

### Introduction

Over the past 10 years, Connecticut has made significant progress in providing equitable school funding to all students, including committing an additional \$770 million in state dollars for K-12 public education. Reforms and investments made over the last decade have provided school districts across Connecticut with greater resources to support their students' learning needs and implement, expand, and strengthen programs and services to improve student academic achievement and long-term outcomes.<sup>1</sup>

While the benefits of these investments do not appear overnight, recent statewide assessments show improvements in student achievement across all student groups. For the 2024-25 school year, academic performance in English/Language Arts, mathematics, and science all improved<sup>2</sup> while the Next Generation Accountability Index increased statewide.<sup>3</sup> Although student performance has not yet returned to pre-pandemic levels, these gains reflect meaningful progress in student outcomes and achievement. The full impact of recent investments will take time to materialize and require sustained resources and commitment to ensure long-term academic improvements.

Along with time, additional challenges experienced by Connecticut school districts may mask or delay the benefits of school finance reform. Improvements to student outcomes are often limited by the timing and magnitude of investments, as well as external factors impacting students' learning. These factors are further exacerbated by the fact that Connecticut's school finance reforms are built on years of unequal and inadequate funding that have disproportionately affected higher-need districts and the students those districts serve.

This policy briefing summarizes Connecticut's recent education funding reforms and explores how various factors impact student achievement, including disruptions to learning, growing student needs, and the state's ability to adequately fund schools. Lastly this briefing examines the critical roles accountability and a district's use of funds play in improving student outcomes and how the State can better assist districts in raising student achievement as they receive greater financial resources.

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<sup>1</sup> School and State Finance Project. (2024). *Benefits of Public Investment in K-12 Education*. Southington, CT: Author. Retrieved from <https://files.schoolstatefinance.org/hubfs/Assets/Benefits%20of%20Investing%20in%20K%2012%20Education.pdf>.

<sup>2</sup> Connecticut State Department of Education. (2025, August 28). *Connecticut Students See Gains in Test Scores and Attendance* [Press release]. Retrieved from <https://portal.ct.gov/sde/press-room/press-releases/2025/connecticut-students-see-gains-in-test-scores-and-attendance>.

<sup>3</sup> Connecticut State Department of Education. (2025, October 30). *Connecticut Students Continue Upward Trend in Achievement, Attendance, and College Readiness* [Press release]. Retrieved from <https://portal.ct.gov/sde/press-room/press-releases/2025/students-continue-upward-trend-in-achievement>.

## Long-Term Nature of Funding Reform

***School finance reform can result in improved student outcomes, but investments must continue over time and may be impacted by other challenges.***

### **Recent Changes to Connecticut Education Funding**

In the last decade, Connecticut has made a multitude of positive changes to the way it funds its public schools. In 2017, the General Assembly passed a new Education Cost Sharing (ECS) formula — the state's primary mechanism for funding public schools — that went into effect in 2019. Two years into its implementation, the ECS formula was revised by the General Assembly to increase need-based weights and provide greater funding for multilingual learners, economically disadvantaged students, and districts with significant concentrations of poverty.

In 2023, the legislature accelerated the ECS formula's phase-in schedule by two years so historically underfunded school districts would receive their fully calculated ECS grant in fiscal year 2026 instead of FY 2028 as previously passed by the General Assembly. Then in 2024, the General Assembly ensured all public school students were funded, at least partially, based on their individual learning needs by extending the ECS formula and need-based funding to all public school types instead of it being confined to only local and regional public school districts.

Although these reforms represent meaningful progress, Connecticut is only just beginning to see the effects of a fully funded system. With the ECS formula reaching full funding in FY 2026, this means only one year of a students' K-12 education has been fully funded, and only those students attending local or regional public school districts are being fully funded. As a result, the full impact of these investments will take time to materialize, and continued investment and commitment will be needed to ensure long-term improvements.

### **Progress Takes Time**

Implementing state school finance reform is a complex and gradual process that takes time to see measurable improvements in student outcomes. Connecticut's education funding reforms are still relatively new. Research has shown that while reforms can lead to increased achievement and outcomes, the effects accumulate over time. Research has found persistent increases in spending over multiple years (5-10 years) resulted in sizable increases in student performance, particularly for students in low-income districts.<sup>4,5,6</sup>

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<sup>4</sup> Miller, C.L. (2022). *The Effect of Education Spending on Student Achievement: Evidence from Property Values and School Finance Rules* [Working paper]. Retrieved from <https://www.corbinmiller.website/paper/jmp/jmp.pdf>.

<sup>5</sup> Rothstein, J., & Whitmore Schanzenbach, D. (2021). *Does Money Still Matter? Attainment and Earnings Effects of Post-1990 School Finance Reforms* (Working Paper WP-21-36). Evanston, IL: Northwestern University, Institute for Policy Research. Retrieved from <https://www.ipr.northwestern.edu/documents/working-papers/2021/wp-21-36.pdf>.

<sup>6</sup> Lafortune, J., Rothstein, J., & Whitmore Schanzenbach, D. (2018). School Finance Reform and the Distribution of Student Achievement. *American Economic Journal: Applied Economics*, 10(2), 1-26. Retrieved from <https://pubs.aeaweb.org/doi/pdfplus/10.1257/app.20160567>.

Additionally, research has found investments in education before a student enters schools are more beneficial and may improve future test scores.<sup>7</sup> Students exposed to increased spending for all 12 years of public school complete more years of education, receive higher wages, and are less likely to live in poverty.<sup>8</sup> This suggests continuous investments in education are critical for improving student outcomes, but it also highlights that meaningful changes take time to observe.

## Disruptions to Learning

***Even with increased funding, student outcomes can be impacted by factors outside the classroom that may interrupt learning or delay key investments. Two major disruptions in recent years are the COVID-19 pandemic and increased inflation.***

### **COVID-19 Pandemic and Learning Loss**

Across Connecticut, the COVID-19 pandemic caused widespread disruptions to student's learning, affecting attendance rates and how students were educated. Standardized testing scores revealed many students fell behind academically during the pandemic and national research has shown students experienced stalled progress during the pandemic with recovery since being slow.<sup>9</sup>

Today, many school districts in Connecticut are still struggling to recover from the learning loss experienced during the pandemic. Chronic absenteeism remains high and academic achievement has not met pre-pandemic levels, particularly affecting higher-needs students and students of color.<sup>10,11</sup>

These disruptions have exacerbated existing inequities and created a larger opportunity gap. Despite recent school finance reforms, Connecticut school districts will need to dedicate increased funding to address learning loss and accelerate student recovery.

### **Inflation**

For more than 20 years before the pandemic, inflation was stable, staying near the Federal Reserve's target of 2% annually. However, starting in 2021, inflation surged due to labor market disruptions, heightened demand, and global market shocks.<sup>12</sup>

<sup>7</sup> Miller, C.L. (2022). *The Effect of Education Spending on Student Achievement: Evidence from Property Values and School Finance Rules* [Working paper]. Retrieved from <https://www.corbinmiller.website/paper/jmp/jmp.pdf>.

<sup>8</sup> Jackson, C.K., Johnson, R.C., & Persico, C. (2015). *The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms* (Working Paper 20847). Cambridge, MA: National Bureau of Economic Research. Retrieved from [https://www.nber.org/system/files/working\\_papers/w20847/w20847.pdf](https://www.nber.org/system/files/working_papers/w20847/w20847.pdf).

<sup>9</sup> Lewis, K., & Kuhfeld, M. (2023). *Education's long COVID: 2022-23 achievement data reveal stalled progress toward pandemic recovery*. Portland, OR: NWEA, Center for School and Student Progress. Retrieved from [https://www.nwea.org/uploads/Educations-long-covid-2022-23-achievement-data-reveal-stalled-progress-toward-pandemic-recovery\\_NWEA\\_Research-brief.pdf](https://www.nwea.org/uploads/Educations-long-covid-2022-23-achievement-data-reveal-stalled-progress-toward-pandemic-recovery_NWEA_Research-brief.pdf).

<sup>10</sup> Sokoloff, N. (2025, August 28). Connecticut students improved test scores and attendance in 2025, but still below pre-COVID levels. *CT Insider*. Retrieved from <https://www.ctinsider.com/news/education/article/ct-student-test-scores-attendance-improves-data-21018400.php>.

<sup>11</sup> Sokoloff, N. (2025, March 24). 'Unlike anything we have ever seen': How COVID has caused issues in CT schools 5 years later. *CT Insider*. Retrieved from <https://www.ctinsider.com/news/education/article/covid-19-education-impacts-ct-data-recovery-school-20199720.php>.

<sup>12</sup> Congressional Budget Office. (2024). *A Visual Guide to Inflation From 2020 Through 2023* [PowerPoint presentation]. Washington, DC: Author. Retrieved from <https://www.cbo.gov/system/files/2024-09/60480-Inflation.pdf>.

These economic pressures impacted school districts due to the rising costs of goods and services.<sup>13</sup> At the same time, school districts received unprecedented federal funding in response to the COVID-19 pandemic, helping offset some rising costs while supporting student learning. However, with the expiration of these federal funds, districts must now cover the increased costs of recent years.

While recent school finance reforms have increased funding for many districts, rising costs continue to limit purchasing power and affect the ability of districts to fully implement, expand, and strengthen programs aimed at improving student outcomes.

## Growing Student Needs

***Although enrollment in Connecticut has decreased in recent years, the learning needs of students have increased — requiring investments beyond previous school finance reforms to adequately address the needs of all students.***

Over the last five years, Connecticut's public school enrollment has decreased from 513,079 in 2021 to 508,402 in 2025. Although enrollment has decreased, the learning needs of students have grown. Since the 2020-21 school year, the number of students who qualify for free or reduced-price meals (FRPL) has increased by 8,792 students (4% increase) while the number of multilingual learners increased by 15,059 students (35.5% increase). The number of students with disabilities also increased by 10,551 students (12.6%) over the last five years.<sup>14</sup>

These trends show that a growing share of Connecticut's students require additional services to support their learning, leading to increased demand for additional supports and services. Research has shown higher-need students — such as those who are economically disadvantaged students, multilingual learners, or need special education services — require funding at higher levels than their non-need peers to achieve at similar levels.<sup>15,16</sup> For example, economically disadvantaged students are estimated to require funding at roughly double the amount provided to more affluent students, while multilingual learners require funding above and beyond those of all other students.<sup>17,18</sup>

Research has also consistently found that services for students with disabilities are “approximately two times the costs of regular education,” but these amounts can vary

<sup>13</sup> Lieberman, M. (2022, July 22). Inflation Is Putting the Squeeze on Schools. How Are They Coping? *Education Week*. Retrieved from <https://www.edweek.org/leadership/inflation-is-putting-the-squeeze-on-schools-how-are-they-coping/2022/07>.

<sup>14</sup> Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Retrieved from <https://public-edsight.ct.gov/students/enrollment-dashboard>.

<sup>15</sup> Duncombe, W., & Yinger, J. (2005). How much more does a disadvantaged student cost? *Economics of Education Review*, 24(5). Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0272775704001207>.

<sup>16</sup> Gándara, P., & Rumberger, R. W. (2007). *Defining an Adequate Education for English Learners*. Stanford, CA: Stanford University. Retrieved from [https://web.stanford.edu/~hakuta/Courses/Ed205X/Website/Resources/Gandara\\_Rumberger\\_EL\\_Resources.pdf](https://web.stanford.edu/~hakuta/Courses/Ed205X/Website/Resources/Gandara_Rumberger_EL_Resources.pdf).

<sup>17</sup> Duncombe, W., & Yinger, J. (2005). How much more does a disadvantaged student cost? *Economics of Education Review*, 24(5). Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0272775704001207>.

<sup>18</sup> Gándara, P., & Rumberger, R. W. (2007). *Defining an Adequate Education for English Learners*. Stanford, CA: Stanford University. Retrieved from [https://web.stanford.edu/~hakuta/Courses/Ed205X/Website/Resources/Gandara\\_Rumberger\\_EL\\_Resources.pdf](https://web.stanford.edu/~hakuta/Courses/Ed205X/Website/Resources/Gandara_Rumberger_EL_Resources.pdf).

based on the severity of need, placement, and intensity of required services necessary to deliver a free and appropriate public education.<sup>19</sup> As a result, the benefits from increased education funding may be limited due to the increased number of students with additional learning needs.

## State's Ability to Adequately Fund Schools

***Connecticut has made progress toward a more equitable school finance system, but challenges in both the design of the state's funding formula and disparities in local funding continue to limit a district's ability to fully meet student needs.***

### **State Funding Formula Design**

As noted in the previous section, research has repeatedly shown that higher-need students require greater resources than their non-need peers. Although Connecticut's ECS formula includes student-need weights that drive additional funding to districts for economically disadvantaged students and multilingual learners, the formula's current weights and foundation amount may not be calibrated to fully meet the needs of all students.

Research has shown economically disadvantaged students require significantly more resources than their peers, with weights high enough to roughly double the base funding for these students.<sup>20</sup> Other research has recommended weights for low-income students range between 30% and 81%, and between 15% and 40% for multilingual learners. The total recommended dollar amount for these students is between \$6,473 and \$9,914.<sup>21</sup> Connecticut's weight for low-income students is 30% (or \$3,457.50) and 25% (or \$2,881.25) for multilingual learners, on the lower end of the recommended ranges.

Additionally, Connecticut's foundation amount (\$11,525) — which is meant to represent the estimated cost of educating a general education student who does not have any additional learning needs — is an arbitrary figure and does not reflect the actual costs associated with educating a general education student in Connecticut.

The weights and foundation amount also apply to the funding formulas for operators of schools of choice. However, these formulas are partially implemented and being phased-in, meaning school districts have not yet received their full funding entitlement. The phase-in approach delays the impacts of funding reforms, limiting how quickly districts can invest in programming or services that improve student outcomes.

### **Local Funding Disparities**

Despite the progress the state has made toward a more equitable funding system, disparities still exist in how education is funded locally. Local funds from local property tax

<sup>19</sup> Chaikind, S., Danielson, L. C., & Brauen, M. L. (1993). What do We Know about the Costs of Special Education? A Selected Review. *The Journal of Special Education*, 26(4), 344-370. Retrieved from <https://journals.sagepub.com/doi/10.1177/002246699302600402>.

<sup>20</sup> Duncombe, W., & Yinger, J. (2005). How much more does a disadvantaged student cost? *Economics of Education Review*, 24(5). Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0272775704001207>.

<sup>21</sup> Learning Policy Institute. (2025, February 4). Funding Student Needs Through State Policies. Retrieved from <https://learningpolicyinstitute.org/product/funding-school-needs-factsheet>.

revenues account for 57.1% of total Connecticut school funding, with state funds making up 35% of total public school funding in Connecticut.<sup>22</sup> These local funds are not evenly distributed across towns and Connecticut's overreliance on local property taxes has resulted in a system where districts with greater property wealth can raise revenue for education easier than less affluent or economically disadvantaged communities. Adding to this challenge, these same disadvantaged communities also tend to serve a larger number and proportion of high-need students.<sup>23</sup>

While recent funding reforms have tried to equalize resources and drive additional funding to high-need communities, it does not fully close the gap. This means districts serving students with greater learning needs are more constrained in comparison to more affluent, property-rich communities. Ultimately, these challenges can hinder the achievement and long-term outcomes of students.

## Accountability & Effective Use of Funds

***Increasing funding and improving equity are important steps toward improving Connecticut's education system, but it is equally important to ensure dollars are being used effectively to improve in student outcomes.***

Guardrails and accountability measures are essential for ensuring education funding is achieving its goal of improving student outcomes. One way Connecticut approaches supporting school improvement and advancing student achievement is through the Alliance District program.<sup>24</sup> The program aims to transform the educational experiences and outcomes of students in Connecticut's lowest-performing school districts by providing additional resources and increased accountability.

However, the program has significant opportunities for improvement. The current design relies on diverted ECS funds and arbitrary eligibility criteria, which limits the program to large, local public school districts. The program fails to hold districts accountable for improving student outcomes and has not shown verifiable evidence of successfully improving these outcomes. Further, there is little incentive to exit, as continued participation preserves elevated ECS funding levels with a statutory hold-harmless provision. In sum, the Alliance District program has not resulted in meaningful educational improvements since its inception, and it has not been evaluated to determine whether its requirements and investments are effectively improving student outcomes.

Connecticut has an opportunity to improve this program to ensure investments generate outcomes, starting with a thorough evaluation of the Alliance District program that would provide policymakers and education stakeholders with insight into which supports and

<sup>22</sup> U.S. Census Bureau. (2025). Table 1: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2023. *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>.

<sup>23</sup> School and State Finance Project. (2025). *Mismatch Between Funding & Student Needs in Connecticut*. Southington, CT: Author. Retrieved from <https://files.schoolstatefinance.org/hubfs/Reports/Mismatch%20Between%20Funding%20and%20Student%20Needs.pdf>.

<sup>24</sup> Connecticut State Department of Education. (n.d.). Alliance Districts. Retrieved from <https://portal.ct.gov/sde/alliance-districts/alliance-and-opportunity-districts>.



strategies are most effective in assisting school districts in improving student outcomes and achievement.

Beyond this evaluation, Connecticut can implement the following improvements to better support districts with increased investments.

- Provide all low-performing school districts with tiered interventions and supports, not just those below an arbitrary enrollment threshold.
  - This system should leverage parts of the Next Generation Accountability System, emphasize student achievement, and account for district characteristics such as size, type, and grades served.
- Separate funding for support and intervention from the ECS formula to increase transparency and accountability. This change would help ensure all districts receiving support are held to clear and consistent standards.
- Establish a clear and effective off-ramp for districts to exit the Alliance District program, reducing reliance on legislative adjustments in eligibility and ensuring the program continually serves those districts most in need of support.

By pairing increased investments with robust accountability, Connecticut would maximize the impact of recent school finance reforms and ensure every dollar is being used to advance student success.