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For further information:  
Jim Finley (203) -804-6895  
Kevin Maloney (203) 710-3486

## **CCM releases major new public policy report assessing the state of local public education finance in advance of Governor's ECS Task Force report**

The Connecticut Conference of Municipalities (CCM) today, (Tuesday, November 13) released a major new public policy report on financing local public education in Connecticut. ***Education Finance in Connecticut: Overreliance on the Property Tax details the state of education finance for local public schools in Connecticut in 2012 and beyond; and analyzes the adequacy of state and federal funding (and their distribution formulas) now in place to meet Connecticut's preK-12 public education needs.***

***CCM also assesses how these findings and recommendations relate to the recent work of the State's ECS (Education Cost Sharing) Task Force, which is considering its final report and recommendations. In fact, the ECS Task Force is meeting on 11/13/12 at 2:00 p.m. the LOB, Room 2600.***

A press availability will take place at 1 p.m. on the landing outside the State Capitol Press Room - where Jim Finley, CCM Executive Director and CEO, will be available to discuss the new CCM report and respond to any questions.

**See attachment for a complete copy of the CCM report.**

In Connecticut, the state share of public elementary and secondary education costs is too low. According to the U.S. Census, Connecticut is the most reliant state in the nation on the property tax to fund PreK-12 public education.

The Education Cost Sharing (ECS) grant is now underfunded by over \$763 million.

The cost for public education in our state for the current school year is over \$10 billion, and municipal property taxpayers will:

- Fund 51.4 percent of that amount (more than \$5 billion). The State contributes an estimated 42.9 percent and the federal government 5.2 percent.
- Pay about \$0.62 of every \$1.00 raised in property taxes toward PreK-12 public education.
- Pay for about 60 percent of Connecticut's \$1.7 billion in special-education costs.
- Pick-up the bill for numerous other state-mandated education priorities that are not fully funded by the State.

"The quality of Connecticut's educated workforce is one of the key assets in attracting and retaining businesses," said Jim Finley, CCM Executive Director and CEO. "A first-rate education system - and education finance system - is vital for Connecticut's prosperity and quality of life. State law limits municipalities primarily to the property tax for own-source revenue, and when municipalities do not receive adequate state education aid, they are forced to raise property taxes, cut other vital services, or both. Local property taxes cannot continue to shoulder the lion's share of PreK-12 public education costs."

### **CCJEF v. Reil**

"For Connecticut to compete economically with its neighbors and the world, the State must increase and sustain its financial commitment for PreK-12 public education," noted Finley "For almost 40 years, court case after court case has ordered the State to do so in order to meet state constitutional requirements." The **CCJEF**

*v. Reil* court case is the latest attempt to force the State to meet its education funding responsibilities. Absent a settlement, the case is scheduled to go to trial in 2014.

The groundbreaking work and lawsuit begun in 2005 by the Connecticut Coalition for Justice in Education Funding (CCJEF) refocused attention on funding inequities in PreK-12 public education. **In 2010, the Connecticut Supreme Court ruled in *CCJEF v. Reil* that all school children in the state are guaranteed not just a free public education, but a “suitable” one that prepares them for a career, higher educational attainment, and civic involvement.**

The work of CCJEF, CCM and others to question and urge reform of our public education financing system led to a gubernatorial study commission in 2007 and positive changes to the ECS grant. Another ECS Task Force is expected to issue a final report as early as late November. While there are disagreements among reform advocates, there is a growing consensus on key actions needed to provide increased equity to our education finance system. As the State looks at changes to the ECS formula and other education funding mechanisms, the following are the elements of a developing consensus on school finance reform.

Support is growing to:

**1. Correct state underfunding of regular education programs by:**

- *Increasing the ECS foundation level to reflect the real cost of adequately educating students tied to a statutorily identified cost index.*
- *Increasing the State Guaranteed Wealth Level (SGWL).*
- *Using more current and accurate data to measure town wealth and poverty.*
- *Using free and reduced-price meal eligibility instead of Title I as a more accurate student poverty measure.*
- *Phasing in full funding of the grant over a reasonable period of time.*

**2. Correct state underfunding of special education programs by:**

- *Decreasing the Excess Cost grant threshold to at most 2.5 times the district's average per pupil expenditure.*
- *Paying 100 percent of marginal costs for severe-needs students, statewide, without equalization.*
- *Shifting the burden of proof to the plaintiff in due process hearings.*

**3. Correct state underfunding of school districts with specific student-performance challenges by:**

- *Increasing funding for categorical grants.*
- *Expanding school district and school eligibility for these programs to ensure that all performance gaps are addressed.*
- *Expanding state technical assistance to such districts.*

**4. Account for the disparities in municipal service demand (municipal overburden) by:**

- *Adding a component to the ECS formula to equalize for municipal service demand and corresponding impacts on municipal budgets.*

**5. Reduce the cost burden of costly unfunded and underfunded state education mandates by:**

- *Reviewing the continued appropriateness of such mandates and modifying or eliminating them as needed. Stop using the MBR mandate to make up for chronic state underfunding of preK-12 public education.*

**6. Meet the statewide need for school construction and renovation by:**

- *Maintaining the State's unparalleled funding commitment to ensure that aging schools are renovated and replaced to meet enrollment needs and higher technology and quality standards.*

State underfunding of local public education over time has shifted a huge unfair tax burden onto the backs of residential and business property taxpayers. Such overreliance on the property tax was found to be unconstitutional in 1977 in the *Horton v. Meskill* decision.

**The State must take primary responsibility for students with special needs. Such students are the collective responsibility of all who live and work in Connecticut - not just their town of residence.** Because the costs of special education programs are so high and growing, the State cannot expect individual communities to fund them without significant assistance. When both the state and federal governments underfund mandated programs, regular education programs, other local services and property taxpayers suffer.

**The State must meet its funding obligations to Connecticut's schoolchildren and school districts even in the face of budget challenges.** To continue to transfer state budget problems to towns and cities and their property taxpayers is unfair, and it shortchanges Connecticut's future. Whether in ECS, special education reimbursements, categorical grants or school construction, it is critical that the State accept and meet its constitutional responsibility, identify the necessary revenues, and provide municipalities, school districts, and our more than 500,000 public school children with the resources they need in good times and bad to ensure the quality of our public schools, now and in the future.

The State must **reduce costly mandates on local boards of education, including relief from the MBR.**

"The education needs of Connecticut's schoolchildren don't disappear because of a bad economy. The choice is whether to provide adequate resources or to surrender the futures of today's school-age children. Connecticut can and should do better," concluded Finley.