



CCM 2015 Testimony

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EDUCATION COMMITTEE

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Good morning, my name is Susan Bransfield, First Selectman of the town of Portland. Thank you for the opportunity to testify before you today on behalf of the Connecticut Conference of Municipalities (CCM).

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent 156 towns and cities and over 95% of Connecticut's population.

HB 7019, "An Act Concerning the Minimum Budget Requirement"

HB 7019 would, among other things, amend the Minimum Budget Requirement with regard to school districts that experience lower enrollment - from an allowable reduction of \$3,000 per student - to 50% of the net current expenditures per resident student. In addition, HB 7901 would - for fiscal years ending June 30, 2016, and June 30, 2017 - allow municipalities that are permitted to reduce overall budgeted appropriation for education - to reduce such appropriations up to 3% of their overall education budgets.

CCM **supports HB 7019** as meaningful relief from the state-mandated Minimum Budget Requirement (MBR).

Background:

The MBR is a statutory requirement that each town appropriate at least the same amount for education as it did the previous year. The MBR, and its predecessor the Minimum Expenditure Requirement (MER), were originally intended to be companions to ECS that would require towns to spend at least the foundation amount for each student. However, with the foundation remaining virtually flat over the years, minimum spending evolved into a requirement for towns to commit all or most new ECS aid they receive to local education budgets. Eventually any connection to per pupil spending or the foundation ceased to exist.

The MER, which set a minimum amount of local funding for education, was in effect until 2007. In 2007, the MBR was put into place. The original purpose of the MBR was to explicitly prohibit a municipality from supplanting local education funding when it received an increase in ECS funding.

Municipalities are required to budget at least the same amount for education for FY 15 as they did in FY 14. For non-Alliance Districts, any ECS increase in FY 15 must also be used for education and will be subject to the MBR.

Reductions of up to 0.5% of the budgeted appropriation are allowed for any of the following, though a district may select only one option.

- Lower enrollment (reduction of \$3,000 per student) or permanently closing a school. The Commissioner of Education would have to approve the reduction due to school closing.
- Documented cost savings resulting from (a) increased efficiencies within the school district, provided the Commissioner of Education approves the savings, or (b) a regional collaboration or cooperative arrangement with one or more other districts.
- A district with no high school paying for fewer students to attend high school outside the district - reduction of its budgeted appropriation by the full amount of its lowered tuition payments.

The MBR for Alliance Districts is their previous year's MBR plus any increase that might be needed to meet an increased minimum local funding percentage. That percentage is 22 percent in FY 15.

HB 7019 is a much-needed, logical proposal for many towns and cities to achieve efficiencies. In an era of frozen or reduced state aid and rising education costs, the MBR is unfair to residential and business property taxpayers.

CCM urges the committee to **favorably report HB 7019**.



If you have any questions, please contact Bob Labanara, State Relations Manager, CCM at rlabanara@ccm-ct.org or (203) 710-0491.