



**Testimony
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Connecticut Council of Small Towns
Before the
Appropriations Committee
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The Connecticut Council of Small Towns (COST), which represents 110 smaller communities throughout Connecticut, appreciates the opportunity to submit comments regarding **HB-6439 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2023, AND MAKING APPROPRIATIONS THEREFOR.**

Education COST Sharing Formula

COST appreciates Governor Lamont's commitment to ensuring that municipalities receive increases in municipal aid, including education and non-education aid. The budget includes an increase in education funding of \$220.6 million compared to FY 21.

Over the last several years, Connecticut's municipalities have faced considerable uncertainty in developing local budgets because the state's fiscal challenges often triggered proposals to cut municipal aid or shift cost burdens to municipalities, including sizable midyear cuts in funding due to budget lapses and deficit holdbacks. The proposed budget recognizes that towns must be able to rely on stable, predictable revenue streams to deliver quality education and other critical services to residents.

However, COST ***opposes*** provisions in the proposed budget which delay for two years the implementation of changes to the Education Cost Sharing (ECS) formula which were negotiated as part of a bipartisan budget in 2017 to phase-in a more equitable ECS formula over a ten-year period. The changes to the ECS formula are intended to increase funding for towns that have historically been underfunded and decrease funding over time for municipalities considered overfunded.

The reality, of course, is that ECS funding levels have long been considered woefully inadequate, given that the state has a constitutional obligation to provide funding to ensure that all students have access to quality education.



Currently, education spending can comprise between 65% - 80% of the municipal budgets of Connecticut's small towns and these costs continue to increase each year. Unfortunately, this means that property taxpayers bear the brunt for funding education in Connecticut. COST supports efforts to increase education funding for all municipalities to reduce the burden on property taxpayers and ensure that the state meets its commitment to fund quality education for all students.

Use of Elementary and Secondary School Emergency Relief Funds

COST is concerned that the governor's proposed budget relies on federal Elementary and Secondary School Emergency Relief (ESSER II) funds, which are intended to assist school districts in responding to the needs of students stemming from the COVID-19 pandemic. We are concerned about how this will impact education funding and municipal budgets once the federal funds are exhausted.

Minimum Budget Requirement

COST provisions in the Governor's proposed budget which extend certain exceptions to the Minimum Budget Requirement (MBR) to ensure that education budgets can be reduced under certain circumstances, including to reflect a decline in enrollment, a school closure and documentable savings due to efficiencies. We also support provisions which provide an MBR exemption for additional appropriations made in response to education costs posed by the COVID-19 Pandemic.

Founded in 1975, COST is the state's only organization dedicated exclusively to advocating on behalf of the interests of Connecticut's smaller towns in the legislative process.