



**Testimony
Betsy Gara
Executive Director
Connecticut Council of Small Towns
Before the Education Committees
February 27, 2024**

RE: HB-5212, AN ACT CONCERNING EDUCATION FUNDING.

The Connecticut Council of Small Towns (COST) **supports HB-5212**, which codifies certain education funding provisions to provide towns and school districts with greater certainty regarding education costs.

COST supports provisions in the bill which would significantly reduce costs for school districts sending students to magnet and Vo-ag schools, which will provide stronger support for school choice programs. This change will help ensure that students have a wider range of educational opportunities to meet their needs and interests.

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.

Alliance District Funding

COST would also like to take this opportunity to highlight concerns regarding funding for Alliance Districts, as referenced in testimony submitted by the Town of Killingly.

Alliance Districts were created to assist the state's lowest performing school districts in enhancing educational opportunities and increasing student achievement. Alliance District funding is included as part of a town's Education Cost Sharing (ECS) grant and is calculated by taking the town's current year ECS grant and subtracting the town's FY 2012 ECS grant amount under Section 10-262u of the general statutes. In addition, such funds cannot be used to supplant funds normally budgeted by the district but must support new initiatives.



As a result, the state has not provided any additional funding to Alliance Districts since 2012 to reflect increases in operating costs due to inflation and other factors. This is imposing a tremendous burden on these towns and their property taxpayers and undermining efforts to enhance educational opportunities and increase student performance. This inequity must be addressed.

The state Department of Education is required to examine the effectiveness of the Alliance District program and submit a report to the state legislature by January 1, 2026. Given the concerns raised by the Alliance Districts, this report should be submitted as soon as possible to ensure that additional funding is made available to these school districts.

Excess Cost Grants

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. 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.

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.

Thank you for the opportunity to comment on education funding.

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.