a fairer system, Connecticut should replace the MBR with a formula-driven local contribution based on each town's ability to raise revenue and the needs of the students in the district. One path forward would be to establish a statewide property tax for education that pools wealth across communities and allows the State to distribute resources more equitably. Alternatively, the State could require each town to make a calculated local contribution, tied directly to its property taxing capacity, with state aid filling the gap between that amount and the full cost of education.

Another policy option to address disparities in education funding would be capping per-student spending to prevent excessive gaps in local education budgets. Districts that choose to exceed this cap through local taxation might also be required to contribute matching funds to a statewide equity pool, ensuring that higher local wealth contributes to raising the floor for all students. While these changes may seem ambitious, they are essential for aligning resources more closely with student need.

However, a more immediate step in that direction would be to realign the ECS formula so it explicitly fills the gap between the true cost to educate students and a town's ability to pay. The State can also modernize how it measures local fiscal capacity, using full market property values in all years. This would help to smooth the effects of revaluations and ensure a more accurate picture of a town's financial resources.

By modernizing and reforming how local contributions are calculated and integrated into the overall funding system, Connecticut can begin to break the cycle of inequality that stems from property wealth disparities. This shift would help ensure every child, regardless of their zip code, has access to well-resourced schools.

Build a Stronger Foundation for Support and Accountability Using Evidence-Based Practices

To ensure increased investments in education translate to meaningful outcomes for students, Connecticut must pair funding reforms with robust support systems and accountability measures. A more equitable system is not only about allocating resources

[K] To read more about the Minimum Budget Requirement, please see https://files.schoolstatefinance.org/hubfs/Reports/Minimum%20Budget%20Requirement.pdf.

fairly, but it also requires policies that help districts use those resources effectively to close opportunity gaps.

One step toward a supportive and more accountable system is for the State to commission a comprehensive study on the actual cost of educating students, particularly those with higher needs. While the ECS formula includes weights for students who are economically disadvantaged or multilingual learners, those weights are not based on a robust cost analysis. A clearer understanding of what it truly costs to educate students with varying needs is essential for aligning funding with goals and ensuring districts are equipped to provide appropriate supports.

Connecticut should also examine and strengthen its current systems for school improvement, particularly its turnaround programs. This includes reviewing how districts are identified for intervention, ensuring investments in evidence-based strategies, and providing the capacity and support districts need to implement those strategies effectively. Accountability efforts should be grounded in equity, focused on continuous improvement, and structured to help districts succeed — not penalize them for challenges beyond their control.

Finally, the State should establish a process for ongoing evaluation of education funding policies and outcomes. This includes using data to refine the ECS formula over time, assessing how funding is linked to student outcomes, and identifying where additional supports are needed — especially for students with disabilities, multilingual learners, and those in economically disadvantaged districts.

By building a stronger foundation for support and accountability that grounded in evidence and statewide data, Connecticut can ensure funding reaches the students who need it most and that the systems in place turn that investment into meaningful progress for all learners.

Endnotes

[1] Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard.
[2] Ibid.
[3] Ibid.
[4] Ibid.
[5] Connecticut State Department of Education. (2025). *2024-2025 Connecticut Opportunity School Districts*. Hartford, CT: Author. Retrieved from https://portal.ct.gov/-/media/sde/alliance-districts/opportunity districts.pdf.
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[7] Ibid.
[8] Ibid.
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[10] Ibid.
[11] U.S. Census Bureau. (2025). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2023. *Annual Survey of School System Finances.* Washington, DC: Author. Available from https://www.census.gov/data/tables/2023/econ/school-finances/secondary-education-finance.html.
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[13] Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district.
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[15] Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district.
[16] Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard.
[17] Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district.
[18] Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard.
[19] Connecticut State Department of Education. (n.d.). EdSight: Per Pupil Expenditures by Function (District). Available from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district.
[20] Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard.
[21] Conn. Acts 25-168.
[22] Ibid.
[23] Ibid.