EDUCATION COMMITTEE

March 5, 2012

The Connecticut Conference of Municipalities (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 the opportunity to testify on bills of interest to towns and cities.

CCM *supports* Senate Bill 298 *"An Act Concerning the Minimum Budget Requirement."*

This bill would call for a study to be conducted regarding the Minimum Budget Requirement – which mandates a level of funding to local districts based on the previous year's allocations.

Let's be clear - ***every community in Connecticut spends more on K-12 public education than they receive in state funding from the State***. Statements to the contrary are false and serve only to muddy the issue rather than help to address it.

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 – on the state and local levels - continue to grapple with the current bad economic climate. Exempting any part of government from being reviewed for efficiencies and savings is inappropriate.

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 taxpayers currently have no say over the minimum funding level for education services in their town or city.

And, on top of that, some districts (those in most need) stand to lose some of their ECS funding under SB 24. Such "conditional" districts will, starting in FY 14, have to apply for funding and show progress before getting aid that was previously an entitlement.

Connecticut is the most reliant state in the nation on property taxes to fund Pre K-12 public education.

CCM remains surprised that the business lobby is silent on the need to reduce the reliance on property taxes to fund Pre K-12 public education. The property tax is the largest and fastest growing tax on businesses in Connecticut.

CCM also remains surprised that organizations representing boards of education, school superintendents, school business officials, charter school advocates (who are supporting a new mandate in SB 24 to have school districts that have been chronically underfunded by the State subsidize state charter schools by $1000 per pupil), and others remain silent on the need to reduce the reliance on property taxes to fund Pre K-12 public education. In the end, these groups are more than willing to use the MBR to force hard-pressed property taxpayers to make up for state underfunding of public education.

As a result, the burden of the most regressive tax in Connecticut - the property tax - continues to increase, and non-education municipal services needs (public safety, elderly and youth services, road and bridge repair, recreation, etc.) go underfunded or unmet.

CCM reiterates its position that comprehensive education reform must include education *finance* reform to ensure that education is financed adequately and equitably by the State so that (1) every student, no matter where they live in our state, has the opportunity to achieve educational excellence, and (2) residential and business property taxpayers are not unfairly burdened by the costs of Pre K-12 public education.

The State, which has chronically cutback its funding commitments for K-12 public education, instead forces municipalities to comply with 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 at least a study of its impact would be a step in the right direction. In addition, while we wish it went further, CCM supports the modifications to the MBR as proposed by Governor Malloy in SB 24.

♦♦ ♦♦ ♦♦

If you have any questions, please contact Jim Finley (jfinley@ccm-ct.org), Executive Director and CEO, George Rafael (grafael@ccm-ct.org), Senior Government Finance Analyst, or Kachina Walsh-Weaver (kweaver@ccm-ct.org), Senior Legislative Associate of CCM via email or via phone at 203-498-3000.