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Connecticut Gov. Proposes School Funds Move from Wealthy Towns to Poor Ones.

The plan is the governor's first attempt to address disparities in school funding after a court ruled that the current system is unconstitutional

Connecticut Gov. Dannel Malloy is seeking to redistribute funds for education from affluent towns like Greenwich and Groton to poor cities like Bridgeport and Hartford, as part of his \$18 billion budget proposal revealed Wednesday.

Under Mr. Malloy's plan, education funding to municipalities, including for special education, would increase 8% to \$2.19 billion for the fiscal year beginning July, but wealthier towns would get less money while poor cities would get more.

Under the new system, the state would reduce funding to the town of Groton for schools and special education by 33% to \$16.8 million while the Hartford school system would receive an 11% increase to \$221 million. School funding is largely derived from local property taxes.

The proposed changes are the governor's first attempt to address disparities in school funding after a Connecticut judge ruled in September that the current system is unconstitutional. The state Supreme Court is reviewing that order.

"I agree that we are not meeting our constitutional requirement of a fair and equitable public education system—one that guarantees every student the opportunity for success," Mr. Malloy, a Democrat, said during a budget address in Hartford.

The changes to education funding come as the governor tries to close a projected \$1.7 billion budget deficit in the coming fiscal year. To deal with the shortfall, Mr. Malloy proposed \$256 million in cuts to spending by state agencies for higher education, mental health and addiction services and other measures. It also increases tax revenue by \$205 million by eliminating a property tax credit and raising levies on cigarettes.

The governor's budget also assumes \$700 million in savings from unstated concessions from state employees. If the state and public-sector unions can't come to an agreement on concessions, up to 4,200 state employees could be laid off under the governor's plan.

Mr. Malloy also wants to shift about \$408 million in teacher pension costs from the state to cities and towns.

The proposal, if approved, would result in 31 towns and cities receiving more funding in the coming fiscal year than the current one, according to the state budget office. The state's remaining 138 towns in the state would get funding cuts.

"That's a lot of municipalities that are losing under this budget," said Elizabeth Gara, executive director of the Connecticut Council of Small Towns. Local governments will be forced to raise

property taxes to make up the shortfall in state funding, she said.

Benjamin Barnes, the state's budget chief, said the changes are being driven by the fact that many towns are in good financial shape while others have poor finances.

"We've tried to restack our municipal aid program to reflect that and to provide more concentrated relief to the communities that desperately need it," Mr. Barnes said.

Mr. Malloy's education funding proposal would change the metric used to determine poverty levels in schools from the number of children receiving free and reduced lunches to the number of students on Medicaid, which the governor says is a more accurate measure of poverty.

The change would also take into account a school district's current enrollment levels as well as its financial strength.

Mark Waxenberg, executive director of the Connecticut Education Association, the state's largest teachers union, said the governor's proposal would hurt middle-class communities.

"You are basically creating a winners-and-losers system," Mr. Waxenberg said. "That's just not a good way to fund public education in Connecticut."

Mr. Waxenberg said the state should increase funding for education so that towns don't lose what they currently receive rather than reallocating money from affluent communities to low-income school districts. He said lawmakers should consider raising new tax revenue to make that possible.

Jennifer Alexander, chief executive of Connecticut Coalition for Achievement Now, an advocacy organization that supports charter schools, said it welcomed the governor's efforts to give more financial resources to students with greatest learning needs.

"I think that the governor's proposal reflects the harsh reality of Connecticut's budget—that there are no new dollars to add into the system," Ms. Alexander said.

But the funding cuts coupled with potentially new teacher pension obligations would put pressure on towns and school districts to trim expenses, said Patrice McCarthy, general counsel of the Connecticut Association of Boards of Education.

That could lead to increased class sizes, less investment in technology and fewer paraprofessionals to support teachers and students, she said.

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