



**Testimony
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Connecticut Council of Small Towns
Before the Education Committee
March 16, 2017**

The Connecticut Council of Small Towns (COST) respectfully submits the following comments regarding **HB - 7255 - AN ACT ESTABLISHING A TASK FORCE TO CONDUCT A FEASIBILITY STUDY REGARDING THE CREATION OF A SPECIAL EDUCATION PREDICTABLE COST COOPERATIVE.**

COST appreciates the intent of HB-7255, which would create a special education cost cooperative to provide a more stable mechanism for funding special education.

Towns are committed to providing quality educational programs to meet the needs of special education students. However, given the increasing costs associated with special education programs, towns would welcome efforts to address the need for greater predictability and management of such costs.

We do have a number of concerns, however, with the proposal outlined in HB-7255. As drafted, the task force does not include any municipal representatives although municipalities have a tremendous stake in any effort to address special education funding.

In addition, the charge of the task force references “equitably distributing special education funding” and funding to towns “reduced by an equity adjustment based on the town’s ability to pay.” As such, COST is concerned that the mission of the task force set forth in the bill establishes as a foregone conclusion that special education funding should be largely based on town’s ability to pay.

Currently, based on the existing reimbursement rate and funding caps, municipalities shoulder more than 60% of special education costs, which are increasing by an estimated 5 – 6% each year. In 2015, the local share of special education exceeded \$1.8 billion, accounting for roughly 22% of all education spending in Connecticut.

The Excess Cost grant, which reimburses towns for special education costs exceeding 4.5 times the average per pupil expenditures, provides towns with some relief from unanticipated increases in special education costs. Unfortunately, rather than adequately fund the Excess



Cost grant or reduce the reimbursement threshold, the Governor's budget eliminates the Excess Cost grant and replaces it with special education funding based on a sliding wealth-based scale, ranging from 0-53.93%. This significantly reduces special education funding for numerous communities across Connecticut.

Whether a town's ability to pay should be considered in funding special education costs is a question that should be discussed in the broader context of education funding and the Education Cost Sharing formula. However, under the bill, the task force must include a town's ability to pay in funding special education.

In Connecticut's small towns, education spending already comprises 70% - 80% of the municipal budgets of Connecticut's small towns. Unfortunately, this means that property taxpayers bear the burden for funding education in these communities.

In fact, Connecticut is more reliant on property tax revenues to fund local services, including education, than any other state in the nation, according to the U.S. Census Bureau. Clearly, we need to reduce the burden on local taxpayers and ensure that the state meets its commitment to fund quality educational program for all students. We need to do this in a way that doesn't decrease ECS funding to any communities, recognizing that ECS, special education and other education grants are underfunded across the board.

COST is committed to working with the administration and lawmakers to develop thoughtful approaches to these budget and education challenges. However, efforts to add to the property tax burden by shifting costs for funding teachers' pensions to municipalities, must be rejected if we are to have any meaningful discussions about how to move forward with revisions to education funding.

Connecticut Council of Small Towns

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