DEVELOPING CONNECTICUT'S ECONOMIC FUTURE

A PROPOSAL TO MODERNIZE LAND USE AND FISCAL POLICY

1000 FRIENDS of Connecticut

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1000 FRIENDS of Connecticut

PRESERVING, CONSERVING AND GROWING SMART

At 1000 Friends of Connecticut, our mission is to promote and shape growth to ensure a prosperous economy, a healthy natural environment, and distinctive, integrated and attractive communities while promoting opportunities in education, housing, transportation, and employment for ourselves and future generations.

■ IN THIS REPORT

EXECUTIVE SUMMARY

With Connecticut's fields and forests rapidly turning into housing subdivisions and commuter traffic clogging country roads, the state finds itself at a crossroads. It can continue on its current path and jeopardize the quality of life for its residents or choose a smart growth approach and protect the state's character. 1000 Friends of Connecticut chooses the latter and joins Governor M. Jodi Rell in support of the goals for Connecticut established by the Governor in Executive Order 15: revitalize our cities, preserve the unique charm of our state, and build livable, economically strong communities while protecting our natural resources for the enjoyment of future generations.

But 1000 Friends of Connecticut recognizes that several challenges stand in the way of achieving those objectives. Connecticut's land use patterns, the lack of coordination among plans for environmental preservation and economic development at the state and local level, and its over-reliance on the property tax as a part of a balanced state/local revenue structure all create obstacles to the attainment of the goals articulated in the Governor's Executive Order.

In early 2006, 1000 Friends of Connecticut, a statewide smart growth education and advocacy organization, began compiling sound policy recommendations to overcome these obstacles and meet responsible growth goals. The result is a proposal that includes a series of incentives to wean municipalities from fiscal zoning and develop policies to better coordinate land use decisions, economic development and local service delivery. This proposal has been crafted with the following principles: (1) preserve local autonomy and fiscal health; (2) encourage a coordinated and connected approach to planning and development; (3) broaden economic and social choice; (4) increase availability of reasonably priced housing; and (5) discourage sprawl. By focusing on these objectives, we can repair and strengthen the fabric of our cities and towns; encourage economic growth and competitiveness; and preserve the sense of place and quality of life unique to Connecticut.

Connecticut's land use decision-making system and resulting patterns contribute to economic stagnation, sprawl, clogged transportation corridors, social and economic inequity and racial segregation.

Connecticut's existing land use patterns and fiscal policy are inextricably linked and must be addressed in concert to preserve and enhance our economic viability and quality of life. 1000 Friends of Connecticut's goal is the adoption of two distinguishable, but connected, policy streams:
1) ***Give towns incentives to encourage smart growth.***
2) ***Reduce our reliance on the property tax.***

The first recommended policy stream provides ***incentives to towns*** to adopt land use policies that foster sensible and coordinated land use planning, efficient and accessible transportation, preservation of open space and farmland, protection of water quality and clean air, creation of jobs and sustainable economic development, promotion and use of existing infrastructure, and maintenance and creation of reasonably priced housing. Grants would be provided to towns that meet statutory standards for land-use planning and decision-making.

The second recommended policy stream ***reduces reliance on the property tax*** by providing: (A) a substantial increase in the amount of ***new state aid for public education*** through (1) an immediate implementation of the full Education Cost Share formula with a "foundation" level of $8,122 per student, and (2) the assumption by the state of 40 to 75 percent of each town's special education costs, and (B) ***fully funding the two "Payment in Lieu of Taxes" (PILOT) grants*** — for tax-exempt state property and tax-exempt college and hospital property.

THE PROBLEM

Like many other states, Connecticut permits its municipalities to make decisions about local public policy that can conflict with and make it difficult to achieve important statewide goals. The most significant of these local public policy decisions involve land use, decisions that are based on the town's best interest without much consideration given to the advantages or disadvantages to its neighbors and surrounding areas or the state as a whole.

Such local decisions about "how and where to grow" are intertwined with a wide variety of public policy issues; land use decisions affect choices and policies in those areas, and decisions in those areas affect determinations about land use.

For example, if a number of towns in the "second tier" suburbs zone land — and compete — for large office buildings or manufacturing facilities that might otherwise be built in the region's central city, it is typical that a dispersed ***transportation*** infrastructure is constructed, often at a comparatively high cost per person, to enable employees to get to work. If towns only permitted such projects within walking distance of a commuter rail station, not only might the decision minimize the costly need for additional miles of highway, it might facilitate the commute of central city residents to workplaces in the suburbs. Alternatively, if construction of large office buildings were only allowed in central cities, suburbs would not incur costs for additional water and sewer infrastructure to support those buildings, and highways might not need to be expanded to accommodate commuters.

Over reliance on local property taxes to fund municipal government prompts towns and cities to expand the grand list to raise short-term revenues needed to pay for public services. This state-created environment has led to unsustainable patterns of development, suburban sprawl and urban disinvestment.

Land use decisions also interconnect with ***education*** policy, water and sewer ***infrastructure*** requirements, housing dispersion, ***conservation*** of wildlife, forests, green fields and farmland, adequate supplies of high quality ***water***, and the attainment of breathable ***air***. Which of these policy areas require decisions of the "chicken" variety, and which of the "egg," matters less than the fact that they have a mutual impact on one another. This is particularly true for land use decisions, on the one hand, and ***local property tax*** decisions, on the other.

Connecticut has developed a land use decision-making system that has created land-use patterns that are unsustainable and impede long-term economic growth, foster inter-municipal competition and disinvestment and imperil our state's vaunted quality of life. The system and the resulting patterns are major contributors to economic stagnation, sprawl, clogged transportation corridors, social and economic inequity and racial segregation.

Over reliance on local property taxes to fund municipal government has created fierce competition among towns and cities for projects that grow the grand list to raise short-term revenues needed to pay for public services. This prompts towns and cities to act without regard to neighboring communities or pressing regional issues. This state-created environment has led to unsustainable patterns of development, disjointed land use planning, lack of reasonably priced housing and inequity. It impedes our business climate and adversely affects the state's economy, undermining our present and future quality of life.[1]

[1] Over reliance on the property tax has other negative effects as well. It increases education inequity and makes the tax system less fair. This document focuses on the land use ramifications of the current balance of state/local revenues. Please refer to the work of others including CT Voices for Children, the CT Coalition for Justice in Education Funding, the Governor's ECS Taskforce and the 2006 report of the Program Review and Investigations Committee for more information on state/local taxes.

THE SOLUTION

1000 Friends of Connecticut believes it is imperative that Connecticut address the two highest-priority problems that commissions, task forces, legislative committees and candidates for public office have identified. Specifically, the state must act to

- ***improve land-use decisions*** to ensure that long-term benefits outweigh short-term gains, and that benefits to the state's economy outweigh benefits to a town's economy; and
- ***reduce the over-reliance on local property taxes*** as a source of municipal revenue to ensure that local land use decisions are not driven by the need to maximize property tax revenue to the detriment of the state's economy and our quality of life.

> ***The current system breeds inequity among towns. But there is a solution.... By weaning ourselves from the property tax and offering incentives to develop responsible land use policies, Connecticut can protect our character and the values we hold dear.***

Note: "Developed" includes high-density built-up areas typically associated with commercial, industrial and residential activities and transportation routes. These areas can expect to contain a significant amount of "impervious surfaces", such as roofs, roads, and other concrete and asphalt surfaces.

Source: University of Connecticut — Center For Land Use Education and Research (C.L.E.A.R.), and CCM, June 2006.

DISCUSSION

Connecticut is at a crossroads. Though we have recovered many jobs lost in the early 90s, both job and population growth are sluggish[2]. Residents of the state are among the oldest in the U.S., and the state is losing ground with 18- to 30-year-olds[3] who are leaving Connecticut to pursue opportunities in other regions. In a state where 79 percent of goods enter and exit via truck[4], Connecticut is paralyzed by roadway congestion and an underutilized rail capacity. The air quality, particularly in our major cities, is unhealthy. Breathability[5] in the state as a whole is declining. Environmentally challenged properties in most of our towns are abandoned or underutilized[6] while development occurs in more easily developed vacant land far from infrastructure centers. We have some of the highest housing costs in the country[7], compounded by some of the highest energy costs[8]. We are losing farmland to poorly planned, low-density development faster than any state in the nation[9], and are among the top ten states in the rate of overall land lost to development[10,11].

Growing Connecticut smart means putting residential and commercial development in areas with existing roads, water and sewer systems. It means discouraging development in green fields and farmland. It means providing quality, affordability, and choice in housing and transit. It means providing a predictable, efficient approval process for developments meeting clear standards. And finally, it means attracting and retaining good jobs.

■ NONPROFIT- AND STATE-OWNED PROPERTIES

A particular subset of the property tax dilemma in Connecticut is that posed by the statutory exemption of certain property (state and federal offices, private schools, hospitals, churches and other nonprofit facilities) from local property taxes. Connecticut does provide for two Payment in Lieu of Taxes (PILOT) programs to reimburse towns for the resulting property tax loss in some cases. There is a 45 percent reimbursement for most state-owned property and a 77 percent reimbursement for private college and hospital property[12]. There is no reimbursement for other exempt property. In addition, the state routinely falls short of the percentages specified in these statutes. In FY 04, state-owned property was reimbursed at 38 percent, and Colleges/Hospitals at 64 percent. The lack of full reimbursement through the two PILOT programs distorts the local property tax system by shifting the tax burden onto other taxpayers.

State-owned property exists in all of Connecticut's towns and cities. Private college and hospital property exists in 57 municipalities.

The towns most heavily burdened by tax-exempt property include Connecticut's cities, and the towns of Mansfield (home of UConn) and Windsor Locks (home of Bradley Airport). Of the eleven municipalities with more than 16 percent of their property tax-exempt, seven are distressed municipalities (New Haven, Hartford, Windham, New London, New Britain, Middletown, and Bridgeport). In Hartford, over 25 percent of real property is tax-exempt. State-owned property is assessed at $463 million, colleges/hospitals are assessed at $583 million, federal, church and non-profit facilities add an additional $441 million. These equal $1.5 billion or 57 percent of the 2005 Taxable Real Property Grand List.[13]

Even with 65 percent of its revenues coming from commercial and industrial property, Hartford's owner-occupied residences (the lowest proportion of any town), are kept competitive with its neighboring towns only by a legislative dispensation that allows differential taxation favoring residences at the expense of commercial properties, and by a cap on all but the highest-valued

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2 2000 Census; Benchmarking Connecticut's Economy.

3 2000 United States Census.

4 **Economic Development Considerations in Transportation Planning**, Legislative Program and Review Investigations Committee, December 2000.

5 **Harmful Effects of Vehicle Exhaust — A Case for Policy Change**, Environment and Human Health, Inc.

6 A December, 1998, Legislative Program Review and Investigations Committee report titled **Brownfields in Connecticut**, stated there are between 622 and 950 brownfield sites here. We believe that report falls far short of the actual number.

7 **Out of Reach 2006**, National Low Income Housing Coalition.

8 **Hartford Courant** *Business Section*, February 27, 2006 .

9 **A Call to Farms**, Working Lands Alliance, 2005.

10 **Connecticut MetroPatterns: A Regional Agenda for Community and Prosperity in Connecticut**, Myron Orfield and Tom Luce, March 2003.

11 These statistics are based on GIS data compiled by The Department of Agriculture, the Trust for Public Land, the Nature Conservancy and other sources. There is some contention about these data, CLEAR data shows a slightly different rate of development. The contention argues for a consistent, statewide GIS analysis included in the task of the DEP Landscape Stewardship Initiative, Executive Order 15 and the recommendations of the 2003 Transportation Strategy Board report and the Roadmap for Connecticut's Economic Future.

12 Statutes specify a 100% reimbursement for a small number of state-owned properties such as state-owned prisons, the Long Lane School, and the Connecticut Juvenile Training School. The Connecticut Valley Hospital is reimbursed at 65%, and Mansfield, where more than 50% of the property is state-owned is reimbursed at 100%. CGS 12-19a-c, $4b-39, and $32-666 describe the reimbursement program for state-owned property in detail. CGS 12-20a-b describe the reimbursement program for private colleges and hospitals.

13 Interview: Lawrence G. LaBerbera, CCMA, II, ASA, CMA, City of Hartford Assessor.

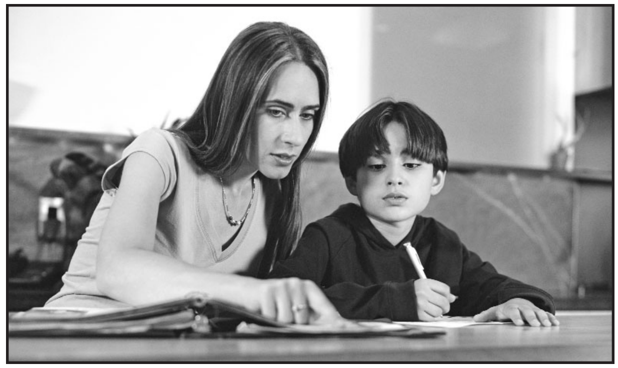
homes. Commercial properties make up the difference with a 15 percent surcharge. Arguably this arrangement, while it has succeeded at retaining home owners, has been an aggravating factor if not a principal cause of the marginal nature of small businesses on the city's neighborhood commercial streets, and of the need to provide large tax subsidies by the city to attract downtown development.

Since all rental residential properties above four units do not receive a benefit from the residential cap credit, it is likely that the spreading, pervasive effects of PILOT have speeded the demise of the hundreds of small rental apartment buildings that have been abandoned and demolished since the differential went into effect in 1990.

In all these respects, inadequate funding of the PILOT program works in direct opposition to smart growth objectives — reinvesting in urban centers, providing affordable housing, and spurring economic development. Therefore PILOT must be addressed as part of any comprehensive state/local revenue portfolio rebalancing.

■ FUNDING K-12 PUBLIC EDUCATION

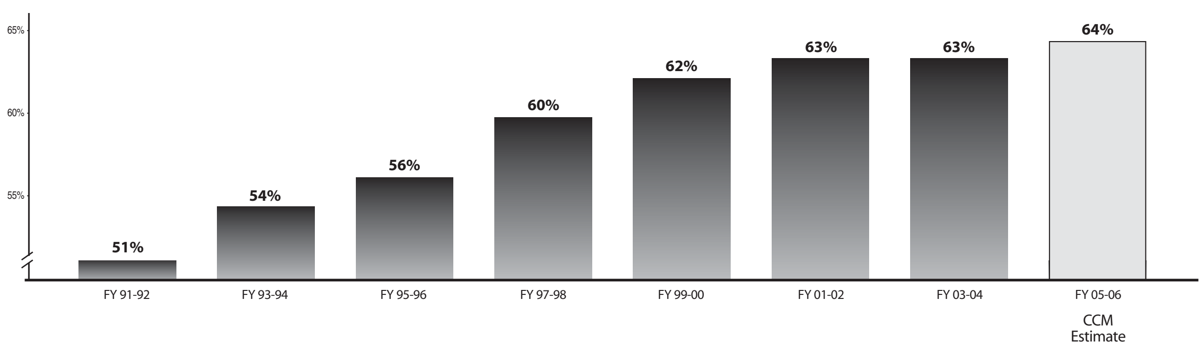
The way we finance public education in Connecticut presents a significant challenge to our physical and economic development. Because of Connecticut's unhealthy dependence on property taxes as the major source of funding our K-12 schools, towns where the value of taxable property — per student — is high and other service demands are low, are better able to fund the costs of quality public education than their neighboring towns. Conversely, towns where the value of taxable property per student is low and/or other service demands are high are forced to raise property tax rates significantly to produce enough dollars to fund local schools.



Both educational quality and property tax rates affect economic and community development. Employers site their businesses where there is a dependable supply of quality labor, produced by high-quality schools. Residents choose to raise their families where the public schools are perceived to be good. Likewise, both businesses and prospective residents choose to locate elsewhere if property taxes are too high.

In Connecticut, the preponderance of K-12 public education costs is borne by cities and towns and their property taxpayers. To keep pace with steadily rising education costs and to hold down mil rate escalation, municipal leaders often court development (commercial, industrial, elderly-only, and high-end residential) that generates property tax revenue that is greater than the cost of providing educational services. There is a powerful incentive for towns to seek growth that generates high property tax revenue with little or no accountability for long-range land use planning considerations or regional development patterns. Municipalities are prisoners of a revenue and land use system created by state government. To free them, in order to grow Connecticut smart, we must weaken the link between K-12 public education and the property tax.

MUNICIPAL SPENDING FOR K-12 PUBLIC EDUCATION AS A PERCENTAGE OF LOCAL PROPERTY TAXES COLLECTED



Source: OPM's Municipal Fiscal Indicators and State Department of Education (SDE), and CCM, February 2006.

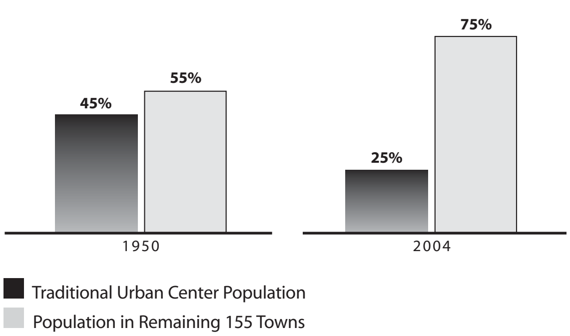
■ LAND USE STRATEGY

In the search for higher property tax revenues, whether to off-set revenue loss from tax exempt properties, or fund education and other municipal services, local officials often adopt land use policies that are inimical to the achievement of other values we hold dear. Indeed, with sober second thought, or a longer-term view, those other values may be far more important than gaining more property tax revenue. Zoning that requires two- or three-acre residential lots drives up the price of land and resulting housing, so property tax revenue is higher. But such zoning comes with a cost: loss of contiguous undeveloped open areas — forests, meadows, and/or farmland, since construction of 50 homes would require 150 acres of land if the zoning regulations provide for three-acre density.

The search for land that satisfies such zoning requirements forces homes to be built further and further from the cities and towns where jobs are located, increasing congestion on roads (requiring expenditures for a spider web of highway construction, rather than a single commuter rail line) and lengthening commute times (adversely affecting family life and volunteer community activities). Extending water and sewer lines to dispersed housing sites and new commercial and industrial facilities requires increased infrastructure expenditures. Housing sprawl resulting from multi-acre minimum lot sizes makes it impossible to build significant numbers of units close to parts of town where housing already exists, so kids must be driven, rather than walk, to school and recreation sites.

The additional infrastructure costs make it nearly impossible to build housing that families just starting out can afford, so recent college graduates can't find houses in their home towns, municipal employees can't find homes in the towns where they work, and towns can't find volunteers firefighters, scout leaders and coaches. Most troubling, in the larger picture, businesses looking to locate or expand in Connecticut cannot find enough skilled young employees, because they are rapidly leaving the area to find job opportunities in states with lower housing and other costs.

LESS OF CONNECTICUT'S POPULATION IS CONCENTRATED IN TRADITIONAL URBAN CENTERS TODAY THAN IN 1950



Note: Municipalities classified as traditional urban centers are Ansonia, Bridgeport, Derby, Hartford, Meriden, Middletown, Naugatuck, New Britain, New Haven, New London, Norwich, Torrington, Waterbury, and Windham.

Source: Connecticut Conference of Municipalities

Current zoning requirements come with a huge cost — the loss of contiguous undeveloped open areas.

■ TWO RECOMMENDED POLICY STREAMS

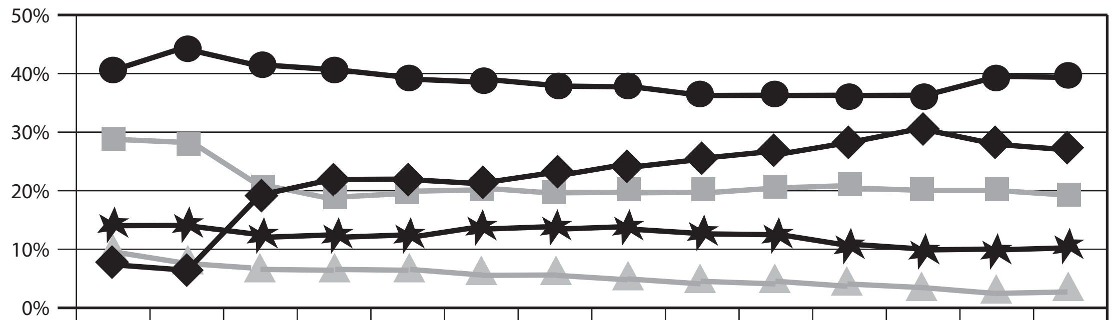
As stated above, Connecticut's land use patterns and fiscal policy are inextricably linked and must be addressed in concert to preserve and enhance our economic viability and quality of life. 1000 Friends of Connecticut's goal is the adoption of two distinguishable, but connected, policy streams that would ***give towns incentives to encourage responsible growth***, and ***reduce reliance on the property tax by increasing state aid for education and state payments in lieu of taxes***.

■ ADVANTAGES AND DISADVANTAGES OF THE PROPERTY TAX

Connecticut's excessive reliance on the property tax is a holdover from our colonial past when ability to pay taxes was reflected most accurately not by income or the value of financial holdings, but by physical assets. At that time, property value was the best principal indicator on which to base tax liability to a unit of government for government services. However, the structure of the economy has changed significantly since colonial times.

The value of physical property held is no longer as accurate a key indicator of the ability to pay. Family A, which owns a property identical in value to a property owned by Family B, may be far less able to pay increas-

STATE AND LOCAL TAX REVENUES BY SOURCE



	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Income	7.3%	6.0%	19.6%	22.1%	22.5%	21.9%	23.2%	24.1%	26.4%	27.2%	28.7%	30.8%	28.7%	27.0%
Sales	28.8%	27.7%	20.7%	19.0%	19.5%	20.0%	19.8%	20.2%	20.3%	20.9%	21.0%	20.3%	20.1%	19.2%
Corporate	9.2%	7.7%	6.4%	6.6%	6.3%	6.1%	6.0%	5.3%	4.9%	4.4%	4.0%	3.6%	2.6%	3.2%
All Other State	14.0%	14.3%	12.2%	12.2%	12.5%	13.4%	13.5%	13.2%	12.4%	11.3%	10.6%	9.4%	9.2%	10.8%
Local Property	40.7%	44.4%	41.1%	40.0%	39.3%	38.5%	37.5%	37.3%	36.0%	36.2%	35.6%	35.9%	39.4%	39.7%

Sources of data: Comptroller Annual Reports and OPM.[21]

ing property taxes than Family B, because Family A has a fixed income. In addition, high property value towns in Connecticut have lower property tax *rates* than low property value towns. Moreover, property tax rates in a town are flat: they do not vary with household income[14]. The excessive reliance on the property tax is regressive.

On the other hand, our towns and cities need a stable source of revenue. And we value local control over most spending decisions. The property tax is one of the most stable revenue sources, as property values tend to fluctuate less than the tax on income or the sales tax on consumer spending[15] — two other major sources of revenue.

The issue is not whether the property tax is an important source of revenue for towns — it is. The issue is that Connecticut relies on that tax to such an extent that it often has perverse effects on how our towns look and how they grow.

Connecticut relies more than any other state on the property tax to fund K-12 public education[16], and ranks second in total reliance on the tax to fund municipal services[17]. By weakening the link between the property tax and educational funding, we can reduce reliance on that regressive source of revenue and provide, over time, greater flexibility and local control over other parts of municipal budgets.

Our businesses pay more in property tax than they pay in any other tax.[18] Therefore, our over-reliance on the property tax also reduces our economic competitiveness.

To grow smart, vigorous redevelopment of existing urbanized areas is needed. However, the competitiveness of our cities is impeded by higher property taxes. Bridgeport, for instance, has the second highest property tax rate in the nation.[19,20]

Connecticut's cities house and educate our poor and minorities, and host regional service providers such as property tax-exempt hospitals, universities and state offices. Our cities are the hub of service provision for their regions. They do not have much property wealth to tax, relative to the need, and they are geographically small with little undeveloped land.

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14 **Connecticut's Public School Finance System**, Legislative Program Review and Investigations Committee, February, 2002.

15 Recent housing price volatility argues against this stability. In recent years, housing value escalation has outpaced both wages and inflation. According to Fannie Mae, housing prices in Connecticut increased 63.6 percent between 2000 and 2005.

16 **Connecticut's Tax System**, Legislative Program Review and Investigations Committee, January, 2006.

17 **Reforming Connecticut Taxes: Options & Lessons from Other States**, Institute on Taxation and Economic Policy, May 25, 2006.

18 Ibid, **Connecticut's Tax System**.

19 Ibid, **Connecticut's Tax System**.

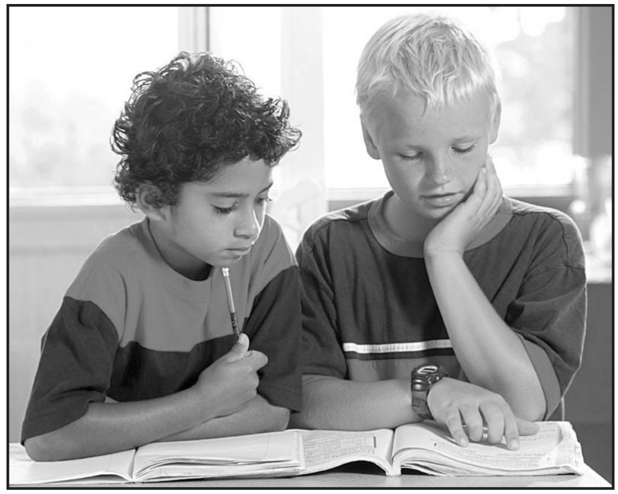
20 In 2004, Bridgeport lost $17.5 million in revenue from tax exempt property according to the Connecticut Conference of Municipalities.

21 "Based on 2002 Census data, the most recent available, Connecticut is more reliant on the property tax than 42 other states (and of the eight that are more reliant, three do not have a broad-based income tax). As Table 1-4 shows, in Connecticut like nearly all the states in the Northeast region, property taxes account for a higher portion of total state and local tax revenues than the national average of 30.8 percent. Connecticut-only figures shown above are based on Comptroller and OPM data, while the state comparison information use U.S. Census data.)" **Connecticut's Tax System**. Please see the complete report to view Figure I-9 and Table I-4.

The property tax presents an unfair burden to low-income and elderly homeowners — unnecessarily dividing our communities by age and income. It has spawned active taxpayer groups across the state. The 2005 municipal elections brought in a wave of new mayors and first selectmen, swept into office in large measure by voters who are unhappy with rising property taxes. The legislature's bi-partisan Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives presented a consensus document on the shape of that change in 2003. However, the Blue Ribbon Commission's recommendations have not yet been adopted. (See the box on page 9.)

There is wide agreement and strong support for increasing the state's share of educational costs. Connecticut's state government has recognized its commitment to help fund education. The Education Cost Share formula, (originally intended to promote education equity and excellence, now loosely based on a community's adjusted net grand list and school population) has created a pattern that almost all legislators have supported. Though it has never been fully funded, and thus has not worked as intended, the general outline of ECS still has strong support, as demonstrated by the likely recommendations of the current ECS study commission. There is also strong demand for the State to pay significantly more of the costs required for special education students.

There is also support for increasing the state's payments in lieu of taxes to municipalities. Currently, the PILOT program for state property reimburses towns for 100 percent of the tax revenue for prisons and to towns where more than half the property tax base is exempted. Sixty-five percent of the tax loss on Connecticut Valley Hospital is reimbursed. In all other cases, towns are reimbursed for 45 percent of the revenue lost to the tax exemption of state-owned real property.[22] Personal property tax loss is not reimbursed.[23]



Replacing property tax revenue with aid from the state reduces the pressure to make land use decisions in order to maximize the amount of property tax revenue in a town. The objective of this policy stream is to change development patterns in the state.

We think the time is now to rebalance the state/local revenue structure. Replacing property tax revenue with aid from the state reduces the pressure to make land use decisions in order to maximize the amount of property tax revenue in a town. The objective of this policy stream is to change development patterns in the state. If property tax rates remain at current levels, that objective would not be met.

There is every expectation that an infusion of new state funding will be met with prudence at the municipal level. To reinforce the need for fiscal discipline, we recommend legislation to require that increased PILOT, ECS and special education reimbursements to towns be tied directly to mil rate reduction for the first year. Based on what is known of voter sentiment around the country, voters believe, by a wide margin, that the property tax is the most unfair tax. Legislators might well expect a reservoir of voter support if they act to reduce the burden of the property tax.[24] Taxpayers who are hungry for relief will know whom to thank.

Rebalancing the revenue portfolio and modernizing the way we fund education has other benefits. The state is under court order and the defendant in a suit on public education equity. In addition, 18 Connecticut school districts had deficiencies in both math and reading in the most recent No Child Left Behind List.[25] That list includes

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22 Many municipalities negotiate voluntary payment in lieu of tax agreements with private schools, hospitals, and large nonprofits. For example, according to the New Haven Finance and Budget office, in 2004, in New Haven, the equivalent value of exempted property was $2,909,091,050. The state reimbursed $114,763,000, and the city was able to collect $1.9 million in voluntary payments.

23 Voluntary payments are often for specific purposes such as fire and/or water service. The state also reimburses towns for 77 percent of the tax revenues lost because of the tax exemption of private colleges and hospitals.

24 In a national poll conducted by Harris Interactive in March, 2006, 39 percent of respondents rated the property tax most unfair; 20 percent the income tax; 18 percent the sales tax; and 7 percent the state corporate tax; 16 percent were unsure. http://www.taxfoundation.org/files/survey_topline20060405.pdf#search=%22polling%20data%20on%20property%20tax%20%22.

25 **Hartford Courant** August 25, 2006, Front Section.

all the state's major cities: Stamford, Hartford, New Haven, Bridgeport, Waterbury, and smaller cities like New Britain, Norwich, Norwalk, New London, Meriden, Wallingford, Middletown, and Willimantic. It also includes many first-ring suburbs, such as Bloomfield, Hamden, Manchester and Middletown. The list of deficiencies in *either* reading or math extends the number of failing districts even further. Standardized test scores are commonly used to market housing in communities with education systems scoring well. This widely available list translates to a list of towns in which people choose not to raise their families.

Additionally, the perception of failing schools degrades the investment climate. In Connecticut's 169 towns, there are more than 50 school districts that have deficiencies. To grow smart, we need to maintain the attractiveness of existing cities and inner ring suburbs to homebuyers and people establishing businesses. That requires less reliance on property tax revenue while ensuring expenditures for quality education are funded.

■ BACKGROUND

In June 2002, recognizing growing citizen concern about land use patterns and the state's tax structure, the Connecticut General Assembly approved the creation of a Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives. The commission's report, released in 2003, was a comprehensive set of recommendations with two closely related goals. First, to reduce Connecticut's reliance on the property tax to fund local public services and second, to utilize more effective growth management measures to address the negative impacts associated with current land use practices in Connecticut.

Since then, the Governor and the General Assembly have taken many positive strides to adopt and implement strategies to grow Connecticut smarter.

- ◆ In 2005, a Community Preservation Act created a new source of funds to establish new farmland preservation programs and support existing programs including affordable housing, open space acquisition, and historic preservation.
- ◆ A major revision of the statutes governing local, regional and state plans of conservation and development was adopted in 2005 (P.A. 05-205). It establishes six growth management principles which local and regional plans should follow. It also specifies that plans at all three levels should identify areas where it is feasible and prudent to

BLUE RIBBON COMMISSION ON PROPERTY TAX BURDENS AND SMART GROWTH INCENTIVES

PRINCIPAL RECOMMENDATIONS

1. Lessen reliance on the property tax by effecting changes in the state-local revenue system that will provide alternative means of raising revenue to support needed public services for residents and businesses. This will reduce the incentive for "fiscal zoning" and for short-sighted but now fiscally necessary development decisions;
2. Increase the equity, stability, and sufficiency of the state-local revenue system;
3. Land-use management practices that help curb uncontrolled sprawl, increase density adequate to support transit alternatives, and encourage reinvestment in urban areas need to be developed. Municipal land-use management is achieved primarily through zoning regulation and can be informed by policies that target or manage growth, resulting in "smart growth;"
4. Smart growth calls for a balance of conservation and development, and can be achieved through regulatory or incentive-based approaches, with the latter better fitting with Connecticut's character. Programs that target growth and preserve open space are essential to reversing current sprawl, which has numerous adverse consequences.

State of Connecticut Blue Ribbon Commission Report on Property Tax Burdens and Smart Growth Incentives, Executive Summary 2002-2003.

have compact, transit accessible, pedestrian-oriented, mixed use development patterns and land reuse, and they should promote such development patterns. Any inconsistencies with the six statutory growth management principles must be identified. The Secretary of the Office of Policy and Management (OPM) must recommend boundaries for priority areas for state funding, subject to legislative approval; state funding for growth-related projects outside these areas generally cannot be provided.

- In 2006, the coordination of transportation planning with economic development and housing plans was launched (by PA 06-136) and an Office of Responsible Growth (by Executive Order) was created within OPM. Both are specifically charged with coordinating transportation, land use and economic development priorities.
- "Transit-oriented development" — the development of residential, commercial and employment centers within walking distance to public transportation facilities and services — was established as a state goal, and sources of state funding for such development were identified.
- Two staff planners were added, by Executive Order, nearly doubling the OPM's planning capacity.
- A task force was created and hosted hearings to study strategies to aid the Office of Brownfield Remediation and Development in revitalizing the state's environmentally contaminated sites.
- The Transportation Strategy Board hosted extensive public hearings to update its recommendations to the legislature.
- The state's Historic Homes Tax Credit program was expanded, making credits available for converting industrial sites to condominiums and apartments.
- Through the Connecticut Land Use Academy, the state's technical assistance to municipal commissions was strengthened and a committee was created to oversee its curriculum.
- In 2005 and 2006, major bipartisan transportation packages were approved which will provide significant capital improvements to the state's transit infrastructure.

These are laudable and encouraging steps. We commend legislative leadership and Governor M. Jodi Rell for their commitment and hard work to lead these efforts. Still, additional efforts are needed to gain traction in a number of significant areas identified by consensus in the 2003 Blue Ribbon Commission's document.

- **We have yet to lessen reliance on the property tax and reduce the incentive for fiscal zoning;**
- **We have not begun to increase the equity, stability and sufficiency of the state/local revenue system;**
- **We have not reduced destructive inter-municipal competition for economic development and grand list growth; and**
- **We have not implemented incentives for consistency in zoning, local plans of development and the State Conservation and Development Policies Plan.**

In early 2006, 1OOO Friends of Connecticut began compiling sound policy recommendations to meet those goals and address the widely perceived need for more affordable housing in the state. If adopted, our two interconnected streams of policy recommendations will extend the positive steps that have already been taken in response to the 2003 Tax Reform Commission's agenda. These proposals are supported by suggestions for funding our recommendations. Overall, these recommendations represent a sweeping change in the way government works in Connecticut, and reflect a broad grass-roots desire for a comprehensive vision and determined leadership to grow Connecticut smart.

Automobile traffic is expected to increase 130 percent in the next 15 years if existing growth patterns persist, according to the Harvard School of Design.

FIRST POLICY STREAM: UPDATE POLICIES, PRACTICES AND GOVERNMENTAL STRUCTURES THAT AFFECT LAND USE DECISIONS

■ MUNICIPAL PLANNING AND ZONING

Our towns and our state suffer because of the way we deliver many planning and zoning services. Despite recent efforts to bring more sense to our state and local planning, not much has improved. Planning for land use is disjointed. Economic development is fragmented. Zoning decisions are not necessarily consistent with local or state plans.

A mix of commercial and residential development in identified districts will allow higher densities necessary for walkable, sustainable communities.

Connecticut does not require mandatory consistency between the State Conservation and Development Policies Plan and regional and local plans. Current land use laws require regional agency review and notification of abutting municipalities, but there is no statutory requirement that land use decisions be responsive to feedback, or consistent with plans (although the courts have put some weight in plan consistency).

In Connecticut, decisions about how and where development will occur are made by, among others, local zoning commissions, inland wetland commissions, planning commissions and advisory conservation commissions. The resources available to these Commissions to perform their roles well are influenced by the fiscal decisions of boards of selectmen, town councils, finance committees, and town meetings all faced with allocating dwindling resources among a variety of municipal priorities.

A planning commission or planning group develops local land use and economic development *plans*. Commission members are generally local residents who volunteer their time and efforts to plan for the future of their towns and make local land use decisions. These commissioners often struggle to balance jobs and family commitments with their land use decision-making responsibilities. Although training for commissioners is available, there are no mandatory training requirements, and many commissioners find it difficult to attend the sessions that are offered. Not all towns have professional planning staff to provide guidance to commissioners. Often regional planning organizations lack resources to provide adequate services to member towns without staff planners. Many towns cannot afford to retain planning consultants to fill the void. Frequently towns lack adequate data resources to support wise land use and most do not have geographic information systems. Clearly, the resources available to and employed by commissioners performing their statutory duties varies widely. And there is no incentive for them to consider the anticipated growth's future and wider impact.

All but three of Connecticut's towns have *zoning codes*. Many of those codes are incongruent with each town's plan of conservation and development. While the State Comprehensive Conservation and Development Policies Plan maps and identifies growth districts or rural town center districts, most local zoning codes are single use. They do not allow a mix of commercial and residential development even in identified districts, nor do they allow higher densities necessary for walkable, sustainable communities.

As a consequence of this fragmented "system," the real estate development process is cumbersome, lengthy and often political — a lack of coordination and clarity creates delays for developers that reduce profit margins and makes it difficult even for those who are able to navigate the maze. And there is certainly no guarantee that even if the ultimate decision benefits the developer, it will be of long-term benefit to the town and the state.

■ REGIONAL AND STATE PLANNING

In addition to its 169 municipalities, Connecticut has 15 regional planning organizations (RPOs). These organizations are responsible for transportation planning in their regions. Every town but Stafford belongs to an RPO. The RPOs can be organized as regional planning agencies, councils of elected officials or councils of government. All currently have the same regional advisory planning functions, defined by state statute. And like local commissions, their opinions are usually made by appointed members who are not directly accountable to local voters. (Only a council of government's organizational structure can require that decision making be done by chief elected officials.) Such a system leads to *ad hoc* approaches to transportation and land use planning and, even now, after the adoption of PA 05-205, is only required to address economic growth issues by identifying inconsistencies between the regional plan and six growth management principles.

■ ECONOMIC DEVELOPMENT PLANNING

Economic development planning suffers from a similar plight. Towns include an economic development section in their local plans, but often the primary goal is to grow the grand list. The desire and pressure to grow revenues is so great, there is little consideration given to what the town wants to be and where the residents want it to grow.

In seven regions of the state, organizations of towns have come together to create Comprehensive Economic Development Strategies. These strategies are developed with broad community input and usually are adopted by the chief elected officials of the region. In addition they are approved by the federal Department of Commerce.

However, there is neither a statewide equivalent to the regional strategies nor a clear connection between state economic development planning and the state Conservation and Development Policies Plan. In land use and transportation planning, towns and regions are required to adopt plans consistent with the state plans. The state or federal government also provides the regional planning agencies with grants to fund staff resources to maintain and update these plans — not so with economic development. This system is fragmented.

■ MUNICIPAL SERVICES

Connecticut's 169 towns provide a variety of services to their residents, including water and sewer systems, libraries, police and firefighters, dial-a-ride and other transportation services, roads and sidewalks, public health inspections, social services, trash collection and K-12 public education. There are some formal and informal cooperative agreements between towns to provide services. There are multi-town school districts, transit districts, pooled purchasing agreements, multi-town health districts and homeland security districts.

Still, Connecticut's taxpayers are saddled with the costs of supporting vast duplication in services, equipment and/or high fees to retain professional consultants. We fail to garner the efficiency savings from economies of scale — efficiencies that would result from healthcare, insurance and pension pools, capital equipment sharing, and administrative and professional service sharing. In addition to reducing wasteful duplication, increased multi-municipal cooperation would provide greater accountability, transparency and help depoliticize service delivery.

1000 Friends of Connecticut proposes policy changes that would modernize the state/local government system. They would result in increased accountability and efficiency, but would also improve the quality of governmental services residents and businesses receive. They would provide incentives for towns to work together through councils of governments to establish and implement smarter land use and economic development policies. They would provide significant incentives for cities and towns to carry out their responsibilities collaboratively, but would not mandate that they do so.

1000 Friends of Connecticut's proposal would provide substantial incentives to all cities and towns that voluntarily agree to adopt land-use policies that would protect our natural and historic resources, diminish irresponsible development and focus growth in designated areas, decrease spending for duplicative infrastructure, encourage affordable housing and create livable communities. And we encourage towns and cities in a region to come together in a council of government that could provide cost-effective assistance to each town in performing certain public functions.

■ SPECIFIC RECOMMENDATIONS

Our first set of policy proposals consists of seven program elements:

1. Enhancing planning capacity at the Office of Responsible Growth;
2. Creation and implementation of a statewide economic development plan;
3. RPO conversion to Councils of Governments (COGs);
4. A grant to towns for planning and zoning upgrades;
5. A grant to towns in COGs that enhance and streamline governance and rationalize service delivery, and — within the COG — share certain tax revenues among towns in COGs;
6. Sales tax revenue sharing to COGs that meet criteria specified in number five; and
7. Incentives to towns for adopting affordable housing programs.

These proposals advance our goals to

- reduce inter-municipal competition for economic development and grand list growth;
- encourage consistency in zoning, local plans of development and the state plan; and
- encourage inclusive, mixed income communities.

With these incentives, towns would voluntarily adopt best practices in land-use planning and decision-making, including decisions that enable towns to achieve their long-term goals, and reflect their deeply-held values.

These recommendations work in tandem with our proposal for additional PILOT and education funding, because there would be less incentive for towns to base land-use decisions on what will produce new property tax revenue. There would be more latitude for towns to use their discretion to preserve open space, for example, rather than sacrifice it to sprawling development. There is more latitude for towns to zone for housing in places that do not require additional sewer and water infrastructure, and in places where land costs are such that the final purchase price of housing constructed on that land is within the reach of families with ties to the town. Because the State also has an interest in achieving these ends, the State should provide incentives — not mandates — for the towns to update their policies and practices to align with the common values.[26]

The aim is to induce towns to follow good practices in land use, such as:

- build where there is infrastructure, and not where there is none;
- save open space, particularly where there is no infrastructure;[27]
- save farmland where there is no infrastructure;
- build in existing population centers;
- locate schools in existing population centers;
- build in close proximity to regional transportation; and
- streamline approvals for development meeting these goals.

1. OFFICE OF RESPONSIBLE GROWTH

1000 Friends of Connecticut specifically recommends the State enhance its planning function at the Office of Responsible Growth. Although Executive Order 15 allocates two additional staff to the office, we recommend a thorough assessment to determine if a five-person planning office is adequate to meet the state's smart growth needs. Towns and regions need professional guidance concerning planning and zoning practices.[28, 29, 30]

2. STATE ECONOMIC DEVELOPMENT PLAN

1000 Friends of Connecticut recommends the creation and implementation of a state economic development plan. To make the Office of Responsible Growth really work, transportation, land use and economic development issues must be considered together. This was the principal policy statement of the Transportation Strategy Board legislation, and the new Office of Responsible Growth has the promise of making this policy a reality. But one important component is missing. While

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26 We would recommend however that state grants approvals under-go a transparent ranking process that directly correlates to priorities in the Conservation and Development Policies Plan.

27 Land conservation is one important component of a comprehensive smart growth policy, and we congratulate the groups that created the Face of Connecticut campaign to focus on this issue. A number of their ideas are in line with our agenda, particularly urban lands, brownfields, and farmland preservation. However, our new grant programs are designed to encourage regional solutions to land use issues, not to fund specific land purchase programs. We believe the highest priorities are improving land use decision-making and rebalancing our revenue structure. If we are successful in achieving those priorities, the pressure to use sensitive lands in inappropriate ways may be relieved.

28 Serious consideration should be given to establishing a graduate School of Planning at the University of Connecticut to train the professionals we need in our cities and towns. We should also consider the establishment of a doctoral program that trains professionals with expertise fully integrating research and information systems like GIS. There are few such programs in the country.

29 The state can help the towns meet their capacity challenges by adopting a model zoning code (that unlike the Unicode used as a model by most towns, encourages smarter land use practices) towns could adopt by a majority vote of their zoning commissions and customize.

30 We commend the ongoing efforts of the Department of Environmental Protection's Landscape Stewardship Initiative and the recommendations of Executive Order 15 to develop land use technical assistance programs for municipalities that include model codes.

we have a Transportation Strategy and a Conservation and Development Policies Plan, we do not have a statewide economic development strategy. Seven regions in the state have developed Comprehensive Economic Development Strategies. As we seek more consistency between plans at municipal, regional and state levels, we need a statewide plan as well. The Department of Economic and Community Development would be responsible for developing such a plan, taking into account regional plans. Once completed, the plan would be submitted to the Office of Responsible Growth and reviewed for consistency with the transportation plan and the Conservation and Development Policies Plan.

3. COUNCILS OF GOVERNMENTS

1000 Friends of Connecticut recommends that every town join a council of governments made up of Chief Elected Officials.

4. GRANTS FOR PLANNING AND ZONING UPGRADES

1000 Friends of Connecticut recommends a new state grant for towns that make clear progress on adopting smart growth planning and zoning rules and regulations and that approve participation in regional cooperation, through the appropriate COG, that supports responsible growth. There are clear and positive policy and program trends in a number of areas that are consistent with smart growth principles. Most towns have plans of conservation and development that are consistent with regional and state plans. A number of regions have adopted or are looking at new areas for inter-municipal cooperation. Our goal is to provide incentives for regions that are moving in this direction.

- To be eligible for this grant, towns and their COGs must meet certain criteria. The regional COG would need to implement regional planning and response for disasters, regional purchase of interoperable equipment and communications devices for first responders, and achieve measurable economies of scale for certain functions [health districts, planning assistance, interoperable GIS mapping for the entire region compatible with the state GIS system, etc.]
- And, the COG must adopt a regional plan of conservation and development that is consistent with state and local plans (a current requirement). The COG also would have to adopt powers enabling it to approve or reject all projects of regional significance, such as projects requiring referral to the State Traffic Commission. The COG also would need to adopt a regional economic development plan including elements required to be part of a Comprehensive Economic Development Strategy developed under federal regulations.

In addition to these regional actions, towns within a COG would receive grants if at least 60 percent of the member towns have adopted local Conservation and Development plans consistent with the regional and state plans; have documented their participation in preparing the regional and state plans; and have zoning regulations in place that encourage mixed-use, mixed-income development, or at least have a mixed-use, mixed-income overlay zone option, for appropriate locations within a town (such as a town center or growth center).

- Towns would be eligible if their town zoning regulations also were consistent with the town's conservation and development plan, provided for transit oriented development within walkable or bikable distance from a transit center, and provided for density bonuses where there is infrastructure to support it. Even more importantly, towns would be eligible if their approval processes were predictable and efficient, based on clear standards.
- A town would receive the grant for which it is eligible **only** if its Council of Governments met the above criteria for COGs, *the town* met the criteria for municipalities *and* 60 percent of the towns in the COG met the criteria for municipalities. (For example, the town of Greenwich would be eligible for the grant when it and five other SWRPA towns had the requisite policies in place, and SWRPA became a COG as outlined above.)
- The total grant award for the entire state in a fiscal year is proposed to be a maximum of $50 million, if every town and COG met the criteria.[31] Each town grant would be based on a distribution formula that gave equal weight to the methods used to calculate the Town Aid Roads

[31] Grants would naturally phase in over time ; it may take nine months to a year or more for all cities and towns to implement the requisite changes. It is also expected that the Office of Responsible Growth may take a matter of months to approve regulation modifications.

grant program and the Local Capital Improvement grant program.

- A portion of this total grant could be set aside for the purpose of developing the regulations and practices necessary to qualify, and/or a portion of each town's grant could, at the discretion of the town, be used for that purpose.

1000 Friends recommends incentives to towns that implement specific zoning rules that promote affordable housing.

5. GRANTS TO STREAMLINE GOVERNANCE

1000 Friends of Connecticut recommends that a ***second*** state incentive grant go to COGs, for use by the COG and its town members, which, in addition to the above:

- adopted regional revenue sharing, similar to the Minnesota model, for all new commercial, industrial, and high-end residential development;[32]
- undertook regional initiatives that consolidated the delivery of government services — through joint-service delivery or joint contracting for service delivery — of such functions as schools, public safety, employee benefits and public works to take advantage of economies of scale; and
- established a regional asset district, varying by region and time, to accept and spend funds to support such regional assets as libraries, transportation and parks, with attractive benefit-cost ratios.

Again, as with the first grant above, the town would receive the grant for which it is eligible **only** if it met these criterion, and 60 percent of the towns in the COG also met the criteria.

This second annual grant program would also be for a maximum of $50 million statewide, if all towns and COGs met the criteria. The grant to the COG would be based on the sum of the grants to the towns in that COG, calculated by giving equal weight to the Town Aid Roads distribution formula and the LOCIP distribution formula.

6. SALES TAX REVENUE SHARING

1000 Friends of Connecticut recommends that, if a COG and its towns adopt a property tax revenue-sharing provision, as well as other provisions of the second grant program, the COG would receive one percent of the sales tax paid within the COG. This sales tax revenue — totaling less than $30 million statewide — would be shared with the towns on the same basis as the COG shared property tax revenue within its boundaries.

7. AFFORDABLE HOUSING PROGRAM INCENTIVES

Finally, 1000 Friends of Connecticut recommends a third program that gives incentives to towns that implement specific zoning rules that promote housing development in designated sections of the town (such as those areas that qualify for "transit-oriented development"), and succeed in building affordable housing. Those incentives, as proposed by HOMEConnecticut, include:

- an incentive payment to towns that adopt zoning in selected areas that provides for certain minimum densities and permits affordable housing;
- a separate bonus payment to towns when housing units are constructed as provided;
- priority for capital improvement funding in towns that adopt such zoning; and
- a grant to the town that pays for the incremental cost of education (above and beyond the property tax revenue generated by the development) for students who live in developments constructed pursuant to the program.[33]

[32] See Appendix 1 for program overview.

[33] HOMEConnecticut's recommendations will be detailed in materials it is developing separately, but it appears to 1000 Friends of Connecticut that those recommendations would be worthy of support. There also may be other proposals for facilitating the construction of affordable housing units that emerge from other organizations during the next few months.

SECOND POLICY STREAM: REBALANCE LOCAL AND STATE REVENUES

The second set of interconnected policy recommendations involves rebalancing the revenue stream. It requires new state revenues to fully fund the ECS grant and enhances special education grants. It requires funding PILOT grants at 100 percent in all cities and towns. It also requires reducing property taxes by an amount equal to the new state revenues in the first year.

The National Conference of State Legislatures offers a set of guiding principles for state/local tax systems. Those principles are: complementary, reliable, balanced, equitable, promotes compliance, fair and efficient administration, competitiveness, neutral and accountable. In addition, 1OOO Friends of Connecticut believes our state/local revenue portfolio should: encourage appropriate investment and business expansion, include a routine review of tax expenditures, be transparent and stable, and reduce incentives for sprawl. Any future rebalancing of the portfolio should adopt all the aforementioned principles.

> ***Our proposal reforms education funding. The towns would receive the funds from the state, instead of property owners. This proposal does not tie funding to any land-use condition that towns must meet.***

We propose fully funding the education cost share (ECS) grants at a foundation level of $8,122 per student,[34] and a State Guaranteed Wealth Level of two. In addition, we propose adopting a new sliding scale of 40 percent to 75 percent to pay an additional share of special education costs.

Overall, preliminary scenarios indicate that the total new aid for property exempted from local real estate taxes, and for education, from the ECS formula and from the revised scale for special education reimbursement, would benefit every town, most by a substantial percentage. Statewide, property taxes would fall, but there would be no change in education quality. (Appendix three illustrates how municipalities and their taxpayers are expected to benefit from the proposal.)

Our proposal reforms education *funding*. It does not mandate changes in curriculum, nor does it interfere with local control of schools. Local Boards of Education would maintain their current role in developing budgets and curriculum. Education funds would flow to schools through the towns as they do now. But the towns would receive the funds from the state, instead of property owners. This proposal does not tie funding to any land-use condition that towns must meet.[35]

Providing substantial additional state funding for PILOT, ECS and special education would relieve pressure on the local property tax. In the first year of full funding, the entire increase to each town would have to be used for property tax reduction. Subsequently, current law, which requires that additional state ECS payments must be used for education should be put back in place. Even then, however, such payments would reduce the need to increase local property taxes to fund education.

That property tax relief, in turn, would decrease the incentive to towns to make short-term land use and housing decisions based solely or primarily on what would provide a net increase in property tax revenue. There would be less incentive to "zone in" only certain commercial development and luxury homes (which

[34] This foundation is the recommendation of the 2003 Blue Ribbon Commission in 2006 dollars. Cities and towns receiving more than this amount in state aid in 2006 would continue to receive their current level adjusted for inflation. The impetus for this proposal is to reduce the incentives for fiscal zoning. We have no expertise in education funding adequacy. We have no desire to contradict the adequacy recommendations made by those who do.

[35] We concur with those who advocate for greater transparency and accountability in local deployment of state resources.

We must integrate urban reinvestment with open space and farmland preservation goals.

yield high property tax revenue), and less incentive to "zone out" compact, walkable development necessary for transit-oriented growth and modest housing within the reach of young families (which yield lower property tax revenues).

Moreover, there might be some positive impacts on the educational enterprise itself. After the first year the additional state education aid for high property tax towns might enable those municipalities to improve education and attract a broader demographic of people to live in the town and send their children to town schools. In low property tax towns, a wider range of families might be able to purchase or rent homes because of the reduced inclination to use land-use policies in ways that inflate housing costs. In addition, an economic argument for restrictive zoning no longer would serve as an effective disguise for less noble motives. In both situations, greater diversity is likely to result — with its consequent positive impact on the quality of schools.

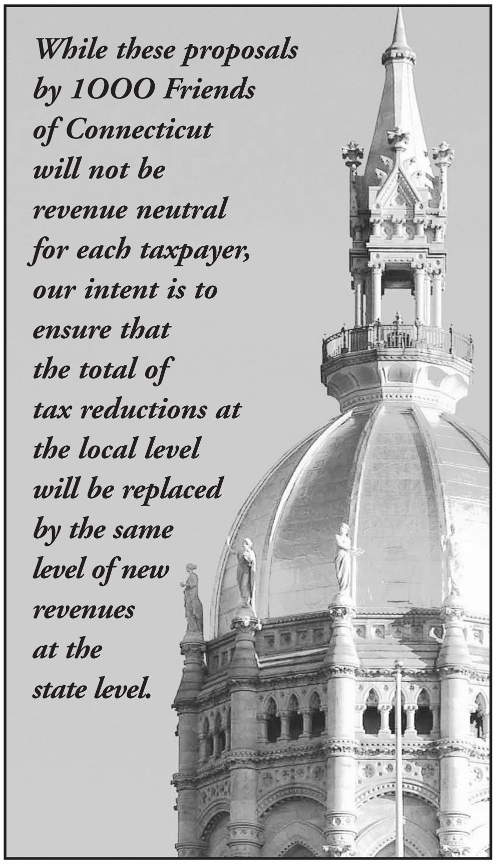
Property tax relief would decrease the incentive to towns to make short-term land use and housing decisions based solely or primarily on what would provide a net increase in property tax revenue.

Full funding of the ECS formula also means that student headcount once again would play an important role in determining the size of the ECS grant. For the last few years, with the ECS grant increases capped at a certain percentage level, even though there may have been a major influx of new students, towns were not able to recover from the State the additional costs of educating those new students. (This connection also means that if the state wants to provide an incentive to towns to permit increased development of housing, a potential mechanism could be employed that takes account of additional students generated by that housing.)

SOURCES OF REVENUE

It is possible that the first set of the two policy programs could be funded with existing state revenues.

The second of the two policy streams, intended to lessen town reliance on property taxes, would require increases in state revenue to support the increased state grants. (The bold change in tax policy also would require a one-time override of the state spending cap in order to transfer local property-tax burdens to the state.)



A major increase in state revenue could be generated from a variety of sources: enhanced collection of the use tax, enhanced progressivity of the income tax, broadening the sales tax base, and cost-savings from the recapture of tax expenditures that do not meet state economic development goals.

The first potential source would be an increase in collections of the state sales and use tax, as applied to sales occurring out of state on the Internet. Currently, Connecticut citizens who make out-of-state purchases over the Internet are required to pay either a sales or a use tax on those purchases. If the Internet seller has a nexus in the State — an on-the-ground store, for example, such as Sears — the seller is required to collect the state's sales tax and remit it to the Department of Revenue Services. If the Internet seller does not have a nexus in the State, the purchaser of the product must pay the state's use tax by reporting the out-of-state purchases on his or her income tax return and remitting the appropriate amount to the DRS. Many purchasers, however, do not provide accurate reports. Consequently, total state use tax collections fall hundreds of millions of dollars short of what they should be.

Congress no longer requires an exemption from state sales taxes for Internet sales. But a U.S. Supreme Court decision still is in effect that makes an out-of-state seller's compliance with another state's reporting and remitting system voluntary. Efforts are underway to facilitate mandatory compliance. Even though sellers would have to calculate different rates of sales taxes depending on the location of the buyer, computer programs now make that calculation relatively simple. The National Conference of State Legislators created a "Streamlined Sales Tax Project" to develop implementing legislation for participating states. More than 20 states have enacted conforming legislation. It does not appear that technical problems that present a barrier cannot be overcome.

Underlying the policy to actually collect what is owed is simple equity: the current system penalizes in-state merchants who collect and remit a six percent sales tax while their out-of-state competitor collects and remits zero percent.[36] Our in-state merchants, our friends and neighbors, who participate in civic life, who contribute to community causes, who provide jobs to us in their stores, do not compete on a level playing field. They begin with a six percent disadvantage in the competition for the sales dollar.

If a concerted effort is made to correct this inequity, current estimates show as much as $320 million to $500 million in additional revenue would flow into the state's treasury, with **no** increase in state tax rates.[37]

It is also possible that an additional $100 million could be realized by broadening the base of goods and services subject to the existing sales tax.

Increasing the progressivity of the state income tax is another potential source of revenue to fund this program of property tax reduction. Connecticut's personal

36 This provides such a disincentive to Connecticut retailers, national sporting goods retailer, Cabela's negotiated an exemption before agreeing to locate in Connecticut.

37 Increasing the auditing functions at DRS for sales and use tax compliance would carry some additional costs. We were unable to determine an accurate estimate of the personnel, marketing, mailing and legal costs. Certainly, it would be far less than the benefit to be realized by strengthening collection efforts.

COST OF PROPOSAL COMPONENTS	
Fully Fund ECS Formula, with $8,122 per student foundation	$614 million
Reimburse all towns 100 percent of payments-in-lieu-of-taxes on real estate exempt property	$173.48 million
40 to 75 percent Sliding Scale for Special Education Cost Reimbursement	$266 million
Increase state capacity for planning (including economic development planning)	$1.25 million
Statewide GIS data system	$5 million
Create first grant to encourage improved local land use planning and zoning	$50 million
Create second grant to encourage better delivery of municipal services at a higher level	$50 million
Sales tax revenue sharing	$30 million
Total*	$1,189.73 million

* The cost estimates in this table are based on data from 2004 PILOT and educational grants. The total cost may be higher in 2007 dollars.

income tax is a relatively flat tax. The current system is more proportional than it is based on ability to pay. Making the income tax more progressive — with any of several variations — would generate more revenue and make the system fairer. The magnitude of revenue increase from these alternatives would vary according to the details, but preliminary calculations indicate they should generate more than $300 million to $450 million.

It is important to note that although 1000 Friends of Connecticut is recommending a program that is revenue-neutral for the towns, the impact on an individual taxpayer is not determinable at this stage. Indeed, the impact is probably different for every individual taxpayer because of the unique circumstances in which every taxpayer finds himself. Renters might see no decline in rent because of decreased property taxes, but over time rent might not rise as rapidly as might otherwise be the case. Even those who paid income taxes at a higher rate than at present might, if they owned a great deal of property, see their total property taxes decline by an even greater amount.

However, it is likely that many households that pay property tax have modest incomes, sufficiently modest that they pay little or no state income tax. These households would benefit by rebalancing the revenue portfolio to shift more of a burden to those most able to pay.

To fund grants to achieve better land use and improve municipal services, 1000 Friends of Connecticut recommends the General Assembly re-evaluate existing state tax expenditures and review existing state spending to determine if there are priorities that are less critical than these. Corporate Connecticut pays more in property tax than any other tax in Connecticut. In 2003, the latest year for which data is available, Connecticut's corporations paid $797 million in property taxes and $311 million in Corporate Income Taxes.[38] Any shift in funding from the property tax to state revenue streams should be reflected in adjustments for both residential and corporate payers of the property tax. That means that corporations would receive tax reductions on their real estate holdings in Connecticut.

Our proposal anticipates that some new revenues could be realized from eliminating certain tax expenditures. This could include certain credits against corporate income taxes that are currently available to corporate taxpayers. We do not identify specific tax expenditures in this proposal and believe there should be thorough discussions with business advocacy groups on how to achieve that balance.

While these proposals by 1000 Friends of Connecticut will not be revenue neutral for each taxpayer, our intent is to ensure that the total of tax reductions at the local level will be replaced by the same level of new revenues at the state level.

New state grant programs created by our proposal may require new appropriations. However, since it is unlikely that towns would satisfy the conditions for the first two of these grants until FY 2009 at the earliest, there would be time to phase in sufficient revenues.

38 Connecticut Conference of Municipalities.

CONCLUSION

If left unchecked, Connecticut's unhealthy dependence on the property tax will continue to put pressure on our most valuable assets and forever change the landscape of the state. Because of our over-reliance on the tax to fund education and other government expenses, towns have ignored smart growth strategies to grow grand lists. Such fiscal zoning has created inter-municipal competition for economic development, allowing developers to gobble up precious open space and farmland and creating haphazard land use patterns that are taxing our water and sewer infrastructure, clogging our roads and negatively affecting our water and air quality. The current system breeds inequity among towns since those with higher property value or fewer exempted parcels will have greater grand lists and better funded school systems while those with greater service needs, more colleges and hospitals, and/or lower land values are destined to poorly fund their schools, often shortchanging the children who attend them.

But there is a solution, one that has been identified by commissions, task forces, lawmakers and political candidates alike. By weaning ourselves from the property tax and offering incentives to develop responsible land use policies, Connecticut can protect its character and the values its citizens hold dear.

1000 Friends of Connecticut has spent a year compiling specific policy proposals to make this sweeping government change possible without jeopardizing local autonomy. The result of its efforts is a series of recommendations that restructure how the state funds education, how it distributes the costs of tax-exempt state property, hospitals and colleges, and how it can use grants and better planning practices to curb the troubling pattern that has emerged from a state/local revenue structure that is rooted in colonial times. Under the plan, the state would fund payments in lieu of taxes at 100 percent in all towns, increase the amount of aid for public education by implementing the full Education Cost Share formula with a foundation level of $8,122 per student and assume 40 to 75 percent of each town's special education costs on a sliding scale. In addition, the state would develop a statewide economic development plan, enhance planning capacity, issue grants to towns for planning and zoning upgrades and provide incentives to towns to streamline governance, share services and adopt affordable housing programs.

The Governor's Executive Order smartly identified the goals to preserve Connecticut's character for future generations. 1000 Friends of Connecticut urges lawmakers to adopt its recommendations to realize those objectives and create a comprehensive vision for the state. In doing so, they will help restore equity in our schools, enable young families to raise their children in their hometowns and create more responsible growth patterns that preserve our quality of life. In short, they will not only make Connecticut an attractive place to live but a desirable place to do business.

■ 1000 FRIENDS OF CONNECTICUT

1000 Friends of Connecticut brings extensive experience in state legislative policy, regional economic development, municipal fiscal administration, state agency policy creation and implementation, corporate development, historic preservation, policy affecting families and children, affordable housing and environmental policy, and economic research. Members of its Board of Trustees helped to shape the Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives, The State's Conservation and Development Policies Plan, state budget policy, including the Connecticut Personal Income Tax, the Spending Cap, the Gallis report on Connecticut's Strategic Economic Framework, Benchmarking Connecticut's Economy, The Connecticut Metropatterns Report and more.

This set of proposals is the result of a collaborative effort of the 1000 Friends of Connecticut Board of Trustees and its partners. The drafting taskforce was chaired by John Atkin. Its members included: Jeffrey Blodgett, Susan Bryson, Leo Canty, William Cibes, Jefferson Davis, James Finley, Shelley Geballe, Heidi Green, Eunice Groark, Anita Meilert, Susan Merrow, Cheri Quickmire, Robert Santy, Adam Stern, and Patricia Wallace. These policies were extensively reviewed by more than fifty Connecticut leaders and edited by Virginia Groark. The document was designed by Denise Metter-Forrest.

APPENDIX 1

MINNESOTA'S TWIN CITIES METROPOLITAN AREA FISCAL DISPARITIES PROGRAM, JANUARY 2005

Background: In 1971 Minnesota instituted a program of commercial-industrial tax-base sharing called the Charles R. Weaver Metropolitan Revenue Distribution Act. In 1995 a parallel program was established on the Iron Range of northeastern Minnesota.

PROGRAM GOALS

1. Promoting more orderly regional development.
2. Improving equity in the distribution of fiscal resources.

PROGRAM ASPECTS

1. Reduces need for communities with low tax bases to impose higher tax rates to deliver the same service as communities with higher tax bases

2. Spreads fiscal benefits of development attracted by regional facilities such as shopping centers, transit, airports, and sports arenas

3. Reduces incentives for communities to compete for irresponsible development, thereby discouraging urban sprawl and reducing the cost of providing regional services such as sewage and roads

4. Encourages communities to accept low tax-yield regional facilities, such as parks, to preserve environmental amenities because they know they will share the benefits with other communities' commercial development

5. Provides additional resources to older areas to finance urban redevelopment

■ THE PROGRAM

CONTRIBUTIONS TO AREA WIDE TAX BASE

Forty percent of the growth of Commercial/Industrial/High-end housing property tax base is pooled. (Includes all public utility property and commercially zoned vacant land.)

DISTRIBUTION FROM AREA WIDE TAX BASE

Distribution is determined by an index based on relative fiscal capacity.

Population of City x (Average Fiscal Capacity/City Fiscal Capacity) = Distribution Index

TAXING JURISDICTION LEVIES VS. TAX BURDENS

Tax based sharing takes place before local jurisdictions levy taxes. The jurisdiction decides what amount it must levy to provide local services. With fiscal disparities, however the tax burden on taxpayers within the jurisdiction may be more or less than the jurisdiction's levy.

IMPACT ON INDIVIDUAL PARCELS

All property except C/I/HeH pays a property tax determined by the local tax rate, which reflects the net effect of fiscal disparities upon each taxing districts' tax base. For C/I/HeH property, a ratio is computed in each municipality by dividing the municipality's contribution net tax capacity by its total C/I/HeH net tax capacity. This ratio represents the portion of each C/I/HeH parcel's net tax capacity that pays a tax determined by the local tax rate.

APPENDIX 2

REGIONAL SALES TAX SHARING PROGRAM

PURPOSES OF REGIONAL ASSETS DISTRICT

◆ Support and finance regional assets with stable funding source

◆ Assure cost-effective development and/or operation of regional assets

◆ Promote inter-town collaboration

◆ Promote economic growth and vitality

◆ Strengthen urban centers as the economic and cultural hubs of the region

GRANTING AUTHORITY TO SHARE SALES TAX AND OPERATE AS A REGIONAL ASSET DISTRICT

◆ Councils of Governments (COGs) where 60 percent of member towns meet the requirements cited in specific proposal number four above

◆ COGs must adopt an authorizing resolution by the Office of Responsible Growth

POWERS OF A REGIONAL ASSET DISTRICT

◆ To make, enter into, and award contracts with any person, association, partnership, or corporation for the development, maintenance, or operation of regional assets

◆ To conduct financial performance reviews and audits of regional assets

◆ To conduct long-term planning for the operation and planning of regional assets

REGIONAL ASSETS ELIGIBILITY CRITERIA

◆ Must be truly regional

◆ Each region establishes its own priorities in line with a comprehensive economic development plan and the comprehensive plan for conservation and development

◆ Target civic, social, and cultural regional assets. However, schools, health care facilities, and libraries which are not part of a multi-municipal system would not be eligible.

◆ Priority should be given to investing in regional assets located in distressed municipalities

◆ Regional asset district funding may not be the sole source of funds for any project. Resources must also be secured from other public and private sources within the region.

RECOMMENDED FUNDING MECHANISM

◆ Sales tax revenues are the best source of funding for Regional Assets because:

- reinvestment of such revenues in strategic, well managed regional assets will assist in generating additional state sales tax revenues;
- recommended allocation of Regional Assets funds is based on population, and the sales tax most fairly reflects spending choices by the State's residents made in their own region; and
- most, if not all, of the other states that have authorized investment in Regional Assets use the State sales tax as the funding source.

◆ Distribution formula to Regions to be based on a combined LOCIP/TAR Formula.

By modernizing our fiscal and land use policies, we will develop Connecticut's economic future.

APPENDIX 3

TOWN-BY-TOWN AID*

	OLD EDUCATION $$			NEW EDUCATION $$			
	ECS (FY 04)	State & Federal Spec. Ed. Aid (FY 04)	Total: FY 04 Education	New ECS (FY 04)	New Special Education (FY 04)	Total: New Education	Percent Change: New Education
State Summary	$1,522,700,000	$452,425,747	$1,975,125,747	$614,360,818	$266,197,144	$880,557,962	45%
Andover	1,758,806	524,171	2,282,977	1,004,379	411,959	1,416,338	62%
Ansonia	12,004,714	3,576,307	15,581,021	3,582,423	0**	3,582,423	23%
Ashford	3,282,345	1,128,514	4,410,859	1,034,828	412,570	1,447,398	33%
Avon	643,433	1,170,853	1,814,286	621,285	1,142,741	1,764,026	97%
Barkhamsted	1,129,368	261,215	1,390,583	880,979	473,199	1,354,178	97%
Beacon Falls	3,159,634	734,896	3,894,530	1,320,310	681,554	2,001,864	51%
Berlin	4,113,459	1,489,802	5,603,261	5,361,049	1,643,467	7,004,516	125%
Bethany	1,465,759	405,940	1,871,699	1,573,139	895,079	2,468,218	132%
Bethel	6,827,506	1,664,157	8,491,663	2,214,435	1,929,279	4,143,714	49%
Bethlehem	1,134,498	607,167	1,741,665	910,651	884,663	1,795,314	103%
Bloomfield	2,768,525	1,787,739	4,556,264	4,480,685	1,448,696	5,929,381	130%
Bolton	2,438,042	450,153	2,888,195	1,495,703	533,955	2,029,658	70%
Bozrah	984,704	293,665	1,278,369	427,111	141,955	569,066	45%
Branford	1,276,911	1,687,351	2,964,262	5,306,294	1,915,572	7,221,866	244%
Bridgeport	141,249,047	26,527,779	167,776,826	26,816,431	5,093,687	31,910,118	19%
Bridgewater	95,728	148,401	244,129	47,188	224,357	271,545	111%
Bristol	33,208,679	8,381,379	41,590,058	11,700,323	2,090,095	13,790,418	33%
Brookfield	1,116,442	727,812	1,844,254	2,075,336	1,361,104	3,436,440	186%
Brooklyn	5,628,569	1,264,856	6,893,425	1,669,748	350,859	2,020,607	29%
Burlington	3,323,686	606,509	3,930,195	2,446,191	526,301	2,972,492	76%
Canaan	174,211	165,297	339,508	122,468	114,473	236,941	70%
Canterbury	4,025,868	762,943	4,788,811	282,010	680,953	962,963	20%
Canton	2,284,222	622,107	2,906,329	2,398,221	703,338	3,101,559	107%
Chaplin	1,627,834	444,861	2,072,695	349,674	274,973	624,647	30%
Cheshire	7,044,990	2,252,736	9,297,726	6,019,223	3,082,509	9,101,732	98%
Chester	566,534	305,828	872,362	570,012	502,830	1,072,842	123%
Clinton	5,506,616	1,605,057	7,111,673	2,330,493	1,040,335	3,370,828	47%
Colchester	10,916,825	2,589,057	13,505,882	4,819,302	1,474,701	6,294,003	47%
Colebrook	387,798	167,062	554,860	500,053	248,861	748,914	135%
Columbia	1,981,060	432,639	2,413,699	1,250,783	527,903	1,778,686	74%
Cornwall	52,146	82,053	134,199	47,740	121,788	169,528	126%
Coventry	7,308,002	1,746,906	9,054,908	2,770,404	561,025	3,331,429	37%
Cromwell	2,978,451	950,780	3,929,231	2,553,114	692,354	3,245,468	83%
Danbury	15,245,564	5,497,879	20,743,443	15,667,405	4,428,057	20,095,462	97%
Darien	831,082	1,764,626	2,595,708	890,161	1,971,143	2,861,304	110%
Deep River	1,443,219	382,455	1,825,674	624,519	630,770	1,255,289	69%
Derby	5,725,498	1,625,385	7,350,883	2,695,298	565,551	3,260,849	44%
Durham	3,275,728	676,951	3,952,679	2,012,778	500,159	2,512,937	64%

** 1OOO Friends Analysis: Grant Increases for ECS, Special Education, and PILOTs, by Town (FY 04)*

FY 04 PILOTs			NEW PILOT $$				OLD AND ADDITIONAL AID (FY 04)		
FY 04 State-Owned	FY 04 Colleges & Hospitals	Total: FY 04 PILOT	New State-Owned	New Colleges & Hospitals	Total: New PILOT	Percent Change New PILOTs	FY 04: Education Grants & PILOTs	New Education Grants & PILOTs	Percent Change New Education Grants & PILOTs
$67,107,177	$100,668,952	$167,776,128	$110,598,460	$62,877,672	$173,476,132	103%	$2,142,901,875	$1,054,034,094	49%
34,256	0	34,256	127,442	0	127,442	372%	2,317,233	1,543,780	67%
90,773	0	90,773	95,226	0	95,226	105%	15,671,794	3,677,649	23%
6,886	0	6,886	11,147	0	11,147	162%	4,417,745	1,458,545	33%
74,579	11,325	85,904	151,892	7,112	159,003	185%	1,900,190	1,923,029	101%
17,754	0	17,754	35,656	0	35,656	201%	1,408,337	1,389,834	99%
60,278	0	60,278	108,337	0	108,337	180%	3,954,808	2,110,200	53%
19,376	0	19,376	18,948	0	18,948	98%	5,622,637	7,023,463	125%
47,802	29,372	77,174	87,610	16,938	104,548	135%	1,948,872	2,572,766	132%
35,639	62,728	98,367	42,402	0	42,402	43%	8,590,030	4,186,116	49%
1,731	0	1,731	0	0	0	0%	1,743,396	1,795,314	103
105,029	253,276	358,305	191,203	158,048	349,251	97%	4,914,569	6,278,633	128%
35,745	0	35,745	65,989	0	65,989	185%	2,923,940	2,095,647	72%
3,396	0	3,396	17,234	0	17,234	508%	1,281,765	586,300	46%
59,457	121,148	180,605	177,853	0	177,853	98%	3,144,867	7,399,719	235%
2,498,004	7,998,648	10,496,651	2,879,858	4,127,981	7,007,839	67%	178,273,477	38,917,957	22%
272	0	272	503	0	503	185%	244,401	272,048	111%
75,093	695,838	770,931	259,794	597,264	857,057	111%	42,360,989	14,647,475	35%
11,384	0	11,384	21,257	0	21,257	187%	1,855,638	3,457,697	186%
204,139	0	204,139	78,877	0	78,877	39%	7,097,564	2,099,484	30%
42,856	0	42,856	79,753	0	79,753	186%	3,973,050	3,052,245	77%
65,778	0	65,778	88,741	3,657	92,398	140%	405,286	329,339	81%
12,039	0	12,039	25,106	0	25,106	209%	4,800,850	988,069	21%
8,531	0	8,531	16,382	0	16,382	192%	2,914,860	3,117,942	107%
60,181	0	60,181	136,085	0	136,085	226%	2,132,876	760,732	36%
2,468,326	0	2,468,326	0	425,593	425,593	17%	11,766,052	9,527,324	81%
9,092	0	9,092	17,576	0	17,576	193%	881,454	1,090,418	124%
26,944	0	26,944	55,672	0	55,672	207%	7,138,617	3,426,500	48%
65,919	0	65,919	118,566	0	118,566	180%	13,571,801	6,412,570	47%
4,231	0	4,231	8,114	0	8,114	192%	559,091	757,028	135%
10,304	0	10,304	22,996	0	22,996	223%	2,424,003	1,801,682	74%
20,690	0	20,690	42,705	0	42,705	206%	154,888	212,233	137%
42,882	0	42,882	82,806	0	82,806	193%	9,097,790	3,414,235	38%
22,450	139,389	161,838	30,800	52,823	83,623	52%	4,091,069	3,329,091	81%
1,547,599	1,315,750	2,863,349	2,099,653	842,163	2,941,816	103%	23,606,792	23,037,278	98%
93,582	0	93,582	280,523	0	280,523	300%	2,689,290	3,141,827	117
14,890	0	14,890	26,360	0	26,360	177%	1,840,565	1,281,649	70%
134,111	863,296	997,408	208,221	491,213	699,434	70%	8,348,291	3,960,283	47%
18,769	0	18,769	90,667	0	90,667	483%	3,971,448	2,603,604	66%

	OLD EDUCATION $$			NEW EDUCATION $$			
	ECS (FY 04)	State & Federal Spec. Ed. Aid (FY 04)	Total: FY 04 Education	New ECS (FY 04)	New Special Education (FY 04)	Total: New Education	Percent Change: New Education
Eastford	891,009	279,683	1,170,692	305,122	129,017	434,139	37%
East Granby	675,407	374,513	1,049,920	1,454,789	580,984	2,035,773	194%
East Haddam	2,982,556	910,451	3,893,007	2,058,031	647,366	2,705,397	69%
East Hampton	5,888,109	1,688,729	7,576,838	2,724,263	1,728,840	4,453,103	59%
East Hartford	31,474,021	9,729,666	41,203,687	14,530,330	0**	14,530,330	35%
East Haven	15,969,794	4,539,274	20,509,068	5,801,412	523,812	6,325,224	31%
East Lyme	6,225,347	1,975,040	8,200,387	4,588,779	1,334,501	5,923,280	72%
Easton	336,784	254,794	591,578	274,882	580,552	855,434	145%
East Windsor	4,207,316	1,320,055	5,527,371	2,345,239	304,169	2,649,408	48%
Ellington	7,714,584	1,613,940	9,328,524	3,097,250	1,068,391	4,165,641	45%
Enfield	22,414,160	5,099,028	27,513,188	9,197,169	2,919,567	12,116,736	44%
Essex	242,225	347,257	589,482	148,344	652,532	800,876	136%
Fairfield	2,059,198	4,593,336	6,652,534	1,555,642	5,626,422	7,182,064	108%
Farmington	907,731	1,621,297	2,529,028	1,005,925	1,028,728	2,034,653	80%
Franklin	778,611	189,486	968,097	533,831	132,516	666,347	69%
Glastonbury	3,728,408	2,555,582	6,283,990	10,585,013	3,007,565	13,592,578	216%
Goshen	148,608	121,038	269,646	68,815	253,704	322,519	120%
Granby	3,887,140	910,361	4,797,501	3,529,902	888,433	4,418,335	92%
Greenwich	1,896,485	4,515,471	6,411,956	1,940,608	6,805,004	8,745,612	136%
Griswold	8,909,206	2,699,076	11,608,282	2,275,060	639,737	2,914,797	25%
Groton	22,385,106	5,566,258	27,951,364	2,368,726	2,559,029	4,927,755	18%
Guilford	2,605,037	1,509,081	4,114,118	2,829,926	2,417,462	5,247,388	128%
Haddam	930,856	507,960	1,438,816	2,425,827	600,640	3,026,467	210%
Hamden	17,300,537	8,085,158	25,385,695	12,923,190	3,974,965	16,898,155	67%
Hampton	1,142,452	288,828	1,431,280	380,500	196,702	577,202	40%
Hartford	163,565,588	42,375,936	205,941,524	18,312,621	9,009,928	27,322,549	13%
Hartland	1,138,097	220,774	1,358,871	291,669	158,509	450,178	33%
Harwinton	2,216,137	606,509	2,822,646	948,900	580,676	1,529,576	54%
Hebron	5,365,390	753,096	6,118,486	2,585,508	882,006	3,467,514	57%
Kent	113,197	155,209	268,406	55,391	194,666	250,057	93%
Killingly	13,144,327	3,150,185	16,294,512	2,630,860	983,674	3,614,534	22%
Killingworth	1,880,998	507,960	2,388,958	1,579,915	529,522	2,109,437	88%
Lebanon	4,357,022	818,043	5,175,065	1,580,770	623,938	2,204,708	43%
Ledyard	9,885,697	2,517,095	12,402,792	3,490,200	1,853,940	5,344,140	43%
Lisbon	3,214,271	688,072	3,902,343	932,387	184,904	1,117,291	29%
Litchfield	1,041,447	687,371	1,728,818	2,379,750	384,853	2,764,603	160%
Lyme	89,058	480,773	569,831	70,603	658,747	729,350	128%
Madison	990,733	1,330,053	2,320,786	1,431,162	1,545,133	2,976,295	128%
Manchester	24,814,679	7,801,319	32,615,998	10,957,444	3,219,546	14,176,990	43%
Mansfield	8,440,787	1,982,308	10,423,095	2,586,396	924,895	3,511,291	34%
Marlborough	2,544,557	592,532	3,137,089	1,369,116	486,423	1,855,539	59%
Meriden	43,690,576	10,621,704	54,312,280	12,905,389	5,499,656	18,405,045	34%
Middlebury	382,732	937,802	1,320,534	776,719	1,213,200	1,989,919	151%
Middlefield	1,620,275	676,951	2,297,226	1,182,683	610,789	1,793,472	78%

FY 04 PILOTs			NEW PILOT $$				OLD AND ADDITIONAL AID (FY 04)		
FY 04 State-Owned	FY 04 Colleges & Hospitals	Total: FY 04 PILOT	New State-Owned	New Colleges & Hospitals	Total: New PILOT	Percent Change New PILOTs	FY 04: Education Grants & PILOTs	New Education Grants & PILOTs	Percent Change New Education Grants & PILOTs
10,049	0	10,049	17,348	0	17,348	173%	1,180,741	451,486	38%
706,444	0	706,444	1,329,274	0	1,329,274	188%	1,756,364	3,365,046	192%
20,075	0	20,075	37,825	0	37,825	188%	3,913,082	2,743,222	70%
124,140	0	124,140	0	0	0	0%	7,700,978	4,453,103	58%
156,249	0	156,249	2,119,405	0	2,119,405	1356%	41,359,936	16,649,735	40%
365,051	0	365,051	0	0	0	0%	20,874,119	6,325,224	30%
1,051,726	55,229	1,106,954	849,178	36,912	886,089	80%	9,307,341	6,809,370	73%
0	0	0	130,788	0	130,788	N/A	591,578	986,222	167%
92,562	0	92,562	179,713	0	179,713	194%	5,619,933	2,829,121	50%
5,025	0	5,025	17,153	0	17,153	341%	9,333,549	4,182,794	45%
1,639,020	36,440	1,675,460	663,813	23,010	686,823	41%	29,188,648	12,803,559	44%
3,952	21,399	25,351	10,860	15,395	26,256	104%	614,833	827,132	135%
6,564	2,384,498	2,391,062	338,311	1,670,230	2,008,541	84%	9,043,596	9,190,605	102%
2,425,768	28,955	2,454,723	4,981,534	25,458	5,006,992	204%	4,983,751	7,041,645	141%
18,828	0	18,828	31,418	0	31,418	167%	986,925	697,765	71%
29,974	0	29,974	35,559	0	35,559	119%	6,313,964	13,628,136	216%
21,686	0	21,686	49,968	0	49,968	230%	291,332	372,487	128%
5,550	0	5,550	37,778	0	37,778	681%	4,803,051	4,456,113	93%
22,053	1,022,760	1,044,813	53,459	634,162	687,621	66%	7,456,769	9,433,233	127%
40,626	0	40,626	0	0	0	0%	11,648,908	2,914,797	25%
1,559,017	16,671	1,575,688	3,708,179	12,258	3,720,437	236%	29,527,052	8,648,192	29%
17,368	11,509	28,877	26,152	27,510	53,662	186%	4,142,995	5,301,049	128%
133,769	0	133,769	0	0	0	0%	1,572,585	3,026,467	192%
533,781	1,783,652	2,317,433	1,054,400	1,404,187	2,458,588	106%	27,703,128	19,356,742	70%
42,089	0	42,089	80,358	0	80,358	191%	1,473,369	657,560	45%
5,733,730	16,974,700	22,708,430	12,729,440	12,695,551	25,424,992	112%	228,649,954	52,747,540	23%
154,666	0	154,666	293,821	0	293,821	190%	1,513,537	743,999	49%
8,626	0	8,626	34,314	0	34,314	398%	2,831,272	1,563,890	55%
12,608	0	12,608	27,841	0	27,841	221%	6,131,094	3,495,355	57%
79,655	0	79,655	157,050	0	157,050	197%	348,061	407,108	117%
220,892	0	220,892	429,385	0	429,385	194%	16,515,404	4,043,919	24%
126,260	0	126,260	253,057	0	253,057	200%	2,515,217	2,362,494	94%
17,454	0	17,454	43,376	0	43,376	249%	5,192,519	2,248,084	43%
13,836	0	13,836	27,047	0	27,047	195%	12,416,628	5,371,187	43%
4,566	0	4,566	9,232	0	9,232	202%	3,906,909	1,126,523	29%
90,121	0	90,121	178,786	0	178,786	198%	1,818,939	2,943,389	162%
22,159	244	22,404	43,548	1,889	45,437	203%	592,235	774,787	131%
789,937	0	789,937	765,518	0	765,518	97%	3,110,723	3,741,813	120%
691,973	739,845	1,431,818	1,574,696	593,565	2,168,262	151%	34,047,816	16,345,252	48%
4,797,040	0	4,797,040	12,638,778	13,560	12,652,338	264%	15,220,135	16,163,629	106%
14,462	2,367	16,829	26,841	1,462	28,303	168%	3,153,918	1,883,842	60%
533,620	984,712	1,518,332	959,606	578,220	1,537,826	101%	55,830,612	19,942,871	36%
6,267	34,473	40,740	24,860	19,596	44,456	109%	1,361,274	2,034,375	149%
12,112	0	12,112	24,429	0	24,429	202%	2,309,337	1,817,901	79%

	OLD EDUCATION $$			NEW EDUCATION $$			
	ECS (FY 04)	State & Federal Spec. Ed. Aid (FY 04)	Total: FY 04 Education	New ECS (FY 04)	New Special Education (FY 04)	Total: New Education	Percent Change: New Education
Middletown	12,214,876	5,073,384	17,288,260	8,981,064	2,447,078	11,428,142	66%
Milford	9,048,139	4,276,771	13,324,910	10,013,705	3,159,467	13,173,172	99%
Monroe	5,275,276	1,243,326	6,518,602	5,363,831	1,687,171	7,051,002	108%
Montville	10,313,587	2,380,709	12,694,296	3,928,353	1,699,500	5,627,853	44%
Morris	563,027	121,038	684,065	455,585	268,496	724,081	106%
Naugatuck	24,901,633	5,262,290	30,163,923	6,313,597	1,641,424	7,955,021	26%
New Britain	59,167,338	16,162,700	75,330,038	16,502,749	7,034,177	23,536,926	31%
New Canaan	797,357	1,449,360	2,246,717	837,184	2,320,749	3,157,933	141%
New Fairfield	3,730,728	764,454	4,495,182	4,049,636	1,726,172	5,775,808	128%
New Hartford	2,572,315	583,378	3,155,693	1,639,384	588,134	2,227,518	71%
New Haven	123,545,576	31,866,747	155,412,323	23,051,344	2,197,563	25,248,907	16%
Newington	9,346,622	2,549,555	11,896,177	7,680,732	1,398,360	9,079,092	76%
New London	19,872,330	6,301,128	26,173,458	3,803,561	1,854,416	5,657,977	22%
New Milford	10,208,090	2,343,545	12,551,635	7,391,007	2,861,506	10,252,513	82%
Newtown	3,645,329	1,883,666	5,528,995	5,704,880	2,056,480	7,761,360	140%
Norfolk	325,018	175,136	500,154	(108,810)	249,301	140,491	28%
North Branford	6,528,233	1,348,178	7,876,411	3,413,333	1,167,366	4,580,699	58%
North Canaan	1,692,393	230,435	1,922,828	404,245	290,926	695,171	36%
North Haven	1,572,412	1,258,176	2,830,588	4,978,468	2,156,137	7,134,605	252%
North Stonington	2,463,329	554,077	3,017,406	851,163	530,911	1,382,074	46%
Norwalk	8,376,980	5,514,423	13,891,403	1,055,294	6,906,880	7,962,174	57%
Norwich	26,935,928	6,841,872	33,777,800	6,509,315	3,879,662	10,388,977	31%
Old Lyme	384,911	480,773	865,684	275,257	681,201	956,458	110%
Old Saybrook	412,707	720,562	1,133,269	259,531	647,937	907,468	80%
Orange	649,126	1,016,448	1,665,574	430,346	1,015,910	1,446,256	87%
Oxford	3,610,913	969,171	4,580,084	2,219,789	953,645	3,173,435	69%
Plainfield	12,538,628	2,998,554	15,537,182	2,888,301	1,196,365	4,084,666	26%
Plainville	8,179,950	2,008,181	10,188,131	3,784,575	1,350,587	5,135,162	50%
Plymouth	7,827,630	2,064,038	9,891,668	2,334,422	1,179,204	3,513,626	36%
Pomfret	2,517,607	634,930	3,152,537	1,023,848	421,234	1,445,082	46%
Portland	3,271,998	1,057,007	4,329,005	2,166,507	786,562	2,953,069	68%
Preston	2,426,476	776,766	3,203,242	970,968	496,666	1,467,634	46%
Prospect	4,252,513	734,896	4,987,409	2,183,462	552,381	2,735,843	55%
Putnam	7,029,806	1,932,107	8,961,913	1,134,011	304,913	1,438,924	16%
Redding	388,812	780,977	1,169,789	363,583	1,077,789	1,441,372	123%
Ridgefield	1,149,907	1,713,823	2,863,730	1,078,690	2,401,212	3,479,902	122%
Rocky Hill	2,078,865	1,104,271	3,183,136	3,510,137	1,099,883	4,610,020	145%
Roxbury	99,055	148,401	247,456	80,815	213,393	294,208	119%
Salem	2,662,853	517,799	3,180,652	1,117,695	420,324	1,538,019	48%
Salisbury	114,675	103,595	218,270	90,734	282,507	373,241	171%
Scotland	1,191,715	343,163	1,534,878	177,780	238,700	416,480	27%
Seymour	8,040,276	2,107,486	10,147,762	3,709,646	642,708	4,352,354	43%
Sharon	93,513	83,987	177,500	63,296	184,743	248,039	140%
Shelton	4,209,012	2,494,122	6,703,134	5,119,731	2,275,715	7,395,446	110%
Sherman	133,410	204,917	338,327	137,896	353,506	491,402	145%

FY 04 PILOTs			NEW PILOT $$				OLD AND ADDITIONAL AID (FY 04)		
FY 04 State-Owned	FY 04 Colleges & Hospitals	Total: FY 04 PILOT	New State-Owned	New Colleges & Hospitals	Total: New PILOT	Percent Change New PILOTs	FY 04: Education Grants & PILOTs	New Education Grants & PILOTs	Percent Change New Education Grants & PILOTs
3,584,062	4,166,305	7,750,368	2,340,834	2,256,242	4,597,076	59%	25,038,628	16,025,218	64%
527,876	397,132	925,008	1,165,893	233,745	1,399,637	151%	14,249,918	14,572,810	102%
0	0	0	26,040	0	26,040	N/A	6,518,602	7,077,043	109%
1,144,700	0	1,144,700	517,528	0	517,528	45%	13,838,996	6,145,381	44%
17,158	0	17,158	33,248	0	“33,248	194%	701,223	757,329	108%
47,354	0	47,354	131,213	0	131,213	277%	30,211,277	8,086,234	27%
3,784,001	3,711,226	7,495,227	7,461,715	2,748,974	10,210,689	136%	82,825,265	33,747,615	41%
9,855	0	9,855	19,079	0	19,079	194%	2,256,572	3,177,013	141%
14,330	0	14,330	25,256	0	25,256	176%	4,509,512	5,801,064	129%
12,394	0	12,394	29,922	0	29,922	241%	3,168,087	2,257,440	71%
3,885,804	32,677,692	36,563,496	5,039,477	22,422,206	27,461,683	75%	191,975,819	52,710,590	27%
700,250	375,806	1,076,055	1,357,445	249,668	1,607,112	149%	12,972,232	10,686,205	82%
276,748	5,475,350	5,752,098	622,233	3,702,825	4,325,058	75%	31,925,556	9,983,036	31%
27,703	198,933	226,636	65,501	161,203	226,705	100%	12,778,271	10,479,218	82%
1,741,524	0	1,741,524	1,101,256	0	1,101,256	63%	7,270,519	8,862,617	122%
32,506	45,096	77,602	64,954	33,902	98,856	127%	577,756	239,347	41%
52	1,027	1,079	6,344	649	6,993	648%	7,877,490	4,587,691	58%
23,266	0	23,266	35,988	0	35,988	155%	1,946,094	731,159	38%
114,763	0	114,763	209,367	0	209,367	182%	2,945,351	7,343,972	249%
27,306	0	27,306	49,627	0	49,627	182%	3,044,712	1,431,701	47%
346,926	1,438,921	1,785,847	665,722	834,580	1,500,302	84%	15,677,250	9,462,476	60%
716,364	1,102,530	1,818,894	1,528,430	669,258	2,197,688	121%	35,596,694	12,586,665	35%
41,246	30,435	71,681	75,628	17,348	92,976	130%	937,365	1,049,434	112%
41,576	0	41,576	6,780	0	6,780	16%	1,174,845	914,248	78%
9,878	1,735	11,612	68,560	1,133	69,693	600%	1,677,186	1,515,949	90%
203,002	0	203,002	388,049	0	388,049	191%	4,783,086	3,561,483	74%
44,286	0	44,286	74,415	6,924	81,338	184%	15,581,468	4,166,004	27%
430	0	430	43,109	0	43,109	10026%	10,188,561	5,178,271	51%
6,904	0	6,904	20,607	0	20,607	298%	9,898,572	3,534,234	36%
39,543	0	39,543	74,507	0	74,507	188%	3,192,080	1,519,589	48%
30,486	0	30,486	55,332	0	55,332	182%	4,359,491	3,008,401	69%
140,717	0	140,717	520,724	0	520,724	370%	3,343,959	1,988,358	59%
1,827	0	1,827	6,584	0	6,584	360%	4,989,236	2,742,426	55%
54,293	332,013	386,306	51,139	4,586	55,725	14%	9,348,219	1,494,649	16%
83,356	0	83,356	355,942	0	355,942	427%	1,253,144	1,797,315	143%
153,759	0	153,759	477,840	0	477,840	311%	3,017,489	3,957,741	131%
527,927	0	527,927	960,564	0	960,564	182%	3,711,063	5,570,584	150%
4,329	0	4,329	12,460	0	12,460	288%	251,784	306,669	122%
38,833	0	38,833	110,828	0	110,828	285%	3,219,485	1,648,847	51%
8,961	0	8,961	16,197	0	16,197	181%	227,231	389,438	171%
15,742	0	15,742	31,741	0	31,741	202%	1,550,620	448,221	29%
19,809	0	19,809	57,830	0	57,830	292%	10,167,571	4,410,184	43%
19,477	187,340	206,817	34,796	0	34,796	17%	384,317	282,834	74%
10,973	0	10,973	42,161	0	42,161	384%	6,714,107	7,437,607	111%
35	0	35	65	0	65	183%	338,362	491,466	145%

	OLD EDUCATION $$			NEW EDUCATION $$			
	ECS (FY 04)	State & Federal Spec. Ed. Aid (FY 04)	Total: FY 04 Education	New ECS (FY 04)	New Special Education (FY 04)	Total: New Education	Percent Change: New Education
Simsbury	1,879,473	1,417,794	3,297,267	7,430,253	3,224,977	10,655,230	323%
Somers	4,453,390	1,237,035	5,690,425	2,327,876	692,447	3,020,323	53%
Southbury	1,115,708	937,802	2,053,510	3,435,661	1,158,514	4,594,175	224%
Southington	15,001,104	4,756,734	19,757,838	8,894,669	4,046,395	12,941,064	65%
South Windsor	9,168,537	1,974,981	11,143,518	8,057,234	2,090,587	10,147,821	91%
Sprague	2,180,719	898,836	3,079,555	464,351	444,917	909,268	30%
Stafford	8,001,562	2,520,526	10,522,088	2,483,702	583,541	3,067,243	29%
Stamford	5,380,206	4,661,685	10,041,891	1,803,398	10,013,842	11,817,240	118%
Sterling	2,535,364	639,886	3,175,250	672,730	614,686	1,287,416	41%
Stonington	1,755,705	1,135,160	2,890,865	2,171,308	1,362,861	3,534,169	122%
Stratford	14,332,563	5,526,278	19,858,841	14,559,977	2,608,147	17,168,124	86%
Suffield	3,772,415	1,148,732	4,921,147	3,589,792	780,821	4,370,613	89%
Thomaston	4,562,833	815,138	5,377,971	1,904,238	508,667	2,412,905	45%
Thompson	6,447,587	1,437,128	7,884,715	1,186,538	212,161	1,398,699	18%
Tolland	8,421,803	1,908,905	10,330,708	4,326,659	703,078	5,029,737	49%
Torrington	19,070,633	5,371,669	24,442,302	6,687,551	1,881,057	8,568,608	35%
Trumbull	2,104,978	2,297,378	4,402,356	2,805,367	3,262,203	6,067,570	138%
Union	194,415	25,022	219,437	148,645	6,568	155,213	71%
Vernon	14,372,018	4,344,925	18,716,943	4,840,582	1,446,610	6,287,192	34%
Voluntown	2,170,165	637,565	2,807,730	358,447	141,482	499,929	18%
Wallingford	17,444,851	4,819,726	22,264,577	9,984,355	4,495,391	14,479,746	65%
Warren	67,510	121,038	188,548	27,982	225,762	253,744	135%
Washington	158,053	148,401	306,454	101,632	220,702	322,334	105%
Waterbury	91,211,122	23,443,070	114,654,192	23,154,493	22,169,246	45,323,739	40%
Waterford	664,718	1,177,273	1,841,991	632,198	2,266,268	2,898,466	157%
Watertown	9,431,475	1,942,799	11,374,274	4,551,821	786,134	5,337,955	47%
Westbrook	276,935	352,639	629,574	1,265,215	470,242	1,735,457	276%
West Hartford	8,796,690	5,972,705	14,769,395	17,041,371	3,813,326	20,854,697	141%
West Haven	35,070,083	10,099,512	45,169,595	9,532,084	1,572,314	11,104,398	25%
Weston	514,586	872,705	1,387,291	488,418	2,024,666	2,513,084	181%
Westport	1,042,743	1,963,750	3,006,493	1,094,300	2,100,272	3,194,572	106%
Wethersfield	4,083,912	2,767,919	6,851,831	6,791,332	1,843,943	8,635,275	126%
Willington	3,022,534	931,611	3,954,145	917,531	402,676	1,320,207	33%
Wilton	812,164	1,805,079	2,617,243	871,709	1,932,047	2,803,756	107%
Winchester	6,372,051	1,916,144	8,288,195	1,652,928	1,181,032	2,833,960	34%
Windham	20,421,173	5,508,589	25,929,762	4,031,587	2,697,753	6,729,340	26%
Windsor	8,416,123	2,381,600	10,797,723	7,591,077	2,694,801	10,285,878	95%
Windsor Locks	2,433,249	1,334,576	3,767,825	3,705,137	1,305,670	5,010,807	133%
Wolcott	10,591,284	1,965,863	12,557,147	4,109,921	935,203	5,045,124	40%
Woodbridge	450,175	678,516	1,128,691	316,351	869,582	1,185,933	105%
Woodbury	602,988	607,167	1,210,155	2,478,450	683,064	3,161,514	261%
Woodstock	4,351,771	1,029,231	5,381,002	2,043,104	396,066	2,439,171	45%

Note: Data is for FY 04, the latest year in which all data elements were available.
Federal offsets are estimated at 25 percent for household income over $50,000 and 15 percent for household income under $50,000.

FY 04 PILOTs			NEW PILOT $$				OLD AND ADDITIONAL AID (FY 04)		
FY 04 State-Owned	FY 04 Colleges & Hospitals	Total: FY 04 PILOT	New State-Owned	New Colleges & Hospitals	Total: New PILOT	Percent Change New PILOTs	FY 04: Education Grants & PILOTs	New Education Grants & PILOTs	Percent Change New Education Grants & PILOTs
63,870“	0	63,870	167,793	0	167,793	263%	3,361,137	10,823,023	322%
1,818,535	0	1,818,535	558,468	0	558,468	31%	7,508,960	3,578,791	48%
390,965	0	390,965	532,789	0	532,789	136%	2,444,475	5,126,964	210%
40,971	191,730	232,701	78,357	124,551	202,909	87%	19,990,539	13,143,972	66%
10,674	0	10,674	112,402	0	112,402	1053%	11,154,192	10,260,223	92%
9,542	0	9,542	18,867	0	18,867	198%	3,089,097	928,135	30%
28,651	338,348	366,998	53,309	192,519	245,828	67%	10,889,086	3,313,071	30%
1,853,437	2,733,787	4,587,224	4,073,858	2,192,102	6,265,960	137%	14,629,115	18,083,201	124%
4,506	0	4,506	10,259	0	10,259	228%	3,179,756	1,297,674	41%
18,723	0	18,723	32,871	23,361	56,232	300%	2,909,588	3,590,401	123%
289,915	0	289,915	213,053	0	213,053	73%	20,148,756	17,381,177	86%
2,847,125	0	2,847,125	2,084,476	0	2,084,476	73%	7,768,272	6,455,089	83%
61,303	0	61,303	117,449	0	117,449	192%	5,439,274	2,530,354	47%
6,256	0	6,256	12,423	0	12,423	199%	7,890,971	1,411,122	18%
68,180	0	68,180	130,430	0	130,430	191%	10,398,888	5,160,166	50%
240,678	421,020	661,698	454,100	266,313	720,413	109%	25,104,000	9,289,021	37%
56,346	0	56,346	231,095	0	231,095	410%	4,458,702	6,298,665	141%
32,686	0	32,686	68,499	0	68,499	210%	252,123	223,711	89%
358,943	408,015	766,958	685,323	285,031	970,354	127%	19,483,901	7,257,546	37%
76,755	0	76,755	26,679	0	26,679	35%	2,884,485	526,608	18%
43,291	457,127	500,418	89,310	350,051	439,361	88%	22,764,995	14,919,107	66%
11,965	0	11,965	69,193	0	69,193	578%	200,512	322,938	161%
16,491	0	16,491	37,854	0	37,854	230%	322,944	360,189	112%
3,883,768	7,272,868	11,156,635	8,008,819	0	8,008,819	72%	125,810,827	53,332,557	42%
295,817	30,132	325,950	794,622	43,638	838,260	257%	2,167,941	3,736,727	172%
22,848	0	22,848	43,003	0	43,003	188%	11,397,122	5,380,958	47%
47,442	0	47,442	85,825	0	85,825	181%	677,016“	1,821,282	269%
297,278	1,317,408	1,614,685	575,292	862,147	1,437,439	89%	16,384,080	22,292,135	136%
9,685	818,401	828,086	20,377	527,643	548,020	66%	45,997,681	11,652,418	25%
0	0	0	15,395	0	15,395	N/A	1,387,291	2,528,479	182%
240,682	0	240,682	491,625	0	491,625	204%	3,247,175	3,686,197	114%
259,587	0	259,587	481,623	0	481,623	186%	7,111,418	9,116,899	128%
43,320	0	43,320	88,007	0	88,007	203%	3,997,465	1,408,213	35%
52,436	0	52,436	1,305,112	0	1,305,112	2489%	2,669,679	4,108,867	154%
109,393	93,714	203,107	235,312	96,269	331,581	163%	8,491,302	3,165,541	37%
1,756,355	854,441	2,610,795	1,902,383	93,672	1,996,055	76%	28,540,557	8,725,395	31%
81,320	0	81,320	145,304	0	145,304	179%	10,879,043	10,431,182	96%
2,685,568	0	2,685,568	6,715,767	0	6,715,767	250%	6,453,393	11,726,574	182%
4,177	0	4,177	7,981	0	7,981	191%	12,561,324	5,053,105	40%
13,875	2,197	16,072	25,978	1,377	27,356	170%	1,144,762	1,213,289	106%
207	0	207	381	0	381	184%	1,210,362	3,161,895	261%
9,161	0	9,161	17,813	0	17,813	194%	5,390,163	2,456,983	46%

*** In FY 04, Ansonia and East Hartford received a larger reimbursement for special education costs than would be delivered under the formula proposed by 1OOO Friends. However, in a typical year, both cities would receive "new special education" funds.*