Testimony
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On behalf of the Connecticut Council of Small Towns
Before the Education Committee
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My name is Rudy Marconi, First Selectman of Ridgefield and I am the President of the Connecticut Council of Small Towns (COST), which represents 110 smaller communities throughout Connecticut.

Thank you for the opportunity to testify in _**opposition**_ to SB-457, AN ACT CONCERNING THE SIZE OF SCHOOL DISTRICTS, which mandates the consolidation of small school districts with fewer than 2,000 students.

WHY PENALIZE THE SMALL SCHOOL DISTRICTS?
The state Department of Education asked this very question in its 2013 Report on the Study of Small School Districts after concluding that small school districts "are not necessarily the highest spending districts, individually or as an average". In fact, in reviewing the 2017 Net Current Expenditures Per Pupil (NCEP), 86 small towns are spending below the average. If the goal is improving efficiencies and reducing education costs, lawmakers should initiate a review of spending levels across categories for all school districts and determine where there are opportunities to improve efficiencies across the board.

SCHOOL DISTRICT CONSOLIDATION/REGIONALIZATION DOES NOT GUARANTEE SAVINGS
Small school district consolidation is touted as a way to reduce costs and inefficiencies. However, there is little research-based evidence to prove that consolidation guarantees any meaningful savings. A 2018 report by the Hartford Foundation for Public Giving ("K-12 Regionalization Report in Connecticut") concludes that "regionalization of school districts does not always lead to reductions in expenditures – neither short-term nor long-term". Other studies conducted by the National Education Policy Center indicate that "[f]inancial claims about widespread benefits of consolidation are unsubstantiated by contemporary research about cost savings…"

In fact, some smaller school districts in Connecticut have explored consolidation options and concluded that consolidation would not result in any meaningful cost savings, based on consideration of various factors. Under existing law, two or more towns interested in forming

regional school districts are required to create a committee and perform a study to determine whether regionalization is feasible based consideration of costs and educational outcomes.

A study undertaken by Regional School District 7 to regionalize K-6 to the existing middle school and high school grades, found that regionalization would increase the cost of K-6 education in two communities. It also noted that many of the potential advantages of regionalization, such as cooperative purchasing, shared staff, and common curricula, have already been done. Other studies recognize that consolidation may involve substantial upfront costs

FORCED SCHOOL DISTRICT CONSOLIDATION/REGIONALIZATION MAY UNDERMINE THE QUALITY OF EDUCATION

SB-457 fails to include any consideration of how consolidation may affect student outcomes. Many small school districts are located in rural areas where homes are spread out across a wide geographic area. For these students, forced consolidation may result in less time in the classroom and more time on the bus. Moreover, additional transportation costs, including costs associated with fuel, maintenance, drivers, garages and parking facilities, may wipe out any savings generated from consolidation.

SCHOOLS ARE A VITAL PART OF OUR COMMUNITIES

In Connecticut's small towns, schools are a vital part of our communities. Residents of all ages attend plays, concerts, and athletic events to come together as a community to support the students and each other. In addition, one of the top factors that people consider when buying a home is the quality of the schools.

In addition, as noted in the Hartford Foundation Report, "Rural communities that close their local school because of regionalization later experience social disintegration because the school is no longer central to the community". Moreover, closing a school in a small rural community could negatively impact local tax revenues due to the loss of school personnel in the community, who may move to other areas.

FACILITATE SHARED SERVICES APPROACHES

COST urges lawmakers to reject this one-size-fits-all, forced consolidation proposal, and instead, support measures to facilitate voluntary shared services and regional approaches where it is determined that savings can be achieved, and the quality of education preserved. In addition, to assist towns in controlling education costs, which comprise 70-80% of our local budgets, COST recommends the following:

➢ **ELIMINATE THE MINIMUM BUDGET REQUIREMENT**

If the goal is cost savings, give towns and taxpayers the ability to control education costs by eliminating the Minimum Budget Requirement (MBR) for all non-Alliance school districts. The MBR requires school districts to budget at least the same amount for education as they did in the prior fiscal year, except under certain limited circumstances. School districts that fall below the MBR face stiff forfeiture penalties of two times the budget shortfall, which can have a devastating impact on local budgets.

Recognizing that the MBR is flawed, the General Assembly recently adopted legislation providing towns with greater flexibility to reduce education spending to reflect declining enrollment, school closure, and reductions in state education funding. Despite these changes, towns continue to be handcuffed by the MBR because any reductions in the education budget below the MBR are subject to approval by the state Department of Education. Several towns that have worked hard to reduce education budgets have received notices from the department indicating they would face stiff penalities unless they reinstated funding to meet the requirements of the MBR. It's time to take the handcuffs off and allow towns to control education costs.

➢ **ADDRESS CONCERNS WITH EXISTING REGIONAL SCHOOL DISTRICTS**

Despite the focus on regionalizing schools, SB-457 fails to address concerns raised by towns currently participating in regional school districts. COST urges lawmakers to focus on addressing these issues, including:

1. Requiring Regional Boards of Education to have a Regional Board of Finance to provide input on education budgets.
2. Allowing the use of a five-year rolling average in determining the Average Daily Membership (ADM) in schools for purposes of calculating member town allocations. ADM, the amount each town within a region is required to pay per student, is currently calculated in October for the following school year. Due to year to year fluctuations in student enrollment, towns are unable to budget effectively.
3. Allow towns to act as and be regarded as a local education agency in order to maximize efficiencies without becoming a regional school district.

➢ **FACILITATE THE CONSOLIDATION OF NON-EDUCATIONAL EXPENDITURES**

Lawmakers should build on efforts to assist municipalities in facilitating the consolidation of non-education expenditures to achieve cost savings, including:

1) Strengthening the existing statute to permit a town's appropriating authority to initiate the consolidation of non-educational services, such as the shared maintenance of

buildings, grounds, equipment, and IT between schools and towns and the purchase of health, property casualty and workers' compensation insurance;

2) Prohibiting boards of education from hiring any administrative personnel for positions which are not included in the approved education budget without town concurrence;
3) Requiring boards of education to adhere to town purchasing procedures; and
4) Requiring boards of education to consult with towns before purchasing new payroll, and payable software systems to determine whether such purchases can be shared or purchased on a regional basis.

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.