

TESTIMONY OF THE
CONNECTICUT COALITION
FOR **JUSTICE**
IN EDUCATION FUNDING
TO THE
APPROPRIATIONS COMMITTEE

April 5, 2011

The Connecticut Coalition for Justice in Education Funding appreciates this opportunity to submit comments pertinent to **Proposed Bill No. 5117 — AAC Portions of the State Budget Appropriating Aid to Municipalities** and **Raised Senate Bill No. 1121 — AAC Establishing a Task Force to Study the Distribution of State Funds to Municipalities**.

CCJEF respectfully brings to the attention of the Appropriations Committee that these two bills omit a critical issue pertaining to how municipalities use state aid and their locally raised revenues — i.e., the Minimum Budget Requirement that guarantees school districts at least a minimal level of local aid.

Inasmuch as needed MBR study and overhaul will be a necessary part of the Governor's promised revamp of the Education Cost Sharing formula, CCJEF urges that the current MBR be continued and remain unchanged until the ECS has been revised and implemented to provide adequate and equitable education funding.

Rationale

An MBR provision must be in place to guarantee school districts at least a minimal level of local aid. Without an MBR, the state's public school funding system, as it is currently devised, would collapse. However, ...

1. The MBR is flawed, broken, and outdated, as are the Education Cost Sharing formula and other aspects of education funding in Connecticut. As currently enacted, the MBR places far too great a burden on municipalities. The MBR and its predecessor MER have for too long enabled the state to underfund public schools while shifting the funding burden onto local residents through property taxes. Given that most municipalities are frustrated and facing severe budget woes, it is understandable that they are seeking MBR relief now.

The MBR provisions that have been forwarded this Committee by the Education Committee, as contained in Substitute Bill 6385 (AA Implementing the Budget Recommendations of the Governor Concerning Education), would lower a municipality's MBR by \$3,000 for every resident pupil fewer than the previous year. This reduction does not offer the kind of MBR relief that municipalities need. Significant MBR/property tax relief can only come with a revamped Education Cost Sharing formula, which Governor Malloy has committed to provide. To attempt MBR modifications without fixing the ECS formula first is to put the cart before the horse and risk injury to the young passengers along the way.

2. The \$3,000 per pupil MBR reduction for declining resident students would bring inconsequential property tax relief but provoke serious budgetary gaps for school districts. The proposed reduction would save municipalities only a small fraction of a mill on property tax rates while allowing 158 municipalities to reduce school district allocations by more than \$18.43 million in total, roughly equivalent to pay 300 teachers. Such a policy would further exacerbate the draconian cuts already underway in school districts across the state, including academic and co-curricular program cuts, the curtailing of important intervention and remedial efforts, and staff layoffs that lead to increased class sizes.

The municipalities most likely to exercise the option to reduce their MBR would be those fiscally distressed municipalities whose school districts serve the state's highest-need, lowest-wealth, and lowest-achieving students. Thus the proposed MBR reduction portends a disparate impact on low income and minority students and English-language learners, which lowers the quality of education delivered to all. We respectfully suggest that this is penny-wise-and-pound-foolish legislation.

3. The \$3,000 per pupil reduction is an arbitrary figure that has no legally tenable, rational basis. The MBR reductions are not tied to any actual cost-savings that districts may realize as a result of resident student decline. Nor does the proposed \$3,000 per pupil reduction get triggered only when some reasonable threshold for annual resident student decline has been reached. Because student out-migration randomly impacts classrooms and schools across a district, a critical mass of students must leave the district before measurable cost-savings can be achieved (e.g., through the consolidation of classrooms, staff reductions, constriction of curricular offerings or programs, or closing of a school).

Moreover, in-migration patterns can often negate any cost-savings realized by an overall decline in resident students. For example, the influx of non-English speaking families, or even a single Special Education out-of-district placement required for a new student, could offset the cost-savings realized by closing a couple of elementary school classrooms. Resident student counts thus provide only an incomplete picture of a district's fiscal needs.

4. Not all school districts are experiencing resident student decline. No MBR increases are being proposed to fortify resources for the 42 school districts whose 2011-12 resident students have increased by some 1700 over the previous school year. Logically, and in fairness to the predominately high-needs new students these districts are adding, shouldn't this bill provide for an increase in the MBR by \$3,000 for each new resident student?

For better or for worse, municipalities remain the fail-safe funding source for public school operations: the MBR is the safety net for school districts in the absence of adequate and equitable levels of state and federal funding. Regardless how many resident students are being lost to state out-migration or enrollment in other school districts, interdistrict magnets, or charter schools, an intact MBR is as vital to the funding of public school districts as the ECS. Tinkering now with the MBR — on the long-anticipated eve of major school finance reform, and at a time when the public schools are entering their fourth year of ECS level-funding, incurring cuts in Special Education Excess Cost, Pupil Transportation, and Priority District grants — is contrary to sound fiscal planning.

Accordingly, CCJEF asks that the Appropriations Committee pay special heed to preserving intact the MBR while considering HB 5117 and SB 1121, and as this Committee weighs action on HB 6385.

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The Connecticut Coalition for Justice in Education Funding (CCJEF) is a broad-based coalition of municipalities, local boards of education, statewide professional education associations, unions, and other pro-education advocacy organizations, parents and Connecticut schoolchildren aged 18 or older, and other concerned Connecticut taxpayers. Member school communities are home to more than 45 percent of public school students, including some three-fourths of all minority students, those from low-income families, and students from homes where English is not the primary language.