

February 26, 2019

Chairmen McCrory and Sanchez, Ranking Members Berthel and McCarty, and esteemed members of the Education Committee:

Thank you for allowing me to submit testimony in opposition of SB 457, SB 738 and SB 874. Education is a competitive advantage for Connecticut. Therefore, any action regarding schools **should be, at a minimum, neutral to educational outcomes.**

In order to identify substantial, viable ways to generate cost savings and share services, we need to incent innovation. Focusing on a specific execution, like eliminating superintendents or regionalization, has the unintended consequence of disincenting innovation. Based on professional experience in Innovation Strategy and Insights for Fortune 500 companies, I've learned **successful innovation** doesn't happen from top-down one-size-fits-all approaches. It **occurs when a common goal is shared, but the means to achieve it is flexible.**

Shared Services and Home School Provisions in Governor's Bill 874

A "one-size-fits-all" approach (like reducing superintendents or regionalized special education) disincentivizes innovative shared service opportunities. Therefore, any study commission scope should not focus on providing / incenting specific solutions, but either:

1. **Reviewing existing law for opportunities to reduce regulatory burdens and pro-actively self police proposed legislation by evaluating cost/time impact.** For instance, tucked within bill 874 is a requirement for **homeschoolers** to register annually at their school district. This provision adds no value to the state, work to the district and imposes on parental rights. All of these add-ons combine to create a significant and expensive regulatory burden that outweighs their value.
2. **Learn from progressive towns and districts doing this work and use knowledge to reduce legislative hurdles that impede them.** For example, the state could reduce barriers to forming special education partnerships through revision of existing laws - without creating new "districts." 874's approach also penalizes progressive towns that are making substantial progress on many dimensions. **Wilton, for example, has been progressive in fiscal management and shared services**, since consolidating from 3 to 2 elementary schools in 2010, including (but not limited to):
 - **Sharing staff between the town and school district:** including CFO & Facilities Director.
 - **Partnering with the town** through town management of school athletic facilities and shared agreements for medical claims administration, fuel purchasing and electricity.
 - And we continue to seek new opportunities including **finalizing a partnership with Weston** for a shared solar field and **investigating other shared initiatives** including around electricity, rising medical costs and recycling charges.

Regionalization in SB 457, SB 738 and SB 874

Connecticut doesn't need to study regionalization because nationally, there have been many studies and pilot programs, including in Connecticut. These studies (a few cited below) show the benefits of consolidation are vastly overestimated because:

1. **Educational outcomes are often negatively impacted by consolidation** - particularly if consolidated districts have more than 1000 students. Size creates diffusion of responsibility, compromises connectedness, and saps student and teacher motivation. Municipality-based education is more successful because of a built in "community" connection. These impacts are magnified for low-income students [1].
2. **Economies of scale are limited in education, while financial benefits are vastly overestimated.** The NCSL's summary of consolidation research notes it "is most effective at cutting costs when the districts involved are small (300 pupils). When districts reach 1,500 pupils or more, ...consolidating had little to no impact on cost effectiveness" [2]. And when promoting regionalization for cost efficiencies, consider that "...it is the the application of a business practice [mergers] found to have a **50% failure rate.**" [1] Also, savings are projected on a per district basis and often include state aids and grants intended to incent consolidation and thus savings don't accrue to the state.

Legislating regionalization or a two year study adds to the volatility and uncertainty in the markets for both businesses considering moving to or expanding in Connecticut and families considering investing in our housing market. And a study takes effort and resources away from areas that could achieve more meaningful improvements.

Connecticut faces challenging problems, including January 2019 reporting the lowest year over year home sales since 2009 recession. Forced or incentivized regionalization is not the answer. Nor are "one-size-fits-all" directives about shared services. Please consider instead removing barriers and seeking/sharing best practices in shared services and fiscal management while providing support to those leading the way. This approach removes some market uncertainty for employers and the housing market, while demonstrating the state's willingness to work with citizens and municipalities.

Thank you again for reading our testimony. Please reach out with any questions or comments you may have. Best,

Kim & Matt Hall
Wilton CT

Cited Sources:

1. http://www.hfpg.org/files/7915/3013/0299/Regionlization_Report_Draft_as_of_6-27-2018.pdf
2. <http://www.ncsl.org/research/education/school-and-district-consolidation.aspx>

Other Selected Sources:

- <https://www.americanprogress.org/wp-content/uploads/2013/08/SchoolDistrictSize.pdf>
- http://www.ruraledu.org/user_uploads/file/Dollars_and_Sense.pdf