



Senate

General Assembly

File No. 448

February Session, 2026

Substitute Senate Bill No. 7

Senate, April 7, 2026

The Committee on Education reported through SEN. MCCRORY, D. of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING EDUCATIONAL EQUITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (9) of section 10-262f of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2026*):

4 (9) "Foundation" means (A) [for the fiscal year ending June 30, 1990,
5 three thousand nine hundred eighteen dollars, (B) for the fiscal year
6 ending June 30, 1991, four thousand one hundred ninety-two dollars,
7 (C) for the fiscal year ending June 30, 1992, four thousand four hundred
8 eighty-six dollars, (D) for the fiscal years ending June 30, 1993, June 30,
9 1994, and June 30, 1995, four thousand eight hundred dollars, (E) for the
10 fiscal years ending June 30, 1996, June 30, 1997, and June 30, 1998, five
11 thousand seven hundred eleven dollars, (F) for the fiscal year ending
12 June 30, 1999, five thousand seven hundred seventy-five dollars, (G) for
13 the fiscal years ending June 30, 2000, to June 30, 2007, inclusive, five
14 thousand eight hundred ninety-one dollars, (H) for the fiscal years
15 ending June 30, 2008, to June 30, 2013, inclusive, nine thousand six

16 hundred eighty-seven dollars, and (I)] for the fiscal [year] years ending
17 June 30, 2014, [and each fiscal year thereafter] to June 30, 2026, inclusive,
18 eleven thousand five hundred twenty-five dollars, (B) for the fiscal year
19 ending June 30, 2027, twelve thousand five hundred dollars, (C) for the
20 fiscal year ending June 30, 2028, thirteen thousand five hundred dollars,
21 (D) for the fiscal year ending June 30, 2029, fourteen thousand five
22 hundred dollars, (E) for the fiscal year ending June 30, 2030, fifteen
23 thousand five hundred dollars, and (F) for the fiscal year ending June
24 30, 2031, and each fiscal year thereafter, the amount of the foundation
25 for the prior fiscal year adjusted by the percentage increase in personal
26 income, as defined in section 2-33a, or the percentage increase in
27 inflation, as defined in section 2-33a, whichever is greater.

28 Sec. 2. Subdivision (19) of section 10-262f of the general statutes is
29 repealed and the following is substituted in lieu thereof (*Effective July 1,*
30 *2026*):

31 (19) "Regional bonus" means, (A) for any town which is a member of
32 a regional school district and has students who attend such regional
33 school district, an amount equal to one hundred dollars for each such
34 student enrolled in the regional school district on October first or the
35 full school day immediately preceding such date for the school year
36 prior to the fiscal year in which the grant is to be paid multiplied by the
37 number of grades, kindergarten to grade twelve, inclusive, in the
38 regional school district, [and] (B) for any town which pays tuition for its
39 students to attend an incorporated or endowed high school or academy
40 approved by the State Board of Education pursuant to section 10-34, an
41 amount equal to one hundred dollars for each such student enrolled in
42 an incorporated or endowed high school or academy on October first or
43 the full school day immediately preceding such date for the school year
44 prior to the fiscal year in which the grant is to be paid multiplied by the
45 number of grades for which students attend an incorporated or
46 endowed high school or academy, and (C) for any town which has a
47 school district that does not maintain a high school and pays tuition to
48 another school district pursuant to section 10-33 for its resident students
49 to attend high school in such other school district, an amount equal to

50 one hundred dollars for each such resident student attending a high
51 school in such other school district on October first or the first full school
52 day immediately preceding such date for the school year prior to the
53 fiscal year in which the grant is to be paid multiplied by the number of
54 grades for which such resident students attend high school in such other
55 school district.

56 Sec. 3. (*Effective from passage*) (a) There is established a working group
57 to study the formula of the equalization aid grant, described in section
58 10-262h of the general statutes, and other state funding for public
59 education. Such study shall include, but need not be limited to, an
60 examination of all components of such formula and funding and any
61 recommendations for improvements, additions or modifications to
62 make such formula and funding more equitable and fiscally sound.

63 (b) The working group shall consist of the following members:

64 (1) Three appointed by the president pro tempore of the Senate, one
65 of whom is an elected official of a municipality, one of whom is a
66 principal of a public school and one of whom is a representative of the
67 Connecticut Association of School Business Officials;

68 (2) Three appointed by the speaker of the House of Representatives,
69 one of whom is an elected official of a municipality, one of whom is a
70 principal of a public school and one of whom is a student enrolled in a
71 public school;

72 (3) Two appointed by the majority leader of the Senate, one of whom
73 is a representative of the American Federation of Teachers-Connecticut
74 and one of whom has expertise in issues concerning students with needs
75 that require additional school investment;

76 (4) Two appointed by the majority leader of the House of
77 Representatives, one of whom is a representative of the Connecticut
78 Education Association and one of whom is a representative of the School
79 and State Finance Project;

80 (5) Two appointed by the minority leader of the Senate, one of whom

81 is an elected official of a municipality and one of whom is a
82 representative of the Connecticut Association of Boards of Education;

83 (6) Two appointed by the minority leader of the House of
84 Representatives, one of whom is an elected official of a municipality and
85 one of whom is a representative of the Connecticut Association of Public
86 School Superintendents; and

87 (7) The chairpersons of the joint standing committee of the General
88 Assembly having cognizance of matters relating to education.

89 (c) Any member of the working group appointed under subdivision
90 (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
91 of the General Assembly.

92 (d) All initial appointments to the working group shall be made not
93 later than thirty days after the effective date of this section. Any vacancy
94 shall be filled by the appointing authority.

95 (e) In making appointments to the working group, the appointing
96 authorities shall use best efforts to select individuals for such
97 appointment who are representative of the full geographic diversity of
98 the communities in the state.

99 (f) The speaker of the House of Representatives and the president pro
100 tempore of the Senate shall select the chairpersons of the working group
101 from among the members of the working group. Such chairpersons shall
102 schedule the first meeting of the working group, which shall be held not
103 later than sixty days after the effective date of this section.

104 (g) The administrative staff of the joint standing committee of the
105 General Assembly having cognizance of matters relating to education
106 shall serve as administrative staff of the working group.

107 (h) Not later than January 1, 2027, the working group shall submit a
108 report on its findings and recommendations to the joint standing
109 committee of the General Assembly having cognizance of matters
110 relating to education, in accordance with the provisions of section 11-4a

111 of the general statutes. The working group shall terminate on the date
112 that it submits such report or January 1, 2027, whichever is later.

113 Sec. 4. Section 10-15i of the general statutes is repealed. (*Effective from*
114 *passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	10-262f(9)
Sec. 2	<i>July 1, 2026</i>	10-262f(19)
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	Repealer section

Statement of Legislative Commissioners:

In Section 3(c), "(1), (2), (3), (4), (5), (6) or (7)" was changed to "(1), (2), (3), (4), (5) or (6)", for proper form; and in Section 3(h), "January 1, 2026" was changed to "January 1, 2027", for accuracy.

ED *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Education, Dept.	GF - Cost	84.9 million	280.2 million

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
Various Municipalities	Revenue Gain	See Below	See Below
Various Local and Regional School Districts	Revenue Gain	See Below	See Below

Explanation

The bill, which makes changes to the Education Cost Sharing (ECS) formula that also impact choice school grants, results in a cost to SDE of approximately \$84.9 million in FY 27 and \$280.2 million in FY 28, with costs continuing to rise in the out years. The actual cost will vary based on enrollment, student demographics, and other annually updated data. The estimated cost to the General Fund in FY 27 through FY 31 by program is shown below.

Estimated Cost to the General Fund in FY 27 - FY 31, sSB 7 by Program (In Millions)

Program	FY 27	FY 28	FY 29	FY 30	FY 31
ECS	60.1	228.5	413.2	605.2	739.8
RESC Magnets	8.0	17.1	26.2	35.2	41.1
BOE Magnets	3.5	7.2	11.0	14.8	17.6
Charter Schools	12.3	25.5	38.7	51.7	60.4

Vocational Agriculture	1.0	2.0	3.0	3.9	4.6
TOTAL	84.9	280.2	492.0	710.8	863.6

Notes:

Estimates use FY 25 data, except for ECS which uses FY 26 data.

The BOE magnets and Vo Ag estimates use the ECS data for sending towns from FY 26.

Estimates include the impact of Sheff magnet seat increases (for RESC and BOE magnets) as anticipated by SDE in October 2025.

The grant increases are equivalent to the net gains to towns and operators as this bill does not change tuition paid by sending towns for certain choice school programs.¹ Exact impacts will vary among operators due to the grant structures and annual data updates. The bill has a net positive impact to almost all operators of the affected programs in FY 27.

ECS and choice grant changes. The bill requires the ECS foundation amount, currently \$11,525, to increase to \$12,500 in FY 27 and then by increments of \$1,000 annually through FY 30, and beginning in FY 31, increase in line with inflation (as calculated for the spending cap).² Additionally, the bill adds an ECS regional bonus³ for towns that do not operate a high school and instead send their students to another district and pay tuition (designated high schools). In FY 27, 67 towns benefit from the ECS changes, and in FY 28, 161 towns benefit.⁴

Because the ECS foundation amount is tied to multiple other grants, increasing the foundation results in a cost to SDE and a corresponding revenue gain to towns and choice school operators through: (1) the ECS

¹ Sending towns pay tuition for all regional educational service center (RESC) magnets, all vocational agriculture programs, and some Board of Education (BOE) magnets.

² Pursuant to CGS Sec. 2-33a, the percentage increase in personal income or the percentage increase in inflation, whichever is greater.

³ The ECS formula currently incorporates a regional bonus for students attending regional school districts and endowed academies. The bonus is \$100 per student, multiplied by the number of grades.

⁴ The designated high school bonus is received by 18 towns. Of those, three towns benefit in FY 27 and all 18 benefit in FY 28 and beyond. The cost of the bonus, beyond the cost of the annual increases in the ECS foundation amount, is approximately \$76,100 in FY 27 and \$134,400 in FY 28. The bonus's cost continues to rise beyond FY 28, reaching approximately \$357,100 in FY 31.

grant; (2) magnet school grants; (3) vocational agriculture (Vo Ag) grants; and (4) charter school grants.

The special education and expansion development (SEED) grant is also tied to the ECS foundation amount. However, as the grant is reduced proportionally within available appropriations, increasing the foundation does not change the grant distribution.

Numerous factors. The bill's fiscal impact in FY 27 and annually thereafter is subject to changes in many factors, including: (1) enrollment, including enrollment changes related to the Sheff settlement; (2) student characteristics; (3) the number of students sent from each town to any of the affected programs; (4) new or closed schools or programs (beyond those within the Sheff settlement); and (5) inflation.

The bill's grants to BOE magnets and Vo Ag operators depend in large part on the student characteristics of the towns sending out-of-district students to the programs and the ECS foundation amount, which vary from year to year under the bill. While in a year the average change across towns is typically small, the change to the grant amount associated with students from any one town can be large (either lower or higher). Any such changes will result in different grant totals than projected above (impacting the anticipated General Fund appropriations) and affect grants to the towns, districts, or RESCs⁵ operating the programs. In FY 26, used for this estimate, the grant amounts for these students ranged from \$11,544 (students sent from New Canaan) to \$15,932 (students sent from Bridgeport). The median town grant amount for FY 26 is \$12,567.⁶

⁵ In this fiscal note, the magnet schools run by RESCs, Goodwin University, and Great Path Academy on behalf of Manchester Community College are referred to as "RESC magnets" for simplicity.

⁶ Vo Ag and BOE magnet operators generally are not receiving these amounts in FY 26, due to the partial phase-in permanently in place under current law (continued by the bill). These amounts represent the full funding levels at the current foundation level. Additionally, the grant structures in place ensure that every year, no Vo Ag or magnet operator receives less in total revenue (tuition plus grant) funding per student than in FY 24. The hold harmless provision is not necessary for charter schools.

ECS working group. The bill establishes a working group to study the ECS formula and other state education funding, which has no fiscal impact as the working group has the necessary expertise to meet the requirements. The bill additionally eliminates a defunct commission related to education funding.

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 29 \$	FY 30 \$	FY 31 \$
Education, Dept.	GF - Cost	492 million	710.8 million	863.6 million

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 29 \$	FY 30 \$	FY 31 \$
Various Municipalities	Revenue Gain	See Below	See Below	See Below
Various Local and Regional School Districts	Revenue Gain	See Below	See Below	See Below

The bill's projected annual cost to the General Fund (compared to current law) in the out years is \$492 million in FY 29, \$710.8 million in FY 30, and \$863.6 million in FY 31. Costs relative to current law will rise annually beyond FY 31 due to the inflation adjustment to the ECS foundation amount. As discussed above, the fiscal impact of the bill depends on many factors and will vary, possibly markedly, from this estimate, and year to year.

OLR Bill Analysis**sSB 7*****AN ACT CONCERNING EDUCATIONAL EQUITY.*****SUMMARY**

This bill increases the education cost sharing (ECS) grant foundation amount from \$11,525 to \$15,500 over a four-year period, and then annually adjusts it in line with the state budget spending cap. In doing so, it generally increases state education aid to towns, as well as state grants for the choice program (magnet schools and vocational agriculture programs) and charter schools.

The bill also extends ECS's regional bonus to towns that do not have high schools and pay tuition to another district so their students can attend high school there. The bonus equals \$100 for each student attending a high school in another district, multiplied by the number of grades for which resident students attend high school in the district. Under current law, this bonus applies to towns that are members of a regional school district or that pay tuition for its students to attend an endowed academy that is serving as the public high school.

Lastly, the bill creates a 16-member ECS working group to study the ECS formula and other state public education funding. By January 1, 2027, the working group must report its findings to the Education Committee. The group ends January 1, 2027, or when it submits its report, whichever is later. The bill also repeals an obsolete statute on a defunct working group.

EFFECTIVE DATE: July 1, 2026, except the working group provisions are effective upon passage.

ECS FOUNDATION INCREASE

The ECS foundation amount is set by statute and is intended to represent the estimated cost of educating a general education student who does not have additional needs. Generally, to determine a town's ECS grant, the foundation amount is multiplied by (1) a town's weighted student count (which equals the number of resident students, adjusted for student need) and (2) its state aid percentage (which reflects town wealth, based on property value and household income).

The bill increases the ECS foundation amount by about \$1,000 per year over a four-year period (see table below) and then annually increases the amount in line with the state's spending cap. Specifically, starting in FY 31, the ECS foundation amount equals the prior year's amount adjusted by the spending cap's maximum allowable growth rate (the greater of the percentage increase in personal income or inflation, see BACKGROUND).

Table: ECS Foundation Amount Under the Bill, FYs 27-30

Fiscal Year	Foundation Amount
Current	\$11,525
27	12,500
28	13,500
29	14,500
30	15,500

ECS WORKING GROUP

The bill creates a 16-member working group to study the ECS formula and other state public education funding. The group must, at a minimum, examine all components of the formula and other funding and recommend ways to make them more equitable and fiscally sound.

The working group consists of the Education Committee chairpersons and 14 members appointed by the legislative leaders (see table below). The bill allows the appointing authorities to appoint legislators to the working group, if they meet the required criteria. When making appointments, the legislative leaders must try to select individuals who are representative of the full geographic diversity of

the communities in the state.

Table: Appointed Members

Appointing Authority	Number	Criteria
Senate President Pro Tempore	Three	<ul style="list-style-type: none"> • One elected municipal official • One public school principal • One Connecticut Association of School Business Officials representative
House Speaker	Three	<ul style="list-style-type: none"> • One elected municipal official • One public school principal • One enrolled public school student
Senate Majority Leader	Two	<ul style="list-style-type: none"> • One American Federation of Teachers-Connecticut representative • One member with expertise in student needs that require additional school investment
House Majority Leader	Two	<ul style="list-style-type: none"> • One Connecticut Education Association representative • One State and School Finance Project representative
Senate Minority Leader	Two	<ul style="list-style-type: none"> • One elected municipal official • One Connecticut Association of Boards of Education representative
House Minority Leader	Two	<ul style="list-style-type: none"> • One elected municipal official • One Connecticut Association of Public School Superintendents representative

Under the bill, members must be appointed to the group within 30 days after the bill takes effect, and vacancies must be filled by the appointing authority. The Education Committee's staff serve as the working group's administrative staff.

The bill requires the House speaker and the Senate president pro tempore to select the working group's chairpersons from its membership. The chairpersons must schedule the group's first meeting within 60 days after the bill takes effect.

BACKGROUND

Spending Cap Allowable Growth Rate

In the absence of emergency or extraordinary circumstances, the spending cap restricts the annual growth in general state budget

expenditures by the greater of the percentage increase in personal income or inflation.

The “increase in personal income” is the state’s compound annual growth rate in personal income over the preceding five calendar years, based on U.S. Bureau of Economic Analysis data. The “increase in inflation” is the increase in the consumer price index for all urban consumers during the preceding calendar year (for all items except food and energy), calculated on a December over December basis using U.S. Bureau of Labor Statistics data (CGS § 2-33a(b)(1) & (2)).

Related Bill

sHB 5002, favorably reported by the Education Committee, annually adjusts the ECS foundation amount starting in FY 27.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute

Yea 45 Nay 0 (03/16/2026)