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Testimony of
Orlando Rodriguez
Connecticut Education Association
Before the
Education Committee

March 18, 2019

Re:

[SB 1068 AAC The Minimum Budget Requirement,](#)

[HB 7350 AAC Regional Cooperation and the Sharing of Services Among Regional Educational Service Centers and Member Boards of Education,](#)

[HB 7355 AAC A Study of the Education Cost Sharing Formula](#)

CEA opposes SB 1068, and believes HB 7350 and HB 7355 are unnecessary

Good afternoon, Senator McCrory, Representative Sanchez, Senator Berthel, Representative McCarty, and members of the Education Committee. My name is Orlando Rodriguez. I serve as the Research and Policy Development Specialist for the Connecticut Education Association, which is the largest teachers' union in Connecticut, representing active and retired teachers across the state who inform our legislative priorities.

SB 1068

CEA opposes SB 1068 because the bill maintains a loophole in K-12 education funding that allows local boards of finance to take taxpayer dollars collected for education and shift them to non-education purposes without telling taxpayers. There are two recent incidents where K-12 education funds were shifted, intentionally or not, from town education budgets to municipal budgets. This occurred in Ansonia and now possibly in East Haven.^{i,iii} It is likely this is common practice in towns across Connecticut. The fundamental problem is that the Minimum Budget Requirement (MBR) tells towns how much they have to *collect* for education – but they do not have to *spend* it on education.

Before July 1, 2007, the Minimum *Expenditure* Requirement (MER) obligated towns to spend all local taxpayer monies collected for education on education.ⁱⁱⁱ The Minimum *Budget* Requirement replaced the Minimum Expenditure Requirement because, in 2007, towns were receiving more ECS funds than they could spend.^{iv} This short-sighted change has since pitted local boards of finance against boards of education. It is impossible to see how there can be tangible improvement on local education funding until we can ensure that all local taxpayer monies collected for education are *spent* on education.

The bill could result in inordinate reductions in the minimum amount of funding that municipalities are required to budget for their school districts and could result in a loss of ECS funding from the state. For example:

A district has 5,000 students and spends \$10,00 per student with a MBR of \$50 million. There is a decline in enrollment of 500 students. This bill would allow the MBR for this district to decline by five percent, or \$2.5 million. This a significant reduction in funding that does not take into account the fixed costs of operating the district. Furthermore, if the district's portion of MBR is only \$2 million, then the other \$500,000 cut would be from ECS funds, which is illegal because all ECS funds must be spent on education. The district would have to return \$500,000 in ECS monies to the state.

Also, the bill prohibits the MBR calculation from using "any fiscal year that was previously used to reduce its budgeted appropriation" to subsequently reduce its MBR again. The practical implication of this is unclear (e.g. does this prevent MBR reductions within five years of a previous reduction?).

The current MBR sets a maximum reduction of one and one-half percent or three percent of a district's budgeted appropriation for education, depending on the level of student poverty as measured by free and reduced priced meals. This was done to address declining enrollments in some of Connecticut districts in a way that recognized that there is not a one-to-one corresponding reduction in necessary expenditures. After all, a district that has 20 fewer students across 13 grades does not have significantly lower expenses.

The MBR was enacted in recognition of a new ECS formula and phase in. For some districts, this means they will receive more ECS funds they deserve. For others, this means less funding. Allowing districts to reduce their MBR in excess of current law would distort the legislature's intent of more fairly funding ECS and ensuring that ECS funds are spent on schools. We urge committee members to reject changes to the MBR such as those in this bill, and to consider returning to the Minimum Expenditure Requirement that was in place prior to 2007.

HB 7355

CEA is grateful to this committee for including us on this proposed task force. As some of you may know, CEA has participated in many earlier efforts to improve ECS. We are familiar with the current ECS formula and believe that the formula is fair and funded on pace with the formula's phase-in. At present, there is no reason for it to be changed except for updating the foundation to better reflect the true costs of education and the diverse needs of Connecticut's students. For this reason, we have advocated that the legislature commission a cost-study to better ascertain the costs of educating students of varying characteristics and educational needs.

We would also like to remind the committee that Section 71 of [PA 17-2 JSS](#) established the *Connecticut Achievement and Resource Equity in Schools (CARES) Commission* as a 16-member task force charged with making recommendations on education funding. Although this commission never convened, its charge was comprehensive and could be an alternative to this bill. The CARES language also included a reference to needing to determine an appropriate level

for the ECS foundation dollar amount, which would go a long way toward informing state policy on school funding.

HB 7350

We believe the proposed survey of RESC services is redundant as the issue is already covered in the governor's bill, [SB 874 AAC Education Initiatives and Services in Connecticut](#).

We thank you for all the time you spend on this committee and for your interest in improving educational outcomes for all students in Connecticut.

Endnotes

ⁱ CONNECTICUT STATE BOARD OF EDUCATION. (2018, December 5). Ansonia Section 10-4b Proceeding: Recommendation to Conduct Inquiry. Retrieved February 20, 2019, from https://portal.ct.gov/-/media/SDE/Board/BoardMaterials120518/Ansonia_Section_10_4b_Proceeding_Recommendation_to_Conduct_Inquiry.pdf?la=en

ⁱⁱ Zaretsky, M. (2019, March 14). East Haven BOE leader wants state to probe grant 'discrepancy'. CTPost. Retrieved March 14, 2019, from <https://www.ctpost.com/metro/article/East-Haven-BOE-leader-wants-state-to-probe-grant-13687787.php>

ⁱⁱⁱ Lohman, J., & Gelb, J. (2001). ECS MINIMUM EXPENDITURE REQUIREMENT AND LOCAL EDUCATION SPENDING. Office of Legislative Research. Hartford: Connecticut General Assembly. Retrieved March 15, 2019, from <https://www.cga.ct.gov/2001/rpt/2001-R-0885.htm>

^{iv} Lohman, J. (2007). NEW ECS GRANTS AND MINIMUM BUDGET REQUIREMENT. Office of Legislative Research. Hartford: Connecticut General Assembly. Retrieved March 14, 2019, from <https://www.cga.ct.gov/2007/rpt/2007-R-0436.htm>