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AFT Connecticut, AFL-CIO

Appropriations Committee Public Hearing
March 3, 2015

HB 6824 An Act Concerning the State Budget for the Biennium Ending June 30, 2017, and Making Appropriations Therefore and Other Provisions Related to Revenue

Good evening Senator Bye, Representative Walker and members of the Appropriations Committee. My name is Steve McKeever and I am First Vice President of AFT Connecticut, a diverse state federation of local unions representing nearly 30,000 public and private sector workers including approximately 21,000 active and retired educators. It is on their behalf that I appear before you this evening.

Thank you for taking the time to hear testimony on the Governor's proposed budget. We recognize that state's current financial picture is a challenging one and that developing a biennial budget will force you to make extremely difficult decisions in the coming months. With that being said, there are a few things we would like to highlight as you begin your process.

State Department of Education

We appreciate Governor Malloy's effort to flat fund Education Cost Sharing (ECS) grants in HB 6824, yet if there is ever an opportunity to reexamine current practices, it is during times such as these.

ECS funding has been frozen since FY 2009. Subsequent budgets have built upon the FY 2009 grant amounts, rather than utilize the ECS formula. As a result, a number of key variables (enrollment, special education students, Title I and certain ELL students) have not been employed and a number of districts have received more than their ECS target amounts.

The attached memo from the Latino Puerto Rican Affairs Commission details how select towns have been cumulatively overfunded \$72.4 million since FY 2009. If this practice continues of building town grants on FY 2009 levels, rather than utilizing the ECS formula, these towns will be overfunded by another \$21 million. These are funds that could be reallocated to districts that are currently underfunded by ECS. We understand that it is politically challenging to reduce any town's ECS grant, but this is a way that you can provide additional dollars to severely underfunded priority school districts without increasing overall spending. It would also provide these priority school districts the opportunity to offset losses sustained by the elimination of many priority school grant programs in this proposed budget, e.g. extended school building hours and summer school. It could also fund the high demand for expanded bilingual education and growing special education costs.

In addition, the governor's proposal contains \$14.4 million in new dollars for charter schools, including \$4.6 million for two new charter schools. This is an expense that we just cannot afford at this time. These funds should also be reallocated to school districts underfunded by ECS.

Considering all the controversy surrounding charter school transparency and accountability it would be wise to develop new systems of state oversight before further investing in charter schools. We must be certain about how scarce state dollars are spent and until we establish and implement those systems, it seems appropriate to only fund charter schools at current services.

Teachers' Retirement Board – Retired Teachers' Health Insurance Premium Account

We are disappointed that this proposed budget once again reduces the state's statutory obligation to the Retired Teachers' Health Insurance Premium Account (HIPA). Statute (10-183t) requires the state to fund one-third of the cost of retired teacher health insurance premiums. The other two-thirds are paid equally by active and retired teachers. The state has paid only 25% for each of the past four years, leaving the fund to make up the difference. This proposal would further reduce the state's contribution to FY 2015 levels, which with inflation and premium growth would equate to less than 25%. HIPA would be required to make up the difference once again.

We understand that times are tough and that we must all do our part to protect the state's most vulnerable residents. If the HIPA fund can withstand continued reductions and can simultaneously afford to continue the payouts it has made over the last four years for an additional two years, then we understand that is what must happen, provided no retired teacher goes without health insurance because the HIPA fund becomes insolvent.

We believe it is important however to ask the administration and the committee to change this course as soon as fiscal conditions improve. It is our hope that, when revenues grow, both will demonstrate the same level of commitment to teachers' retiree healthcare as they have shown to the state employee retirement fund and state employee retiree healthcare.

In conclusion, we understand that only difficult decisions remain in crafting the biennium budget. We hope that this testimony has provided you with some of the information you need to make the best of a bad situation. Thank you.

Memorandum

To: Werner Oyanadel, Executive Director, Latino and Puerto Rican Affairs Commission
From: Orlando Rodriguez, Associate Legislative Analyst
Re: Towns receiving ECS funding above their ECS target amount (overfunding)
Date: February 27, 2015

Based on the most recently available data for the Education Cost Sharing (ECS) formula, the proposed ECS funding for FY 2016 would result in 50 towns being “overfunded.”¹ This means these select towns will receive more ECS grant monies than calculated for their ECS “target” or “maximum” amount. In total, approximately **\$21 million** in ECS monies were overfunded to select towns in FY 2015.² In the past two fiscal years, there has already been a total of roughly \$40 million dollars in ECS overfunding to select towns. Governor’s bill [HB-6824 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2017, AND MAKING APPROPRIATIONS THEREFOR AND OTHER PROVISIONS RELATED TO REVENUE](#) continues this overfunding to select towns for the next two fiscal years.

In the five fiscal years from 2009 to 2014, estimates show the state overfunded select towns by a year-to-year cumulative total of \$72.4 million. If this trend continues, overfunding in FY 2019 will be roughly \$38.2 million with a 10-year annual cumulative total of **\$228.4 million** in overfunding having been given to select towns.

The following list of towns shows the difference in proposed ECS funding for FY 2016 vs. their ECS maximum amount as of FY 2014.³ The degree of overfunding would likely increase with an ECS formula updated for FY 2016.

Overfunded

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Overfunded FY 2016	Percentage Overfunded FY 2016
Bethlehem	Overfunded	\$1,307,335	\$1,319,337	\$12,002	1%
Bridgewater	Overfunded	\$64,908	\$137,292	\$72,384	112%
Canaan	Overfunded	\$29,474	\$209,258	\$179,784	610%
Canterbury	Overfunded	\$4,255,176	\$4,754,383	\$499,207	12%
Clinton	Overfunded	\$5,183,598	\$6,502,667	\$1,319,069	25%
Cornwall	Overfunded	\$38,749	\$85,322	\$46,573	120%
Darien	Overfunded	\$1,132,163	\$1,616,006	\$483,843	43%
Eastford	Overfunded	\$1,092,969	\$1,116,844	\$23,875	2%
Easton	Overfunded	\$358,322	\$593,868	\$235,546	66%

¹ 2013-2014 ECS worksheet from Kevin Chambers (July 2014) of the State Department of Education and 2015-2017 ECS appropriated from [HB-6824](#).

² ECS funding for FY 2015 was the same as is proposed for FY 2016 and FY 2017.

³ The ECS formula has not been updated since 2013-2014.

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Overfunded FY 2016	Percentage Overfunded FY 2016
Essex	Overfunded	\$251,835	\$389,697	\$137,862	55%
Fairfield	Overfunded	\$2,449,127	\$3,590,008	\$1,140,881	47%
Farmington	Overfunded	\$1,495,248	\$1,611,013	\$115,765	8%
Franklin	Overfunded	\$921,749	\$948,235	\$26,486	3%
Goshen	Overfunded	\$137,417	\$218,188	\$80,771	59%
Greenwich	Overfunded	\$2,097,370	\$3,418,642	\$1,321,272	63%
Groton	Overfunded	\$22,638,780	\$25,625,179	\$2,986,399	13%
Guilford	Overfunded	\$2,055,362	\$3,058,981	\$1,003,619	49%
Hampton	Overfunded	\$1,088,677	\$1,339,928	\$251,251	23%
Hartland	Overfunded	\$1,338,751	\$1,358,660	\$19,909	1%
Kent	Overfunded	\$77,592	\$167,342	\$89,750	116%
Lebanon	Overfunded	\$5,491,277	\$5,524,550	\$33,273	1%
Lisbon	Overfunded	\$2,955,382	\$3,927,193	\$971,811	33%
Lyme	Overfunded	\$104,039	\$145,556	\$41,517	40%
Madison	Overfunded	\$802,004	\$1,576,061	\$774,057	97%
Monroe	Overfunded	\$6,575,405	\$6,613,738	\$38,333	1%
Morris	Overfunded	\$114,215	\$657,975	\$543,760	476%
New Canaan	Overfunded	\$984,034	\$1,495,604	\$511,570	52%
Norfolk	Overfunded	\$57,614	\$381,414	\$323,800	562%
North Canaan	Overfunded	\$1,961,169	\$2,091,790	\$130,621	7%
North Stonington	Overfunded	\$2,411,817	\$2,906,538	\$494,721	21%
Old Lyme	Overfunded	\$390,006	\$605,586	\$215,580	55%
Old Saybrook	Overfunded	\$358,049	\$652,677	\$294,628	82%
Preston	Overfunded	\$2,929,599	\$3,077,693	\$148,094	5%
Redding	Overfunded	\$405,657	\$687,733	\$282,076	70%
Ridgefield	Overfunded	\$1,231,804	\$2,063,814	\$832,010	68%
Roxbury	Overfunded	\$88,124	\$158,114	\$69,990	79%
Salem	Overfunded	\$2,872,625	\$3,114,216	\$241,591	8%
Salisbury	Overfunded	\$95,038	\$187,266	\$92,228	97%
Scotland	Overfunded	\$1,304,997	\$1,450,663	\$145,666	11%
Sharon	Overfunded	\$60,947	\$145,798	\$84,851	139%
Sherman	Overfunded	\$136,502	\$244,327	\$107,825	79%
Stonington	Overfunded	\$589,614	\$2,079,926	\$1,490,312	253%
Voluntown	Overfunded	\$2,401,411	\$2,550,166	\$148,755	6%
Warren	Overfunded	\$58,723	\$99,777	\$41,054	70%
Washington	Overfunded	\$123,953	\$240,147	\$116,194	94%
Waterford	Overfunded	\$732,531	\$1,485,842	\$753,311	103%

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Overfunded FY 2016	Percentage Overfunded FY 2016
Westbrook	Overfunded	\$213,003	\$427,677	\$214,674	101%
Weston	Overfunded	\$559,631	\$948,564	\$388,933	69%
Westport	Overfunded	\$1,341,144	\$1,988,255	\$647,111	48%
Wilton	Overfunded	\$995,712	\$1,557,195	\$561,483	56%
Total:		\$86,360,628	\$107,146,705	\$20,786,077	24%

Underfunded

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Underfunded FY 2016	Percentage Underfunded FY 2016
Andover	Underfunded	\$3,038,742	\$2,379,549	-\$659,193	-22%
Ansonia	Underfunded	\$22,264,940	\$16,548,642	-\$5,716,298	-26%
Ashford	Underfunded	\$4,018,107	\$3,933,350	-\$84,757	-2%
Avon	Underfunded	\$1,266,380	\$1,233,415	-\$32,965	-3%
Barkhamsted	Underfunded	\$2,437,720	\$1,668,460	-\$769,260	-32%
Beacon Falls	Underfunded	\$5,211,406	\$4,128,939	-\$1,082,467	-21%
Berlin	Underfunded	\$8,023,474	\$6,311,635	-\$1,711,839	-21%
Bethany	Underfunded	\$2,560,162	\$2,053,378	-\$506,784	-20%
Bethel	Underfunded	\$9,013,919	\$8,261,688	-\$752,231	-8%
Bloomfield	Underfunded	\$9,333,801	\$6,230,536	-\$3,103,265	-33%
Bolton	Underfunded	\$3,391,740	\$3,046,046	-\$345,694	-10%
Bozrah	Underfunded	\$1,625,289	\$1,249,912	-\$375,377	-23%
Branford	Underfunded	\$6,137,057	\$1,911,260	-\$4,225,797	-69%
Bridgeport	Underfunded	\$211,305,113	\$179,600,148	-\$31,704,965	-15%
Bristol	Underfunded	\$56,870,513	\$45,348,587	-\$11,521,926	-20%
Brookfield	Underfunded	\$1,584,587	\$1,555,658	-\$28,929	-2%
Brooklyn	Underfunded	\$8,657,684	\$7,087,589	-\$1,570,095	-18%
Burlington	Underfunded	\$6,548,536	\$4,394,032	-\$2,154,504	-33%
Canton	Underfunded	\$5,441,158	\$3,457,436	-\$1,983,722	-36%
Chaplin	Underfunded	\$1,902,175	\$1,893,763	-\$8,412	-0.4%
Cheshire	Underfunded	\$16,582,513	\$9,506,203	-\$7,076,310	-43%
Chester	Underfunded	\$1,129,400	\$675,408	-\$453,992	-40%

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Underfunded FY 2016	Percentage Underfunded FY 2016
Colchester	Underfunded	\$15,816,597	\$13,761,528	-\$2,055,069	-13%
Colebrook	Underfunded	\$603,586	\$508,008	-\$95,578	-16%
Columbia	Underfunded	\$3,118,332	\$2,573,616	-\$544,716	-17%
Coventry	Underfunded	\$9,868,816	\$8,935,142	-\$933,674	-9%
Cromwell	Underfunded	\$8,347,647	\$4,499,307	-\$3,848,340	-46%
Danbury	Underfunded	\$58,801,145	\$29,554,523	-\$29,246,622	-50%
Deep River	Underfunded	\$2,176,132	\$1,720,239	-\$455,893	-21%
Derby	Underfunded	\$12,008,726	\$7,905,484	-\$4,103,242	-34%
Durham	Underfunded	\$4,362,453	\$3,993,506	-\$368,947	-8%
East Granby	Underfunded	\$2,735,151	\$1,377,206	-\$1,357,945	-50%
East Haddam	Underfunded	\$4,552,303	\$3,779,206	-\$773,097	-17%
East Hampton	Underfunded	\$8,965,454	\$7,690,997	-\$1,274,457	-14%
East Hartford	Underfunded	\$65,408,995	\$48,811,203	-\$16,597,792	-25%
East Haven	Underfunded	\$24,392,630	\$20,004,233	-\$4,388,397	-18%
East Lyme	Underfunded	\$7,203,162	\$7,138,163	-\$64,999	-1%
East Windsor	Underfunded	\$6,287,475	\$5,789,350	-\$498,125	-8%
Ellington	Underfunded	\$13,684,753	\$9,722,237	-\$3,962,516	-29%
Enfield	Underfunded	\$37,874,167	\$28,973,638	-\$8,900,529	-24%
Glastonbury	Underfunded	\$14,048,429	\$6,552,432	-\$7,495,997	-53%
Granby	Underfunded	\$8,746,541	\$5,536,473	-\$3,210,068	-37%
Griswold	Underfunded	\$12,946,310	\$10,922,908	-\$2,023,402	-16%
Haddam	Underfunded	\$4,355,470	\$1,823,044	-\$2,532,426	-58%
Hamden	Underfunded	\$44,779,658	\$27,018,047	-\$17,761,611	-40%
Hartford	Underfunded	\$227,334,478	\$200,830,551	-\$26,503,927	-12%
Harwinton	Underfunded	\$3,525,159	\$2,774,080	-\$751,079	-21%
Hebron	Underfunded	\$9,564,703	\$7,016,070	-\$2,548,633	-27%
Killingly	Underfunded	\$17,307,188	\$15,871,254	-\$1,435,934	-8%
Killingworth	Underfunded	\$2,653,050	\$2,245,206	-\$407,844	-15%
Ledyard	Underfunded	\$14,065,183	\$12,178,128	-\$1,887,055	-13%
Litchfield	Underfunded	\$1,988,389	\$1,517,026	-\$471,363	-24%
Manchester	Underfunded	\$47,574,634	\$34,476,141	-\$13,098,493	-28%
Mansfield	Underfunded	\$11,390,432	\$10,186,654	-\$1,203,778	-11%
Marlborough	Underfunded	\$4,850,409	\$3,201,941	-\$1,648,468	-34%
Meriden	Underfunded	\$75,179,523	\$59,964,898	-\$15,214,625	-20%
Middlebury	Underfunded	\$1,878,757	\$738,899	-\$1,139,858	-61%
Middlefield	Underfunded	\$2,668,032	\$2,142,785	-\$525,247	-20%
Middletown	Underfunded	\$32,050,094	\$19,648,776	-\$12,401,318	-39%

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Underfunded FY 2016	Percentage Underfunded FY 2016
Milford	Underfunded	\$29,577,821	\$11,381,824	-\$18,195,997	-62%
Montville	Underfunded	\$15,635,052	\$12,768,219	-\$2,866,833	-18%
Naugatuck	Underfunded	\$36,415,487	\$30,805,615	-\$5,609,872	-15%
New Britain	Underfunded	\$113,617,376	\$85,008,849	-\$28,608,527	-25%
New Fairfield	Underfunded	\$4,689,652	\$4,468,243	-\$221,409	-5%
New Hartford	Underfunded	\$4,312,545	\$3,187,717	-\$1,124,828	-26%
New Haven	Underfunded	\$180,410,850	\$154,577,620	-\$25,833,230	-14%
New London	Underfunded	\$32,675,268	\$25,677,518	-\$6,997,750	-21%
New Milford	Underfunded	\$14,651,165	\$12,127,127	-\$2,524,038	-17%
Newington	Underfunded	\$20,251,163	\$13,031,837	-\$7,219,326	-36%
Newtown	Underfunded	\$9,099,975	\$4,441,264	-\$4,658,711	-51%
North Branford	Underfunded	\$9,728,824	\$8,252,689	-\$1,476,135	-15%
North Haven	Underfunded	\$7,849,178	\$3,393,016	-\$4,456,162	-57%
Norwalk	Underfunded	\$14,754,985	\$11,275,807	-\$3,479,178	-24%
Norwich	Underfunded	\$44,618,539	\$36,195,392	-\$8,423,147	-19%
Orange	Underfunded	\$5,200,554	\$1,185,863	-\$4,014,691	-77%
Oxford	Underfunded	\$5,233,602	\$4,677,464	-\$556,138	-11%
Plainfield	Underfunded	\$17,522,426	\$15,600,016	-\$1,922,410	-11%
Plainville	Underfunded	\$13,208,098	\$10,405,528	-\$2,802,570	-21%
Plymouth	Underfunded	\$11,928,547	\$9,913,763	-\$2,014,784	-17%
Pomfret	Underfunded	\$3,495,899	\$3,136,587	-\$359,312	-10%
Portland	Underfunded	\$6,930,511	\$4,394,272	-\$2,536,239	-37%
Prospect	Underfunded	\$6,948,602	\$5,405,931	-\$1,542,671	-22%
Putnam	Underfunded	\$9,268,846	\$8,471,318	-\$797,528	-9%
Rocky Hill	Underfunded	\$8,765,021	\$3,587,753	-\$5,177,268	-59%
Seymour	Underfunded	\$13,340,239	\$10,072,953	-\$3,267,286	-24%
Shelton	Underfunded	\$12,121,166	\$5,286,265	-\$6,834,901	-56%
Simsbury	Underfunded	\$12,172,536	\$5,633,072	-\$6,539,464	-54%
Somers	Underfunded	\$8,707,066	\$6,024,473	-\$2,682,593	-31%
South Windsor	Underfunded	\$15,479,727	\$13,071,926	-\$2,407,801	-16%
Southbury	Underfunded	\$7,836,635	\$2,631,384	-\$5,205,251	-66%
Southington	Underfunded	\$28,831,075	\$20,361,334	-\$8,469,741	-29%
Sprague	Underfunded	\$3,119,253	\$2,641,208	-\$478,045	-15%
Stafford	Underfunded	\$11,497,201	\$9,958,369	-\$1,538,832	-13%
Stamford	Underfunded	\$20,585,471	\$10,605,319	-\$9,980,152	-48%
Sterling	Underfunded	\$4,318,760	\$3,231,103	-\$1,087,657	-25%
Stratford	Underfunded	\$37,085,434	\$21,391,105	-\$15,694,329	-42%

Town	Funding Status FY 2016	The Most the Town Should Get Based on ECS Formula FY 2014	ECS Funding Proposed in HB-6824 FY 2016	Dollars Underfunded FY 2016	Percentage Underfunded FY 2016
Suffield	Underfunded	\$10,797,943	\$6,267,018	-\$4,530,925	-42%
Thomaston	Underfunded	\$7,089,108	\$5,737,258	-\$1,351,850	-19%
Thompson	Underfunded	\$8,108,320	\$7,682,218	-\$426,102	-5%
Tolland	Underfunded	\$12,889,528	\$10,902,485	-\$1,987,043	-15%
Torrington	Underfunded	\$33,478,355	\$24,565,539	-\$8,912,816	-27%
Trumbull	Underfunded	\$8,770,545	\$3,310,992	-\$5,459,553	-62%
Union	Underfunded	\$243,920	\$241,791	-\$2,129	-1%
Vernon	Underfunded	\$27,449,311	\$19,650,126	-\$7,799,185	-28%
Wallingford	Underfunded	\$24,550,209	\$21,769,831	-\$2,780,378	-11%
Waterbury	Underfunded	\$180,175,738	\$132,732,623	-\$47,443,115	-26%
Watertown	Underfunded	\$15,399,382	\$11,951,602	-\$3,447,780	-22%
West Hartford	Underfunded	\$55,057,970	\$18,181,174	-\$36,876,796	-67%
West Haven	Underfunded	\$60,630,882	\$45,496,942	-\$15,133,940	-25%
Wethersfield	Underfunded	\$19,469,164	\$8,518,846	-\$10,950,318	-56%
Willington	Underfunded	\$4,166,031	\$3,718,418	-\$447,613	-11%
Winchester	Underfunded	\$8,279,000	\$8,187,980	-\$91,020	-1%
Windham	Underfunded	\$32,966,208	\$26,753,954	-\$6,212,254	-19%
Windsor	Underfunded	\$16,110,784	\$12,476,044	-\$3,634,740	-23%
Windsor Locks	Underfunded	\$6,932,890	\$5,274,785	-\$1,658,105	-24%
Wolcott	Underfunded	\$14,276,403	\$13,696,541	-\$579,862	-4%
Woodbridge	Underfunded	\$1,361,313	\$732,889	-\$628,424	-46%
Woodbury	Underfunded	\$3,291,559	\$942,926	-\$2,348,633	-71%
Woodstock	Underfunded	\$5,995,275	\$5,463,651	-\$531,624	-9%
Total:		\$2,570,832,766	\$1,932,393,909	-\$638,438,857	-25%