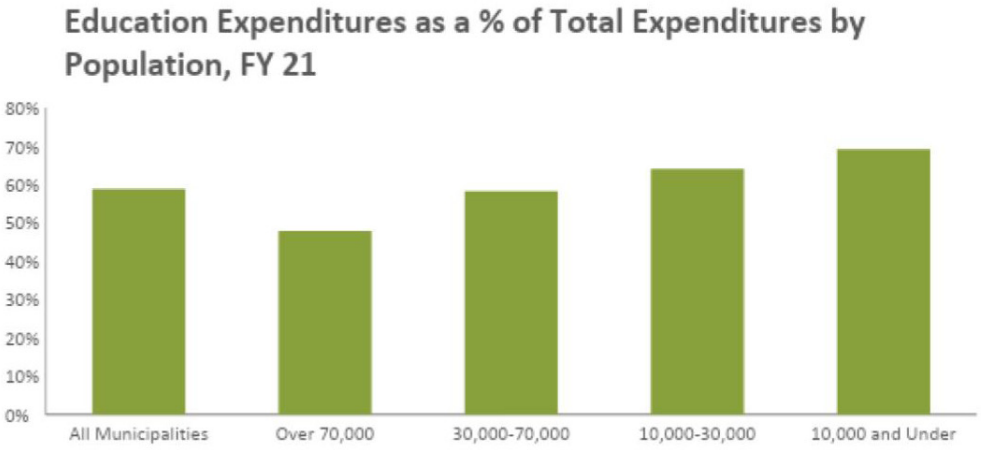
EDUCATION: Investing in CT's Future

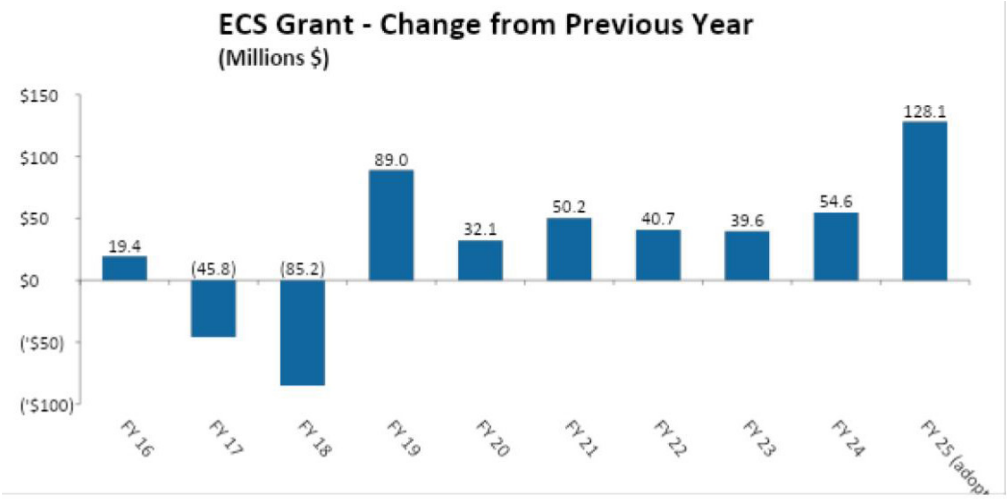
CCM Public Policy Issue Bulletin

Overview

Connecticut towns and cities are responsible for funding the majority of pre-k through grade 12 education. While the state has delegated the education of Connecticut's school children to local and regional school districts, it is the state who has the constitutional responsibility to ensure that all children have equal access to quality public schooling. A first-class education system and education finance system is vital in providing a quality workforce to attract and retain business and spur economic success for the state. The success or failure in the partnership between the state and municipalities in delivering quality education is essential in advancing Connecticut's prosperity and quality of life.



Source: OPM Municipal Fiscal Indicators, 2017-2021



Source: CCM calculations based on adopted state budgets

Local Government and Boards of Education Roles

Part of understanding education finance and delivery is identifying some of the challenges that are faced. In particular, recognizing the distinction between local government and boards of education. Local government consists of your local legislative body – town or city council, Board of Selectman – who are responsible for general government responsibilities and administering the municipal budget. Furthermore, they are the sole authority in implementing property taxes on residents.

This is different than boards of education who function as agencies of the state in charge of implementing the state's educational interests within a specific town. Boards of education do not have the ability to generate their own revenue. They rely on the local government – largely utilizing property taxes – to fund their budget.

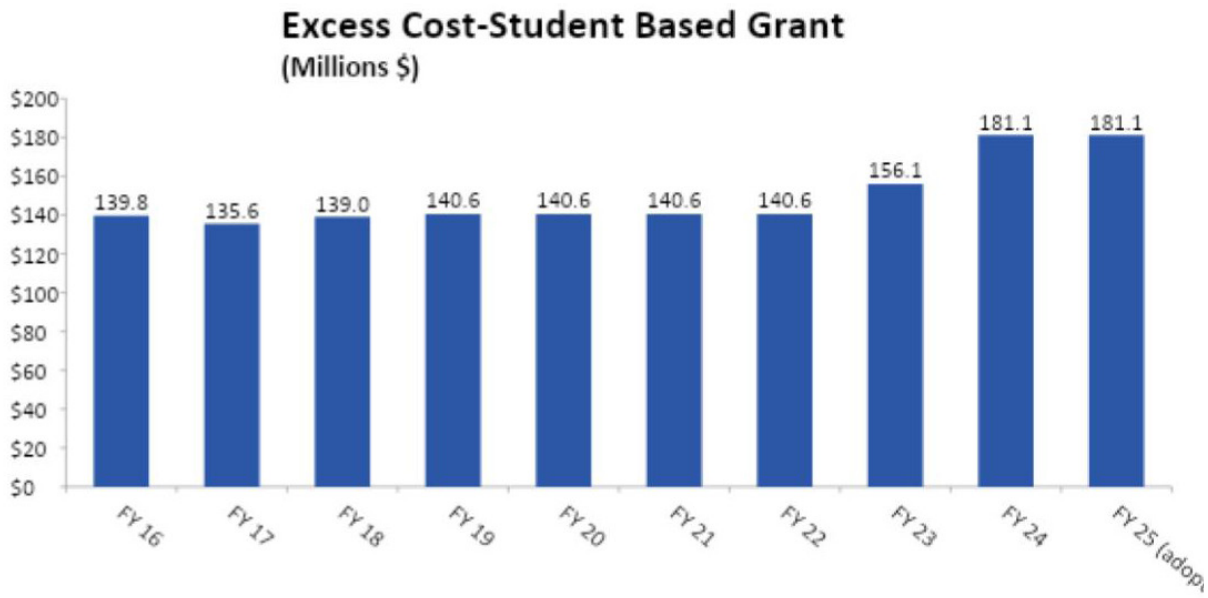
Education Funding

The cost for public education in Connecticut exceeds $12.5 billion annually. With limited resources for outside financial assistance, municipal property taxpayers fund a majority of those costs. The balance is provided largely by the state, followed by the federal government.

The principal mechanism for the state's portion of education financing is the education cost sharing (ECS) grant. Originally, the ECS grant was formulated to provide a transparent and equitable methods for making education finance allocations to local and regional school districts. CCM has long supported efforts to reform education funding in Connecticut.

Between the $150 million dollars in Education Finance Reform, the acceleration of the ECS phase-in, and the steps toward a student-centered funding approach all passed in the last few years, the legislature has made significant steps towards addressing educational inequalities and providing better student outcomes across Connecticut.

Even with this progress and investment, the ECS grant also does not provide a student-based approach to improve outcomes for all students. English Learners, students who are economically disadvantaged, and students navigating through their education in communities that experience concentrated poverty, all deserve to be funded at a level that makes a real and tangible difference. State financial support does not factor in these needs.



Special Education

CCM has and will continue to dedicate a significant amount of resources and energy towards special education primarily because it has become an exorbitant cost for towns and cities to endure and it is inadequately funded. Currently, municipalities are bearing the burden of the consequences that have resulted from the lack of state funding. The main source of funding for special education, known as the Excess Cost Grant, is currently capped and not fully funded; however, the cost of special education across Connecticut continues to rise exponentially and is dramatically outpacing available funding. The FY 2025 budget funds the Excess Cost Grant at the FY 2024 level of $181 million, which falls approximately $70 million short of the total financial resources it would take to meet special education program needs in the state.

Minimum Budget Requirement (MBR)

Delivering and fostering a productive and financially responsible education system is not without challenges and limitations. One such constraint on municipalities is the MBR. This is a statutory requirement that the local government must appropriate to the local board of education at least the same amount for education, with limited exceptions, as it did the previous year. In theory, it sounds reasonable. However, what about school districts that see declining enrollment or utilize other cost savings measures? The local government – through property taxpayers – are required to appropriate the same amount they did the previous year. One of our proposals is to modify the Minimum Budget Requirement related to special education costs so that expenditures above base student costs are not included in the calculation of the MBR if a student or students with special needs either move coverage out of the local or regional school district.

Other Challenges...

Each year new additions are made to the curriculum. These are made without the funding to support the resources or staff to implement those new requirements. This places a strain on faculty beyond what they already are.

Beyond the traditional support of financing and providing quality education, towns and cities must contend with other considerations and challenges, including:

- Funding for early childhood education
- Assisting in school readiness programs
- Supporting vocational and agricultural schools

Source: CCM calculations based on adopted state budgets

Public Policy and Advocacy

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