



**CGA Appropriations Committee
Public Hearing February 21, 2013**

**HB 6350 AA Concerning the Budget for the Biennium Ending June 30, 2015, and Other
Provisions Relating to Revenue**

**Comments on Education Funding Submitted by Katherine Wilson, School Finance Specialist,
League of Women Voters of Connecticut**

The League of Women Voters of Connecticut appreciates the opportunity to comment today on the governor's recommended appropriations for education. We are pleased to see continued and in some cases increased support for education reform initiatives begun last year, such as the Commissioner's Network and Talent Development, as well as for longstanding programs like Education Cost Sharing. We do, however, have concerns in several specific areas.

Education Cost Sharing (ECS) – The League believes the state should provide 50% of the overall statewide cost of local elementary and secondary education through grants to towns. Because the state share currently falls well below that 50% mark, we certainly welcome any increase in this grant, which provides the bulk of state aid to local public education. However, we cannot support the new ECS formula used to generate that increase, nor the way the new formula is being phased in.

ECS Formula – While we do support many of the proposed conceptual changes to the ECS formula, we cannot endorse most of its specific quantitative elements because they were artificially derived in order to produce a total equal to that produced by the current flawed and outdated formula, i.e. \$2.64 billion. In fact, the ECS Task Force itself, which developed the formula proposed by the governor, states in its final report that this formula “should not be considered a specific recommendation,” but rather a “model” intended only to “provide a comparison of the current law fully funded target to the Task Force recommendation.”

ECS Phase-In – The proposed phase-in of the new formula divides towns into two groups: Alliance Districts (the 30 lowest performing school districts in the state) and all others. For FY 14 Alliance districts get an increase equal to 10% of the difference between their current ECS grant and their fully funded grant under the new formula, on the condition that they apply to SDE for the money and receive approval of required improvement plans; all other districts get 1% of the difference with no conditions. Increases for FY 15 are 20% and 2% respectively. While the League supports driving a greater proportion of state aid to towns with the greatest educational need, we believe the disparity in treatment among towns as proposed in this budget is too great—too much of the Alliance Districts' increases is conditional; the size of the increases for all other districts is too small.

To sum up our views on ECS, the League believes the ECS formula should be based on real costs and real needs, not on a predetermined bottom line, and that it should equalize each town's ability to finance school programs at the Foundation level with a comparable tax effort. The increases proposed in this budget, particularly when examined town by town, meet neither of these criteria.

Transfer of the PILOT Grant (State-Owned Property) to the ECS Grant – We do not support incorporating the PILOT grant into the ECS grant. The PILOT grant has nothing whatsoever to do with education, and the amount it generates for any given town is totally unrelated to either student need or town wealth. If the state wishes to drive more money toward education, it should do so straightforwardly through the ECS grant itself, or perhaps through the significantly underfunded special education Excess Cost grant.

Caps on Statutory Formula Grants – This budget extends the cap on four formula education grants, depriving towns of \$43 million in FY14 and \$52 million in FY 15. Among the four, the League is particularly concerned about the cap on the Excess Cost grant because of rapidly rising special education costs and the catastrophic effect the cost of educating a single severely disabled student can have on a small district. We also believe the current statutory 4.5 times reimbursement threshold for excess costs is inadequate, especially for small districts, even if that level were to be fully funded. The League would like to see the 4.5 threshold significantly reduced and this important grant fully funded.

Elimination of the Public School Pupil Transportation Grant – This budget eliminates the current reimbursement structure for public school student transportation, funded this year at nearly \$25 million, and replaces it with a \$5 million competitive grant program designed to encourage regionalization of public school transportation services. We object to the elimination of this significant grant in the belief that it will increase costs for all districts and disproportionately affect those that must transport large percentages of their student population. It seems particularly unfair to abolish this grant when the one supporting transportation of non-public school students remains intact. We are further concerned that the municipal “Hold Harmless Grant,” though it may partially offset the loss of this and other municipal grants for this budget cycle, will not long endure and that towns will be forced into increased dependence on regressive local property taxes as a result.

Streamlining Agency Account Structure – This budget, by consolidating twelve disparate grants into one new account dubbed “School Improvement,” effectively transfers control over the allocation of these funds—totaling \$59.4 million in FY 14 and \$68.4 million in FY 15—from the legislative branch of government to unelected SDE officials. We find this disturbing. Moreover, in light of the consolidation of PILOT and the Charter School grant into the ECS account, it adds to an equally disturbing trend toward lumping together unrelated grants on one line of the budget. We cannot condone this practice, which we believe reduces transparency and diminishes government accountability.

Thank you for allowing us to share our ideas with you today on this important legislation.