

Academic Performance and Per Pupil Pension Subsidies in Connecticut

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INTRODUCTION

In August 2025, the Connecticut Department of Education [released](#) new academic performance results, measured by the Smarter Balanced Assessment Consortium (SBAC) tests. These assessments, which measure student performance in reading and mathematics, provide a statewide snapshot of academic outcomes by district.

At Equable Institute, we sought to better understand how these results align with the way Connecticut allocates resources through its pension financing system. Specifically, we compared the SBAC results with our [previously published](#) analysis of Per Pupil Pension Subsidies (PPPS).

Our findings show that there is a clear, measurable relationship between the size of a district's pension subsidy and its SBAC performance. In other words, districts that receive larger pension subsidies per pupil tend to post stronger outcomes in reading and math.

The size of a district's pension subsidy isn't the only factor driving academic performance. But the PPPS does explain around 20% of the difference in math and reading scores for districts, which is too significant of a factor to ignore.

There shouldn't be any relationship between a state's teacher pension funding mechanism and educational outcomes. But the finding in this brief is consistent with previous research showing Connecticut pays a 28% larger Per Pupil Pension Subsidy on behalf of teachers in high academic performing districts compared to districts with lower performance.

This is not a problem inherent to pensions — other states have adopted [financing mechanisms](#) that avoid inequitable pension subsidies. This isn't a problem caused by teachers — every educator deserves an opportunity to earn a secure retirement benefit, no matter what district they teach in. This is a problem that has simply been left unaddressed by elected stakeholders across Connecticut for far too long.

To see a framework for solving this problem, see our [previous research](#) that defined a more equitable and sustainable path to teacher pension financing in Connecticut.

KEY FINDINGS

BACKGROUND

The SBAC performance data includes district-level results in reading and math proficiency. The Connecticut Education Department can use this as a current, standardized measure of student academic achievement across the state.

The Per Pupil Pension Subsidy measures the dollar value of pension contributions that the state makes on behalf of each district, normalized on a per-student basis. Equable previously reported Connecticut distributed a \$3,117 per pupil subsidy to cover pension costs in 2023, covering normal costs and pension debt payments on \$16.4 billion in unfunded liabilities.

However, this PPPS is [inequitably distributed](#):

- An outsized share of the subsidy goes to white students and students from wealthier households.
- And a comparison of NextGen outcomes and Per Pupil Pension Subsidies reveals that districts with lower resource needs tend to receive higher state subsidies to bolster their compensation packages.

Notably, the average Per Pupil Pension Subsidy for the highest performers in the state (the top quartile) is \$3,456, as compared to an average subsidy of only \$2,692 among the lowest performing districts (the bottom quartile).¹

KEY FINDINGS, Cont'd

ANALYSIS

We matched district-level SBAC performance results with Equable's Per Pupil Pension Subsidy data to test whether differences in pension subsidies also correlate with student outcomes. As a policy matter, these two factors should be unrelated. However, our analysis finds a consistent relationship between the level of subsidy and academic performance.

The results of this analysis are shown in Figure 1 and Figure 2.

Over 23% of the difference in Math scores across districts can be explained by the distribution of the state's pension subsidy. Similarly, when looking at the relationship between English test scores (ELA scores) and the PPPS, over 20% of the difference in district scores is attributable to how the state is paying for pension costs.

This moderate relationship between SBAC performance results and the PPPS is similar to our previous analysis of NextGen academic performance. Fundamentally, there is an inescapable connection to how well students are performing and the pension subsidy for their school district. That there is any such relationship is problematic.

The disparity in performance and subsidy size is seen even clearer when looking at district specific illustrations. For example:

- The Ansonia School District scored 26.1 on ELA scores for 2024-25, compared to a 73.2 in nearby Orange School District. Notably the PPPS in Ansonia was nearly 20% lower at \$2,524 versus \$2,996 per pupil distributed on behalf of Orange.
- A similar disparity is seen between Hartford School District — with a 19.9 ELA score and \$2,793 PPPS — versus West Hartford and their 66.2 ELA score with \$3,275 PPPS.
- Math score disparity by Per Pupil Pension Subsidy is highly pronounced between Bridgeport School District (15.7 math score and \$2,325 PPPS) and neighboring Fairfield School District (72.4 math score and \$3,506 PPPS).
- Stamford School District also has low SBAC math scores (32.8) compared to Greenwich School District (77.6), the latter of which has a PPPS over \$1,000 higher than the former, lower performing district.

FIGURE 1: MATH PERFORMANCE BY DISTRICT COMPARED TO PER PUPIL PENSION SUBSIDY

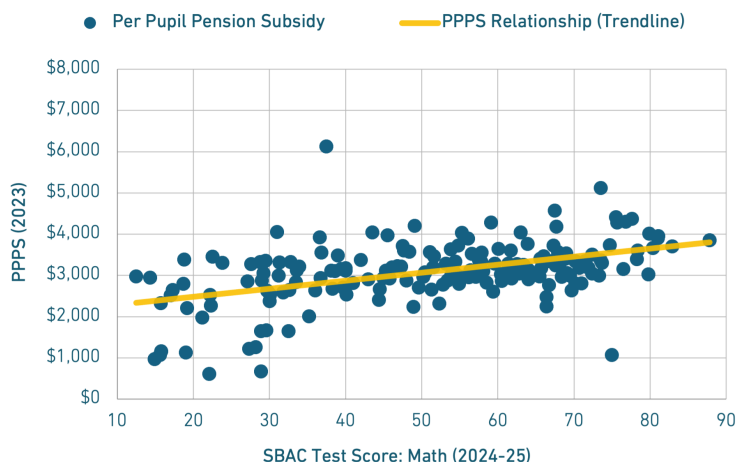
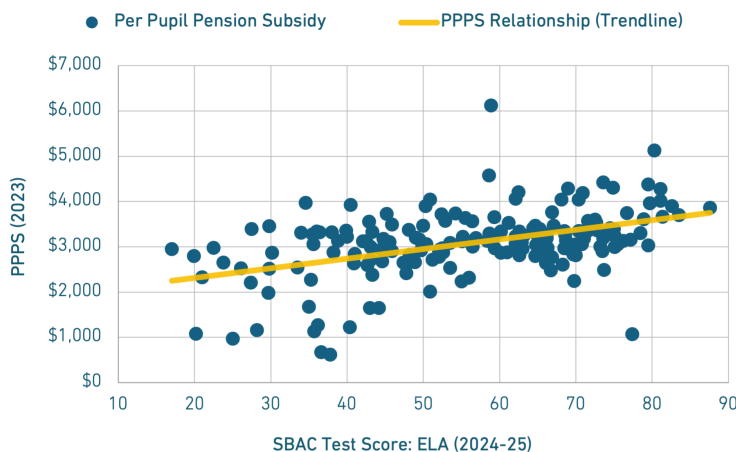


FIGURE 2: ENGLISH PERFORMANCE BY DISTRICT COMPARED TO PER PUPIL PENSION SUBSIDY



WHY THIS MATTERS

There is a well-documented relationship between teacher quality and student performance, as well as between teacher quality and compensation. While salary alone does not determine outcomes, it is an important factor.

Because Connecticut's teacher pensions are based on formulas tied to final average salary and years of service, higher teacher pay leads directly to more valuable pension benefits. Districts with higher-paid, longer-tenured teachers therefore carry a larger share of the Connecticut Teachers' Retirement System's liabilities. To cover these promised benefits, the state provides a larger pension subsidy on behalf of those districts.

The result is that districts able to pay teachers more and retain them longer not only deliver more valuable pensions to educators but also draw disproportionately larger state subsidies. This structure effectively rewards wealthier districts with an additional competitive advantage in recruiting and retaining teachers — an advantage that helps reinforce higher relative levels of student achievement.

The new SBAC district scores make this dynamic plain. Our analysis shows that differences in per-pupil pension subsidies are moderately correlated with differences in student performance, underscoring the extent to which the state's pension financing system is influencing academic outcomes.²

CONCLUSION

Connecticut's latest SBAC results confirm a troubling reality: the state's pension financing policies are not neutral. Paying for 100% of teacher retirement costs without accounting for these costs in the state's school finance formula effectively reinforces existing inequities in educational outcomes. The Per Pupil Pension Subsidy disproportionately subsidizes districts that already have advantages in attracting and retaining teachers.

Pension financing should not distort opportunities for students or amplify disparities between school districts. The key takeaway is clear: Connecticut's academic performance data once again demonstrates that inequitable pension financing is tied to student achievement. Policymakers should treat this as an urgent call to action to focus on improving the status quo and not allowing entrenched disparities to persist.

¹ This means that, on average, the highest performing districts receive \$764 more per student from the state to support teacher compensation, a 28% increase that impacts students' educational experiences because of its implications for districts' abilities to attract and retain a stable, high-quality teacher workforce.

² To be clear, this analysis does not show pension subsidies directly cause higher or lower academic achievement. There are other socioeconomic and structural factors that play important roles. The correlation does indicate that at least 20% of the variation in district SBAC performance is linked to differences in PPPS. And this level of correlation is far too high for what should be an unrelated finance mechanism.