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February 20, 2007

Chairman Fleischmann, Chairman Gaffey, Representative Hovey, Senatory Herlihy, and members of the Education Committee, thank you for the opportunity to testify today. I'm here this afternoon to discuss *HB 7135 – An Act Concerning the Foundation Level of the Education Cost Sharing Grant and the Minimum Expenditure Requirement*.

This is a session of dealing with some pretty weighty issues. We know that the state is facing problems in the areas of energy and healthcare. The House Republicans' position on these issues has been consistent – let's get all the proposals out there; find areas where there is agreement; and pass bills based on those areas of consensus.

We believe that the issue of education funding is no less important, and we can take a similar approach. Unfortunately, this committee has expressed no intention of allowing our caucus bill on education funding to receive a public hearing. This is disappointing and frustrating to House Republican members.

We proposed a revised education funding formula with some different ideas. Again, these are ideas, just as we proposed in the areas of healthcare and energy. We don't claim to have a monopoly on proposals or plans for any of these issues, nor do we think that our education funding proposal has even a sliver of a chance of becoming law. **However, when it comes to important issues like this, no proposal should be discarded without the opportunity for a debate.**

With regard to HB 7135, I applaud the committee for a proposal that would require the state to fund 50% of education costs, or a percentage close to that. The state's commitment to education funding over the past 10 to 15 years has been inadequate. However, I hope that this bill is just a start to a dialog and an eventual solution to the problems with our state's system of education funding.

I say that because I have serious concerns with such a large and immediate increase in the foundation level. I haven't seen a fiscal note on this bill, but I imagine it is in the billion-dollar range. This would add to projected budget deficits – over \$300 million next year and over \$600 million the following year. The spending cap would be obliterated, not to mention the damage it would do to families and businesses, who would have to pay for the proposal through increased taxes.

We all believe the state needs to step up its commitment to education funding. However, it's unreasonable to expect us to make up for years and even decades of underfunding ... in a single year.

In addition to what's in the bill, I am just as concerned with what's not in the bill. While this proposal addresses the issue of "adequacy" of state education funding, there are many other problems that are not addressed:

- HB 7135 does nothing to fix the inequity in the formula and ensuring that all towns get their fair share of education funding. The flawed wealth calculation exaggerates differences between towns to the point where our wealthiest town is about 7,000 percent wealthier than our poorest town.
- After the first year of a massive infusion of money, some towns will lose funding from one year to the next under HB 7135. We believe this should never be the case, and this is one of the major provisions that we include in HB 6730. Under our proposal, each year, only new money would be run through a new formula. A town would get the same per pupil amount that it received in the previous year, plus some portion of any new appropriation. **No town would ever lose money.**
- The current formula rewards failure, and HB 7135 does nothing to change that. Rather, the additional money being proposed only makes this problem worse.

These are some of my concerns with HB 7135. I'm disappointed that our proposal was not raised, but I hope that the committee will take our ideas into consideration as we continue discussing the issue of education funding.

I encourage members of the committee and the public to take a look at some of the ideas that we included in HB 6730, and I thank the committee for the opportunity to testify.