

TESTIMONY OF THE
CONNECTICUT COALITION
FOR **JUSTICE**
IN EDUCATION FUNDING

BEFORE THE
EDUCATION COMMITTEE

**Regional Information Meeting
Ansonia High School**

April 18, 2006

My name is Dianne Kaplan deVries, and I am Project Director and founder of the Connecticut Coalition for Justice in Education Funding. I speak tonight on behalf of our many member communities, education organizations, parents, and others who have not had an opportunity to testify themselves over the past several weeks of these informational hearings.

I also come before you this evening to thank you for your efforts to reach out and hear concerns from communities around the state about the state's system of funding the schools. Education Committee members' participation in these regional forums, even in the midst of an especially intense short legislative session, has meant extremely long days for you, lengthy drives from Hartford to the sites without time for dinner, late-night weary drives home, and considerable sacrifice of members' personal family time. From the public's perspective, surely this contribution on the part of Committee members has been greatly appreciated. We all hope that from your own perspectives, the process has been equally productive and personally gratifying.

Having heard much of the public testimony in Meriden, Hartford, Ledyard, Bridgeport, and Stamford, CCJEF would like to take this opportunity to point out just how consistent the testimony you have heard across the state is with our own school finance reform agenda.

You have repeatedly heard that the ECS formula is severely outdated, that the foundation level has no rational relationship to the real cost of educating students even in the most frugal of small school districts, and that its student weightings fall severely short of representing the added costs of meeting the learning needs of educationally disadvantaged students and the state and federally mandated services they are entitled to. Last week in Stamford, you heard compelling evidence of the unfairness of the ECS subformula elements that skew local fiscal capacity, and many have spoken to the inherent unfairness and disequalizing nature of the ECS cap and stoploss provisions.

Everywhere you have heard from school superintendents and board of education members, and concerned citizens that the state's underfunding of education has resulted in dangerously austere budgets and a need to cut essential elements of schools' operating budgets, including teaching positions (i.e., raising rather than lowering class sizes), guidance counselors, nurses, custodians, books, technology, foreign languages, the arts, and other important curricular offerings, as well as after-school and preK programs. They have all said that while the smaller grant programs (e.g., Priority School District grants and those that support reading and early childhood initiatives) and school construction grants are important and very much appreciated, they do little to make up for the school operating costs that ought to be forthcoming from the state via its hugely underfunded ECS formula and its broken equalization mechanism.

Everywhere you heard from municipal leaders about how local communities cannot continue to sustain the steadily rising costs of public education. You heard from the mayors of Connecticut's two poorest cities: Hartford — where over half of all real estate is not taxable and mill rates are now at 60.82, despite median household income being just 46% of the state median — and Bridgeport, whose 40.32 mill rate is only marginally less painful for households whose income is just 64% of the state median. These two cities also educate the largest student populations, approaching 24,000 students each, and in both cities, nearly all children are impoverished and 40-50% are from homes where English is not the spoken language. And you heard from mayors and other leaders of similarly distressed municipalities, known as Priority School Districts, including Meriden, Bloomfield, New London, Windham, and tonight, Ansonia.

But you also heard from leaders of mid-sized cities like Stratford and North Haven and from first selectmen and other officials from small towns in Eastern Connecticut. All of them decried their community's need to rely so heavily upon property taxes — mill rates that seem extraordinary for their taxpayers and often constitute as much as 75% of the town budget, but rates that are nevertheless inadequate for meeting the legitimate needs of their schools if their students are to have any meaningful opportunity to compete successfully in the global marketplace.

Senior citizens also presented poignant testimony, expressing their concerns about being able to afford to remain in the homes in which they had raised their children and had hoped to live out their lives but are now feeling squeezed out because of excessive property tax rates. They also described how the state's school funding system increasingly pits them and others against families with school-aged children, fueling local budget battles that are inconsistent with the high value everyone places on quality schooling as being key to our democratic society and long-term economic well-being.

Little wonder that you heard so much about the over-reliance on property taxes to fund the schools, in that more than a third (36%) of all municipalities have tax rates above 30 mills, including 11 municipalities whose rates exceed 40 mills, despite the market inflation of property values over the past several years.

Everywhere you heard impassioned pleas from elected municipal officials, educators, parents, and local taxpayers for the state to revamp the ECS formula to enable every community to afford high-quality schools and for the state to assume a substantially greater share of education costs.

Over these six regional hearings, you heard from some of the people who live in CCJEF communities and others who represent our growing number of allies. Even those who testified but are unaffiliated with CCJEF expressed viewpoints consistent with our agenda.

I will not here reiterate all that was contained in formal testimony before the Education Committee on March 3 and 13, nor that which was previously offered in the regional forums. Instead, let me just again summarize what it is that CCJEF seeks, lest there remain any doubts about the nature of our agenda:

- **School finance reform:** To put into place a modern, equitable, adequacy-based (student needs-driven) state aid formula that reflects the true cost of educating students to meet state and federal performance standards within each and every community. The revamped ECS formula must fairly equalize the ability of communities to operate high-performing schools while ensuring that every community receives significant state aid. The formula must be far more simple and straightforward than the existing formula (i.e., it must be intelligible to laypersons and otherwise publicly transparent). And the formula must be fully funded without annual legislative tinkering that may be driven by economic fluctuations. Changes in allocations must appropriately reflect changes in student need levels and/or significant changes within the communities themselves.
 - Purposes: To provide equal educational opportunity for all, and to close the state's pernicious achievement gaps based on poverty, race, and Grand Lists.
 - Requirements: Substantial new state investment in education to fund a revamped/updated ECS formula that reflects what has been learned from the adequacy cost study. Increased investment and the revamped formula also require "accountability for adequacy" (i.e., a greatly improved monitoring/audit/program evaluation system to ensure the resources are utilized efficiently and to improve student learning).

- **Tax restructuring:** To bring about a shift from local property taxes to a mix of progressive tax structures that would, in the aggregate, fund at least 50% of schools' current operating needs.
 - Purposes: To ensure education tax equity for citizens and towns and the affordability of high-quality schools in every community.
 - Requirements: Systemic reform of Connecticut tax structures, with close attention to tax incidence data to ensure fairness of the tax burden by income level (including the special concerns of middle-class residents living on fixed incomes) and the economic development needs of business/industry. Tax reform must employ a balanced mix of revenue-producing strategies that will also sustain the schools even during periods of economic downturn.

These are, of course, longer-term goals. In the near term, CCJEF's focus for the 2006 legislative session has been on greater ECS aid and increased state investments in early childhood (preschool slots, full-day kindergarten, literacy initiatives), special education (full funding of the

excess cost grant, lowering its reimbursement threshold, and funding the SPED equity grant), English-language programs to accelerate learning for children of immigrants, interdistrict and host-district magnet schools, pupil transportation, and adult education. To the extent that some of these investments will come to fruition at the end of this session, we thank this Committee, without whose support and advocacy little progress on these critical issues could have been achieved.

CCJEF has also sought removal of the 11-year cap on ECS allocations. Just as an immediate increase in special education funding would benefit every Connecticut town and school, so too would eliminating the cap benefit a majority of towns — towns and their school districts of all sizes and demographic makeup that have been severely impacted by the cap since 1995-96. Over those years, all but 11 towns have at one time or another been capped, with 18 of them capped every single year. This year 87 towns are capped, totaling some \$60.6 million in lost state aid for these towns and directly contributing to their local property tax burdens. At the same time, CCJEF has sought to keep in place the long-standing ECS hold harmless provision, whose importance has grown dramatically as the value of ECS dollars have declined, so that removing those above-formula funds would negatively impact school district and town budgets. Indeed, we appreciate the inference that removing the cap would surely cause “total ECS meltdown” for the subsequent fiscal year when the state may have no substantial revenue surplus, the uncapped towns would finally receive formula-level aid, and the 82 hold harmless towns would also expect their above-formula grants. The resulting competition for the too-small “education pie” would certainly become explosive and per pupil allocations for all would decline sharply. Perhaps this is precisely what needs to occur for substantive reforms to come about: i.e., an education funding implosion occurring just as our education adequacy lawsuit reaches trial stage.

Measurable political movement toward an ECS formula revamp and clear evidence of the political will to invest in adequacy funding and to restructure taxes accordingly have appeared elusive since CCJEF came into being less than 18 months ago. Yet we have seen this Committee make good strides in the right direction. Offering these regional informational hearings is one of those important strides. HB 5562 was also a good beginning; SB 434 was not, though the particular inequities it attempted to redress were salient. And there were other, less sweeping Education bills that are introducing good steps forward and may yet be passed into legislation.

We trust that Committee members will proceed over the coming months to employ all that has been learned from these public forums and other contact with constituents in forging your own remedies to the state’s school funding crisis. CCJEF reiterates its willingness to work with the Committee and other legislators to resolve matters outside the courtroom. While we intend to continue to participate in Governor Rell’s ECS commission, we also recognize that in the end, it is neither from that commission nor the courtroom that suitable remedies will be enacted as law.

Toward that end, we extend an invitation to members of this Committee, both as individuals and as a Committee, to participate in the workgroups CCJEF intends to launch soon after the close of this session. The workgroups will design a revamped ECS formula that meets the conditions described above, craft tax restructuring proposals that could phase in the cost of adequacy over the coming few years, and devise a suitable accountability system for ensuring that money is spent wisely and that a school funding crisis of such proportions never again occurs in Connecticut. Rather than these workgroups carving out desired CCJEF remedies to lay before

the court, why shouldn't this opportunity be used to jointly carve out mutually satisfactory and politically viable reforms to lay before the 2007 General Assembly?

As we often say, CCJEF prefers to expend our time, effort, and money in classrooms, not in courtrooms. We believe that rather than waste taxpayers' money defending against this lawsuit, the Attorney General should be instructed by the legislature not to waste the state's precious resources on fighting the basic underlying claims of *CCJEF v Rell* — particularly inasmuch as nearly everyone in this state agrees that the present school finance system is broken and outdated and that the state is not carrying its fair share of education funding. Instead, we should all proceed to remedy and work together for the sake of our children, stronger communities, and the long-term prosperity and improved social fabric of Connecticut.

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