TESTIMONY OF CCJEF TO THE APPROPRIATIONS COMMITTEE

CONCERNING THE GOVERNOR'S PROPOSED EDUCATION FUNDING CHANGES

February 21, 2017

Good evening Senator Osten, Representative Walker, Senator Formica, Representative Ziobron and members of the Appropriations Committee. My name is James J. Finley and I am here today representing the Connecticut Coalition for Justice in Education Funding [CCJEF].

CCJEF is the largest and most diverse education reform coalition ever established in our state. Since 2005, CCJEF has been fighting for adequate and equitable educational opportunities for all of our over 50,000 K-12 public school students. We have championed this goal before all three branches of state government, most notably before the Judicial Branch in the historic *CCJEF v. Rell* state constitutional education adequacy and equity case.

CCJEF <u>opposes</u> the Governor's proposed changes to education funding in our state and instead urges the General Assembly to authorize and fund an <u>Education Adequacy Cost Study</u> for Connecticut to be jointly managed by the State Department of Education and CCJEF.

<u>Why an Education Adequacy Cost Study for Connecticut?</u>

For too long Connecticut has developed education funding policy backwards and without hard data. For too long our State has let budget politics, special interests and perceived fiscal "realities" determine how much to spend on K-12 public education. State government time and time again has backed into an education funding amount and then corrupted the Education Cost Sharing (ECS) formula and other funding programs to deliver an agreed upon spending amount. This has been the harsh reality since the inception of the ECS grant. Since 2013 we have not even maintained the fiction of using the ECS formula.

An <u>Education Adequacy Cost Study</u> is the necessary prerequisite to developing a new, rational and constitutional education finance system in Connecticut. Unlike the arbitrary, budget-driven efforts of the past and present, an Education Adequacy Cost Study would provide hard,

real-world data on **student needs** and what resources are necessary to meet our state constitutional responsibility to deliver an adequate and equitable educational opportunity for **every** K-12 public school student in our state.

Connecticut's shame is to tolerate some of the most economically and racially segregated school districts in the nation.

An Education Adequacy Cost Study would ensure that the resource needs of all school districts – successful, struggling, and those in between – as well as the resources needed by regular and all special needs students are identified and quantified. It would then be up to policymakers and stakeholders to put these resource needs in fiscal context, determine a state and local share, and rationally develop an education funding formula and system that is based on actual student needs.

Why oppose the Governor's education funding proposals?

The Governor's proposals concerning education funding for the next biennium would continue the mistakes of the past. It backs into reduced overall state support for K-12 public education because of perceived budget constraints and wrongly invokes the *CCJEF v. Rell* trial court decision to cut funding to 131 municipalities/school districts. The proposed changes to the ECS formula and special education reimbursements are not based upon empirical study and rational policy making.

Here are just a few of the problems with the Governor's education funding proposals:

1. Reduces overall state support for K-12 public education by at least $364 million [ECS: -$428 million; Excess Cost: -$136 million; New Special Education sliding scale (0 – 54%): +$598 million; New Teacher Retirement municipal contribution mandate: -$408 million; ECS supplement from Municipal Revenue Sharing: $10 million].
2. Zeroes out or reduces ECS funding to 131 municipalities/school districts.
3. The $428 million cut in ECS is justified by a fictional special education proxy that has no basis in per district special education student counts or expenses.
4. Lowers the ECS foundation amount from $11,525 to $8,999 for FY 18 and thereafter, but increases per pupil funding for charter schools from $11,000 to $11,500. [The ECS foundation amount in FY 08 was $9,687.]
5. Changes the student need factor in ECS from eligibility for Free and Reduced-Price Lunch to students eligible for HUSKY A medical benefits and lowers the student need multiplier in the formula from 30% to 20% in order to restrain district funding. [Note that undocumented immigrants are not eligible for HUSKY A medical benefits and that the Governor is also proposing to reduce eligibility for HUSKY A parents to 138% of poverty. About 9,500 parents will lose Medicaid under this proposal.] Student need should not be restricted to one proxy formula element but should represent the broad diversity of student needs in our state.

6. Zeroes out or reduces Special Education reimbursements to many municipalities/school districts and bases the 0 -54% reimbursement amount on a 5-year average of district Excess Cost reimbursements, not actual costs.
7. Imposes a new Teacher Retirement contribution mandate on all municipalities, regardless of wealth, equal to 1/3 of their teacher retirement costs. This new mandate is expected to cost municipalities $408 million in FY 18 and will increase every year thereafter. The Teachers' Retirement System is a statutory construct outside of municipal/school district control. It is managed and controlled by the State.
8. The Governor's education funding proposals will lower the State's share of K-12 public education costs and increase the overreliance on the regressive local property tax to fund education.

Conclusion

CCJEF urges the Appropriations Committee to reject the Governor's education funding proposals and instead enact and fund a much-needed Education Adequacy Cost Study. Such a study is the necessary first step to developing a rational, effective and constitutional education funding and finance system that provides a truly adequate and equitable educational opportunity to every K-12 public school student in Connecticut.

Let's reject the mistakes of the past.

We are all united in working to ensure the best opportunities for our public school students. An Education Adequacy Cost Study, jointly managed by the State and CCJEF, would send a strong message that we share common goals.

Thank you for your consideration.

[Attached to this testimony is a memo from the nationally renowned education consulting firm of Augenblick, Palaich and Associates (APA) of Denver, Colorado that explains in more detail what comprises an Education Adequacy Cost Study.]

Connecticut Coalition
for Justice in Education Funding

WWW.CCJEF-CT.ORG

To: Jim Finley

From: Justin Silverstein, Vice President

Subject: Adequacy Cost Study Update

Date: December 20, 2016

Jim,

The approaches used today to examine adequacy have the same names as those used during the original Connecticut study but have been significantly revised and focused over the past decade. APA would generally suggest using both the successful school districts (SSD) and professional judgment (PJ) approaches fully while incorporating elements of the evidence-based (EB) approach when designing a costing out study. Our current approach is described below.

APA believes one of the keys to success for any costing out study is having stakeholder buy-in on the standard that is being costing out. A standard includes identifying everything that is expected of students, teachers, schools, and districts. Generally APA works with the contracting group to create the standard either by reviewing available materials or bringing together a group of stakeholders to create the standard. Working with the Connecticut Department of Education, utilizing either approach, would provide us with good access to the most up-to-date requirements for students, teachers, schools, and districts.

Using the agreed upon standard, the SSD approach is implemented by identifying those districts that are closest to meeting the state standards and examining their expenditures. It is often the case that no district is meeting all current state standards, as measured by statewide assessments, but districts can be identified that are either out performing other districts at an absolute level or are showing student growth at a higher level than other districts. We would recommend incorporating both of these screens in the SSD analysis. APA then examines the base expenditures of these districts including applying efficiency filters to the resulting selected districts to ensure those that use resources inefficiently are excluded from the data analysis.

The PJ approach provides an opportunity to examine what it might take to meet all state standards by asking state educators to identify the resources needed to meet those standards. Since the first Connecticut study, the approach has evolved in two key ways. First, the approach now includes a more detailed look at the resources needed for special needs students. This is done by incorporating a series of special needs panels into the overall panel design. School level panels are first held to identify the resources needed at the elementary, middle, and high school level, the panels focus on the base resources needed for all students. The school level resources are then reviewed by special needs panels. The special needs panels identify the resources needed to serve special education, at-risk, and English language learner students. After the special needs panels meet, district panels review the work and apply the resources necessary at the district level to support schools. Finally, a state-wide panel meets

to review all the resources, adjust for consistency issues, and identify the appropriate resources prices. Second, the PJ approach incorporates information from the EB approach to use as starting point figures for the PJ panel discussions. Panels are not constrained by these initial figures, but instead they provide a research-based starting point that is then adjusted to suite a state's context.

The price for an adequacy study depends on the depth of the analysis. An SSD study generally runs about $50,000 including a full analysis and report. The PJ study price can vary based on the number of panels run and the resources being identified. A study that is looking at the base cost, size adjustment, and adjustments for all special needs categories would run between $200,000 and $225,000. This would include at least 12 panels held in Connecticut and a detailed report of the findings. Combining a full SSD and PJ study would lower the combine cost to between $225,000 and $250,000.

The PJ approach could also be tailored to examine specific aspects of the state's system such as only examining the base cost or focusing on specific special needs populations.

Once the results of the adequacy analysis is complete, the next step is to think about how to integrate the results of the analysis into the state's funding formula. APA would be happy to work with CCJEF and others on this implementation and can discuss further what that might look like once the process is better understood.

Please let us know if you have any additional questions we would be happy to discuss. You can reach me at 720-227-0075 or jrs@apaconsulting.net

Justin Silverstein