SCHOOL + STATE FINANCE PROJECT

The State of School District Spending in Connecticut

Policy Briefing - May 29, 2025

Executive Summary

Understanding how public school districts are spending education dollars is essential for ensuring Connecticut's investments in K-12 education are transparent, equitable, and effective. The latest expenditure data released by the Connecticut State Department of Education (CSDE) offers an opportunity to examine how dollars were spent by Connecticut's public school districts in 2024, and how education spending has evolved over the last five years. In total, 193 districts reported a combined $11.6 billion in spending for the 2023-24 school year that supported roughly 530,000 students across the state.[1,2,A]

This briefing examines how funding has evolved since 2020, a period that was shaped by unprecedented federal funding in response to the COVID-19 pandemic. At the same time, rising inflation greatly impacted the purchasing power of those federal dollars, adding complexity to the picture of year-to-year expenditures.[B] With this context as a backdrop, this analysis explores how spending has changed over the last five years, breaks down expenditures by function and object, and highlights key trends in spending for special education services.

Key Findings

- **Overall spending increased but did not keep up with inflation.** While district expenditures increased by $1.8 billion (18.8%) from 2020 to 2024, when adjusting for inflation, spending actually declined by $233.6 million (2%).

- **Per-student expenditures remained flat despite greater student need.** Although per-student, inflation-adjusted spending increased by 1.3%, the percentage of high needs[C] students increased by 1.8% — rising to a historic high of 54.8% overall.

- **Disparities by district type remain and have widened.** Lower-need, higher-wealth, and more rural communities consistently spent more per-student than urban, higher-need districts. When considering the recent loss of COVID-relief funds, this gap is at risk of increasing.

[A] This Analysis did not include districts that did not have spending data available for fiscal years 2020, 2023, or 2024. This includes Goodwin University Educational Services (GUES), Stamford Academy, and the Connecticut Technical Education and Career System. The analysis includes students enrolled in district schools plus outplaced pupils per documentation from the CSDE.

[B] For more information on inflation and the adjustments made to the expenditure data used in this analysis, please see the Appendix on page 11.

[C] High-needs students refer to students who are classified as having at least one of the following needs: economically disadvantaged students (as determined by qualifying for free or reduced-price lunch), multilingual learners, and students with disabilities who are receiving special education services. These counts are based on the Public School Information System (PSIS) October collections, which counts students who are actively enrolled in a school district on October 1.

- **Districts spent more on transportation and student supports, and less on instruction and central office services.** Over the past five years, per-pupil spending on instruction and central office decreased by 1.3% and 7.3%, respectively, after adjusting for inflation. Meanwhile, per-pupil transportation spending grew 17.9% and student support expenditures increased 12.5%.

- **Spending on salaries and employee benefits declined.** While all spending categories increased from 2020 to 2024, after adjusting for inflation, only salaries and employee benefits decreased by 5.8% and 8.3%, respectively.

- **Purchased services made up more of district expenditures.** Purchased services increased by 16.2% since 2020 and now make up a larger portion of all expenditures — growing from 12.3% to 14.6%.

- **Tuition charged to districts grew at a faster rate for Connecticut's most disadvantaged communities.** Since 2020, tuition expenditures increased 2.6% overall but are increasing more rapidly, and making up a larger portion of all expenditures, for urban and higher-need districts.

- **Special education spending continued to rise.** Over the past five years, special education spending rose 24.7%. When adjusted for inflation, this represents a 2.9% increase.

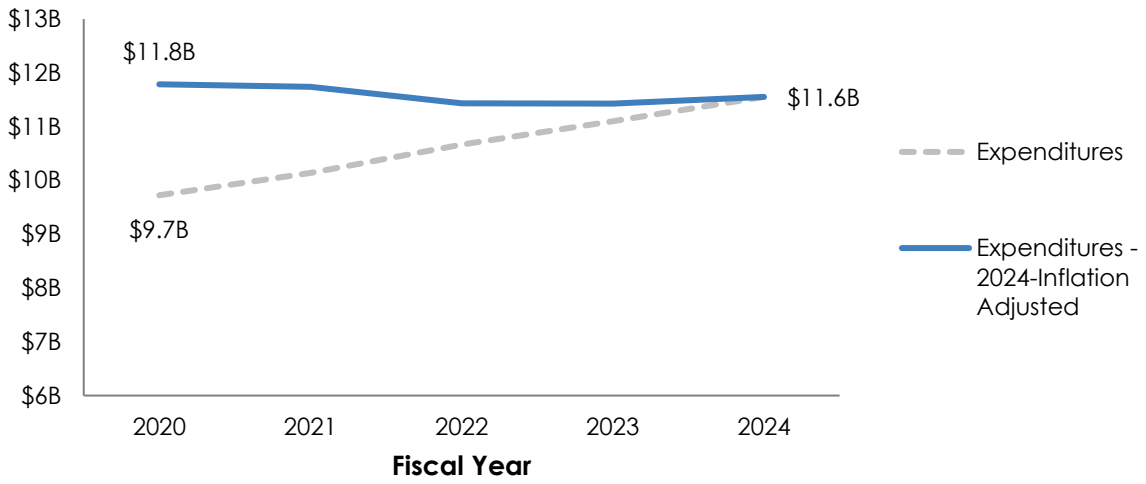
- **Salaries and benefits for special education teachers and staff did not keep up with inflation.** From 2020 to 2024, salaries and benefits increased by $274.3 million, however, after adjusting for inflation, salaries and benefits decreased by 3% percent.

- **Special education tuition, transportation, and purchased service expenditures all increased.** Spending in these categories rose substantially from 2020 to 2024, with increases concentrated primarily in high-need, low wealth, and urban districts.

Expenditures Over Time

Over the past five years, Connecticut public school district expenditures have increased by $1.8 billion, an 18.8% increase. However, when adjusting for inflation, total spending has actually declined by 2% — highlighting how increased investments in K-12 education have not kept up with inflation. As shown in Figure 1 below, inflation-adjusted expenditures have remained relatively flat compared to actual expenditures, which shows an increase over time.

Figure 1: District Expenditures (2024-Inflation Adjusted and Actuals), 2020 to 2024[3,4]



While total inflation-adjusted spending declined slightly, per-student expenditures increased by 1.3% from 2020 to 2024, as a result of decreased student enrollment over the same time period.[D] It is important to note that while per-student expenditures have remained relatively constant, the needs of students have increased, requiring greater investments for higher-need students to achieve at similar levels to their lower-need peers.[E] Table 1 below details statewide district trends of total spending, enrollment, and student needs from 2020 to 2024.

[D] Student counts are based on the Education Financial System reporting system, which counts the number of students to which an expenditure applies to using October 1 pupil data.

[E] 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.

Table 1: District Spending and Enrollment Trends Over Time (2024-Adjusted Dollars)

Category	2020	2021	2022	2023	2024
Total Expenditures (in Billions)[5,6]	$11.8	$11.7	$11.4	$11.4	$11.6
Student Counts[7]	545,133	529,983	528,819	528,590	527,579
High Needs Percentage[8]	52.1%	51.9%	51.0%	53.0%	54.7%
Per-Student Spending[9,10]	$21,622	$22,149	$21,619	$21,620	$21,899

Spending also varied based on district characteristics. Higher-need, lower-wealth, and more urban communities increased spending per-student over the 5-year period, while lower-need and more affluent communities experienced decreases. However, lower-need, higher-wealth, and more rural communities have consistently spent more per-student than urban, higher-need districts. Table 2 below details the change in per-student expenditures by different district types.

Find out how Connecticut's education finance system and segregated school districts have resulted in spending disparities

Table 2: Change in Per-Student Spending by District Type (2024-Adjusted Dollars)[11,12]

	Per-Student Expenditures		Change	
District Type[F]	2020	2024	#	%
Low-Need Districts	$23,882	$23,261	-$621	-2.6%
High-Need Districts	$20,333	$21,319	$985	4.9%
Low-Wealth Districts	$19,500	$20,273	$772	4.0%
High-Wealth Districts	$24,223	$23,925	-$298	-1.2%
Rural Districts	$23,436	$23,057	-$380	-1.6%
City Districts	$19,763	$20,745	$982	5.0%

[F] For the purposes of this analysis, districts were grouped into different classifications based on high needs percentages, equalized net grand list per capita, and locale codes. Districts identified as Low-Need and High-Need were districts that were found in the first and fourth quartile of all districts based on the percentage of students who are classified as having at least one of the following needs: economically disadvantaged students (as determined by qualifying for free or reduced-price lunch), multilingual learners, and students with disabilities who are receiving special education services. Districts identified as Low-Wealth and High-Wealth were districts that were found in the first and fourth quartile of all districts based on the equalized net grant list per capita of the corresponding town for a school district. Regional Educational Service Centers (RESCs) were excluded from the level of wealth analysis. Districts identified as rural or urban were districts that had rural or city as their locale code, respectively, as determined by the National Center for Education Statistics (NCES).

This trend is primarily driven by Connecticut's overreliance on local property taxes to fund public education, where property rich communities can generate greater revenue for their public schools than economically disadvantaged municipalities.

From 2020 to 2024, combined funding from local, state, and federal revenue, as well as from tuition and other sources, increased, with federal spending growing at the greatest rate due to the infusion of COVID-relief funds, which primarily benefited economically disadvantaged communities. However, when adjusting for inflation, local and state funding decreased by 5.5% and 9.3%, respectively.

This indicates that funding from these sources has not kept pace with growing inflation. Taken together with the recent expiration of federal pandemic relief funds (not yet reflected in district spending data through 2024), Connecticut districts are at risk of facing severe funding shortfalls.

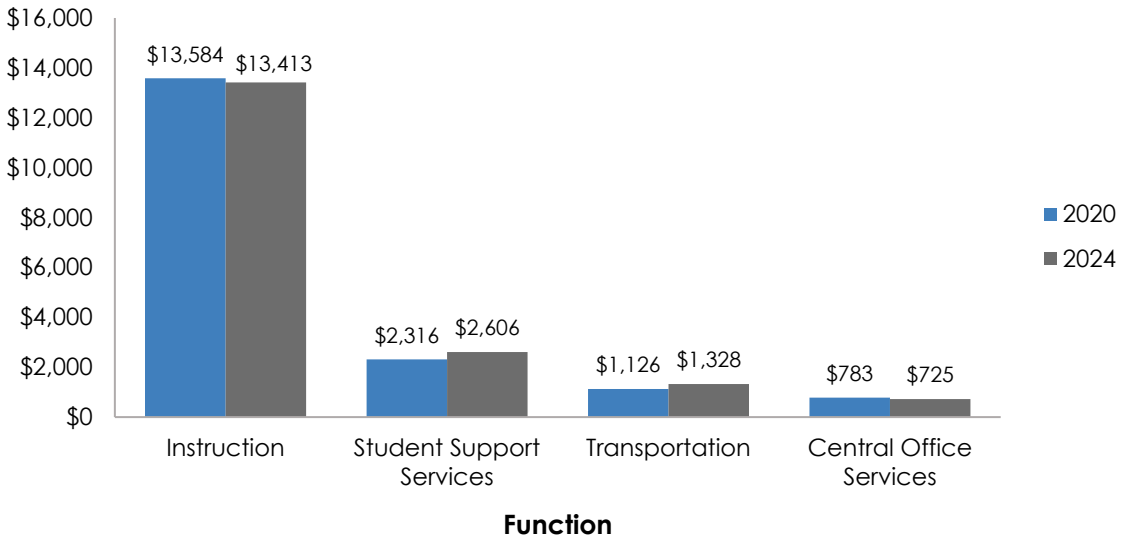
*Learn more about the **role of property taxes in education funding***

*Explore how the **elimination of COVID-19 relief funds** may impact school districts*

Expenditures by Function[G]

Over 80% of spending by Connecticut's school districts is dedicated to instruction, transportation, student support services, and central office services. Over the past five years, per-student spending (adjusted for inflation) on instruction and central office services has decreased, while per-student spending on transportation and student support services has increased. Figure 2 shows how spending for each function has changed between 2020 and 2024.

Figure 2: Per-Student Expenditures by Function, 2020 vs. 2024 (2024-Adjusted Dollars)[13,14]



- From 2020 to 2024, per-student spending on instruction, which represents over 60% of total district expenditures, declined by 1.3% after adjusting for inflation.

- While total spending on student support services[H] increased statewide, most of the spending was concentrated in the wealthiest and least wealthy districts. Moderately-low and moderately-high wealth districts spent about half as much as those at either end of the spectrum in 2024.[I]

[G] For detailed descriptions of expenditure functions, please visit https://edsight.ct.gov/relatedreports/ReportNotes_PerPupilExpenditurebyFunctionDistrict.pdf.

[H] "Student support services" refers to the sum of "Support services – students" and "Support services – instruction" as collected by the CSDE. Examples of expenditures under this category include guidance, social and health services, and activities assisting instructional staff in providing learning experiences for students. These two types of support services were grouped together due to their proximity to direct student learning. Other types of support services that were excluded from this figure include "Support services – school-based administration," which refers to activities related to administration and operations, and "Support services – general administration," which refers to activities of the board of education and superintendent's office. For more information, please visit https://edsight.ct.gov/relatedreports/ReportNotes_PerPupilExpenditureby FunctionDistrict.pdf.

[I] Districts identified as moderately-low wealth and moderately-high wealth were districts found in the second and third quartile of all districts based on the equalized net grant list per capita of the corresponding town for a school district. Regional Educational Service Centers (RESCs) were excluded from the level of wealth analysis.

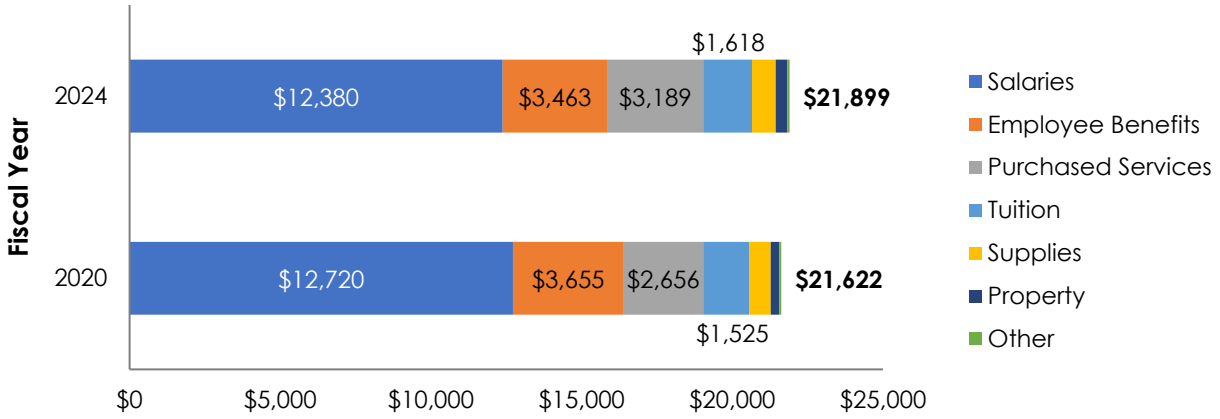
- Districts saw an increase of 17.9% per student on transportation spending from 2020 to 2024, with the highest-need districts experiencing the steepest increases.

- While spending on central office services has generally decreased over the last five years, Low-Wealth districts saw a 3.9% increase in per-student spending for this function during that period.

Expenditures by Object[J]

Spending on salaries, employee benefits, purchased services, and tuition accounted for roughly 95% of districts' expenditures for the 2023-24 school year. However, with rising costs and limited revenue growth, school districts across the state are facing tough decisions and changing their spending habits. While all spending categories increased from 2020 to 2024, after adjusting for inflation, the composition of spending changed. Figure 3 below breaks down per-student expenditures by their object categories for 2020 and 2024.

Figure 3: Per-Student Expenditures by Objects, 2020 vs. 2024 (2024-Adjusted Dollars)[15,16]



- The inflation-adjusted spending on salary and employee benefits are the only two categories to have declined since 2020 (by 5.8% and 8.3%, respectively), indicating that spending on teachers and staff has not kept pace with inflation.

- Compared to 2020, purchased services accounted for a larger share of district spending in 2024, not only increasing by 16.2% — one of the largest growth rates among the categories — but also rising from 12.3% to 14.6% of total expenditures.

*Learn more about **district staffing levels** and compare across communities*

- Tuition payments increased by 2.6% across all districts since 2020 but has increased at a faster rate in urban and higher-need communities, where it also accounts for a larger share of overall expenditures. For example, city and suburban districts have increased tuition spending by 4.6% and 7.8%, respectively, over the last five years, compared to town and rural districts that have decreased tuition spending by about 10.2% and 11.7%, respectively.

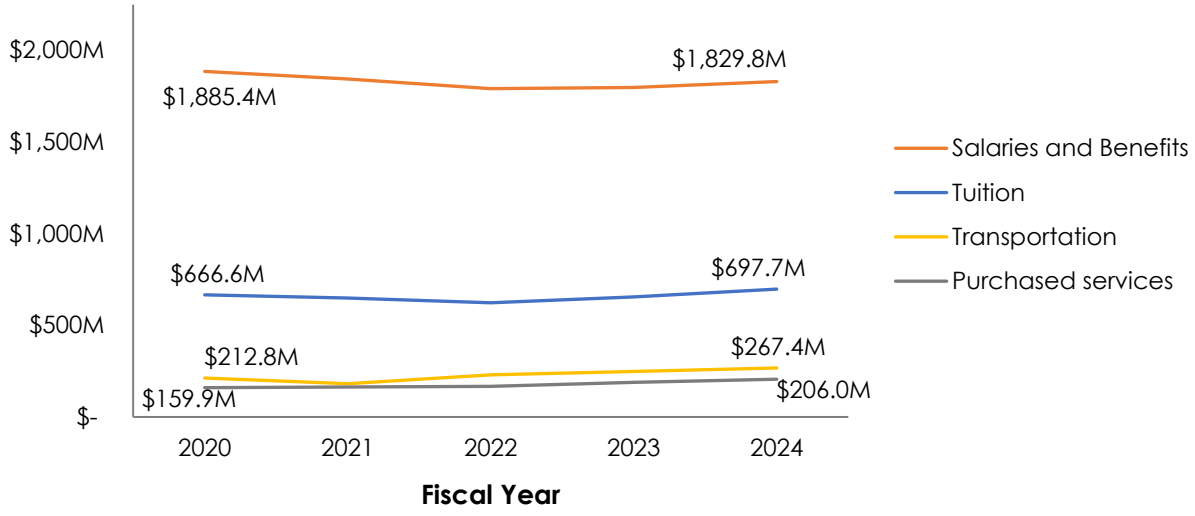
[J] For detailed descriptions of expenditure objects, please visit https://edsight.ct.gov/relatedreports/ReportNotes_PerPupilExpenditurebyObjectDistrict.pdf.

Special Education

Total special education spending in the state has increased from $2.4 billion to $3 billion over the last five years — an increase of 24.7%. Even in inflation-adjusted dollars, total spending on special education services has increased by 2.9% overall, or 6.3% on a per-student[K] basis.

While spending on salaries and benefits has decreased slightly, special education-related spending on transportation, purchased services other than transportation, and tuition have all seen large increases — adding to the increasing pressure on districts to adequately support students with disabilities among growing costs. Figure 4 below shows how district special education spending across the state has changed in these four categories since 2020.

Figure 4: Special Education Spending by Category (2024-Adjusted Dollars)[17,18]



- Over the last five years, special education teacher and staff salaries and benefits have increased by $274.3 million. However, after adjusting for inflation, salaries and benefits have actually decreased 3%. This indicates that salaries and benefits for teachers and staff have not kept up with inflation.

- In 2024, districts spent 25.7% more on special education transportation costs than in 2020. City districts saw a 35.4% increase, a rate roughly double that of towns and rural districts.

- Since 2020, inflation-adjusted spending on purchased services other than transportation rose 28.8%.

[K] Calculated based on the total number of students, not just the number of students receiving special education services.

- Tuition charged to districts for special education services — accounting for approximately 22.9% of total special education expenditures in 2024 — was up 4.7% across the state since 2020. This increase was primarily driven by suburban and city districts, as special education tuition expenditures for rural and town districts declined overall.

Appendix: Inflation and Adjustments

To ensure expenditures are comparable across multiple years, all dollar values in this analysis have been adjusted for inflation. Inflation refers to the rise in prices over time, which reduces the purchasing power of money. In the context of education spending, inflation means that a dollar spent in 2020 does not have the same value as a dollar spent in 2024. This becomes especially important when comparing funding across multiple years.

Inflation is commonly measured by the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics, which reflects the changes in prices for goods and services commonly purchased by households. For the purposes of this analysis, CPI data was collected from the Federal Reserve Bank of Minneapolis.

In this analysis, inflation-adjusted dollar amounts were calculated by multiplying the actual dollar amount by the ratio of the CPI in 2024 compared to the CPI in the comparison year. This ensures that year-to-year comparisons reflect more accurate changes in investments rather than changes driven by inflation alone.

For example, when calculating the inflation-adjusted spending across all districts in 2020, the actual dollar amount in 2020 is multiplied by the CPI ratio, as shown below.

Real Total 2020 Dollar Amount Spent on Education in CT		**2024 CPI** *313.7* / **2020 CPI** *258.8*		**Total 2020 Amount Spent on Education in 2024 Inflation-Adjusted Dollars**
$9,724,190,866	**X**		**=**	*$11,787,011,880*

Endnotes

[1] 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.
[2] Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard.
[3] 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.
[4] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Retrieved from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.
[5] 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.
[6] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Available from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.
[7] Connecticut State Department of Education. (n.d.). EdSight: Enrollment Dashboard. Available from https://public-edsight.ct.gov/students/enrollment-dashboard.
[8] Ibid.
[9] 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.
[10] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Available from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.
[11] 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.
[12] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Available from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.
[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.
[14] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Available from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.
[15] Connecticut State Department of Education. (n.d.) EdSight: Per Pupil Expenditures by Object (District). Available from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district/per-pupil-expenditures-by-object---district.
[16] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Available from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.
[17] Connecticut State Department of Education. (n.d.) EdSight: Special Education Expenditures. Available from https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district/special-education-expenditures.
[18] Federal Reserve Bank of Minneapolis. (n.d.). Consumer Price Index, 1913-. Available from https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-.