

OFA FACT SHEET: ECS FORMULA BEGINNING IN FY 19

P.A. 17-2 JSS, the FY 18 and FY 19 Budget, enacted a new Education Cost Sharing (ECS) formula beginning in FY 19. The formula and its phase-in are described below. In FY 19, ECS grants are anticipated to total approximately \$2.0167 billion, which is 10.6% of General Fund appropriations.

ECS Formula: $(\text{Need Students} * \text{Foundation} * \text{State Aid Percentage}) + \text{Regional School Bonus}$
 $= \text{Base Aid} + \text{Regional School Bonus}$

Need Students = Student count weighted for poverty and English Language Learners (ELL)

Total students + (0.3 * number of Free and Reduced Price Lunch (FRPL) students) + (0.05 * number of FRPL students that put a town above 75% FRPL) + (0.15 * ELL students)

Foundation Amount

\$11,525

State Aid Percentage = Base aid ratio = Share the state pays of "Need Students * Foundation"

$0.7 * [1 - (\text{town's equalized net grand list per capita (ENGLPC)} / 1.35 * \text{median equalized net grand list per capita among CT towns})]$

+

$0.3 * [1 - (\text{town's median household income} / (1.35 * \text{median household income among CT towns}))]$

+

Addition for the 19 towns with a Public Investment Community index (a measurement of wealth) value above 300 (i.e., for the least-wealthy towns): Add 6 percentage points for highest five towns, 5 points for next five towns, 4 points for next five, and 3 for remaining four

Minimum state aid percentage: 10% minimum Alliance districts, 1% minimum all others

Regional School Bonus

students in regional school district (RSD) * ((# RSD grades / 13) * 100)

FORMULA PHASE-IN BEGINS IN FY 19

ECS Aid, FY 19: New formula's grant amounts begin to be phased in (see next page for details)

ECS Aid, FY 19

1. If Fully Funded Grant (i.e., the grant under the formula) is **more** than FY 17 actual ECS grant (post MORE Commission), then ECS Aid for FY 19 = FY 17 amount (called the “base grant”) plus 4.1% of the difference between Fully Funded Grant and FY 17 actual ECS grant

$$\text{FY 19} = \text{FY 17 actual ECS grant} + (4.1\% * (\text{Fully funded grant} - \text{FY 17 actual grant}))$$

2. If Fully Funded Grant is **less** than FY 17 actual, then ECS Aid for FY 19 = FY 17 amount (the base grant) less 25% of the difference between Fully Funded Grant and FY 17 actual ECS grant

$$\text{FY 19} = \text{FY 17 actual ECS grant} + (25\% * (\text{Fully funded grant} - \text{FY 17 actual grant}, \text{ which will be a negative number}))$$

ECS Aid, FY 20 – FY 28: New formula continues to be phased in, until full implementation in FY 28

1. Starting from the FY 19 phase-in increments of 4.1% of the increase and 25% of the decrease, the increases and decreases are phased in and out at equal increments from FY 20 – FY 28, until the Fully Funded Grant is reached for all districts in FY 28.
 - a. The increase increments are 10.66 percentage points, for districts with higher Fully Funded Grant than FY 17 actual. I.e., in FY 20, the total increase is 14.76 percent of the increase needed to reach full funding.
 - b. The decrease increments are 8.33 percentage points, for districts with lower Fully Funded Grant than FY 17 actual. I.e., in FY 20, the total decrease is 33.33 percent of the decrease needed to reach full funding.

Alliance Districts with a Fully Funded Grant less than FY 17 actual are held harmless throughout (i.e., no Alliance district will receive less than FY 17 actual, from FY 19 through FY 28).

FY 19 ECS BONUS

Districts that received hurricane-displaced students in FY 18 will receive an “ECS bonus” in FY 19. The bonus is equal to the district’s proportionate share of approximately \$2.9 million, using each district’s highest quarterly count of displaced students (at a set date in the quarter) during the 2017-18 academic year. The per-student amount is \$1,768.