A Primer in Contemporary Budget Concepts

It is nearly impossible to pick up a local newspaper between January and June and not find at least one article on some topic related to school funding or budgets. Sometimes the articles are self-explanatory and sometimes they contain cryptic acronyms or obscure concepts. This primer was developed to help our citizens understand contemporary school budget themes and how they relate to the Region 18 budget.

Topic / Theme	What is it?	What it means to Region 18
ECS – Educational Cost Sharing	ECS is Connecticut's basic educational grant funding. ECS funding is given directly to towns and must be used for education purposes only. The amounts given to towns vary widely and depend on population, wealth and other factors woven into a complex funding formula. The ECS funding structure has changed every year for a number of years.	After years of steady decline in funding, the State of Connecticut has increased Lyme and Old Lyme's ECS payments. 25-26 saw a significant increase to a combined total of $1,816,265. The Governor's current budget is under consideration but early indicators show ECS for Lyme/Old Lyme remaining level funded at $1,816,265 in 26-27.
MBR – Minimum Budget Requirement	The MBR is the minimum budget that a district must approve in order to receive its full entitlement of ECS funding. Currently, the state has defined the MBR to be the previous year's budget amount (without debt service). Recent changes in the statute allow for several MBR exceptions. These include declining enrollment, needs for academic improvement, school closings, and, district's performance index ranking.	The MBR for Region 18 as of August 2025 is $35,437,515 (exclusive of debt service.) This is $1,773,149 less than the 2026-27 proposed operating budget.
PPE – Per Pupil Expenditure	The PPE is the state's calculation of a district's expenditures on a per pupil basis. The PPE is calculated based on audited expenditures for the district's previous budget year. The PPE is used to calculate state reimbursements for special education students with high cost programs. The current PPEs for Connecticut districts range from a low of $16,351 in Meriden to a high of $46,587 in Sharon. Many factors contribute to a district's PPE, including scale, program breadth, number of schools, facility maintenance, etc.	Region 18's PPE is currently calculated to be $25,142 by the state. On average RSD 18's total PPE and percentage increase in PPE per year is lower than most towns in the area.
ADM- Average Daily Membership	In a regional district such as ours, the billings to the towns are based on the number of students from each town in attendance at a given point in time or the Average Daily Membership.	The ADM calculation used by Region 18 is based on an average of the by-town attendance on October 1 and April 1. This year's cost impact is detailed on the Impact to Towns page of this booklet.