Bill No.: SB-1068
Title: AN ACT CONCERNING THE MINIMUM BUDGET REQUIREMENT.
Vote Date: 3/25/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/18/2019
File No.:

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SPONSORS OF BILL:
Education Committee

REASONS FOR BILL:
Allows districts more flexibility to reduce education budgets by permitting a 5 year look back for reductions in student enrollment and/or reductions when self-insured towns have a catastrophic insurance loss.

SUBSTITUTE LANGUAGE LCO NO. 6480:
Corrected line 91 from fiscal year 2021 to 2020.

RESPONSE FROM ADMINISTRATION/AGENCY:

Commissioner Dianna R. Wentzell, State Department of Education: Recommends amended language of a two year look back as a five year look back would create a substantial amount of work for the Department. Currently, the Department calculates the resident student deduction after districts have already passed their budgets. The timing means the districts cannot take the savings or they must estimate what it will be when calculating their budget. The Commissioner stated “We believe a two-year look back would serve to solve the current timing issue and allow districts to take advantage of the resident student deduction savings in the following year.”

NATURE AND SOURCES OF SUPPORT:

Senator Cathy Osten, 19th District: In support of a five year look-back at student enrollments for towns to alleviate the burdens on local budgets each year as many school districts especially smaller towns had a consistent decline over the last decade. The Senator
stated “This legislation and other similar bills is a critical first step in providing some relief for local property taxpayers, like you and me, while still providing programs and services for our children.”

**CABE:** Supports with revisions. CABE proposes allowing this circumstance when a board of education requests a reduction in the MBR: “due to significant decreases in enrollment and/or attainment of cost efficiencies, a board of education may find that appropriate programs and services can be delivered at a reduced cost.”

**Katie Roy, Connecticut School Finance Project:** In support of the bill that makes two “common sense changes” to the MBR -a five year look back period and permitting towns to not include catastrophic insurance losses in in the calculation.

**NATURE AND SOURCES OF OPPOSITION:**

**CASBO:** Opposes the 5 year look back for reductions in enrollment. “This retroactive approach makes no sense since the schools and towns have already approved and implemented budgets based on student needs at the time. To now allow a town to go back into time to use historic information to adjust MBR again is punitive and not subject to the current circumstances going forward.” The MBR has been a confusing and complex topic for many years. Last year, 16 school districts received noncompliance letters from the SDE with respect to MBR.

**Yankee Institute for Public Policy:** Supports the passing of the bill. However, they stated “We encourage the passing of this bill but offer a better option; to eliminate the state’s Minimum Budget Requirement completely.” During the past 10 years, public school students have declined by 37,000 students or 6.5%, the MBR creates a disincentive for school districts to cut their budget, high cost of living includes very high property taxes and the MBR is one of the many reasons why property taxes are so high.

**Kathryn Y. Veronesi, Ed.D., Superintendent, Regional School District 13:** In opposition as “the proposed MBR legislation coupled with the proposed ECS cuts equate to a $2.7 million potential cut to the Regional School District 13 education budget in just one year.”

**Daniel Giungi, CCM:** Supports bill with revision- “include language that would allow school districts and municipalities to reduce the MBR to reflect the costs associated with special education students when such students are no longer enrolled in the district.” They support the elimination of the MBR for all non-alliance districts.

**Orlando Rodriguez, CEA:** Opposes the bill and urges rejection of changes to the MBR in this bill and consider returning to the Minimum Expenditure Requirement that was in place prior to 2007.

**Betsy Gara, COST:** Supports extending provisions through 2020 with revisions. “COST recommends exempting all on-alliance school districts from the MBR to allow towns to reduce education spending and ease the burden on property taxpayers.”

**Mark Walter, CCM:** Supports bill with revision. In last 4 years, Columbia has been impacted by significant special education expenditures covered by the town’s supplemental
appropriations and increases to their budget. The students have aged out, their base remained the same even though the students are no longer enrolled and the need for those particular services ended. Short term special education expenditures have a negative impact on the bottom line of their small town. They applied to the SDE to reduce its MBR based on these facts and it was denied failing to fully recognize the surplus of funds resulting from the students aging out of the school district. The requested revision is to “include language that would allow school districts and municipalities to reduce the MBR to reflect the costs associated with special education students when such students are no longer enrolled in the district.”

Kenneth R. DiPietro, Superintendent of Plainfield Schools: In opposition –“If MBR and ECS are not reconciled for Plainfield, Plainfield Schools will lose $618,984 by the Governor’s proposed ECS projection for Plainfield and, MBR would penalize Plainfield an additional $1,103,954. for a total loss of $1,722,938. Few school systems–certainly not Plainfield–can withstand a state reduction of that magnitude particularly with a community with a poverty rate over 50%”

Reported by: Kathy K. Shea April 5, 2019