



**Testimony
Betsy Gara
Connecticut Council of Small
Towns Before the
Education Committee
March 3, 2014**

RE: HB-5043, AN ACT IMPLEMENTING THE BUDGET RECOMMENDATIONS OF THE GOVERNOR CONCERNING EDUCATION

Given the state's ongoing budget challenges, the Connecticut Council of Small Towns (COST) appreciates the efforts of Governor Dannel Malloy and lawmakers to "keep towns whole" in this year's proposed budget.

Connecticut's small towns and cities continue to face pressure at the local level to hold the line on property tax increases. Cuts in state aid to municipalities would impose an untenable burden on local property taxpayers and/or force cuts to critical programs. Therefore, COST *supports* **HB-5043** and applauds the efforts of Governor Malloy and lawmakers to support increases in education funding, particularly given the state's fiscal constraints.

However, to ensure that all towns and cities receive fair share education funding, Connecticut must take steps to develop a plan to: 1) Fully fund ECS over time; 2) Assist towns and cities in meeting special education needs; 3) Adjust the Minimum Budget Requirement to allow towns to successfully reduce costs; and 4) Address concerns regarding education mandates that drive up the cost of education.

ECS FUNDING

The proposed budget sustains the additional \$40 million in Education Cost Sharing (ECS) funding for 2014-15, as provided for under Public Act 13-247. COST recognizes that these additional funds are primarily targeted to the state's Alliance Districts and understands the need to assist these districts in addressing the achievement gap.

However, all school districts are struggling to meet a wide range of new mandates within limited resources. Increased requirements to collect and analyze data, align curricula with the common core standards, develop more rigorous math and science curricula, develop and implement new teacher evaluation tools and increase graduation requirements are all laudable goals but goals with very big price tags.

Unfortunately, the ECS grant continues to be woefully underfunded, forcing towns to make difficult decisions about cutting critical programs or shifting more of the burden of public education onto property taxpayers. While we recognize that it is not feasible to fully fund ECS at this time, **Connecticut should begin to develop a long range plan for phasing in increases**



to the ECS grant with the goal of fully funding the program to provide adequate fair share funding for all towns.

SPECIAL EDUCATION

COST continues to be concerned that the state has not made progress in assisting towns in meeting special education needs. The local share of special education now exceeds \$1.8 billion, accounting for roughly 22% of all education spending in Connecticut. Special education costs continue to drive up education budgets across the state, regardless of the relative wealth of a community. Moreover, the costs associated with the provision of special education services are very unpredictable, creating difficulty in managing and budgeting costs at the local level.

Connecticut needs to begin to address this issue to assist towns in meeting their obligation to provide *all* students with a quality education. COST supports legislation to: 1) Reduce the threshold for reimbursing special education costs from 4.5 times the average per pupil expenditures; (2) Require the state to pay 100% of the costs of special education for severe-needs students; (3) Eliminate the cap on special education funding, which significantly decreases the reimbursements to towns; and (4) Shift the burden of proof in special education hearings from the school district to the claimant, consistent with federal standards.

MINIMUM BUDGET REQUIREMENT

The Minimum Budget Requirement (MBR), which requires towns to appropriate at least the same amount for education as they did the previous year, undermines the efforts of towns to achieve cost savings to reduce education spending. Many school districts are aggressively pursuing cost saving measures, such as renegotiating insurance contracts; participating in consortiums to purchase oil and gas, revamping bus routes to reduce transportation costs; offering early retirement incentives to reduce personnel costs and utilizing technology to reduce paper and printing costs. Towns and school districts are also exploring options to reduce costs by sharing certain functions, such as building and grounds maintenance and IT support.

Unfortunately, the MBR undermines such efforts because towns do not have the flexibility and certainty needed to reflect such cost savings in their education budgets. Under current law, a town may reduce its MBR under certain circumstances, including to reflect *half* of any new documented savings from (a) increased efficiencies within its school district, *as long as the education commissioner approves the savings*, or (b) a regional collaboration or cooperative arrangement with one or more other districts, limited to a maximum of 0.5% of FY 13's budgeted education appropriation.

However, towns and school districts need greater certainty as to how much relief they can expect from the MBR under these circumstances as well as greater flexibility to reduce spending where they have been able to achieve savings.



COST supports legislation to 1) increase the amount by which towns can reduce their Minimum Budget Requirement (MBR) to reflect demonstrated cost savings and reductions in enrollment, and 2) clarify the process for obtaining a waiver from the state Dept. of Education so that towns are not faced with unnecessary penalties.

EDUCATION MANDATES

Connecticut is more dependent on property taxes to fund public education than any other state in the nation, according to data compiled by the United States Census Bureau. Given that the state has not made significant progress in fully funding education, the state should address concerns associated with education mandates that drive up costs. In addition to revising the MBR to provide towns with incentives to achieve cost efficiencies and savings, Connecticut lawmakers should consider:

1. Delaying the implementation of sweeping education reform mandates unless fully funded;
2. Reforming existing binding arbitration laws, including (1) adjusting the timelines and (2) modifying the Teacher Negotiation Act to give towns the right to reject arbitration awards by a 2/3 vote of a town's legislative body; and
3. Eliminating or streamlining cumbersome school mandates and reporting requirements.

Thank you for your consideration.