



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE EDUCATION COMMITTEE

MARCH 1, 2019

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Secretary
Office of Policy and Management

Testimony Supporting

HOUSE BILL No. 7150

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS
CONCERNING EDUCATION

AND

SENATE BILL No. 874

AN ACT CONCERNING EDUCATION INITIATIVES AND SERVICES IN
CONNECTICUT

Senator McCrory, Representative Sanchez, Senator Berthal, Representative McCarty and distinguished members of the Education Committee, thank you for the opportunity to offer testimony on House Bill No. 7150, *An Act Implementing the Governor's Budget Recommendations Concerning Education*; and Senate Bill No. 874, *An Act Concerning Education Initiatives and Services in Connecticut*. Education should provide the best possible learning opportunities to all students and that has been our focus in developing these proposals. We can and should take every opportunity to help students achieve their dreams, and we believe these bills encourage educators to focus on needed services and programs for students as their spending priority.

House Bill 7150 makes various changes to the education statutes in order to implement the Governor's budget. Governor Lamont's recommended budget maintains non-

education statutory formula grants at FY 2019 levels by reinstating the statutory payments lists, providing municipalities with greater funding predictability. The budget honors the historic bipartisan Education Cost Sharing (ECS) funding formula agreement achieved in PA 17-2 JSS. It is largely unchanged except for two factors: (1) those that affect the phase out of the grants for towns whose fully funded grant is less than the current level and (2) changing the data source used for identifying students who are eligible for Free and Reduced Price Lunch (FRPL), as a measure of need in the formula. The current source of FRPL data became problematic due to the change to community eligibility and is from self-reported district data that may cause variations among districts based on local data processing practices. The new source of data used for identifying students who are eligible for FRPL is Direct Certification, which automatically matches student data with data provided by the Department of Social Services (DSS) including SNAP, TFA, and income-dependent Medicaid, and Department of Children and Families (foster care). This data is more reliable, consistent, and verifiable and is already used to determine eligibility in school nutrition programs. SDE and OPM are reviewing some data questions to further refine the Direct Certification method. Updated October 1, 2018 statistics such as resident student count, median household income, and population are used in the ECS formula pursuant to current law.

These bills provide relief to municipalities from minimum budget requirements (MBR) for those districts that plan and implement shared services arrangements with other entities and school consolidations. The bill also provides MBR relief of up to 50 percent of the respective ECS increase in FY 2020 or FY 2021 in acknowledgement of the rising operating costs that districts and municipalities face in funding their current educational program.

House Bill 7150 would also require municipalities or local school boards to fund a portion of their attributable Teachers' Retirement System normal cost in order to ensure that districts share responsibility with the state regarding the impact of teachers' salaries on later pension requirements that the state has borne. The Teachers' Retirement System normal cost does not include any unfunded liabilities accrued by the state in the past. In the case of regional school districts, the constituent towns will contribute their portion of the normal cost; otherwise, funding will come from local school boards. The payment list in the bill constitutes a phased-in approach in which municipalities will make one-third of their contribution in FY 2020 and two-thirds in FY 2021. The total amount sought in FY 2020 payments is \$23.9 million and \$49.4 million in FY 2021. Beginning in FY 2022, contributions from districts consist of (1) 25% plus the marginal percentage above the median town average pensionable salary for non-Distressed Municipalities, and (2) 5% of the normal cost for Distressed Municipalities. There is an error in Section 6 which contains the town-by-town payment list, and substitute language is attached. I have also

provided the corrected town-by-town payment lists for all statutory formula grants as an appendix.

Senate Bill 874

Connecticut is a diverse state with 169 municipalities and 206 school districts, 1,493 public schools/programs and a total enrollment of 535,025 students. SB 874 aims to provide Connecticut's children with a better education while simultaneously enabling school districts to put resources where they are most critical – programming for students - by promoting efficiency through shared services and consolidation. Some school districts are so small that they are unable to provide students with some necessary educational programming to help them succeed in college and the workforce. This bill will engage many stakeholders to develop a plan for sharing of school services, redistricting or consolidation of school services and school districts; improve efforts to meet the needs of students receiving special education through cooperative or regional models, or Centers for Excellence; and offer incentives via a reimbursement bonus for those school building projects that are for cooperative and regional school district expansion projects. Funding of \$800,000 for three positions and consulting services is provided in the Department of Education's budget in order to help this process be robust. Shared Services cannot be one-size fits all and we believe a more collaborative, engaging approach with key milestones will yield better results than the approaches proposed in the other bills before you today. This approach also provides for coordination with regional and service sharing efforts through the Connecticut Advisory Commission on Intergovernmental Relations, as detailed in House Bill [7192](#), currently before the Planning and Development Committee and the written testimony submitted today by OPM Undersecretary Jonathan A. Harris.

Additionally, to provide a more child-centric focus to improve learning and ensure no child is left behind, the bill also requires additional in-service training for teachers on social-emotional learning, trauma-informed instruction and behavior management strategies as well as requiring parents who home school their children to register with their school district. The bill enhances transparency, by requiring school districts to post their curriculum online, and we respectfully request that you help further that transparency by requiring local and regional school districts to post their current and projected expenditures and revenues on each board's website each month and provide them to the local financial officials and legislative body. Finally, the bill makes some changes in the school construction statutes, as elaborated on in DAS' written testimony.

I respectfully request that the committee support these bills. I would like to again thank the Committee for the opportunity to provide this testimony, and I am happy to answer any questions you may have.

Substitute Language submitted by the Office of Policy and Management (OPM) for:

HB 7150, "AA Implementing the Governor's Budget Recommendations Concerning Higher Education"

Sec. 6. (NEW) (*Effective July 1, 2019*) (a) Each local treasurer or other person having custody of amounts deducted under chapter 167a of the general statutes by an employer, as defined in section 10-183b of the general statutes, shall annually transmit to the board, as defined in section 10-183b of the general statutes, on or before December thirty-first of each year, a reimbursement payment for a portion of the normal cost, as defined in section 10-183b of the general statutes, as follows:

	Reimbursement for Fiscal Year 2020	Reimbursement for Fiscal Year 2021
Andover	22,311	46,074
Ansonia	16,601	34,283
Ashford	28,016	57,856
Avon	329,381	680,203
Barkhamsted	23,093	47,689
Beacon Falls	37,930	78,329
Berlin	133,840	276,392
Bethany	42,128	86,998
Bethel	126,348	260,921
Bethlehem	22,483	46,430
Bloomfield	90,273	186,422
Bolton	41,244	85,173
Bozrah	15,053	31,086
Branford	201,290	415,683
Bridgeport	147,787	305,194
Bridgewater	13,467	27,811
Bristol	69,038	142,570
Brookfield	130,222	268,921
Brooklyn	42,981	88,760
Burlington	72,674	150,079
Canaan	8,750	18,070
Canterbury	29,122	60,140
Canton	72,860	150,463
Chaplin	2,859	5,904
Cheshire	284,061	586,613
Chester	19,513	40,296

Clinton	106,099	219,104
Colchester	114,397	236,241
Colebrook	10,139	20,938
Columbia	39,708	82,001
Cornwall	11,193	23,115
Coventry	80,784	166,827
Cromwell	86,526	178,684
Danbury	479,299	989,798
Darien	445,504	920,008
Deep River	25,062	51,755
Derby	11,497	23,742
Durham	75,594	156,109
Eastford	9,986	20,622
East Granby	52,688	108,806
East Haddam	61,962	127,957
East Hampton	151,185	312,211
East Hartford	66,138	136,581
East Haven	24,615	50,832
East Lyme	130,771	270,054
Easton	107,062	221,093
East Windsor	73,004	150,760
Ellington	116,032	239,617
Enfield	46,059	95,116
Essex	31,944	65,967
Fairfield	692,351	1,429,770
Farmington	256,006	528,677
Franklin	10,929	22,569
Glastonbury	500,375	1,033,322
Goshen	24,159	49,891
Granby	85,867	177,323
Greenwich	1,321,469	2,728,959
Griswold	15,479	31,966
Groton	288,219	595,200
Guilford	166,052	342,913
Haddam	57,999	119,773
Hamden	309,894	639,960
Hampton	9,861	20,364
Hartford	169,899	350,858
Hartland	11,870	24,513
Harwinton	36,714	75,818
Hebron	71,039	146,702
Kent	17,742	36,639
Killingly	98,333	203,067

Killingworth	39,738	82,063
Lebanon	50,238	103,746
Ledyard	135,891	280,628
Lisbon	24,492	50,578
Litchfield	53,811	111,125
Lyme	19,260	39,774
Madison	150,783	311,381
Manchester	315,607	651,758
Mansfield	133,525	275,742
Marlborough	47,411	97,908
Meriden	68,582	141,628
Middlebury	70,909	146,434
Middlefield	39,353	81,268
Middletown	261,814	540,671
Milford	319,611	660,027
Monroe	315,380	651,290
Montville	22,834	47,154
Morris	17,696	36,544
Naugatuck	36,435	75,242
New Britain	89,533	184,894
New Canaan	493,041	1,018,176
New Fairfield	153,950	317,921
New Hartford	42,270	87,292
New Haven	183,768	379,498
Newington	291,524	602,025
New London	27,789	57,387
New Milford	173,546	358,389
Newtown	240,135	495,902
Norfolk	9,109	18,811
North Branford	83,511	172,458
North Canaan	23,220	47,951
North Haven	159,014	328,379
North Stonington	38,718	79,956
Norwalk	1,098,729	2,268,979
Norwich	37,069	76,551
Old Lyme	74,966	154,812
Old Saybrook	74,456	153,759
Orange	137,133	283,193
Oxford	80,646	166,542
Plainfield	88,868	183,521
Plainville	107,640	222,287
Plymouth	62,848	129,787
Pomfret	24,714	51,037

Portland	59,327	122,516
Preston	5,864	12,110
Prospect	59,352	122,567
Putnam	10,696	22,088
Redding	186,463	385,064
Ridgefield	458,602	947,057
Rocky Hill	171,817	354,818
Roxbury	26,411	54,541
Salem	19,241	39,734
Salisbury	22,391	46,240
Scotland	11,691	24,143
Seymour	114,309	236,059
Sharon	16,883	34,865
Shelton	316,724	654,065
Sherman	36,769	75,931
Simsbury	304,466	628,751
Somers	69,316	143,144
Southbury	143,935	297,239
Southington	270,241	558,073
South Windsor	278,508	575,145
Sprague	3,193	6,594
Stafford	69,848	144,243
Stamford	1,419,081	2,930,537
Sterling	14,003	28,918
Stonington	100,054	206,621
Stratford	421,635	870,716
Suffield	120,608	249,067
Thomaston	41,701	86,117
Thompson	45,472	93,904
Tolland	100,136	206,790
Torrington	36,608	75,599
Trumbull	510,870	1,054,995
Union	5,152	10,639
Vernon	153,153	316,275
Voluntown	17,050	35,210
Wallingford	395,021	815,756
Warren	9,282	19,168
Washington	33,471	69,121
Waterbury	142,213	293,683
Waterford	236,458	488,308
Watertown	110,739	228,687
Westbrook	48,901	100,985
West Hartford	524,216	1,082,556

West Haven	52,481	108,378
Weston	275,925	569,811
Westport	607,762	1,255,086
Wethersfield	249,606	515,460
Willington	32,990	68,127
Wilton	462,951	956,038
Winchester	10,765	22,231
Windham	31,268	64,571
Windsor	190,793	394,006
Windsor Locks	99,309	205,082
Wolcott	99,736	205,964
Woodbridge	93,622	193,338
Woodbury	72,951	150,651
Woodstock	48,729	100,630
Total	23,915,156	49,387,062

(b) For the fiscal year ending June 30, 2022, and each fiscal year thereafter, contributions, as defined in section 10-183b of the general statutes shall be paid annually by the local treasurer or other person having custody of amounts deducted under chapter 167a of the general statutes by an employer to the board as follows:

(1) An employer in a municipality that is not a distressed municipality, as defined in section 32-9p of the general statutes, shall contribute (A) a minimum of twenty-five per cent of its allocable portion of the normal cost, as calculated by the Office of Policy and Management, and (B) an additional percentage of its allocable portion of the normal cost that is equal to its percentage above the statewide median pensionable salary per full-time equivalent, as calculated by the Office of Policy and Management; and

(2) An employer in a municipality that is a distressed municipality, as defined in section 32-9p of the general statutes, shall contribute five per cent of its allocable portion of the normal cost, as calculated by the Office of Policy and Management.

(c) If the local treasurer or other person having custody of amounts deducted under chapter 167a of the general statutes by an employer fails to make a payment required under subsection (a) or (b) of this section within thirty days after the date that such payment is due, the board shall assess a penalty on such employer in an amount of five per cent of the total amount of such payment due.

(d) Notwithstanding any provision of the general statutes, if any employer defaults in the

payment of its obligation under subsection (a) or (b) of this section, the State Treasurer shall notify the State Comptroller, Commissioner of Education, Commissioner of Administrative Services and Secretary of the Office of Policy and Management that such employer is in default of such obligation. Upon receipt of notice of such default, the State Comptroller shall withhold an amount equal to the sum of such obligation and any penalties assessed pursuant to subsection (c) of this section from the payments of any state aid or assistance to such employer or the municipality of such employer.