

**Testimony in Opposition to
S.B. 886, An Act Implementing the Governor's Budget Recommendations
Concerning Education**

Lisa Hammersley, Executive Director
School and State Finance Project

Chairmen McCrory and Sanchez, Ranking Members Berthel and McCarty, and distinguished members of the Education Committee:

Thank you for the opportunity to submit testimony in opposition to Governor Lamont's budget recommendations concerning education, specifically the governor's proposal to pause the phase-in of the Education Cost Sharing (ECS) formula, which was passed with bipartisan support by the General Assembly in 2017.

The governor's proposed budget comes amidst a pandemic that continues to pose great uncertainty for Connecticut's residents, has laid bare the stark disparities across our state, and has significantly disrupted education. Now is not the time to abandon a student need-based education funding formula.

Pausing the ECS phase-in at FY 2021 levels favors Connecticut's less-needy districts at the expense of its highest-need, lowest wealth communities.

The governor's proposal would cancel \$103 million in increases for the state's Alliance Districts, even after factoring in student enrollment volatility caused by the COVID-19 pandemic. Meanwhile, non-Alliance Districts would collectively receive \$8.6 million more than they would if the formula was followed. Many of these non-Alliance Districts are currently overfunded according to the ECS formula, as such they are receiving state education aid that is too high when factoring in municipal ability to pay, enrollment, and student need.

Additionally, concerns over student enrollment volatility are not valid justifications for delaying the formula's phase-in. It is a false choice to choose between either equitably phasing in the ECS formula or responding to enrollment fluctuations created by the COVID-19 pandemic. Concerns over enrollment changes could be mitigated by using previous year student enrollment data, or the greater of 2019 and 2020 student counts. This would ensure the highest-need, lowest-wealth districts continue to receive resources specified by the ECS formula while mitigating any impacts of enrollment volatility caused by the pandemic.

It is imperative, now more than ever, for our state to continue to faithfully adhere to a reliable, predictable, student need-based funding formula. Connecticut halted a previous iteration of the ECS formula in 2014, and proceeded to fund districts through

arbitrary block grants until the current formula began in 2019. Pausing the formula now would repeat the mistakes of the past, and risk a return to an inequitable system that would exacerbate racial funding disparities when we should be focused on eliminating them.

Furthermore, the governor's budget relies on one-time federal dollars from the Elementary and Secondary School Emergency Relief (ESSER II) fund, passed by Congress under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). These funds are neither general operating funds, nor education equalization aid. They are intended to be for preventing, preparing for, and responding to the COVID-19 pandemic, which has left school districts with extraordinary, and unanticipated costs.

Students throughout the state and across the country have suffered learning loss as a result of the pandemic. The federal funding provided by ESSER II must be used to address that learning loss, along with providing social-emotional support for Connecticut students. It should not be used for balancing naturally occurring budget deficits or an excuse for pausing a funding formula based on the needs of students.

As it stands, the current ECS formula would not be fully phased in until 2028, and the governor's proposal would delay that to 2030. This means that a 2nd grader today will not see the funding the General Assembly has determined they need and deserve until they are in their junior year of high school. If the state wants to help its students during this unprecedented crisis, it should expedite the phase-in rather than delay it.

I ask the Committee to reject the governor's proposal to pause the ECS phase-in and the use of one-time federal funds to balance a budget deficit. The coronavirus pandemic has exacerbated inequities, disrupted education, and caused widespread learning loss. Connecticut cannot afford to abandon a student need-based formula, or to delay promised funding increases to its chronically under-resourced school districts.

Thank you again for allowing me the opportunity to provide testimony in opposition to S.B. 886, and please feel free to reach out to me via the contact information below should you have any questions.

Sincerely,

Lisa Hammersley
Executive Director
School and State Finance Project
lisa.hammersley@schoolstatefinance.org

About the School and State Finance Project

Founded in 2015, the School and State Finance Project is a nonpartisan, nonprofit policy organization, focused on education funding and state finance issues, with a commitment to providing independent analysis, building public knowledge, improving transparency, and developing fair, sustainable solutions.

The organization strives to serve as a trusted, independent source of accurate data, information, and research, and is focused on:

- Increasing awareness and building public knowledge about Connecticut's education finance system, state budget, and overall fiscal health;
- Improving transparency around Connecticut's education and state finances;
- Working collaboratively to develop thoughtful, data-driven solutions that address Connecticut's education funding and state finance challenges; and
- Providing technical assistance to partner organizations seeking to solve education finance-related challenges.

For more information about the School and State Finance Project, visit www.schoolstatefinance.org.