

Analysis of the legislative session just completed with respect to education and aid to West Hartford (June 2011).

The Budget (SB 1239) - The legislature adopted most of the governor's proposals for municipal aid unchanged. With respect to education, the state budget includes a total of \$2.8 billion for FY '12, about \$2 million higher than originally requested by the governor and about \$70 million ( 2.6%) more than FY '11. Of that total, nearly \$2.6 billion (91%) will be disbursed as grants to local governments and other entities.

Grants to Local Education - Most are flat-funded and consistent with the governor's original proposal.

ECS - At \$1.9 billion, ECS is by far the largest and it will be flat-funded for the biennium. In order to flat-fund, the state had to replace the \$270 million in federal fiscal stabilization (ARRA) funds it received in each year of the current biennium, so level-funding actually represents a 17% increase in state support of this grant - a rather remarkable commitment to education funding in these difficult times.

Other Large Grants - The \$140 million Excess Cost grant for special education and the \$21 million Adult Education grant are also flat-funded, while those for pupil transportation are decreased 10% to \$29 million. However, the legislature restored most of the governor's 4% cut to the \$117 million Priority School District grant, which goes to the state's most distressed municipalities, and went along with his 5% increase to the Open Choice grant, bringing it close to \$20 million.

The Implementer (HB 6651) - The budget implementer includes significant changes to the governor's education proposals, though the task force to study ECS and the consolidation of DSS childcare slots into SDE were adopted essentially as requested. Among those changed:

Vo-Tech - The proposed transfer of the state vo-tech school system to local/regional control is scrapped in favor of a task force to study the system and make recommendations about its future by January, 2012.

MBR - The governor's proposal for a Minimum Budget Requirement that would have required towns to spend for education as much as they did in 2009 is modified to allow towns with declining enrollment to reduce spending by \$3,000 per student lost, but no more than .5%, and additionally by an amount determined by the education commissioner if they have closed a school or schools.

Municipal Funding Task Force - This provision was raised by the Appropriations Committee, not the governor, and sets up a group to study the distribution of PILOT, Mashantucket/Pequot, ECS, and student transportation grants. It will look at the equity, efficiency, and continued viability of these grants and report back to the Appropriations Committee by January, 2012. Its mission appears to overlap with that of the ECS task force, and it is unclear why only these and not other municipal grants were included.

Plan B - Union members have not yet ratified the concession deal worked out between SEBAC and the administration, and the governor has produced a set of proposals for spending cuts in case they reject it. Plan B would cut ECS by 14%, essentially unfilling the hole left by the expiration of federal ARRA funds. It would also eliminate the Pequot/Mohegan and Town Aid Road grants and cut PILOT grants 50%.

#### Other Proposals

Secondary School Reform (HB 6498) - Delays by two years the costly mandates contained in last year's education reform act. There is some question whether the governor will sign it, but it could become law without his signature.

The Achievement Gap (SB 929) – Creates a task force to develop a master plan for closing the achievement gap and an interagency council to develop and administer the master plan. Early versions required priority districts to offer full-day K and universal preschools, but these were eliminated as the bill progressed.

Early Childhood Education (SB 1103) – Reorganizes state administration of early childhood care and education, which could have significant positive impact on the effectiveness of these programs. Originally included a requirement for universal preschool in all districts, but this was eliminated.

School Construction (HB6650) - Reduces reimbursement rates for building a new or replacement school to 10% to 70% of the eligible cost from the current 20% to 80%, unless a district can show that new construction is less expensive than renovating or remodeling an existing school. Reimbursement rates for renovations, extensions, major alterations, remedying code violations, and replacing roofs on existing schools remain on the 20% to 80% reimbursement scale.

West Hartford Impact

The chart below details formula grants amounts for FY '11, the adopted FY '12 budget, and Plan B.

<u>Grant</u>	<u>FY 2010-11</u>	<u>Adopted FY2011-12</u>	<u>Plan B</u>
Public School Transportation	\$353,502	\$256,289	\$256,289
Non-Public School Transportation	\$105,168	\$80,849	\$80,849
Adult Education	\$165,542	\$137,236	\$137,188
Education Cost Sharing	\$16,076,120	\$16,076,120	\$13,782,620
Total Education Grants	\$16,700,332	\$16,550,494	\$14,256,946
Difference vs. FY 2010-11		-\$149,838	-\$2,443,386
PILOT - State Property	\$280,797	\$273,051	\$136,526
PILOT - Colleges & Hospitals	\$1,064,110	\$953,773	\$476,887
Pequot/Mohegan	\$263,280	\$251,281	\$0
Town Aid Road	\$338,547	\$338,547	\$0
Local Capital Improvement (LoCIP)	\$459,555	\$459,555	\$459,555
Total Non-Ed Grants	\$2,406,289	\$2,276,207	\$1,072,968
Difference vs. FY2010-11		-\$130,082	-\$1,333,321
<u>Grand Total</u>	\$19,106,621	\$18,826,701	\$15,329,914
Difference vs. FY2010-11		-\$279,920	-\$3,776,707