



Jennifer Alexander
Testimony on House Bill No. 6500

Chairs Senator Stillman, Representative Fleischmann, Vice Chairs Senator Fonfara, Representative McCrory and Ranking Members Senator Boucher and Representative Giuliano and members of the Committee, thank you for this opportunity to testify about House Bill 6500, An Act Concerning Educational Achievement. My name is Jennifer Alexander. I am the Director of Research and Policy at ConnCAN. We are building a movement of concerned citizens advocating to fundamentally reform our public schools through smart public policies.

House Bill 6500 proposes a common chart of accounts, which is a smart step forward.

I am pleased to see that this bill proposes to implement a common chart of accounts across districts. Right now, widely varying district accounting practices make it nearly impossible to compare budgets and spending across districts. For example, one district might classify all literacy specialists as central office staff, whereas another district might classify them as school staff. A common system would allow budgeting and spending practices to be compared and analyzed more easily by all stakeholders, and would make school finance reporting consistent, transparent, and useful for decision making. It would be easier to identify best practices and efficiencies where they occur, and, if done well, could also make it easier for districts to comply with state reporting requirements.

To be effective, however, this proposal needs to include a few additional elements, such as:

1) *Change existing reporting requirements.* The goal should be for a unified, user-friendly reporting system. As written, this proposal does not change the existing requirements for public school financial reporting. Currently, Section 10-227 of state statute mandates districts to annually complete the ED001 End of Year Report. It makes little sense to require districts to complete both the ED001 and the common chart of accounts, and the requirement would impose an additional burden on already swamped districts. For this system to be useful for all involved, it needs to be *the* reporting tool for the state and should replace the financial reporting component of the ED001.

2) *Include perspectives and expertise of school finance and business managers* from districts, regional education service centers, the vo-tech system, and charter schools. The perspectives of these officials need to be included when the State Department of Education is creating the reporting framework to ensure that the new system is user-friendly and comprehensive, and will meet the needs of both state and the local leaders. This proposal might also include a one year pilot test of the

system with a subset of districts, regional education service centers, vo-tech schools, and charter schools so that any kinks in the system can be worked out before it rolls out statewide.

3) *Hold districts accountable for complying with the new system.* Once a solid system is in place, what will happen if a district doesn't comply? This proposal needs to provide the Commissioner of Education or the State Board of Education with the authority to direct the local or regional school district, charter school, or regional education service center, in writing, to so comply. It should also attach appropriate consequences for failure to comply.

4) *It needs to be audited.* The system should be routinely audited to ensure that it functions efficiently and accurately.

House Bill 6500 is a step in the right direction, and should be part of an overall approach to fix our funding system.

Districts like Boston and states like North Carolina have already implemented a common chart of accounts and show that it can be a useful tool to spark more efficient and effective spending practices within and across districts. The proposed common chart of accounts is a promising step forward, but ultimately needs to be included in a broader set of reforms to fix how we track and distribute our education funds. We have a history of studying this issue and delaying action, or taking piecemeal approaches to fixing it. It's time to take a more comprehensive approach and replace our broken school funding system with a long-term, sustainable student-based school funding system that consistently funds all students based on their learning needs at the public school they attend.