

# Education Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5171

AN ACT PROHIBITING THE EXECUTIVE BRANCH FROM MAKING  
RESCISSIONS OR OTHER REDUCTIONS TO THE EDUCATION COST

**Title:** SHARING GRANT DURING THE FISCAL YEAR.

**Vote Date:** 3/16/2018

**Vote Action:** Joint Favorable

**PH Date:** 2/26/2018

**File No.:** 142

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## **SPONSORS OF BILL:**

Education Committee

## **REASONS FOR BILL:**

The purpose of HB 5171 is to prohibit the governor from reducing allotment requisitions or allotments in force concerning Education Cost Sharing (ECS) aid grants to towns under the ECS law. It notwithstanding any other provision of the general statutes or special acts.

Also, the bill adds ECS grants to the list of requisitions and allotments that the governor may not reduce under GCS 4-85 (e) (his rescission authority).

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

### **Benjamin Barnes, Secretary, Office of Policy and Management:**

Mr. Barnes testified on behalf of the Office of Policy and Management in opposition to HB 5171. He stated that since the legislature created and voted for a budget that included significant "lapses and holdbacks", which could not come solely from state agencies and non-profit grants. For that reason, the Governor was obligated to make cuts from large programs, such as Education Cost Sharing (ECS) in order to maintain a balanced budget. Moreover, if the Governor were to exclude ECS from future budget cut considerations, other critical and essential programs would have faced significantly larger cuts to make up the difference. In addition, Mr. Barnes underscored that the executive action to make mid-year cuts was a response to last year's fiscal environment, and local governments have ways to find money to make up for the reduced state funding in education.

## **NATURE AND SOURCES OF SUPPORT:**

### **Representative Tom Delinicki, 14<sup>th</sup> District:**

Rep. Delinicki spoke in support of HB 5171 because the bill creates predictability for ECS funds which is important to municipalities when creating education budgets. In addition, Rep. Delinicki believes that passing HB 5171 will de-politicize this essential funding.

### **Representative Gary Byron, 27<sup>th</sup> District:**

Rep. Byron submitted testimony in support of HB 5171 stating that municipalities need more predictability in their budgets. The Legislature and Executive branches inflict numerous unfunded mandates on local municipalities and while simultaneously cutting state aid. This forces the municipalities to have to raise property taxes on their constituents.

### **Dan Syme, First Selectman, Scotland:**

Mr. Syme spoke in support of HB 5171 because losing state funds months after the fiscal year has begun presents significant budget challenges and angers constituents.

### **Ray Rossomando, Director of Policy, Research and Government Relations, Connecticut Education Association (CEA):**

Ray Rossomando testified on behalf of CEA in support of HB 5171 because this bill would prohibit the Governor from making significant cuts to ECS funding midyear. Mr. Rossomando stated, "In December of 2017, Governor Malloy used executive authority to make additional, unanticipated, and devastating ECS cuts." These cuts had and continue to have negative consequences on student learning due to staff layoffs, increases in class size, and cuts to programs.

### **Betsy Gara, Executive Director, Connecticut Council of Small Towns (COST):**

Ms. Gara testified on behalf of COST in support of HB 5171. Many towns crafted budgets that would address anticipated reductions in municipal aid before the start of the July 1 fiscal year, while other towns waited until after that date to be able to use the accurate amounts allocated. When the Governor imposed additional cuts in ECS funding after the start of the budget year, towns had to cut or delay projects, issue supplemental tax bills and some had to use their reserve funds which "triggered lower bond ratings leading to higher capital borrowing costs." "Also because the budget adjustment language did not specifically reference midyear rescissions, towns were precluded from adjusting budgets to reflect the holdbacks." Additionally, towns that waited until after July 1 to compile their budget were not allowed to adjust their budget. COST urges lawmakers to support HB 5171 **and** to adopt legislation specifying that any midyear lapses or holdbacks in education funding enacted in 2017 are reflected for purposes of determining a school's district Minimum Budget Requirement."

### **Dr. Matthew Conway, Jr., Superintendent, Derby Public Schools:**

Dr. Conway spoke in favor of HB 5171 stating that midyear ECS reductions created distractions in and outside of the classroom setting in town schools because of the need to layoff teachers midyear to address budget shortfalls cause teachers to be anxious about potentially losing their job. In addition, mid-year reductions delayed support programs and vital resources for the neediest students in school districts.

**Patricia L. Buell, Superintendent, Brooklyn Schools:**

Superintendent Buell spoke in favor of HB 5171. Ms. Buell stated, “This year Brooklyn ECS was reduced by \$925,961 which was a 13.3% reduction. This resulted in four mid-year reduction or elimination of programs. We offered early retirement incentives and laid off two new teachers and two non-certified positions.” These layoffs led to additional costs and modifications in the form of unemployment expenses, having to switch a veteran teacher’s grade level midyear, and changing student bus schedules to deal with the impact of reduced staffing.

**Maureen Brummett, Superintendent, Plainville Community Schools:**

Superintendent Brummett spoke in favor of HB 5171. She explained that midyear ECS reductions this year of \$1.9 million resulted in cuts to school programs and a supplemental tax bill on local citizens. The increased uncertainty about future ECS funding caused the Board of Education to vote down the addition of a School Resource officer, and the vote to cut more than 10 current school positions. The Parkland shooting occurred the day after Plainville voted against hiring the additional officer, which left the school administrators very concerned about school safety. Superintendent Brummett stated that passing HB 5171 will improve local education and enhance school security.

**Dr. Christine Carver, Superintendent of Bethel Public Schools:**

Dr. Carver testified in support of HB 5171 stating that providing quality educational services to the growing student population of Bethel with fewer resources is challenging. To cope with the loss of \$1,083,000 in ECS funding for FY 2017-2018, which occurred due to Governor’s mid-year cuts, Bethel School District eliminated and reduced teacher and staff positions, including in shortage areas, and delayed filling open positions. On top of the loss of \$1,083,000 in ECS funding, the school district cut \$560,000 in non-payroll items, such as health benefits, school supplies, and maintenance and security efforts in their schools. Dr. Carver listed multiple negative impacts due to these cuts: including increased K and 1 class sizes, inadequate professional learning for teachers, being unable to provide adequate service to English Learners, not enough administrative support for discipline, and inability to complete school security upgrades.

**Joan A. Lewis, Chairman, Coventry Town Council**

Ms. Lewis spoke in favor of HB 5171 stating that midyear ECS reductions negatively impact towns and the services they provide because the cuts force them to either do a midyear tax increase or freeze and/or cut other parts of the town’s budget. Ms. Lewis shared, “This year, Coventry’s adopted budget, which was lower than the prior year’s budget of 2016-2017, still required a .8 mil tax increase due to reductions in State aid. Less than a few weeks after adoption of this budget, we received the Governor’s holdbacks of almost \$750,000 - one mil in Coventry is \$937,758. Rather than do a mid-year tax increase, among other things, we froze our Capital Budget, delayed hiring of replacement positions, and made further cuts to the budget.” Being unable to anticipate and count on ECS funding for a budget year makes creating a town budget especially challenging.

**John Elsesser, Town Manager, Coventry:**

Mr. Elsesser spoke in favor of HB 5171. Mr. Elsesser explained that the initial state budget cuts amounted to \$440,000 for Coventry, and then the Governor held back and additional

amount of close to \$750,000 (or 2.72% of prior year's expenditures). As a result of these unanticipated and drastic cuts in ECS funding, there were major problems in Coventry, such as:

- Cutting 11 school positions
- Having to freeze capital spending and personnel replacement
- Starting the sale of town owned land to generate revenue
- Receiving a lower Moody's bond rating by one level
- Forcing the town to renege on plans to improve equipment for firefighters and police officers and to maintain funds for open space

Mr. Elsesser further stated that being unable to anticipate funding from the state makes it impossible for a town to budget appropriately and accurately. Coventry reduced its' budget below the prior's year, but due to the unanticipated state aid reductions, the town had to increase the mill rate by .8 mills. Because of these unexpected cutbacks, it is difficult for local officials to maintain the trust of their citizens when plans that are promised are cut and taxes are raised to cover the reduced state funding.

**Robert P. Valentine, First Selectman, Town of Goshen:**

Mr. Valentine testified in support of HB 5171. Mr. Valentine explained that when the mid-year cuts took effect the Goshen school budget could not be cut because it was adopted through a referendum. As a result, the town budget bared the fiscal brunt of the mid-year ECS funding cuts, which put enormous pressure on critical town programs, including road repairs and building projects. He also noted that allowing the executive branch to carry out budget lapses or deficit holdbacks is fairly recent because the legislature acknowledges the extremely fiscal instability mid-year cuts cause municipal budgets and the delivery of education, public safety, transportation and other critical services. He went on to say that he believe this bill will put an end to this fiscally irresponsible practice.

**Robert Congdon, First Selectman of Preston; Sean Nugent, Preston School Board Chair; Ray Seitsinger, Superintendent of Preston Public Schools:**

This group of Preston school and town leaders testified in support of HB 5171. The expressing that having stable town funding is essential to providing a fiscally prudent, yearly and long-term budget that everyone in the community can rely on and have confidence in. They stated that midyear cuts have had a negative impact on communities. For example, their district's initial referendum vote on a 5-year capital plan was negatively impacted by the lack of FY budget by both the governor and the legislative body and pending additional reductions from the executive branch. Consequently, they explained that these latter changes are likely to impact the requests next fiscal year as the basic funding provided by the state was less, and potentially forcing financially stable communities to dip again into their reserves.

**Adam S. Burrows, Superintendent, Voluntown Public Schools:**

Superintendent Burrows testified in support of HB 5171 stating that prohibiting the Governor from making midyear cuts to ECS helps towns, like Voltutown from having to make drastic budgetary cuts that jeopardizes quality of education and meeting the needs of students.

She went on to say that this year's budgetary financial uncertainty, while waiting for the state budget to be finalized, created many challenges to the district, such as having to maintain a temporary budget with 0% increase until the state finalized the amount of ECS each district would receive. Moreover, during this time, Voluntown did not hire additional school staff, delayed security upgrades, held back on maintenance, and reprioritized long-term projects. Voluntown lost an initial amount of \$125,131 in state aid but then lost an additional \$327,930 from the additional holdback. In planning for the 2018-2019 town budget, Voluntown is factoring in an additional cut of \$98,897 in ECS funding which will result in eliminating one certified teaching position; they are also looking at reducing other positions to balance the budget. Any additional future rescissions after the budget is created will negatively impact the consistency of the Voluntown students' educational experience. For these reasons, Superintendent Burrows supports HB 5171.

**[Connecticut Association of Boards of Education, Inc. \(CABE\):](#)**

CABE supports HB 5171 stating that local school officials need predictable state funding so they can prioritize and make the best educational decision for their students.

**ADDITIONAL SOURCES OF SUPPORT**

The following individuals submitted edited form letters from CT Conference of Municipalities in support of HB 5171. These individuals expressed that HB 5171 will create stability and predictability in state funding for education by not allowing the Executive branch to rescind such funding after the start of the fiscal year. Towns rely heavily on property taxes to fund local education and cuts in state education aid result in cuts to services in towns in order to maintain a balanced budget:

**[Shari Cantor, Mayor of West Hartford](#)** {shared via CT Conference of Municipalities (CCM)}

**[Mike Criss, First Selectman of Harwinton](#)** (shared via CCM)

**[Steve Werbner, Town Manager of Tolland](#)** (shared via CCM)

**[Daniel Giunga, Senior Legislative Associate, CT Conference of Municipalities](#)**

**[Tom Banisch, First Selectman of Madison](#)** (shared via CCM)

Mr. Banisch also noted increasing taxes has a significant negative impact on senior citizens living on a fixed income.

**[Anthony Favry, Chairman, Ledyard Board of Education](#)**

Mr. Favry submitted testimony in support of HB 5171.

**NATURE AND SOURCES OF OPPOSITION:**

**[Benjamin Barnes, Secretary, Office of Policy and Management](#)**

(see summary under RESPONSE FROM ADMINISTRATION/AGENCY)

**Reported by: Tamara Morris**

**Date: March 26, 2018**