



**Betsy Gara**  
**Executive Director**  
**Connecticut Council of Small Towns**  
**Education Committee**  
**February 15, 2024**

The Connecticut Council of Small Towns (COST) respectfully submits the following comments on proposed changes to education funding included in **HB-5048 (COMM) AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2025**.

COST appreciates that HB-5048 maintains the state's commitment to fully fund the Education Cost Sharing (ECS) grant program by 2026. It also maintains the schedule for phasing in changes to the ECS formula to increase funding for historically underfunded school districts while continuing to hold school districts harmless from reductions in funding. Recognizing that education costs comprise a huge portion of a town's local budget, fully funding ECS and other education programs is critical to assisting municipalities in controlling costs and property tax burdens.

In addition to increasing ECS funding, the budget approved last year included an additional \$150 million for K-12 "education finance reform". This funding is intended to provide additional support for ECS, magnet schools, charter schools, vocational-agricultural (Vo-ag) centers, and the open choice program. By capping tuition, this funding would significantly reduce costs for school districts sending students to magnet and Vo-ag schools, providing stronger support for school choice programs.

Governor Lamont's proposed budget redirects some of this funding to support other programs, including the universal free school breakfast and reduced-price meal subsidy program, the Learner Engagement and Attendance Program (LEAP) to address chronic school absenteeism, the expansion of early childhood education services, and the Connecticut Technical High School System. Although these are certainly important programs, we are concerned that reducing funding for the education finance reform initiatives will impose a tremendous burden on towns and taxpayers in many communities.

This reduction in funding will be compounded by the expiration federal funds under the American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief program (ESSER), placing a heavy burden on local budgets. Unfortunately, municipalities facing reductions in education funding will be forced to increase property taxes and/or cut municipal programs and services.



In addition, COST appreciates that the budget approved last year increased funding for the excess cost grant, which reimburses school districts for special education costs that exceed 4.5 times the per pupil expenditure. However, it appears that the \$181 million budgeted for special education excess cost grants is inadequate, resulting in sizable budget shortfalls.

Based on 2018 data from the state Department of Education, on average, Connecticut's municipalities pick up 65%, or \$1.3 billion, of the state's total special education expenses. This is imposing a tremendous burden on municipalities and property taxpayers and making it difficult to meet the needs of special education students.

HB-5048 maintains excess cost funding at \$181 million for FY25. Given the budget shortfalls facing many school districts, this funding must be increased. Fully funding the Special Education Excess Cost grant and removing the cap on special education funding should be a top priority in the budget. At a minimum, lawmakers should address flaws in how reimbursements and actual costs are calculated to provide greater predictability to school districts in crafting budgets.

Thank you for the opportunity to comment on HB-5048.

*COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.*