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Chairwoman Harp, Chairwoman Walker, and members of the committee, thank you for the opportunity to provide testimony on Governor Malloy's proposed midterm budget adjustments.

Senate Bill 24 offers a comprehensive set of reforms that would establish a strong foundation for efforts to guarantee great schools for all of Connecticut's children and ensure a bright economic future for our state. Its proposals draw from research and lessons learned in other states, and will put Connecticut in the position to win much-needed federal dollars and a waiver from some mandates in the federal No Child Left Behind legislation. While ConnCAN is encouraged by many aspects of the bill, we also believe the bill could be improved in several essential areas

S.B. 24 proposes reforms that are essential first steps towards ensuring that all public school students have access to excellent educational options, regardless of their race, family income, or zipcode. The bill proposes modest increases in funding with the goal of improving student outcomes in areas with the highest level of student need, and focuses new dollars on encouraging local school systems to develop innovative approaches to our most pressing problems. We hope that school districts will take advantage of the opportunities presented by these new funding streams to enact reforms like new high-quality public school choice options and new salary and career ladders that allow the best teachers and school leaders to accelerate quickly.

S.B. 24 also offers a fundamental, low-cost and commonsense step towards comprehensive school funding reform by creating a **common chart of accounts** for all school expenditures for every school district and public charter school and **modest improvements to some measurements in the formula** (i.e., town wealth and poverty). A statewide common chart of accounts is an online system that requires districts to report budgets and expenditures in a detailed and similar fashion. The system would allow everyone, from district leaders to parents, to track and compare spending and budgets more accurately, and share best practices across cities and towns. Connecticut spends nearly \$4.3 billion¹ on K-12 public education every year – that's 20.6 percent of the state budget and the sixth highest per-pupil spending in the country,² but there is almost no accountability or transparency for that massive investment. We lack a clear way to compare spending among districts to identify effective or ineffective use of education dollars. As Governor Malloy continues to emphasize common accounting practices for municipalities through Generally Accepted Accounting Principles, it makes all the sense in the world to have a common accounting standard for our education investments as well. Rhode Island implemented a common chart of accounts last year at a total cost of about \$2 million, which covered both state and district costs. District leaders in Rhode Island report that the system is already helping improve spending decisions.³

¹ Page 4: http://www.cga.ct.gov/ofa/documents/year/BB/2012BB-20110916_FY%2012%20and%20FY%2013-Connecticut%20Budget-Part%20II.pdf

² See figure 4 on page xiii <http://www2.census.gov/govs/school/09f33pub.pdf>

³ The Providence Journal - Providence, R.I. "New site offers public data on school spending" Jennifer D Jordan Mar 25, 2011 Page A.1

These reforms are promising but they do not address the fundamental issue of funding inequity for all students. Students in similar school districts with equal student need and local wealth will still be funded at unfairly different levels. Public schools of choice are still not included in the state funding formula and their students are therefore at risk of being treated differently under challenging funding conditions. Requiring that municipalities begin to contribute to their students' education at schools of choice, including public charter schools, is an important first step in the right direction. **Additional steps must be taken to bring about full funding equality for all students through a fundamental, student-based fix to ECS.** True funding equity will not be achieved until we have a clear, actualized funding formula that accounts for all students based on their learning needs in the school system that educates them, rather than the kind of school they attend or district they live in.

ConnCAN is encouraged by the inclusion of the following components:

- Creates common chart of accounts to bring much-needed transparency to how we spend education dollars
- Provides conditional aid grants and competitive grants that could spur innovative reforms at the local level
- Increases funding for public schools of choice, including charter schools, bringing their funding closer to the per-pupil funding level of students in their home district
- Requires that towns begin to contribute to the education of public charter students
- Allows for new locally authorized charter schools that must focus on models with proven track records
- Prioritizes new charter schools that will serve the highest-needs students, including English-language learners, low-income students, and special education students
- Allows some towns to slightly reduce their local education budget appropriations if they can document savings that will not reduce overall student achievement

The bill could be strengthened by:

- Requiring the common chart of accounts system to be online and publicly accessible
- Ensuring that local charter schools have sufficient flexibility and autonomy from local collective bargaining agreements to meet the needs of students
- Including district-wide weighted-student funding systems in the list of reforms for competitive and conditional grants; such systems give schools more autonomy and flexibility over spending and ensure resources go where they are most needed
- Including all public school students in all public schools in the funding formula; until this change is made, funding for schools of choice will continue to be an annual uncertainty
- Fixing ECS once and for all: we need a clear, achievable funding formula that consistently funds students' learning needs at all public schools
 - Although the bill makes minor tweaks to how ECS will measure student poverty and local wealth, it does not offer a complete fix to a fundamentally broken ECS formula
 - In order to ensure that no district "loses" funding, the bill proposes to hold all districts harmless based on their 2012 ECS funding amounts. This hold harmless provision may be politically necessary, but it will push Connecticut even further off formula.