



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
EDUCATION COMMITTEE
February 28, 2011

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate this opportunity to provide testimony to you on issues of concern to towns and cities.

CCM supports, with some modifications, HB 6431 "An Act Concerning the Minimum Budget Requirement."

This bill would provide needed relief to local governments in meeting the Minimum Budget Requirement (MBR) mandate by allowing for a reduction in local education appropriations for: (1) decreased student populations; (2) reductions in certain costs; (3) savings achieved through regional or cooperative arrangements; and (4) other savings realized through efficiencies

At a time when state and local governments are seeking ways to reduce costs and increase efficiencies, it is only fair to adjust certain mandates and allow towns and cities (and their residential and business property taxpayers) to realize such savings.

The imposition of the MBR mandate over the last many years has meant that no matter what efficiencies have been found in board of education budgets, the budgets cannot be reduced. In an era in which every other state and local agency are having their budgets closely examined, one entity – boards of education – have been beyond effective scrutiny and shielded from taxpayer control. Connecticut is grappling with an enormous budget hole. Exempting any part of government from being reviewed for efficiencies and savings is inappropriate.

Keep in mind that there is no MBR for public safety, which is the bedrock service provided by government.

K-12 public education costs approach 70% of most municipal budgets in our state. Yet, the MBR has historically placed the biggest chunk of the municipal budget beyond the democratic control of the people. Think about that for a moment. Elected municipal appropriating authorities and the people currently have no say over the minimum funding level for education services in their town or city.

The State, which has chronically cutback its funding commitments for K-12 public education, instead forces municipalities by the MBR and other mandates to pay for the State's underfunding through even higher property taxes. No wonder Connecticut is the most reliant state in the nation on property taxes to fund K-12 public education.

In fact, the general government side of municipalities in Connecticut has shrunk in size over the last decade due to chronic state underfunding and the need to transfer scarce local resources to the always increasing education side of local budgets.

CCM believes the MBR mandate should be eliminated but can support HB 6431 with some modifications.

CCM asks you to make the following changes to HB 6431:

- (1) Provide that the MBR also be reduced by the amount of any board of education surplus in the prior year. It makes no sense to require municipalities to budget at least the same amount from year to year if there are surplus education funds from a previous year.
- (2) Provide that school-municipal cooperation efforts - such as town assumption of such back-office functions as Human Resources and Financial Management (Mansfield's Finance Director handles both the town and the 2 regional and single school districts within the community), building and grounds maintenance (let's encourage school districts to focus exclusively on education), and other cooperative efforts - that result in savings be counted toward a reduction in the MBR mandate.

Relief from the MBR mandate must be provided to allow municipalities to find reasonable savings for their property taxpayers. CCM supports ensuring that state education aid is spent on education. Every community in Connecticut spends more on K-12 public education than they receive from the State.

CCM urges this committee to amend this bill to reflect CCM's concerns and favorably report it.

Thank you for your consideration.

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If you have any questions, please contact Jim Finley, CCM Executive Director and CEO, at jfinley@ccm-ct.org or (203) 804-6895, or Kachina Walsh-Weaver, CCM Senior Legislative Associate, at kweaver@ccm-ct.org or (203) 710-9525.