

March 9, 2021

To the Chairs and Members of the Appropriations Committee,

My name is Phillip Penn, and I currently serve as the Chief Financial Officer of the New Haven Public Schools. I greatly appreciate the opportunity to testify before you this evening.

Specifically, I am here to speak in opposition to the freeze on ECS and Alliance Grant funding for the next two years as presented in the Governor's proposed budget.

During the 2019-20 fiscal year, New Haven Public Schools spent \$360 million to educate more than 20,000 students, or roughly \$18,000 per student, which is roughly equal to the median spent by all Districts in the state during that year.

Roughly \$200 million of that cost was covered by State grants, with the ECS and Alliance grants the overwhelming majority at \$160.5 million. As an Alliance District, we are heavily dependent on ECS and the Alliance grant to cover the overwhelming majority of our General Fund expenses. In the same manner, increases in our ECS/Alliance funding helps to offset our annual inflationary cost increases, such as commitments in our collective bargaining agreements, our long term contracts for transportation and other services, and our out of district tuition for Special Education students.

Given the importance of these grants to New Haven Public Schools and other similarly situated Alliance districts, I was very surprised to learn the governor had proposed freezing these grants at their 2020-21 levels, merely two years into what was supposed to be a 10-year commitment to shift to a more equitable distribution of the ECS funding. The impact on New Haven Public Schools from that freeze, if passed, will be profound. Our current 2021-22 budget proposal calls for an \$8.8 million increase in expenses, with no change in staffing or programs. Said another way, if the governor's proposed budget passes, we will need to cut nearly 4.5% out of our current year expenditures to make up the difference, on top of the several million worth of cuts we made prior to entering the current school year.

Lastly, the Governor's budget indicated that schools would have access to the ESSER II grant money to make up the difference in ECS funding. Let me say emphatically that notion is a false flag. ESSER II's targeted use is academic recovery and acceleration, especially for English learners, Special Education students and other vulnerable populations. It is not intended to cover cost increases in current programming, which would violate the well-

Phillip J. Penn
Chief Financial Officer



P: (475) 220-1389
F: (203) 946-5740

established 'supplement, not supplant' funding requirement associated with Federal education grants.

I would urge you, therefore, to reject the Governor's education budget as proposed, and instead to re-commit to the established 10-year plan designed to create greater equity in our public school funding.

Thank you for your time and attention.

Phillip Penn
Chief Financial Officer
New Haven Public Schools
475-220-1389
Phillip.Penn@nhboe.net