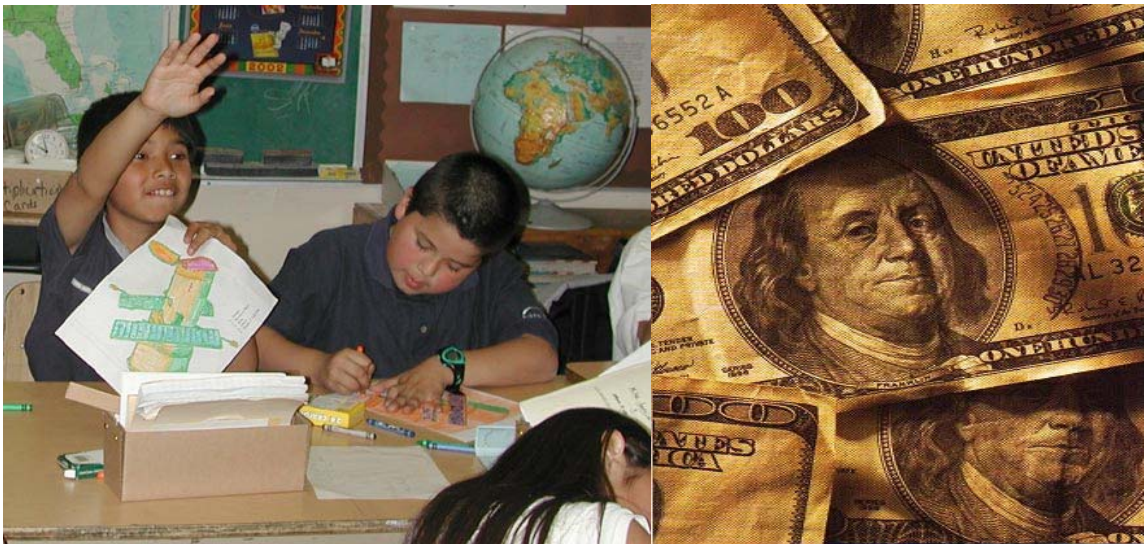

Finding a Better Way: Financing Local Public Education in Connecticut



Community Conversation Version
August 2005

Citizens Network of the Capitol Region
www.citizensnetwork.info

The Citizens Network of the Capitol Region



The Citizens Network is a grassroots organization composed of citizens from across Connecticut's Capitol Region (www.citizensnetwork.info). Our members study pressing issues for the region and deliberate to find common ground and a collaborative agenda for the good of the region and the state.

The Citizens Network mission is to create a broad-based, diverse, grassroots organization of citizens, drawing together persons from throughout the Capitol Region to address significant regional issues, working collaboratively with public and private institutions, agencies, groups and organizations in the Region.

With funding from the Hartford Foundation for Public Giving's Catalyst Group in the fall of 2002, an initiative was launched. In early 2003, with a further grant, the Network steering committee was invited to join and collaborate with the Capitol Region Partnership to address the issue deemed most important to the Partnership: the Workforce of Tomorrow. For the balance of 2003 the Network held community conversations in Hartford to provide 200 citizens of the region with an opportunity to learn more about the workforce issues and to offer their recommendations on how they should be addressed. In early 2004, with an additional grant from the Foundation, the steering committee focused on (a) designing a structure that would provide a broad-based, diverse, non-partisan opportunity for ordinary citizens and community leaders to identify issues they deemed important to their own communities and the region and (b) establishing a study committee to address an issue selected by citizens. To refine the concept and define a model, information was gathered from a variety of sources including the national Alliance for Regional Stewardship, the Citizens League of Minneapolis, Jacksonville's Community Council (JCCI), Focus St. Louis, and Birmingham's Region 2020. In early 2005, based on several electronic polls on issues of regional significance to over 500 residents of the region, the issue, *financing local education*, was selected for study.

Citizens Network Steering Committee Members. Peter Benner (West Hartford), Jim Boucher (Hartford), Courtney Bourns (West Hartford), Beverly Boyle (Hartford), Ted Carroll (Hartford), Shelley Copeland (Hartford), Roseanne Druckman (Simsbury), Carlos Espinoza (Hartford), Nadine Francis West (Hartford), Richard Frieder (New Hartford), James P. Friedman (West Hartford), Glenn Geathers (Hartford), James Gordon (Farmington), Monique Grisette-Banks (Windsor), Heidi Hadsell, (Hartford), Jack Hale (Hartford), David Kilbon (East Granby), Karen Lewis (Windsor), Frank Lord (Hartford), Susan Reinhart (Hartford), Nancy Roberts (West Hartford), Richard Sugarman (West Hartford), Lyle Wray (West Hartford), Hyacinth Yennie (Hartford).

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Finding a Better Way: Financing Local Public Education in Connecticut

Executive Summary

The Citizens Network study committee sought to answer the question:

- *How can the tax system in Connecticut be modified to pay for local K-12 public education and reduce the high level of reliance on local property taxes?*

While the issue of financing local education in Connecticut has been studied before, the Study Committee has attempted to advance the debate by producing four findings, seven principles to be used to construct a detailed solution and four recommendations for action.

The Committee's **findings** were:

- Local property taxes in Connecticut are high and increasingly incapable of meeting the education funding challenge
- State financial support for local education is inadequate and has become increasingly unbalanced with other potential sources of funding
- The state's system of paying for public education is regressive
- Resources available to pay for local education in Connecticut vary widely across municipalities, with some towns having significantly lower resources than are needed to meet their students' educational needs

The Committee recommends seven **principles** to be used by the Executive and Legislative branches in restructuring local education finance in Connecticut:

- The state should pay its fair share of local education expenditures, thereby reducing local property tax burdens in Connecticut
- Tax burdens should be as fair as possible to taxpayers of differing means

- Recognize that increasing state funding of local education usually means reducing local control over education
- The educational finance system should be stable and predictable
- Efficiency and accountability should be part of the financial reform package
- The tax system should be clear and understandable
- Sufficient funds should be provided on a town-by-town basis to assure adequate educational resources for all children in Connecticut

The Committee recommends four main **actions** be taken to remedy the current local education finance situation:

- Meet the overall goal of having the state fund 50% of local education
- Make the property tax system less regressive considering a homestead exemption and income adjusted “circuit breaker” property tax relief
- Allocate revenues raised to local governments in a manner that assures a more accurate consideration of student need, appropriate educational investment and property tax relief
- Strengthen accountability for the use of state funds in order to insure an adequate return on investment

Introduction

The future of the Capitol Region and the State of Connecticut has never been more dependent on having our schools produce citizens who can become and stay competitive in our truly global economy. Clearly, we have a great deal at stake in the choices we make about financing the education of our children and about how we assure that we get the performance that we need from our investment.

In light of these facts, it is not surprising that in a poll of more than 500 residents of the Capitol Region conducted by the Citizens Network found that 62 percent of those responding chose the financing of local education as the most important regional issue today.

Connecticut is also among those states placing the greatest reliance on local property taxes to fund K-12 public education. Nationally, an average of 42.8 percent of education funds comes from local, mostly property tax, sources compared to 62.4 percent in Connecticut. (Note 1). Connecticut ranks fourth in the nation in per capita educational spending (\$1,723) and ranks 22nd (at 75%) in the overall high school graduation rate. (Note 2).

Financing local education in Connecticut has been studied as an issue a number of times before, including the 'Blue Ribbon Commission' of 2003. (Note 3). This new citizen-based study is intended to complement work that has gone on before. It lays out findings, principles, recommendations and action steps.

It also sets the stage for broader community conversations on local education finance reform that will raise awareness and broaden engagement on a crucial issue for the future of our region.

The work of this Committee should be integrated into the public policy response to the recent work on adequacy of educational funding by the Connecticut Coalition for Justice in Education Funding. The Coalition found that substantial new investments of public funds would be needed to provide local districts with the resources to assure that most children will meet state educational standards. (Note 4).

Our Committee's Work

Based on two surveys of more than 500 regional residents, the Citizens Network charged the citizen study committee to address the following question:

- ***How can the tax system in Connecticut be modified to pay for local K-12 public education and reduce the high level of reliance on local property taxes?***

To come to grips with what is clearly a highly complex issue, the committee focused on three more specific questions about revenue, allocation and accountability:

Revenue: What is the best way to raise revenues to pay for local public education?

Allocation: What is a better way to distribute revenues to local governments for education?

Accountability: How can the state be assured that it is getting full value on every dollar it spends on local education?

While the main focus of the Committee has been on the first two of these questions, the Committee recognized that ensuring accountability is an essential component of any school finance system. As we redesign revenue and allocation policy and practice we must also insist on accountability for educational spending and outcomes.

A detailed description of the work of the Committee, as well as a list of committee members, appears at the end of this report. The group met 12 times and received input from a variety of people and sources on different aspects of educational finance and tax reform.

Findings

Connecticut is far from alone in the struggle to fund education and to temper property tax increases. The national average property tax per person in 2002-2003 was \$971, up 18 percent from five years earlier. Nationally, the most expensive property tax rates are in the Northeast. At least 48 states have taken steps to reduce property tax burdens. (Note 5).

Connecticut's local governments collected \$5.4 billion in property taxes during fiscal year 2000 (latest year available from the Census Bureau). That equals \$1,588 per person, which ranked Connecticut 3rd highest in 2000 in local government property tax collections in the country and not quite double the national average. (Note 6). More recent information ranked Connecticut second on property tax per capita at \$1,734. (Note 7).

The committee heard repeatedly that over-reliance on the property tax as a revenue source for local schools has a detrimental effect on communities. It is a prescription for strife and discord. Signs of strain appear in various forms. Many towns are experiencing rising rates of referenda failure, as residents seek to control property tax increases. This often pits the elderly against those with school-aged children. We heard anecdotally that educators might ask for less than adequate funding in order to avoid the defeat of a referendum. Competition for grand list growth to pay for education promotes the already rapid consumption of farmland across the state. Powerful disincentives arise for the creation of affordable housing, given the high tax cost of providing local schools. One observation about Connecticut struck a chord early in the Committee's deliberations and continued to resonate throughout our proceedings. The funding of local schools is a very high public priority and a fast growing, major item in local budgets. It has become firmly linked to local property taxes, which is a comparatively slow growing and highly visible source of revenue.

In most other states, the state government provides a far greater share of the total funding for local education. In summary, on a national basis, Connecticut ranks near the top in educational expenditures, but we are close to the bottom in the percentage of education funding coming from state revenues.

Finding 1:

Local property taxes in Connecticut are high and increasingly incapable of meeting the education funding challenge

A number of sources of information pointed to the problematic nature of property taxes as the main source of local education financing:

- Currently, we rank nationally just behind New Jersey with the highest property taxes in the country. (Note 8).
- Connecticut relies more heavily on local property taxes to fund public education than any other state. (Note 9).
- While the percentage of local school budget revenues provided by property taxes has increased by 2% over the past five years, the state's contribution has declined by 3.3%. (Note 10).
- Although property tax is the most stable tax among the state's top three revenue sources (property, income and sales taxes), property tax revenue is also the slowest-growing tax of the three. (Note 11).
- Competition to increase property tax revenue is increasingly fierce among Connecticut's cities and towns, which face pressure to commercially develop available land to build the grand list.
- In Connecticut, towns are not legally required to spend state funding for schools on education but may spend these funds on other town services. In contrast, most other states have independent school districts that may spend state funds only on education. Educational spending can crowd out other important local expenditure areas.

Finding 2:

State financial support for local education is inadequate

Connecticut has a very low level of state support for local education despite the fact that the state government has a deeper and more diverse set of revenue options to raise funds than do local governments. The original goal of the Education Cost Sharing (ECS) formula was to create a system in which the state provided an average of 50% of the cost of local education, with local governments providing the other half. (Note 12).

- State funding for local education as a percentage of local school budgets ranks Connecticut 42nd of the 50 states. (Note 13).
- The State has never fully-funded the ECS formula at the stated objective of an average 50% level statewide. In 1989 the state provided 45% of education funding statewide and that has dropped down to 37.6% in 2003-2004. (Note 14).
- Connecticut does not dedicate any specific sources of revenue to public education. While the state has added substantial new funding sources in the last 15 years – including significant gambling and income tax revenues

- local government funding remains largely based on property taxes. (Note 15).
- Increases in the level of State funding to municipalities over the past decade have not kept pace with rising education costs. (Note 16).
- Different communities and geographic areas of the state have markedly different needs for educational resources. Local challenges range from heavy debt service for new facilities to the high cost of meeting the needs of students requiring substantial educational assistance. (Note 17).

Finding 3:

The state's system of paying for public education is regressive

Those with higher incomes in Connecticut generally pay a lesser percentage of their income to support education than those with lower incomes.

Connecticut's low- and middle-income households pay a higher share of their income in state income, sales and property taxes than higher-income families. (Note 18).

Finding 4:

Resources available to pay for local education in Connecticut vary widely across municipalities, with some towns having significantly lower resources than needed to meet their students' educational needs

The gap between how much higher-income towns spend per student and how much lower-income towns spend per student is widening, and dramatically so. (Note 19).

Principles

The Committee recognizes that the task of restructuring local education finance in Connecticut is a complex one. It will involve many members of the Executive and Legislative branches of government and players from many sectors outside of government. In recognition of this fact, the Study Committee suggests the following guiding principles and policy objectives. They underpin the action recommendations in the next section. As decision makers consider how to respond to the challenges of funding local education, the principles should provide useful guidance in the complex process of arriving at an acceptable solution.

Principle 1:

The state should reverse the downward trend in its contribution for funding education and pay its fair share of local education expenditures, thereby reducing local property taxes in Connecticut.

The state share of local education funding at 37.6% for 2003-2004 is low by national standards. Local education funding should be balanced across the various types of tax revenues available, relying less on property taxes. The Committee believes it is critically important that funding should be derived from a better balance among income, sales and property taxes. An excessive reliance on local property taxes hurts families and businesses, grows revenues slowly for education, and should be avoided.

Principle 2:

The tax system should be fair to taxpayers of differing means.

The tax system to pay for local education should be as fair as possible to all taxpayers. Tax burdens should be distributed fairly among all payers. The overall tax structure should be even more based on the ability to pay.

Principle 3:

Recognize that increasing state funding of local education usually means reducing local control over education.

In some states, such as Michigan and Minnesota, new state revenues have brought the state share of local education funding up to 78% but at the same time have provided for a greater state “say” in local education. Trade-offs

between additional state funding and local decision-making should be explicit, negotiated and considered carefully.

Further, the proposed funding strategy should not produce a mere shuffling of revenues at the local level, with educational revenue gains offset by losses in funding for municipal services. Local control should be maintained to the greatest extent possible; however, focus of the placement of those funds should be directed in total to the needs of public education in the district.

***Principle 4:
The educational finance system should be stable and predictable.***

The new funding system should bring stability, certainty, and sufficiency in raising revenues to support quality education and meet adequacy standards without the need for continuous or drastic changes in tax rates, the tax base, or major local budgets. While difficult to achieve, it would be best to leave an agreed upon formula in place for a number of years to provide year-to-year budget predictability and stability.

***Principle 5:
Efficiency and accountability should be part of the financial reform package.***

Although not addressed in depth in this report, additional state funding will likely produce pressure for greater accountability of the educational system in the state at both the local and state levels to reasonably assure that new funds are boosting student academic achievement in Connecticut.

In addition, the state should provide financial incentives to achieve economic efficiency and economies of scale through inter-municipal/district consolidation of educational functions, building on the precedent established for other selected public services (i.e., emergency medical services, public health services, etc.).

As additional state money is invested in local education, it is appropriate to address questions such as “value for money”. For instance - are we getting the best value from every dollar spent, what factors are pushing educational costs the most, and where ought new funding be invested to produce the best results for students?

A study of what it takes to adequately fund education must consider not only educational costs but also the elements that drive those costs. Each element must be evaluated to determine whether or not it adds to the quality of the education a student receives. State and federal mandates, testing requirements,

teacher tenure and binding arbitration are examples of elements that contribute to the cost of education but may not improve the academic outcomes.

Principle 6:

The tax system should be clear and understandable.

It is important to assure that tax laws are clear, that all aspects of revenue increases and decreases are reported publicly, that proposed changes are well publicized, and that taxpayers have an opportunity for input. After reform, the general public should be able to understand the revenue system.

Principle 7:

Sufficient funds should be provided on a town-by-town basis to assure adequate educational resources for all children in Connecticut.

While the issue of “how much is enough” is not the charge of this Study Committee, we are committed to ensuring that the state provides adequate funding for public education so that our children have the tools they need to succeed in their education.

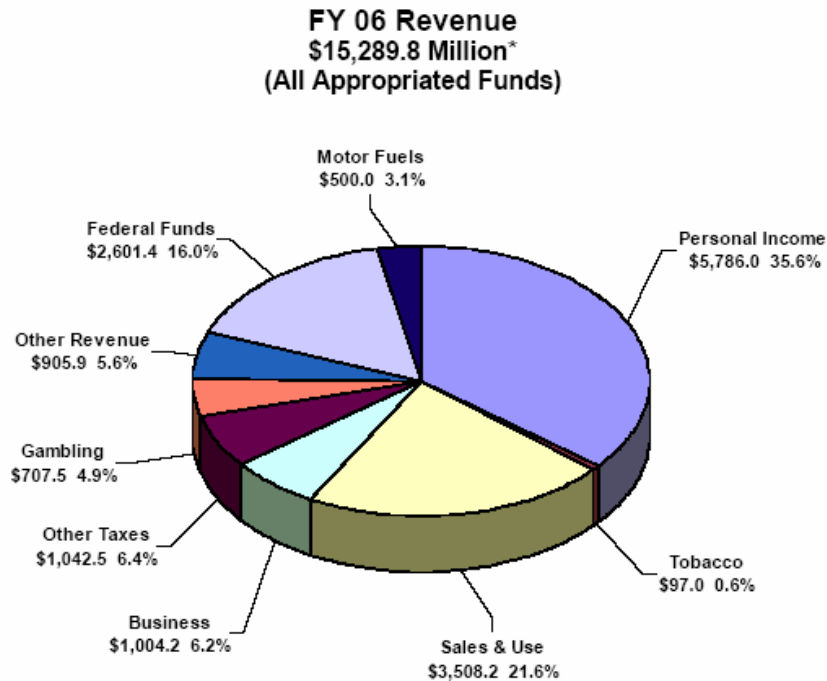
Recommendations

Recommendation 1:

Meet the overall statewide goal of the state funding 50% of local education statewide.

Reduce from 63% to 50% the average local share of educational funding. The state should move to pay half of public education costs as described in the ECS statutes. This recommendation is consistent with the legislature's intent when it adopted the Educational Cost Sharing Formula and with the recommendations of many public finance experts. Moves to higher levels of state funding may bring with them decreases in local decision-making.

To move the state share of local education funding from 37% to 50% would cost approximately \$928 million more per year. (Note 20). Here are the state's current revenue estimates (Note 21):



As can be seen from the chart, finding \$928 million dollars for education would have a significant impact on the state budget. Leaving aside the important question of finding efficiencies in state spending that would moderate the need for a tax increase; it would likely involve some of the following components:

- State income tax: A one percent increase in income tax yields approximately \$1.3 billion dollars per year
- Sales and use taxes: A one percent increase in sales and use taxes on the current base provides approximately \$600 million dollars
- Gaming industry revenue. The state takes in nearly \$600 million dollars per year from Indian gaming and the lottery. (Note 22).

The menu of options might include some thoughtful combination of:

- A modest increase in state sales tax rates. This could include broadening the goods and services sales tax base to include currently exempt personal and professional services combined with a program of tax credits for low-income households so that the tax is less regressive;
- An increase in the level of revenue produced by the state income tax, achieved by a combination of adjusting rates, exemptions and deductions and graduation in the tax;
- Setting aside a designated percentage of the revenues from lotteries and gambling casinos in the state to support public education;
- An increase in excise taxes on cigarettes, and alcohol;
- Imposition of a statewide property tax with a uniform mill rate on business and commercial property and a statewide tax on commercial and industrial property, either in place of or in addition to local taxes on these properties; and
- Limit or cap deductions and exemptions from the corporate income tax.

This increase in state revenues for local educational spending should lead to a substantial reduction in property taxes in many towns. But legislation would be needed to assure that the new state revenues would produce reduced local property taxes. The 2003 Blue Ribbon report (p. 35), for example, recommended a spending cap to assure that increased state revenues did actually result in a reduction in property taxes.

Arriving at a decision on which items from the menu are used is covered in the action steps. As part of the consideration of a mix of additional revenues and increased efficiencies and savings in current spending, the state should protect its regional business competitiveness and consider the impact of specific taxes

on economic growth. Information from a statewide tax incidence study requested by the 2005 Connecticut General Assembly should be invaluable in making decisions about replacement revenues.

Recommendation 2:

Make the property tax system less regressive:

Consider a homestead exemption and income-adjusted “circuit breaker” property tax relief.

Change the property tax formula so that ongoing, albeit reduced, reliance on it will be less regressive in how it impacts residents, both property owners and renters. The menu of options for making it tax less regressive includes:

Homestead exemptions, which provide relief to a broad range of homeowners. This is a tax credit for residents on their principal residence. In Florida, for example, the exemption basically takes \$25,000 off the tax-assessed value of the property, giving the homeowner a tax reduction of about \$500.

Income-based property tax relief: An income-based “circuit breaker,” which addresses the equity issue and provides a tax credit and relief to low-income owners/renters. It comes into play when a household is overburdened by the property tax (for example 5% of income or higher). For instance, it could extend the present circuit breaker beyond the elderly and disabled to include all low-income people.

Recommendation 3:

Allocate revenues raised to local governments in a manner that assures a more accurate consideration of student needs, appropriate educational investment and property tax relief.

Like the issue of adequacy of education funding, the matter of how state funds are allocated to municipalities to pay for local education is largely outside the scope of this paper. However, it should include removing the cap on the ECS formula funding. There would also need to be some assurance that if property tax relief were achieved by increasing state aid to municipalities for local education, the new money would be spent on education and not other local programs.

Allocations are largely handled by the state in the Education Cost Sharing Formula. With respect to the ECS formula, options for changes considered include full funding of the formula, eliminating caps in the ECS, and increasing the foundation level. The Committee also heard that consideration should be given to recommending changes in how student need and fiscal capacity are measured in the formula to ensure aid is targeted appropriately. The student evaluations used in the present ECS formula are inappropriate, and include such

measures as student proficiency score results. The fiscal capacity measure is needlessly complicated and appears to give too much weight to local fiscal capacity.

Recommendation 4:

Strengthen accountability for the use of state funds in order to insure an adequate educational return on investment.

A comprehensive look at school accountability is beyond the scope of this report, and yet is critical to mention as an adjunct to any deliberation of *equity and fairness*.

Among the questions to be addressed in strengthening accountability would be:

- What are the steps needed to assure that any substantially increased state funding is used in ways citizens and taxpayers desire with the understanding that there is an almost inherent tradeoff between local control of education and ensuring a reduction of property tax burdens?
- What are the appropriate adjustments and reassessments of the outcome measurements used in the state?
- How can research on effective instructional and management strategies be more quickly and widely applied?
- Do the performance measures in place provide an accurate assessment of student progress in key subject areas and of school success in improving student performance? Are improvements on state tests also reflected on national tests in the same subject areas?
- Do school districts have the technical capacity and training to effectively utilize performance information to improve effectiveness?
- Does the state education department have the capacity to analyze the performance information, and carry out well-designed program evaluations? Is a uniform chart of accounts for local education helpful for this task?
- Are the sanctions/rewards in the accountability system providing the right incentives to school officials to improve?

Action Steps

This community conversation version of the report is intended to inform residents around the Capitol Region and capture their input. While the Committee endorses these findings, principles, and recommendations, community conversations will be used to enrich the final version of the report and to develop follow up action to it.

To implement the Committee's recommendations, a number of participants in our region and state will need to step forward to move this agenda. Various key stakeholder groups will be needed to carry out their part in changing the way public education is financed.

Governor and Legislative Leadership

Either through a joint effort with the legislature or by executive order, the Governor needs to appoint a broad-based commission to propose a menu of options for correcting our current over-reliance on the property tax to fund public education, to recommend a set of transition mechanisms for implementing reforms and to draft a specific timeframe.

Business Leadership

The business community must provide leadership if the state's share of funds for local education is to increase to 50 percent. A good business climate in the state requires healthy communities that cooperate with one another rather than compete against each other. Tomorrow's workforce must be well educated if it is to provide the employees needed to attract and retain business in Connecticut. Improved public education also will reduce the need for prisons and social services.

Local Town Leadership

Mayors, First Selectmen, Council members, Selectmen, Finance Committee members and Boards of Education members should provide leadership in developing efforts to gain additional state resources for pre-K to grade 12 education in Connecticut. They also should support the recommendations in this report by sponsoring forums, passing resolutions and otherwise speaking out on these issues.

The Citizens Network of the Capitol Region

The Citizens Network should take the lead in the Capitol Region in promoting widespread public discussion and understanding the need for a new policy for funding local education. That public discussion should take place during the upcoming election cycles and include presentations to local service clubs, convening local forums (similar to those that have been held to look at the Connecticut MetroPatterns Report), taking the message onto local public access television and to local radio stations, sending op-ed pieces to local newspapers and meeting with editors.

Study Committee Record

Monday, March 14, 2005. Blue Ribbon Commission. Property tax burdens/smart growth incentives. R. Smuts. Connecticut Policy & Economic Council Michael Meotti. Local, State & Federal and Other Expenditures for Elementary and Secondary Education. A. Taylor. CCJEF: Overview of CCJEF & Education Adequacy Cost Study. D. DeVries. Institute on Taxation & Economic Policy (ITEP). A Study of Connecticut School Finance Adequacy. D. DeVries. Citizens Network – Overview. C. Bourns. Proposed core values and principles statement. C. Bourns and R. Pearson. Framing the Issue document. C. Bourns and R. Pearson. CN Steering & Study Committee Members List. C. Bourns

Monday, March 21, 2005. March 14th meeting notes. C. Bourns. Hartford Courant report – Leaders Take Broad Look at Schools. R. Gottlieb. Handout from Connecticut Policy & Economic Council. M. Meotti.

Monday, March 28, 2005. March 21st meeting notes. C. Bourns and R. Pearson. Proposed Facts from 3/21 presentation. R. McKay. Definition of three categories of school districts. Hartford Courant article – In Praise of Property Taxes. D. Blume.

Monday, April 4, 2005. March 28th meeting notes. C. Bourns and R. Pearson. Proposed Consensus Facts – consolidated. Jared Schmitt. Proposed Principles to Guide Possible Solutions. “How Much is Enough?” “School Matters” Notice & agenda: “Education Adequacy & Equity in CT”. J. Boucher. OLR Research Report – Education Cost Sharing Formula. “No Small Change”. Fair Taxes Now Forum – “Five Great Lessons”. M. Winterfield. “Regionalism is a Challenge” P. Benner

Monday, April 11, 2005. April 4th meeting notes. C. Bourns and R. Pearson. School Finance Systems: Striking the Right Balance. W. Duncombe. Raising Revenue Fairly & Efficiently.

Monday, April 18, 2005. April 11th meeting notes. C. Bourns and R. Pearson. “Property Tax Relief Objectives & Tools: Informing Connecticut’s Options” presentation by S. Cook. Emerging Principles (PDF). Duncombe Presentation. Report – draft outline. Review Proposed Consensus Facts from 3/14 and 3/21 meetings. Study Committee Summary.

Monday, May 2, 2005. April 18th meeting notes (C. Bourns and R. Pearson). Final Report of Maryland Commission on Education Finance, Equity and Excellence (2002). Review of revised draft preliminary (4/29/05) study committee recommendations. Discussion with/commentary from W. Duncombe and R. Bifulco.

Monday, May 16, 2005. May 3, 2005 memo from W. Duncombe and R. Bifulco on “Principles, Objectives and Policy Options”. “Taxing Smarter and Fairer” report by R. Pomp (March 2005). Initial draft of study committee outline and report (5/13/05).

Monday, May 23, 2005. Review of revised draft study committee report. NYT article (5/19/05) "Property Taxes in New Jersey..." NYT article (5/21/05) "In a Grim Corner of Baltimore..."

Monday, June 6, 2005. Review of revised (6/2/05) draft study committee report. CCJEF report/study "The Cost of An Adequate Education in Connecticut". Overview of CCJEF study and strategy by L. Erdmann. Discussion of study committee rollout strategy and action plan.

Notes

1. Associated Press, June 19, 2005 "As housing prices skyrocket across the country, so do property taxes).
2. Governing Sourcebook, 2005, p13, Education Week *Quality Counts*, table, "Per-Pupil Expenditures," p.10. Greene, J.P. & Winters, M. A. (2002). *Civic report no. 31: Public school graduation rates in the United States*, New York City, Center for Civic Innovation at the Manhattan Institute.
3. State of Connecticut Report of Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives (October 2003).
4. Connecticut Coalition for Justice in Education Funding, (2005). *The cost of an adequate education in Connecticut*.
5. Pain, J. July 3, 2005, Associated Press, *Homeowners deal with rising property taxes*.
6. U.S. Census cited in Tax Foundation report:
<http://www.taxfoundation.org/taxdata/show/251.html>.
7. Governing Sourcebook, 2005, p.35.
8. New York Times, May 21, 2005.
9. National Center for Education Statistics (NCES), April 2005, Revenues & Expenditures for Public Elementary and Secondary Education: School Year 2002-2003, table 2 at: <http://nces.ed.gov/ccd/pubs/npefs03/findings.asp>.
10. Allan Taylor March 14 presentation to the Study Committee, citing Connecticut State Department of Education, 2003-2004 Connecticut Public School Expenditures, "Local, State and Federal/Other Expenditures for Elementary and Secondary Education," <http://www.state.ct.us/sde/dgm/report1cpse2004/1sf.pdf>. The NCES report cited just above shows the 2002-2003 local contribution to be 57.4 %.
11. Source: Mike Meotti, CPEC, March 14 Study Committee presentation, page 1 of PDF compilation of material for that meeting. "The cumulative effect of a decade's worth of budget decision-making has made local schools more dependent on the property tax, the slowest growing of the three taxes that generate the bulk of revenue for state and local spending. Statewide property tax revenues grew by 45% from 1993 to 2003 while sales tax revenues grew by 55% and state income taxes increased by 101%." Presented with an accompanying table.
12. Office of Legislative Research: Education Cost Sharing Formula, 2004-R-0815, October 20, 2004.
13. NCES April 2005 report, cited above.

14. CSDE report, cited above. See also, October 2003 Report of Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives, page 26.
15. Dianne Devries, Consultant, presentation to Study Committee on behalf of the Connecticut Coalition for Justice in Education Funding.
16. CT Policy and Economic Council. Mike Meotti, March 14 presentation to the Study Committee, page 1 of PDF compilation for that meeting: "While all state aid to towns and cities (largely but not only for education) grew by 39% from 1993 to 2003, local school spending increased by 56% during the same period. This resulted in a decline in the percentage that state aid contributed to the municipal budgets in 115 of the state's 169 municipalities." Two charts included on revenue growth rates and spending growth rates, respectively.
17. Allan Taylor, <http://www.state.ct.us/sde/dqm/report1/cpse2004/table3.pdf>.
18. Institute on Taxation and Economic Policy, study authored by ITEP's tax policy director Robert S. McIntyre, *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*. Presented at March 14 meeting by CCJEF's Dianne deVries, p. 14 of PDF compilation for that meeting.
19. Allan Taylor- March 14 presentation to the Study Committee, page 17 of PDF compilation for that meeting. Table 3 – *Per Pupil Expenditure Summary* "displays for 2001-02 through unaudited 2003-04 both the traditional net current expenditure per pupil (NCEP) and the MER-related expenditures per need student (RPENS)...These figures suggest a widening of the gap between the very highest spending towns and the lowest spending towns".
20. Alan Taylor March 14 presentation to the Study Committee, page 16 of PDF compilation for that meeting. Chart 1 -- Local Educational Expenditures in Dollars (Millions) 1998-99 and 2003-04: Total (state/local/federal) education expenditures = \$7,508,000,000 (including special education); State share = \$2,826,000,000 = 37.64%; 50% State share would equal \$3,754,000,000; Difference or shortfall = \$928,000,000).
21. Connecticut General Assembly, Office of Fiscal Analysis June 8, 2005. Highlights of the 2005-2007 Biennial Budget.
<http://www.cga.ct.gov/ofa/Documents/BudHlts/BudHlts6-8-2005.pdf>.
22. Office of Fiscal Analysis, 2005,
<http://www.cga.ct.gov/ofa/Documents/RevItems/TaxFacts/taxfacts2002.pdf>

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*Indicates an individual who was not a member of the committee but wished to remain updated on progress of the Committee