

## Education Cost Sharing Grant Formula

### Legal and Legislative History

**1974:** In *Horton v. Meskill*, the Superior Court held that it is unfair for public education to be primarily funded with municipal property taxes, because that meant less wealthy cities and towns had fewer education dollars. The court ordered the state to construct a fairer funding formula where the state could act as an equalizer to make up the difference between property-wealthy and property-poor towns. The state's Supreme Court affirmed in 1977.

**1975:** The General Assembly enacted the Guaranteed Tax Base (GTB), the first major education aid equalization formula.

**1988:** The first version of the ECS formula was enacted, effective FY 1989-90, to replace the GTB and the Education Enhancement Act (1986), a grant program that raised teacher salaries and lowered student-teacher ratios in certain districts.

**2016:** In *CCJEF v. Reil*, the Connecticut Superior Court reviewed the ECS formula and ordered the state to draft a rational plan to distribute money for education aid. The decision is currently on appeal with the state's Supreme Court.

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### What Is the Basic Design behind the Formula?

Connecticut's ECS formula follows a pupil-based model, also known as a "foundation" model, which a majority of states use.

The formula uses a per-pupil dollar amount with weighted adjustments for student needs in order to arrive at a per-pupil cost for public education. Connecticut weighs low-income students more heavily by counting students who are eligible for free and reduced price lunch.

Then, using town wealth measures, the formula determines the state's share of this per-pupil cost, which is the ECS grant for a town. In Connecticut, town wealth is measured using property income (90%) and personal income (10%).

State law then imposes minimum or "base aid" standards and adds earmarks for certain towns.

### What Results Does the Formula Yield for a Wealthy Town versus a Less-Wealthy Town?

The infographic on the back of this Issue Brief provides a pictorial representation of the math behind the ECS formula, as well as an example of the formula product (i.e., "target aid") for two fictitious towns with different wealth levels.

# EDUCATION COST SHARING GRANT



## GRANT FORMULA:

STUDENT NEED COUNT (X) FOUNDATION (X) STATE AID PERCENTAGE (+) SUPPLEMENTS

### STUDENT NEED COUNT

Number of resident students (as of each October 1), plus 30% added weight for each student eligible for free and reduced price lunch



### FOUNDATION

A fixed dollar amount representing the target level of weighted per-student spending that state ECS grants help towns achieve



### STATE AID PERCENTAGE

Represents the percentage of state assistance a town receives for education; a numerical representation of a town's property wealth with a small adjustment for income



### SUPPLEMENTS AND EARMARKS

Funds received by certain towns in the form of supplemental statutory grants or earmarks



## Why Does the Formula Yield a “Target Aid” for Towns?

The ECS formula has rarely been fully funded in its 28-year history. Over the years there have been attempts to phase in full funding when state revenues were strong, but financial downturns and related budget issues have often led to interrupting the phase-in and freezing or reducing funding levels. Therefore, the product of the formula’s components is referred to as a town’s “target aid” under the formula as if it were to be fully funded by the state.

## What Did the Superior Court Say about the Formula?

In its September 2016 *CCJEF v. Reil* decision, the Superior Court reviewed the ECS formula “to be sure that it rationally, substantially, and verifiably connects education spending with educational need.” The court found that the formula “contained some sensible elements” and was not irrational on its face. However, the court noted that whatever education spending plan the state adopts, it must “follow it as a matter of law. Without a court order, a plan adopted today can be ignored tomorrow. That’s what happened with the Education Cost Sharing formula.” As evidence of this, the court pointed to FY 16 ECS reductions for the state’s poorest towns and protections for scheduled increases for certain relatively wealthier towns that could not be explained by the formula.

## EXAMPLE

Town	Need Students	Foundation	State Aid Percentage	Fully Funded ECS Aid (Target Aid)
Property Wealthy Town	1,000	x \$11,525	x 30%	= \$3,457,500
Property Poor Town	1,000	x \$11,525	x 90%	= \$10,372,500

## Learn More

“Education Cost Sharing Grants,” [2016-R-0167](#)

“Public Education Funding Mechanisms in Other States,” [2017-R-0002](#)

“Issue Brief: *CCJEF v. Reil* Court Decision,” [2016-R-0306](#)

“OLR Backgrounder: *CCJEF v. Reil*,” [2016-R-0177](#)

