

Testimony Regarding H.B. 6431: An Act Concerning The Minimum Budget Requirement

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Education Committee

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Senator Stillman, Representative Fleischmann, and Members of the Education Committee:

I am a Senior Policy Fellow with Connecticut Voices for Children (Connecticut Voices), a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families. I am here today on behalf of Connecticut Voices to testify regarding *H.B. 6431: An Act Concerning The Minimum Budget Requirement*. While we support the overall intent of this bill, we believe that without modification it could lead to harmful fiscal consequences that would **negatively impact the quality of education** for children in Connecticut.

Enrollment in Connecticut's public schools (K-12) peaked in 2004-2005 and has been declining, on average, by about 2,500 yearly.<sup>1</sup> Eighty-six percent of the state's public school districts have enrollments that peaked in 2008-2009, or earlier. Population projections from the Connecticut State Data Center indicate declining PreK-12 enrollments will continue throughout this decade.<sup>2</sup> It is unlikely that Connecticut will revisit the enrollment peak of 2004-2005. Consequently, we believe it is appropriate to allow towns to reduce local spending on education. However, we do *not* believe it is in the best interest of children for towns to reduce local spending *per* student.

We propose three **modifications** to H.B. 6431.

First, reductions in local education spending should not be tied to an arbitrary dollar amount as proposed in section (2)(A). Instead, towns should be allowed reduce local spending as long as ***per* student spending** does not drop below the FY 2009 budgeted amount (including local, state, and federal dollars). This would exclude efficiencies obtained from sections (2)(B) through (2)(D) as proposed in H.B. 6431. Focusing on *per* student spending is less likely to negatively affect the quality of instruction that is dependent upon factors such as student-teacher ratios, instruction time, or essential services such as special education.

Second, towns must be required to **"spend" all local dollars** budgeted for education on education-related expenses. Dollars remaining unspent at the end of a fiscal year should be used to offset spending in the following fiscal year. Local monies budgeted for education should not be reallocated to non-education use. Currently, statutes dictate the minimum monies towns must "budget" from local revenue; however, there is no requirement on how much local revenue towns actually "spend" on education.<sup>3</sup> Towns can use local monies budgeted (and collected) for education towards non-education expenses by shifting dollars at the end of the fiscal year. This practice may become more commonplace as education costs decline due to declining enrollments.

Third, towns must be required to provide a yearly audit of all *local* dollars “spent” on education. Currently, towns are required to report only local “budgeted” monies. Furthermore, the State Department of Education should require that reporting be done using a common format that is made available to the public via the Internet. This will ensure transparency for town education finances. We must ensure that local taxes collected *for* education are spent *on* education.

Thank you for this opportunity to testify regarding H.B. 6431 and we support the legislation with the modifications proposed herein.

## Endnotes

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<sup>1</sup> CT State Department of Education, *CEDaR*, [http://sdeportal.ct.gov/Cedar/WEB/ct\\_report/CedarHome.aspx](http://sdeportal.ct.gov/Cedar/WEB/ct_report/CedarHome.aspx)

<sup>2</sup> CT State Data Center, *Statewide Population Projections 2000-2030*, [http://ctsdc.uconn.edu/projections/state\\_wide.html](http://ctsdc.uconn.edu/projections/state_wide.html)

<sup>3</sup> Rodriguez, Orlando, and Jacob Siegel, *Problems with Connecticut’s Education Cost Sharing Grant*, Connecticut Voices for Children, February 2011, <http://www.ckidslink.org/publications/Bud11CTEduCostSharingGrantProblems.pdf>