TESTIMONY OF THE

CONNECTICUT COALITION FOR JUSTICE IN EDUCATION FUNDING

TO THE

EDUCATION COMMITTEE

February 28, 2011

The Connecticut Coalition for Justice in Education Funding appreciates this opportunity to submit comments on **Raised Bill No. 6431 — An Act Concerning the Minimum Budget Requirement.**

<u>CCJEF supports, with reservations, HB 6431</u>, a bill that would continue the Minimum Budget Requirement for FY12 and beyond.

Where districts are able to realize long-term, sustainable operational efficiencies through school board-municipal shared services, CCJEF agrees that those savings might be counted toward a reduction in the MBR mandate.

However, CCJEF does <u>not</u> support the bill's provisions that would allow a reduction in local education appropriations due to a decrease in resident students or operational savings achieved by boards of education through either regional cooperation or internal budget efficiencies.

<u>Rationale</u>

The Minimum Budget Requirement, like the Education Cost Sharing formula and other aspects of education funding in Connecticut, is flawed, broken, and outdated. Although it is essential that an MBR be in place to guarantee school districts at least a minimal level of local aid, the currently enacted MBR unfairly places far too great a burden on municipalities. For all too long the MBR and the provisions of its predecessor MER have enabled the state to underfund PK-12 education while effectively mandating that local property taxes cover an increasing share of the funding burden.

Nevertheless, modifying the MBR without first fixing the ECS formula to ensure adequate and equitable state funding could have significant unintended consequences, particularly for Priority School Districts and other high-need/low-wealth districts. **<u>As currently drafted, Raised Bill No. 6431 could have disastrous consequences</u>**, exacerbating the anticipated school budget and academic program cuts, class size increases, and teacher layoffs that will surely occur as a result of the state's level funding of the ECS for the coming biennium; the proposed cuts to Special Education Excess Cost, Pupil Transportation, and Priority District grants; and signals from Congress that Title I, IDEA, and other federal education grants may suffer current-year budget cuts and grim prospects for the next couple of years.

CCJEF believes that **declining enrollments should not be counted toward any reduction in the MBR** (Section 1(f)(2)(A), lines 68-72). The ECS formula and its resident student counts currently play no role in determining ECS aid, which remains frozen at 2009 total allocation levels for each municipality. That means October 1, 2007 resident student counts apply (along with 2005 Title I poverty counts, 2006 Limited English Proficient students, 2003-05 ECS Equalized Net Grand List figures, and income figures from the 2000 Census). The formula is frozen and not being used, plain and simple. Logically, so too should the MBR provisions be held steady, inasmuch as the currently mandated local contribution levels form an integral part of the state's funding system.

Moreover, a school district may realize little or no savings by a decline in enrollment, inasmuch as a significant portion of district costs are essentially "fixed": i.e., substantial enrollment declines must occur before the costs of facilities maintenance, heat and electricity, pupil transportation, or even staffing levels and the number of classrooms can be reduced. And some school districts are actually experiencing enrollment increases, not declines, as Stamford Superintendent Joshua Starr testified to this Committee last week.

Notwithstanding our reluctance to tinker with an inherently flawed and unfair component of a broken and outdated funding system, CCJEF agrees that in fairness to constrained municipal budgets, **long-term, sustainable efficiencies realized by municipality-board of education cooperation might be counted toward a reduction in the MBR mandate** (Section 1(f)(2)(B), line 73-76). Examples of long-term, sustainable efficiencies include cost savings resulting from medical/health benefits agreements between the two entities, an assumption by the municipality of school grounds upkeep or back-office administrative functions, and other such shared service arrangements. Hopefully this will encourage increased levels of joint town-district efforts at cost containment. Surplus education funds from a previous year should not automatically reduce the MBR, inasmuch as those may be one-time savings.

CCJEF believes that **other operational savings achieved by districts through their own budget efficiencies or through regional cooperation with other districts or RESCs should not be used to reduce the MBR, but instead should be applied to bolstering districts' academic programs** (Section 1(f)(2)(C and D), lines 77-91). The rising costs associated with the provision of Special Education services, pupil transportation, instructional supplies and equipment, heating oil, electricity, food, and other such budget items increasingly compel local boards of education to seek out new ways to economize. Some of the resultant cost savings come from home-grown measures, while others are pursued through regional cooperation between districts or their RESC. The primary goal of such leave-no-stone-unturned efforts by district leadership to find savings is to ameliorate the impact of inadequate budgets on teaching and learning, to stretch precious dollars so as to improve student achievement. These savings eked out by boards of education should rightly be used to meaningfully augment their inadequate budgets — not to lessen the MBR, thereby producing but a very small (albeit welcome) measure of property tax relief.

The final HB 6431 bill should explicitly prevent any lessening of the MBR that would impact the delivery of educational programs or related student support services. The bill should also provide for close review, oversight, and appeals processes for all MBR reductions, to be carried out jointly by the Commissioner of Education and Secretary of the Office of Policy and Management. (Including both agency heads should avoid the perceived lack of appropriate MER/MBR enforcement in past years.)

In conclusion, MBR modification is no band-aid for systemic school finance reform! CCJEF wishes to make clear that any MBR modification at this time should not be interpreted as a lessening of the legitimate funding needs of school districts.

As it now reads, Raised Bill No. 6431 places at particular increased jeopardy the education of this state's neediest schoolchildren. Unfortunately, it is also their municipalities that are among the state's most fiscally distressed and therefore among those most likely to benefit, however slightly, from a relaxation of the MBR mandate. This makes it all the more imperative for the state to at least level fund the Special Education Excess Cost, Priority School District, and Pupil Transportation grants along with the ECS, lest the neediest students and their schools bear the brunt of a relaxation of MBR mandates.

The controversy this bill is generating among educators and municipal officials from a broad spectrum of Connecticut communities certainly underscores the pervasive budget desperation being felt at all levels of government. Careful study and a significant reshaping of the local contribution mandate will be essential as the state moves forward with a comprehensive revamp of the ECS and school funding.

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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.