The Connecticut Association of Boards of Education, while recognizing the significant fiscal challenges faced by the state, is deeply concerned about a number of the proposals in HB 7150. The economic challenges faced at all levels of government are felt most intensively at the local level – where we are in the middle of the budget development and adoption season. Many districts have faced several years of 0% budget increases. Given the number of new initiatives and reforms put in place by the federal, state and local governments, this is a time where we need to maintain our investment in our public schools.

CABE is particularly concerned with the provision in section 6 that would require contributions from local communities towards the normal cost of funding the Teachers’ Retirement System (TRS). Communities have had no opportunity to address this issue during the course of collective bargaining. Teacher salaries are not unilaterally determined by the board or education. They are determined in the context of a very difficult collective bargaining system that concludes in binding arbitration and effectively removes control of teacher salaries from boards of education. The difference in pension costs between towns is not related as much to salaries as it is to length of service – which is a prime determinant of pension amounts under the formula adopted by the General Assembly.

The acceleration of the elimination of the Education Cost Sharing Grant for certain communities, coming at the same time as the proposal to require TRS contributions, will be very challenging. This will exacerbate the constraints on the local budgets and the ability to provide quality educational services.

Continuation of the cap on the Special Education Excess Cost Grant, adult education, and bilingual education creates an increased hardship on local districts as these costs rise. We do applaud the initiatives proposed by the Governor that would explore more cost effective delivery models for special education, but until such time as those are in place, the removal of the cap on the Special Education Excess Cost Grant would restore the safety net available to districts for these extraordinary educational costs.

CABE also cautions against the sudden shift (section 21) from Free and Reduced Price Lunch data to the “direct certification counts”, in the ECS formula, as this has a significant negative impact on some of Connecticut’s neediest districts.

The proposal in section 1 to eliminate state funding for health and welfare service to pupils in private schools, and to require that the private schools reimburse the local school district will put local districts in the position of collection agencies, with no recourse if the private school is unwilling or unable to pay.
CABE does not support the proposal in section 3, conditioning 50% of increased ECS aid to non-alliance school districts on the districts submitting, and the Commissioner of Education approving, detailed expenditure plans, almost identical to those that alliance districts must submit to SDE. ECS, by design, is an entitlement grant. This would convert this portion of the aid to a categorical grant. SDE oversight of alliance district expenditures is a condition of receiving alliance funding which is a conditional grant. In addition, this proposal would also place an unnecessary and substantial administrative burden on all Connecticut school districts and the Department of Education, which would now be required to review and approve plans for every school district as it now does for alliance districts. The time spent developing a plan and having it approved could, in effect, negate the additional funding to the districts that 50% of an increase in aid represents.

CABE supports the intent of section 4, to provide alliance districts flexibility in how they spend state aid to improve student achievement by allowing them to use 50% of an increase in aid for operating expenses. However, CABE is concerned that as written, the section fails to provide for distribution and expenditure of the remaining 50% of the aid which reduces the amount of aid to alliance districts.

The minimum budget requirement is important to insure that funds the legislature intends for education benefit our students. CABE continues to support providing flexibility in reducing the MBR when districts achieve savings. Over the past 4 years, the legislature has provided significant additional flexibility to municipalities and districts to reduce the MBR districts when enrollment drops and for other measurable savings.

CABE opposes the language in section 5 amending the MBR to allow damaging cuts to local funding in towns which face cuts to ECS grants. Reductions to local education spending should be allowed only when cuts do not negatively affect the quality of instruction and delivery of education services to our students.

We understand, and districts also feel, the fiscal pressure municipalities are facing in the wake of cuts to state aid. But, allowing towns to cut aid to school districts by reductions in state ECS funding runs counter to the very intent of the minimum budget requirement; to ensure sufficient funding to educate all of Connecticut students so they are college and career ready.

ECS grants to municipalities are, in large part, based upon the State’s determination of a town’s ability to pay,” as determined by state law. The proposed reductions in aid to municipalities are based upon the State’s assessment of the ability of those towns to fund the education budget from local revenue. Allowing towns to make dollar-for-dollar cuts to schools undercut the State’s determination of the fiscal health of those municipalities and could essentially eliminate the MBR as a protection for educational quality for students in every district.

We appreciate your attention to these issues.