

It is important to note the new budget agreement (S.B. 543) does not alter the Education Cost Sharing (ECS) formula contained in Conn. Acts 17-2 (June Special Session). Rather, the ECS formula in S.B. 543 simply uses updated town and enrollment data to calculate the ECS grants for fiscal year 2019, and provides (outside of the ECS formula) one-time, supplemental funding to districts who educated students displaced by Hurricane Maria during FY 2018.

Comparison Table of School Funding Formulas		
	Conn. Acts 17-2 (June Special Session) (Biennial Budget for FYs 2018 and 2019)^A	Senate Bill 543¹ (FY 2019 Budget Adjustments)
Foundation Amount	<ul style="list-style-type: none"> • \$11,525 	<ul style="list-style-type: none"> • \$11,525
Need Student Weights	<p>Low-income students:</p> <ul style="list-style-type: none"> • Weight: 30% • Concentration weight: 5% • Concentration threshold: 75% • Identification Method: Eligibility for free and reduced price lunch (FRPL) <p>English Learners:</p> <ul style="list-style-type: none"> • Weight: 15% 	<p>Low-income students:</p> <ul style="list-style-type: none"> • Weight: 30% • Concentration weight: 5% • Concentration threshold: 75% • Identification Method: Eligibility for free and reduced price lunch (FRPL) <p>English Learners:</p> <ul style="list-style-type: none"> • Weight: 15%
State / Local Share Mechanism	<ul style="list-style-type: none"> • 70% Property Wealth Factor <ul style="list-style-type: none"> • Determined by Equalized Net Grand List per Capita • 30% Income Wealth Factor <ul style="list-style-type: none"> • Determined by Median Household Income • Statewide Guaranteed Wealth Level: 1.35 • Non-Alliance District Minimum Aid Ratio: 1% • Alliance District Minimum Aid Ratio: 10% • Provides an additional 3%-6% in the Base Aid Ratio for communities that have a Public Investment Communities (PIC) index² score over 300 <ul style="list-style-type: none"> • Top 5 towns: Additional 6% • Next 5 towns: Additional 5% • Next 5 towns: Additional 4% • Remaining 4 towns: Additional 3% 	<ul style="list-style-type: none"> • 70% Property Wealth Factor <ul style="list-style-type: none"> • Determined by Equalized Net Grand List per Capita • 30% Income Wealth Factor <ul style="list-style-type: none"> • Determined by Median Household Income • Statewide Guaranteed Wealth Level: 1.35 • Non-Alliance District Minimum Aid Ratio: 1% • Alliance District Minimum Aid Ratio: 10% • Provides an additional 3%-6% in the Base Aid Ratio for communities that have a Public Investment Communities (PIC) index³ score over 300 <ul style="list-style-type: none"> • Top 5 towns: Additional 6% • Next 5 towns: Additional 5% • Next 5 towns: Additional 4% • Remaining 4 towns: Additional 3%
Choice Schools	<ul style="list-style-type: none"> • Local and regional boards of education – In formula • Charter Schools – Remain as 	<ul style="list-style-type: none"> • Local and regional boards of education – In formula • Charter Schools – Remain as

^A The Education Cost Sharing (ECS) formula contained in Conn. Acts 17-2 (June Special Session), and detailed in this column, was scheduled to be implemented beginning in FY 2019. For FY 2018, Conn. Acts 17-2 (June Special Session) reduced each non-Alliance District's ECS grant by five percent and held Alliance Districts harmless at their FY 2017 grant amounts. However, in November 2017, Governor Dannel Malloy issued "holdbacks," or cuts, to the ECS and Excess Cost grants. The holdbacks were part of the more than \$880 million in unspecified reductions the General Assembly mandated the governor achieve in FY 2018 as part of the biennial state budget. While most of the mandated reductions came from labor savings achieved through the agreement reached with the State Employee Bargaining Agent Coalition (SEBAC) and approved by the General Assembly in July 2017, the governor was still required to issue approximately \$180 million in holdbacks for FY 2018. Among the reductions to state education funding included in the holdbacks were a \$58 million cut to the ECS grant, a \$3.6 million cut to the Excess Cost grant, and an \$18.5 million cut to the State Magnet School grant.

	<p>separate line item</p> <ul style="list-style-type: none"> • Magnet Schools – Remain as separate line item • RESCs – Remain as separate line item • Vo-ag – Remain as separate line item • CTECS – Remains as separate line item 	<p>separate line item</p> <ul style="list-style-type: none"> • Magnet Schools – Remain as separate line item • RESCs – Remain as separate line item • Vo-ag – Remain as separate line item • CTECS – Remains as separate line item
Special Education	<ul style="list-style-type: none"> • Special education funding appears to be included in the foundation amount of the ECS grant. • The Excess Cost grant was reduced to \$139 million for FY 2018, including the holdbacks issued in November 2017. • The Excess Cost grant is increased to \$142.1 million in FY 2019. 	<ul style="list-style-type: none"> • Special education funding appears to be included in the foundation amount of the ECS grant. • The Excess Cost grant is increased to \$140.6 million for FY 2019, an increase of \$1.6 million over FY 2018 with holdbacks.
Total Formula Cost Increase or Decrease	<ul style="list-style-type: none"> • ECS increase of \$89.2 million in FY 2019 over FY 2018 amounts with holdbacks, for a total increase of \$92.3 million including special education. • Total estimated increase after phase-in: \$473.1 million in FY 2028, and beyond, over FY 2018 with holdbacks. 	<ul style="list-style-type: none"> • ECS increase of \$88.5 million over FY 2018 amounts with rescissions, for a total increase of \$90.1 million; including the increase to the Excess Cost grant. • ECS appropriation was increased by \$2.9 million for aid to districts hosting students displaced by Hurricane Maria. This is a one-time appropriation for impacted districts and is not distributed through the ECS formula. • ECS grant phase-ins are calculated as compared to FY 2017 grant amounts, and FY 2018 holdbacks are not annualized. • Total estimated increase after phase-in: \$437.2 million in FY 2028, and beyond, over FY 2018 with holdbacks. • The lower total cost is due to the use of updated town data and new enrollment data.
Phase-in Plan	<ul style="list-style-type: none"> • Formula scheduled to be implemented beginning in FY 2019. • Increases in aid over FY 2017 grant amounts would begin in FY 2019 and be phased in using the following schedule: <ul style="list-style-type: none"> • 4.1% of the formula increase in FY 2019 • 10.66% of the formula increase in FY 2020 – FY 	<ul style="list-style-type: none"> • Formula scheduled to be implemented beginning in FY 2019. • Increases in aid over FY 2017 grant amounts would begin in FY 2019 and be phased in using the following schedule: <ul style="list-style-type: none"> • 4.1% of the formula increase in FY 2019 • 10.66% of the formula increase in FY 2020 – FY 2027

	<p>2027</p> <ul style="list-style-type: none"> • 100% of the formula amount in FY 2028 and each fiscal year thereafter • Decreases in aid compared to FY 2017 grant amounts would begin in FY 2019 and be phased in using the following schedule: <ul style="list-style-type: none"> • 25% of the formula decrease in FY 2019 • 8.33% of the decrease in FY 2020 – FY 2027 • Alliance Districts that would see a loss of funding are held harmless in all fiscal years. 	<ul style="list-style-type: none"> • 100% of the formula amount in FY 2028 and each fiscal year thereafter • Decreases in aid compared to FY 2017 grant amounts would begin in FY 2019 and be phased in using the following schedule: <ul style="list-style-type: none"> • 25% of the formula decrease in FY 2019 • 8.33% of the decrease in FY 2020 – FY 2027 • Alliance Districts that would see a loss of funding are held harmless in all fiscal years.
--	---	---

¹ S.B. 543, An Act Concerning Revisions to the State Budget for Fiscal Year 2019 and Deficiency Appropriations for Fiscal Year 2018,
² The Public Investment Communities (PIC) index is calculated annually by the Office of Policy and Management; it measures the relative wealth and need of Connecticut's towns by ranking them in descending order by their cumulative point allocations based on: per capita income; adjusted equalized net grand list per capita; equalized mill rate; per capita aid to children receiving Temporary Family Assistance benefits; and unemployment rate. More information on the PIC index, including the cumulative points allocation for each town, can be found at <http://www.ct.gov/opm/cwp/view.asp?a=2985&q=383122>.
³ Ibid.