2003

Connecticut Metropatterns Part II

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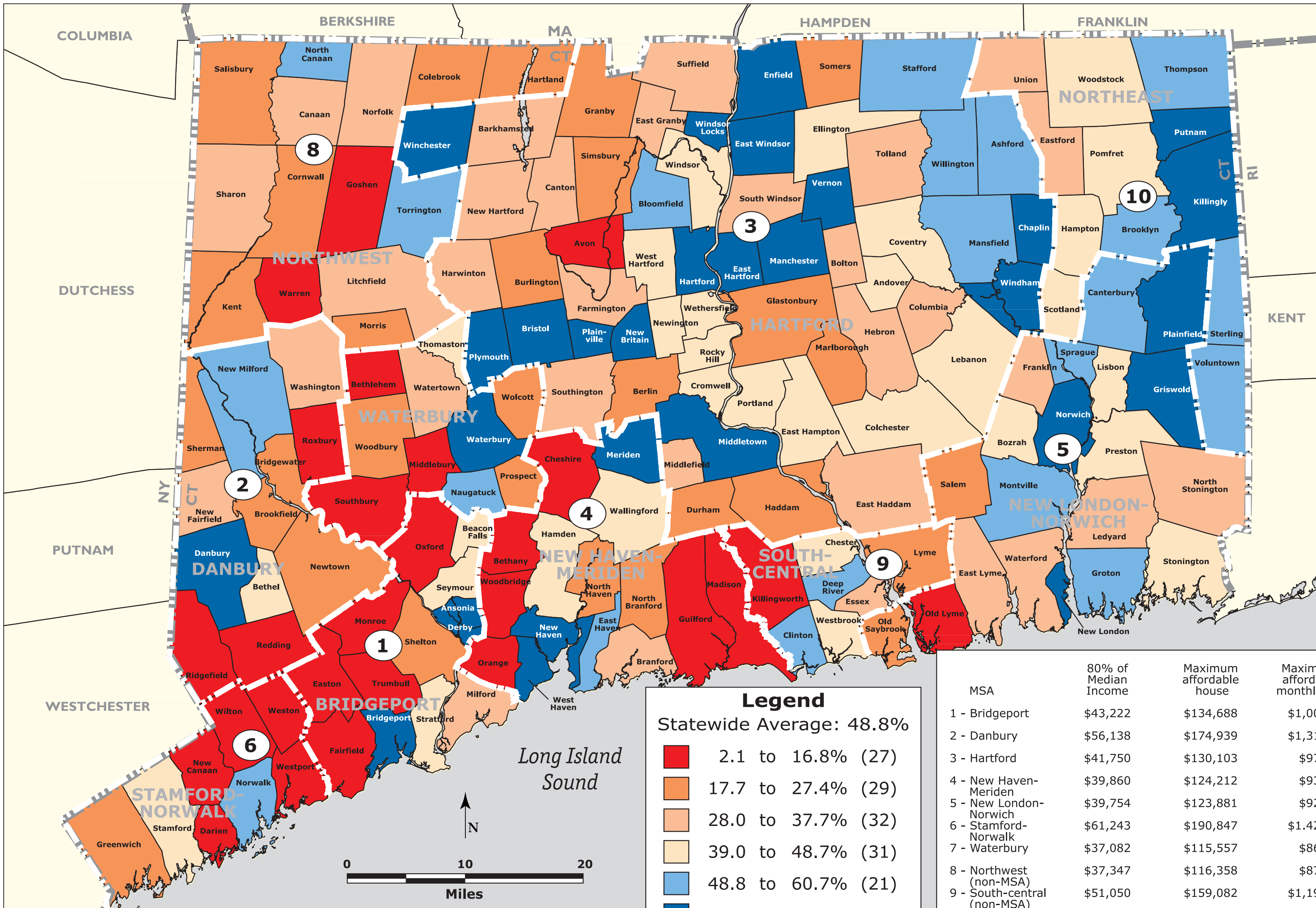
Map 12: Percentage of Housing Units Affordable to Households with 80 percent of the Regional Median Income by Municipality, 2000



MSA	80% of Median Income	Maximum affordable house	Maximum affordable monthly rent
1 - Bridgeport	$43,222	$134,688	$1,009
2 - Danbury	$56,138	$174,939	$1,310
3 - Hartford	$41,750	$130,103	$974
4 - New Haven-Meriden	$39,860	$124,212	$930
5 - New London-Norwich	$39,754	$123,881	$927
6 - Stamford-Norwalk	$61,243	$190,847	$1.429
7 - Waterbury	$37,082	$115,557	$866
8 - Northwest (non-MSA)	$37,347	$116,358	$871
9 - South-central (non-MSA)	$51,050	$159,082	$1,191
10 - Northeast (non-MSA)	$38,310	$119,383	$894

Data Source: U.S. Census Bureau.

The distribution of affordable housing in Connecticut is very uneven. An even distribution of affordable housing gives people of all incomes greater choice in where they live, reduces the costs of dealing with poverty by ensuring that it is not concentrated in just a few places and increases the chances that people live close to their jobs.

For the most part, communities with very little affordable housing are in the western half of the state, especially in the southwest. However, affordability rates are relatively low in many towns spread across the state.

Fiscal Inequity

As a rich state, Connecticut is viewed by many as nearly uniformly wealthy, with urban pockets of decline and blight. But the fiscal story in Connecticut makes it clear that that there are far more communities facing fiscal strains than most people suspect.

That's because the local fiscal landscape in Connecticut is dominated by much greater-than-average reliance on property taxes to finance municipal services and schools. This places tremendous pressure on most communities to attract development that will expand their property tax bases. This can drive local land-use planning decisions, encourage sprawl and increase economic and social stratification — all without contributing to the regional economy.

To win the most profitable land uses, local governments may offer public subsidies or infrastructure improvements. But perhaps the most common approach is "fiscal zoning" — making land-use decisions not based on the intrinsic suitability of the land or the long-term needs of the region, but on the tax revenue it can generate right away. For example, a region as a whole benefits when most communities contain a mix of housing choices because workers have a choice of communities to live in. But individual localities can reap fiscal benefits by severely limiting the land zoned for multifamily development or by requiring very large (and therefore more expensive) homes and lots, effectively excluding low- and moderate-income people from their borders.

Connecticut communities compete for developments that generate more in tax revenue than they require in services.

Disparities are Growing

The effects of this competition are evident in the dramatically different abilities of Connecticut's local governments to finance public services. One way to measure the disparities among communities is the ratio of tax base in a high-capacity place (the one at the 95th percentile) to the tax base in a low-capacity community (the one at the 5th percentile). In 2000, if all the municipalities in the state had levied the state's average property tax rates, the revenues coming to the 95th percentile municipality would have been 5.3 times the revenue of the 5th percentile municipality. Put another way, for all residents of the state to receive equal levels of public services, municipalities with the lowest tax bases would have to tax residents at over 5 times the rate of those with the highest tax bases — something that no place can afford to do if it hopes to succeed in the competition for businesses and residents.[34]

State and federal aid reduces these disparities, but it doesn't eliminate them. For municipal services, the ratio narrows to 4.3 when state aid is included. In Connecticut, as elsewhere, state government takes a much stronger role in school finance than in municipal finance. As a result, the 95th-to-5th ratio for public schools narrows more after aid is added, falling from 5.3 to 2.3.

The fiscal disparities among communities have been getting worse over time. In 1990 the ratio of tax base in the 95th percentile municipality to that in the 5th percentile municipality was just 3.4. That means the disparity between low- and high-tax base communities increased over 50 percent in a decade.

PPhoto credit: Blaine Harrington III

Competition for Tax Base

The competition for tax base among local governments creates the potential for a vicious, self-reinforcing cycle of decline in places that "lose" the competition early in the game. As a municipality loses tax base, it faces a choice — it can levy high tax rates in order to provide competitive public services or provide relatively few, or low quality, services at competitive tax rates. Either choice puts it at a disadvantage in the competition for jobs and residents, leading to further losses and further declines in its ability to compete.

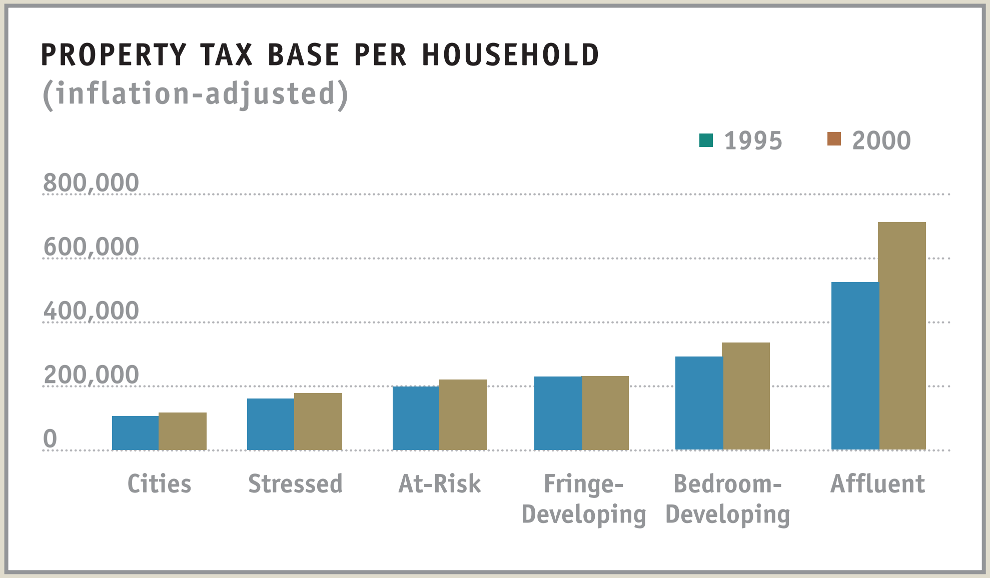
Older communities in Connecticut's urban cores are doubly hurt by these trends. These places must contend with aging infrastructure, industrial pollution, concentrations of poverty, higher crime rates, and other factors that strain their limited resources. With their low property values, they have few resources to provide for their great needs. They cannot reinvest to rebuild sewer systems and roads, rehabilitate housing, maintain parks or clean up polluted land without state or federal aid. Those burdens make it even more difficult for these communities to remain competitive with newer communities that offer cheaper land, newer homes and more open space.

Meanwhile, places that "win" the most lucrative homes and businesses can provide high-quality services at more reasonable rates, in turn attracting even more economic activity.

But there are actually few winners in this competition. For many communities on the urban edge, all is not well, either. The same patterns that hurt older, struggling communities also discourage long-term planning that would allow growing communities to develop in an orderly and efficient way. Because competition for certain land uses can be so intense — and the impact of losing so severe — communities often feel they have to grab all the development they can before it leaves for another place. That is especially true in newly developing communities that are trying to build an adequate tax base to pay for their growing needs and to pay off debts on new infrastructure. But these low-capacity places are rarely in a good position to win the competition for the most "profitable" land uses, ending up instead with moderately priced single-family housing that generates more costs — for schools, roads and sewers — than they produce in revenues.

The result of fiscal zoning and the other strategies communities embrace to attract tax base is the concentration of households with the greatest need for public services in communities that are the least able to generate the revenue to provide them.

The same fiscal patterns that hurt older communities discourage long-term planning that would help growing communities develop in an orderly way.



Tax Policies Discourage Investment

Connecticut's property tax is structured in a way that adversely impacts new development. While the property tax covers both land and buildings, the major burden of the tax is applied to the buildings or improvements made on that land.[35] This creates a disincentive to maintain existing buildings, rehabilitate them or add new structures. The result is often land speculation, in which the owner holds the land without making improvements to it, since the land itself will not be taxed at the rate that a new development would. When that happens, the existing buildings deteriorate over time, and vacant lots accumulate in the cities. When land speculation occurs, leapfrog development often follows, resulting in loss of farmland and open space for new developments.

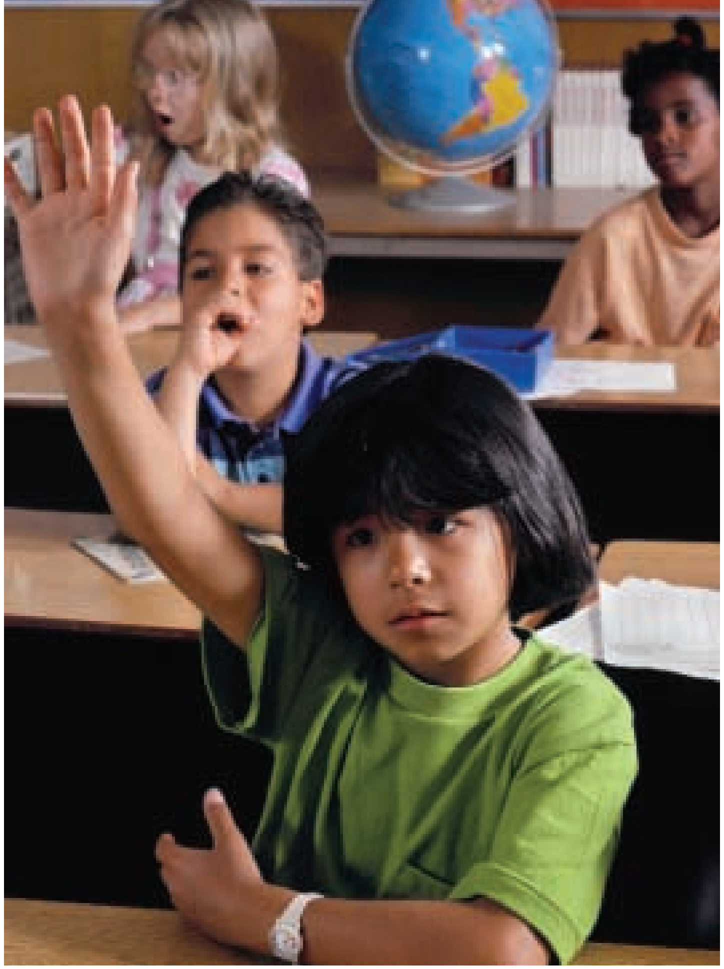
In urban centers, which urgently need the new development to boost their tax rolls and stabilize income streams, the tax effect is disastrous as the cities physically decline and potential new commercial development projects end up in neighboring municipalities.

School Finance

Schools provide another dramatic example of the mismatch between needs and resources. School districts comprise an important part of Connecticut's local fiscal landscape. In fact, the majority of property tax payments in the state go to schools — 55 percent in 2001.

When districts' needs are compared to their fiscal capacities, disparities are more evident. To measure the combined effects of capacity and needs, this study created a classification system for school districts.

In this system, districts were first grouped by revenue capacity per pupil. That's the revenue a district would generate for each student if it assessed the state's average tax rate to its own tax base, plus state and federal aid. Districts with capacities per pupil at least 20 percent above the statewide average were classified as high capacity. Those with capacities at least 20 percent below average were classified as low capacity. The remaining districts — about half of the total — were considered moderate capacity. Then districts were categorized as either low- or high-cost. High-cost districts fit at least one of three criteria — a free-lunch eligibility rate among elementary students greater than 40 percent, enrollment growth exceeding 30 percent (about 4 percent per year) over a seven-year period, or an enrollment decline of any size during the period (see Map 13).[36]



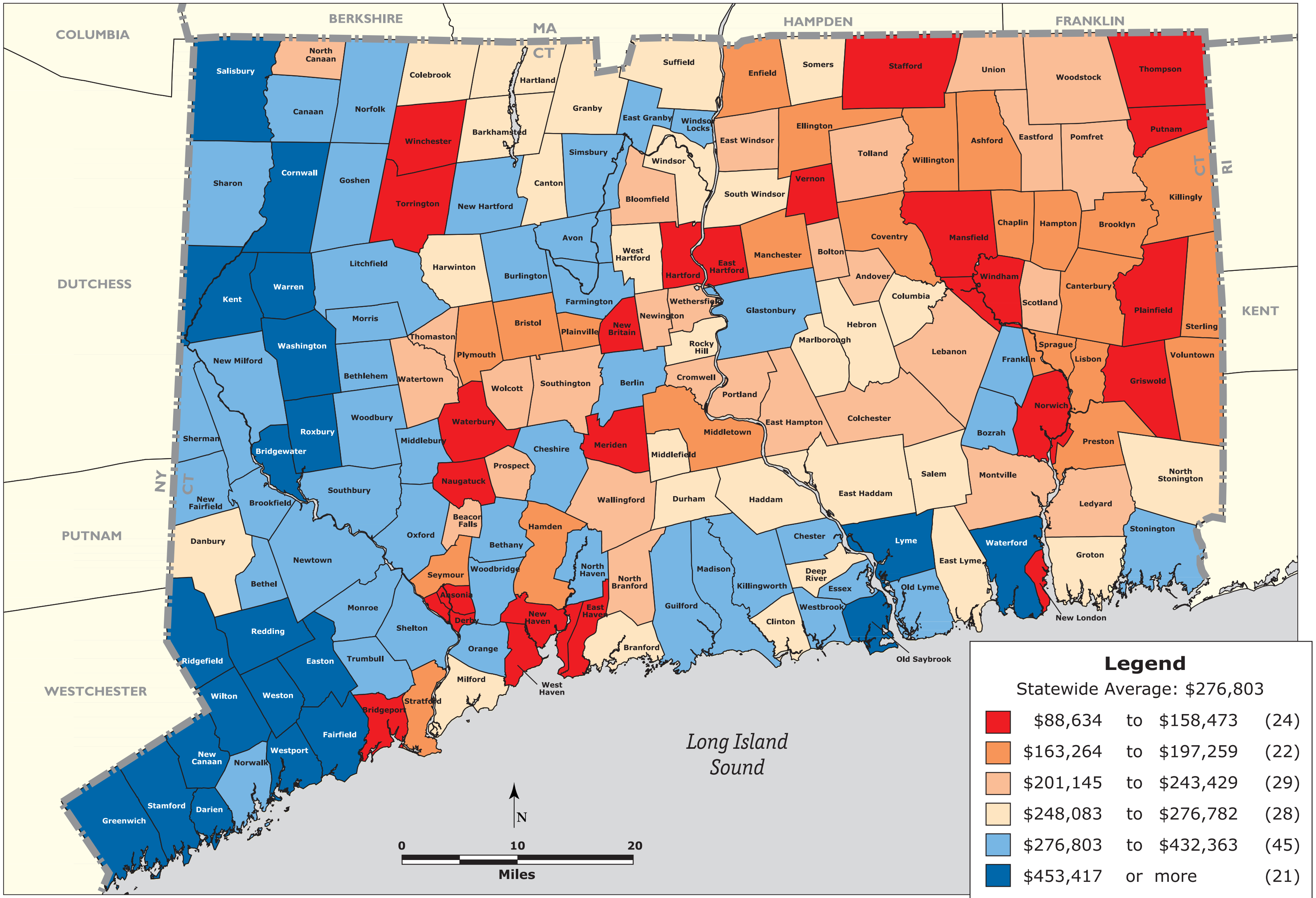
Nearly 60 percent of Connecticut students are enrolled in school districts facing fiscal or social stress.

The results reveal that 57 percent of students are enrolled in districts showing at least one sign of stress — low fiscal capacity or high costs. Stressed districts are spread relatively evenly across the state.

Comparing school district classifications to municipality classifications (Map 1), we can see that the bulk of the high-stress municipalities — central cities, stressed and at-risk communities — are served by school districts facing at least one type of stress. This magnifies disparities as school and municipal services compete for scarce public resources. Connecticut's existing state aid for education, while important, does not equalize schools sufficiently to pull the plug on the outmigration of families seeking the best education for their children.

Property Tax Base

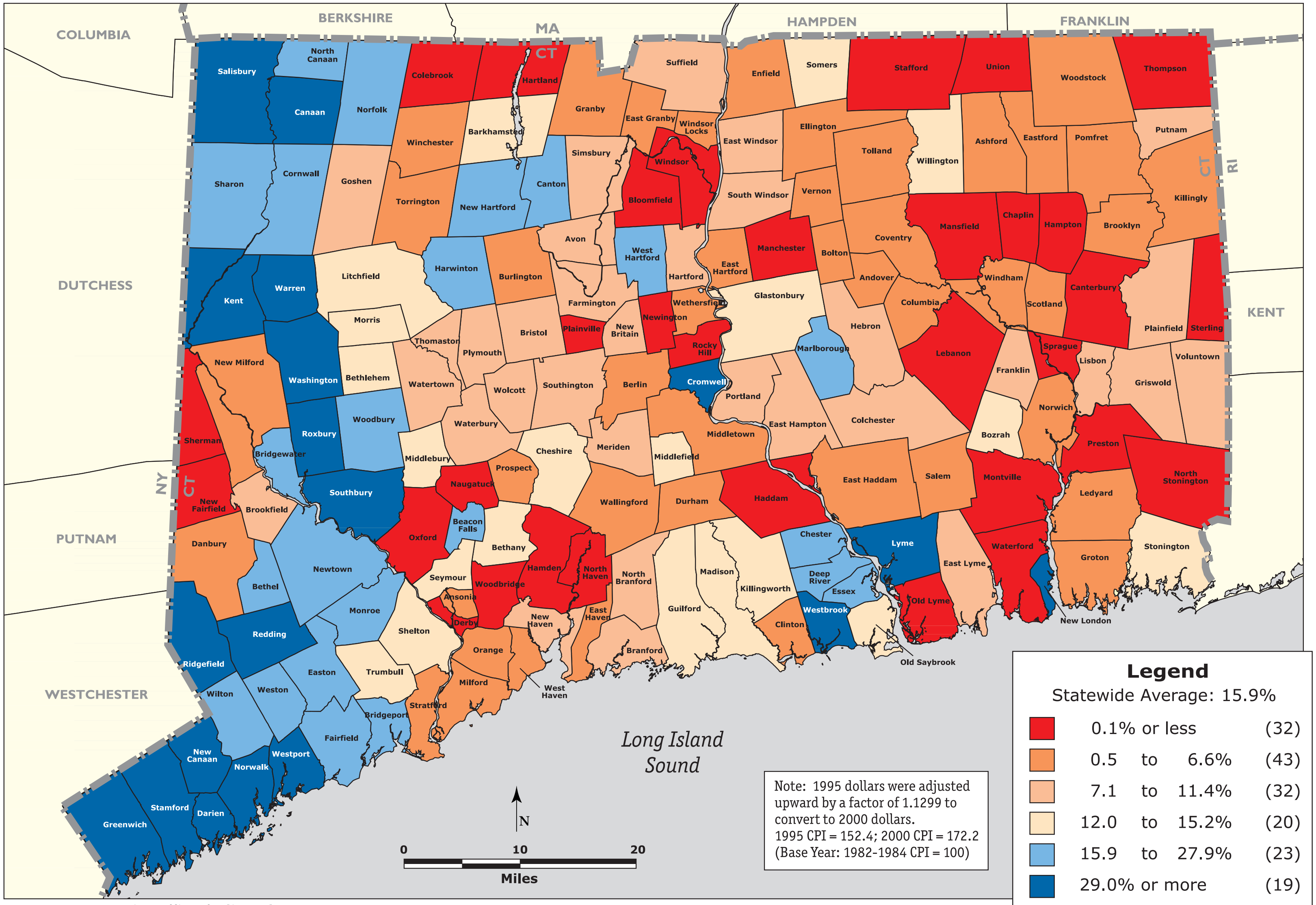
Map 13: Property Tax Base per Household, 2000



Data Source: Connecticut Office of Policy and Management.

The ability of a community to pay for needed public services depends on both the costs of providing the services and its capacity to raise revenues. Many of the communities with high tax base are affluent ones with few social needs. Low tax bases are found in many of the places struggling with social strain — large cities and stressed and at-risk communities. Tax base per capita in the western portion of the state is higher than elsewhere, due largely to its proximity to the New York region and the presence of expensive second homes. By contrast, the state's central and smaller cities, as well as municipalities such as Naugatuck and Windham, clearly lag behind the rest of the state, with property tax bases far below the statewide average. Near central cities there are affluent enclaves, such as Avon, Madison and Woodbridge.

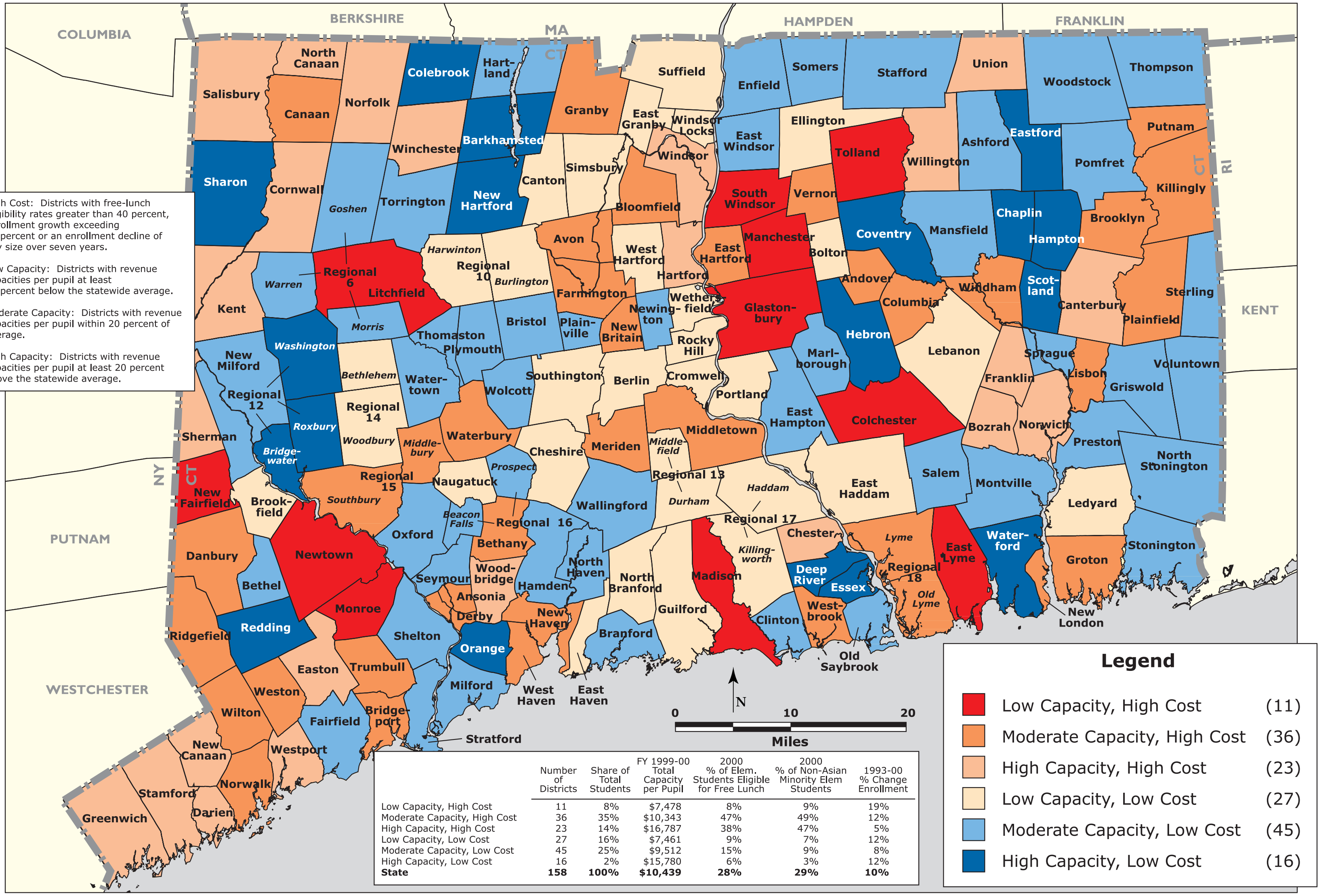
Map 14: Percentage Change in Property Tax Base per Household by Municipality, 1995-2000



Data Source: Connecticut Office of Policy and Management.

When a municipality's tax base shrinks, officials must choose either to increase tax rates in order to maintain services or hold the line on taxes and provide fewer or lower quality services. Either choice puts them at a disadvantage in the regional competition for jobs and residents. This dilemma is in play in the state's large cities and stressed and at-risk municipalities, including rural places like Hartland, Haddam and most of eastern Connecticut. Many communities in the western part of the state saw significant gains in tax base during the late 1990s.

Map 15: School District Classification



	Number of Districts	Share of Total Students	FY 1999-00 Total Capacity per Pupil	2000 % of Elem. Students Eligible for Free Lunch	2000 % of Non-Asian Minority Elem Students	1993-00 % Change Enrollment
Low Capacity, High Cost	11	8%	$7,478	8%	9%	19%
Moderate Capacity, High Cost	36	35%	$10,343	47%	49%	12%
High Capacity, High Cost	23	14%	$16,787	38%	47%	5%
Low Capacity, Low Cost	27	16%	$7,461	9%	7%	12%
Moderate Capacity, Low Cost	45	25%	$9,512	15%	9%	8%
High Capacity, Low Cost	16	2%	$15,780	6%	3%	12%
State	**158**	**100%**	**$10,439**	**28%**	**29%**	**10%**

Data Source: Metropolitan Area Research Corporation.

Like municipalities, school districts rely largely on their local tax bases to provide needed services. In Connecticut, 40 percent of elementary students are enrolled in districts struggling with relatively high costs but with only low to moderate ability to pay for them. Another 30 percent are in districts facing just high costs or low capacities. A district's ability to raise revenues is measured by revenue capacity — the amount of money the district would receive per pupil if it assessed the state's average school tax rate to its own tax base plus its actual state and federal aid.

Looking Forward

Strategies for Enhancing Connecticut's Quality of Life

Connecticut has great strengths in its people, its natural beauty, and the enviable quality of life enjoyed by many. However, the state is changing, and not solely for the better. Future economic vitality and quality of life are at risk.

Connecticut's present fiscal system promotes an unhealthy competition between municipalities for the property tax-base growth they need to pay for public services. This in turn often leads to land-use decisions that promote uncoordinated growth and costly, inefficient development. These forces conspire to promote negative socioeconomic outcomes that now directly harm many in Connecticut, and they threaten to harm even those who may think they live a safe distance away from such problems.

Social separation and reduced access to opportunity prevent many low-income people from making a good life and contributing to the state's overall economic vitality. The state faces environmental degradation of key assets such as farmland, ridgelines and watersheds unless current trends are faced and corrective action is taken. The dominance of the automobile generates more and more congestion, which slowly chips away at the character of suburban and rural towns. Left unchecked, the pace of sprawl is likely to accelerate and low-density, uncoordinated development will likely become the dominant pattern in the state.

Connecticut Metropatterns is designed to provide a new perspective on and reliable information about these broad trends and to contribute to the debate on how Connecticut can promote economic vitality and access to a high quality of life for its citizens.

Connecticut can build on its strengths and reshape the trends that work against it. Positive change is possible. Leaders in government and the private sector need to engage Connecticut's citizens in a high-profile effort to develop and implement regional and statewide strategies addressing three areas:

- Greater **fiscal capacity and equity** among local governments.
- Smarter **planning** in land use, transportation, environmental protection and affordable housing.
- More effective **regional leadership and decision-making**.

Successful, substantive initiatives in these three areas will benefit urban, suburban and rural communities.

In addition to addressing specific problems, these strategies are mutually reinforcing. Successfully implementing one makes implementing the others much easier, both substantively and politically.

Suburban affordable housing, like this project in West Hartford, increases opportunities for low- and moderate-income households.

Photo credit: Shelby Mertes

Fiscal Equity

An area ripe for reform is Connecticut's state-local revenue system. Municipalities' heavy reliance on the property tax to fund local public services, particularly K-12 public education, drives several destructive trends, including municipal competition for tax base, social and economic separation, unequal educational opportunity and sprawling development. In too many communities, the need for public services far outstrips the ability of the property tax base to raise the monies needed to pay for such services. The fiscal imperatives of the present system work against inter-municipal and regional cooperation, particularly in land use.

Connecticut currently faces a large state budget deficit. The present pattern of development requires vast expenditures of public money, costing citizens and businesses dearly. It cannot be justified. The problems with both the state and local components of Connecticut's revenue system underscore the need and the opportunity for structural reform. Such reform should strive to improve the ability of both the state and municipal governments to effectively and equitably raise the revenues needed to fund public services.

The following ideas should be considered:

- Reduce municipal reliance on the property tax to fund public services. The present over-reliance hurts almost all cities and towns in different, though related, ways.
- Move more of the cost of K-12 public education from local property taxes to the statewide revenue system, at least to the 50-50 cost-sharing level long identified as a goal for Connecticut.
- Improve the incentives in the property-tax system. A split-rate property tax — where land is taxed more heavily than improvements — would create incentives for more intensive use of land, discouraging abandonment and sprawl. The current system does the opposite.[37]
- Consider different forms of regional and statewide revenue or tax-base sharing. Such programs can improve the incentives in the property-tax system, reduce fiscal inequities and provide much needed resources to invest in regional assets and service delivery. Map 16 shows the great potential of this kind of program. A modest tax-base sharing program during the 1990s could have improved the fiscal position of cities and towns serving 70 percent of the state's residents. At the same time, it would have reduced the incentive for wasteful competition for tax base by sharing the benefits of development, no matter where it occurs.
- Re-evaluate and make other needed adjustments in the state-local revenue system. Reforms should focus on increasing the capacity, stability and equity of the system.

Smart growth emphasizes reinvesting in existing, pedestrian-friendly neighborhoods.

Although Connecticut has made in-roads in some of these areas already, there is much more to be done. The state has increased its education funding in the three decades since the Supreme Court ruled in Horton v. Meskill that a system of school financing relying largely on local property taxes is unconstitutional.[38] However, Connecticut's public education system is still more reliant on local property taxes than all other states in the nation and the state's share of school spending is only 40 percent (below all but seven other states) and declining.[39] In addition, Connecticut's wealthiest towns still spend about 20 percent more per pupil than the poorest towns despite the fact that, adjusted for income, citizens of the wealthy places have a lower tax burden.[40] The state must take greater steps toward reducing disparities by reducing reliance on the property tax to fund education.

State tax policies should also encourage residents and businesses to locate in central cities, stressed cities and towns and at-risk places. Connecticut has enacted three pieces of legislation within the last two years that move in this direction. The Connecticut Municipal Fiscal Disparities Act establishes a process to identify and assist municipalities suffering from fiscal distress, and it sets out the steps that the state and nearby municipalities must take to address the fiscal capacity of those towns. Other new laws allow any two or more municipalities to jointly provide public services and to share real and personal property tax revenue. Such efforts offer tangible ways to strengthen communities facing fiscal and social stress, but have yet to come into wide use in the state.

Photo credit: Stephen Roberts

Smarter Planning

Connecticut is a small state. If it is to compete successfully in the global economy without ruining its precious suburban and rural places, it must devise a much more highly coordinated system of planning — one that encourages, empowers and equips municipalities, regions and the state to make land-use decisions that further common goals.

The present system of uncoordinated planning creates many problems for the state. It destroys farmland and sensitive open space. It increases traffic congestion, requires expensive public infrastructure investments at the urban edge and squanders past investment in more developed cities and towns. It promotes social and economic separation and unequal housing opportunity.

Policies should be established that encourage local planning with a regional and statewide perspective.

The following ideas should be considered:

- Equip the state, local governments and regional planning organizations with better tools to make more informed and coordinated decisions in land-use and transportation planning. These tools should include a statewide geographic information system (GIS) usable at every level of government, a build-out analysis for all 169 municipalities and a statewide cost-of-sprawl study.
- Strengthen the state's capacity to carry out strategic planning and support municipalities and regional organizations. Additional staff and resources should be devoted to this effort.
- Use a reinvigorated State Plan of Conservation and Development as a statewide planning tool. Such a plan can be used to promote consistency among municipal and regional plans and to promote development in desired locations.
- Use the state's considerable investments in infrastructure and schools to encourage "smart growth" development by focusing funding in target areas.
- Coordinate planning for economic development, public transit and housing to provide people with more choice in where they live and work and how they get around.
- Encourage growth where the infrastructure and public facilities to support it already exist. Promote reinvestment in cities and urbanized towns as a springboard to revitalization and livability.

Public transportation, including rail service, helps support balanced regional growth.

- Promote the use of rental-housing vouchers in more towns. Enforcement of existing state and federal fair housing laws should be a priority.
- Vigorously promote homeownership for African-Americans and Hispanics.
- Expand funding for agricultural and open-space preservation programs and promote transit-oriented development in key corridors.

Current institutions take the state only part way to these goals. For example, towns must consider the state plan and note any inconsistency with it when amending their own plans but they are not required to reconcile any differences.[41] There are 15 councils of government (COGs) and regional planning agencies across the state, but they have no statutory authority to review or determine local land-use decisions. Many state agencies produce plans but they often work independently of each other, and they may use different regional boundaries for their service delivery. There is a state executive branch agency with responsibility for policy and management, but no state agency explicitly responsible for planning.

PPhoto credit: Blaine Harrington III

The state legislature's bipartisan Legislative Program Review and Investigations Committee recently noted the need for increased coordination in planning. The report criticized the Department of Transportation for the absence of both a vision statement and a strategic plan. It also criticized the DOT and the Department of Economic and Community Development for their joint failure to think strategically about how transportation investments can influence economic growth.[42]

There are a variety of models available across the country. At least 16 states have adopted comprehensive smart growth acts, and their ranks are growing. Regional land use planning efforts help officials coordinate investments in roads, highways, sewers and utilities. A number of states, including Massachusetts, New Hampshire, Rhode Island, Maine and Connecticut are creating planning mechanisms to equitably address their water needs while promoting clean water and protecting aquatic habitat. Concurrency requirements like those in Florida mandate that infrastructure be on-line by the time development takes place. Some states offer incentives for the use of New Urbanist design principles.[43]

Regional Leadership and Decision-Making

A primary theme of the Connecticut Metropatterns study is the interdependence of cities and towns. The cumulative impacts of uncoordinated decision-making from 169 individual actors are increasingly detrimental to the long-term health of Connecticut. Social and economic separation and sprawling development patterns harm not just Connecticut's urban centers, but the state as a whole. Individual municipalities cannot effectively address these problems. They require regional and statewide action.

There are Councils of Governments already established in some parts of Connecticut. If strengthened, these councils could encourage regional cooperation while honoring Connecticut's tradition of local control. The chief elected officials of the participating towns hold the power in a COG, which provides a means for democratic control and accountability. Strengthened COG-like structures could make headway on a whole host of regional issues, such as land-use planning, housing and redevelopment efforts, investment in regional priorities and the protection of farmland and other open space.

By modifying and strengthening existing regional entities and emphasizing consensus building, it is possible for Connecticut to preserve its essential character, improve its economic prospects and address its difficult problems of concentrated poverty and racial segregation.

Conclusion

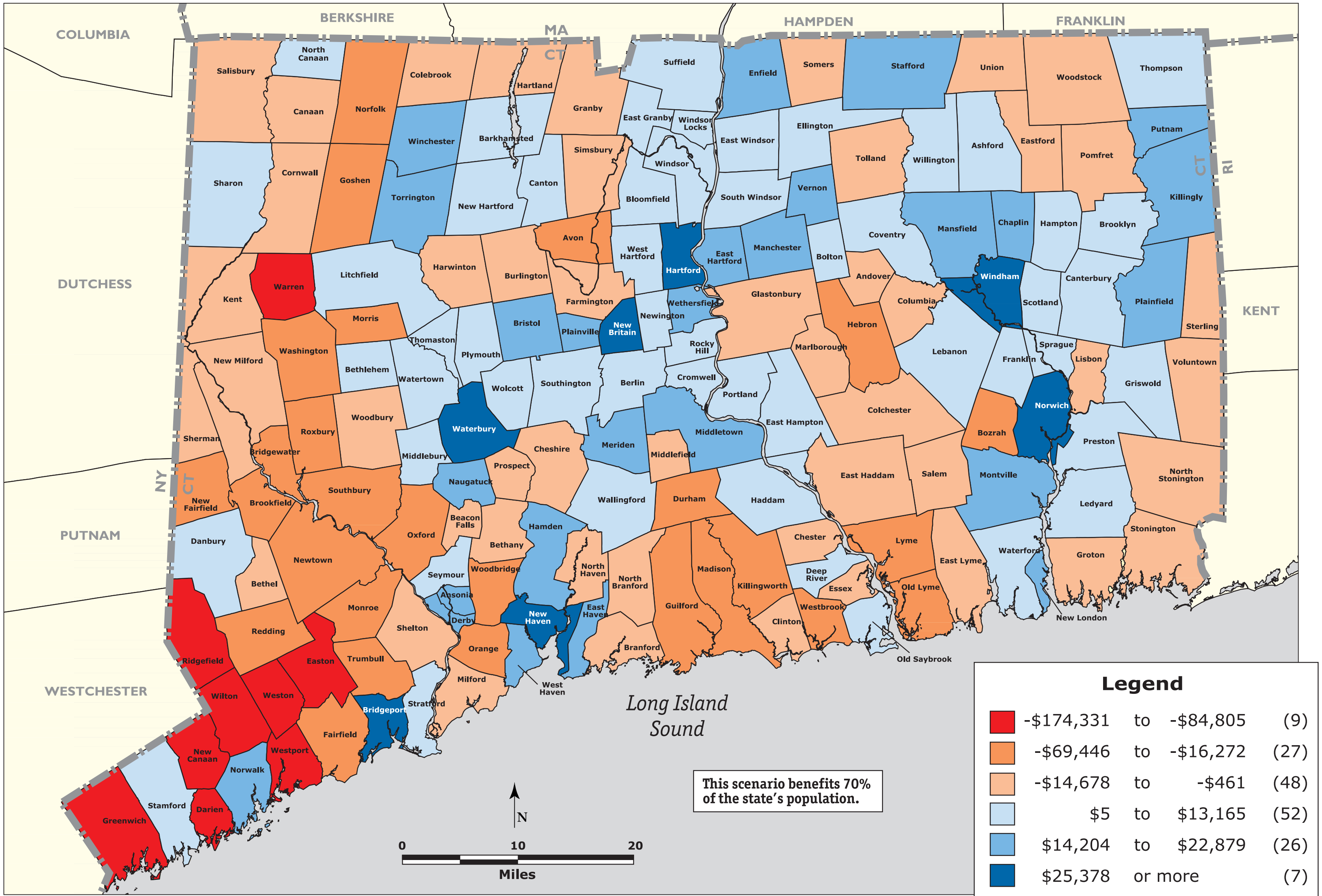
There are ways to strengthen Connecticut's capacity to address its biggest public policy challenges while preserving local prerogatives. However, the framework for addressing these challenges is inherently regional and statewide in nature.

- Many initiatives that can help address Connecticut's challenges, such as reforms to the state-local revenue system and the way K-12 public education is financed, can and should be carried out by state government. But some will require action at the regional and municipal level.
- When regional responses are necessary, Connecticut should build on existing frameworks and promote broad input and accountability. Policymakers should empower existing regional entities to generate and share more resources at the regional level and to gather regional input into land-use, transportation and environmental issues. The state should use strong incentives — including financial ones — to promote regional cooperation and decision-making.

These ideas serve as a starting point for a larger discussion on how Connecticut can retake control of its future. A course correction is needed to put the state on the path to greater economic vitality and enhanced quality of life. The costs of inaction are incalculable. A credible and effective system that promotes local, regional and statewide cooperation will pay dividends for Connecticut and its people for generations to come.

Social and economic separation and sprawling development harm the state as a whole.

Map 16: Simulated Change in Tax-Base per Household Resulting from a Tax-Base-Sharing Program, 1990-1999



Data Sources: Connecticut Office of Policy and Management; U.S. Census Bureau; Metropolitan Area Research Corporation.

Tax-base sharing can both reduce inequality among municipalities and decrease the incentives for wasteful competition for tax base. Because all communities keep a majority (but not all) of the growth within their borders, the program reduces the incentives for inter-local competition for tax base while still allowing communities to cover the local costs of development. The tax-base sharing scenario also reduced tax-base disparities among communities. The ratio between the 95th and 5th percentile places in 2000 dropped from 5.3 without tax-base sharing to 4.1 with tax-base sharing — a decrease of 22 percent. The tax base-sharing pool — representing 8 percent of the total tax base statewide after nine years — increased the local tax base available to 70 percent of the state's population.

Table 1: Characteristics of the Community Types

Community Type	Number of Municipalities	Percentage of State Population	Property Tax Base per Household 2000	Growth In Property Tax Base per Household (inflation adjusted) 1995-2000	Percentage of Elementary Students Eligible For Free Lunch 2000	Percentage Point Change in Free-Lunch Eligibility 1993-2000	Percentage of Non-Asian Minority Elementary Students 2000	Percentage Growth in Number of Households 1995-2000
Cities	4	14	113,340	13	75	1	84	-1
Stressed	12	17	177,120	14	43	5	45	4
At-Risk	43	28	207,724	2	22	2	17	8
Fringe-Developing	30	6	246,031	0	6	0	3	19
Bedroom-Developing	58	24	320,142	12	6	-1	5	10
Affluent	22	11	726,419	36	10	-2	14	6
All Municipalities	**169**	**100**	**276,803**	**16**	**28**	**1**	**29**	**7**

Community Type	Households per Square Mile 2000	Average Travel Time to Work (minutes) 2000	Percentage of Workers Driving Alone to Work 2000	Jobs per Resident Household 1998	Percentage Growth in Jobs 1993-1998	Percentage of Property Tax Base Residential 2000	Percentage of Property Tax Base Commercial-Industrial 2000	Percentage of Housing Units Affordable to a Household at 80% of the Regional Median Income 2000
Cities	2,283	23	64	1.5	-5	50	27	82
Distressed	1,050	22	79	1.2	0	65	18	67
Stressed	284	24	84	1.3	5	61	18	53
Fringe-Developing	75	28	84	0.8	11	76	8	35
Bedroom-Developing	197	25	86	1.2	9	70	13	29
Affluent	194	32	70	1.4	11	78	13	22
All Municipalities	**264**	**26**	**80**	**1.3**	**4**	**69**	**15**	**49**

Endnotes

1 Poverty in elementary schools is measured by eligibility for free school lunch, a commonly used measure of poverty. Students are eligible for free lunches if they are from a household with income below 130 percent of the federal poverty line.

2 Grouping was accomplished using the K-means clustering procedure in SPSS. For more on cluster analysis in general, and K-means clustering in particular, see *StatSoft, Inc. Electronic Statistics Textbook* (Tulsa, OK: StatSoft, 2002) at www.statsoft.com/textbook/stathome.html.

3 All variables were calculated as percentages of the statewide average and standardized by the number of standard deviations from the mean so that the effects of variables with very wide variations, like population density, did not overwhelm the effects of variables with narrower variations, such as tax capacity.

4 Map 3 defines urbanized land as census tracts with more than one housing unit per four acres. Given the average population per housing unit in the state, this represents about 460 people per square mile, a density commensurate with the cutoff that the Bureau of the Census uses to define "urbanized" in outlying areas (500 people per square mile).

5 Bruce Katz, "Escape From Connecticut's Cities," *The Hartford Courant*, April 8, 2001; and Paul Zielbauer, "Poverty in a Land of Plenty: Can Hartford Ever Recover?" *The New York Times*, August 26, 2002.

6 U.S. Census 2000; Katz 2001.

7 "Summary of State Program Activities: Connecticut," (Westbrook: Partners for Fish and Wildlife Program, October 2001).

8 Connecticut Farm Bureau Association, "Connecticut Agriculture's Contributions to Connecticut's Economy," based on data from United States Department of Agriculture, New England Agricultural Statistics 1998. As quoted in "A White Paper Prepared by the Working Lands Alliance," February, 2000.

9 U.S. Census of Agriculture, 1997.

10 White Paper Prepared by the Working Lands Alliance, February 2000.

11 U.S. Census, 2000.

12 "The Shape of Things to Come: Is Connecticut Sprawling?" (Stamford: Regional Planning Agency, May 2002).

13 "Economic Development Considerations in Transportation Planning," (Hartford: Legislative Program Review and Investigation Committee, Connecticut General Assembly, 2000).

14 "Potholes and Politics: How Congress Can Fix Connecticut's Roads," (Washington D.C.: Environmental Working Group/The Tides Center, September 1997).

15 See James S. Coleman, *Equality of Educational Opportunity*, (Washington D.C.: Government Printing Office 1966); Gary Burtless, ed., *Does Money Matter? The Effect of School Resources on Student Achievement and Adult Success*, (Washington D.C.: Brookings Institution, 1996); James Traub, "What No School Can Do," *New York Times Magazine*, January 16, 2000.

16 *An Odyssey of Connecticut's Children: Kids Count Data Book 2001*, (Hartford: Connecticut Association for Human Services).

17 Gary Orfield and John T. Yun, "Resegregation in American Schools," (Cambridge: The Civil Rights Project, Harvard University, 1999).

18 Myron Orfield, *American Metropolitics: The New Suburban Reality*, (Washington D.C.: Brookings Institution Press, 2002).

19 These percentages are dissimilarity indexes. The dissimilarity index is commonly used to measure the degree to which two groups are evenly distributed in a given geographic area. In this case, they can be interpreted as the percentage of one of the groups that would have to change schools to achieve a perfectly integrated enrollment—for example, an equal mix of minority and non-minority students, or poor and non-poor students, in each building. For more on school segregation, see John R. Logan, "Choosing Segregation: Racial Imbalance in American Public Schools, 1990-2000," (Albany, NY: Lewis Mumford Center for Comparative Urban and Regional Research, University at Albany, 2002). It is available at www.albany.edu/mumford/census/.

20 For a general discussion of housing discrimination, see John Yinger, "Testing for Discrimination in Housing and Related Markets," in Michael Fix and Margery Austin Turner, eds., *A National Report Card on Discrimination in America*, (Washington D.C.: The Urban Institute, 1998).

21 See Douglas Massey, "The Residential Segregation of Blacks, Hispanics, and Asians: 1970 to 1990," in Gerald D. Jaynes, ed., *Immigration and Race: New Challenges for American Democracy*, (New Haven: Yale University Press, 2000); and Orfield and Yun, 1999.

22 High-poverty schools are those with free-lunch eligibility rates of 40 percent or greater, a commonly used cut-off to define "high poverty." Students in families below 130 percent of the poverty line are eligible for free lunches.

23 John Yinger, *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination*, (New York: Russell Sage Foundation, 1995).

24 Timothy Black and John A. Stewart, "Burning and Burying in Connecticut: Are Regional Solutions to Solid Waste Disposal Equitable?" *New England Journal of Public Policy*, 2001.

25 "Asthma in Connecticut," (Hartford: Connecticut Department of Public Health, May 2001).

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27 "Asthma: A Growing Health Concern in Connecticut," (Hartford: State of Connecticut Office of Health Care Access, Issue Brief No. 10, November 1997).

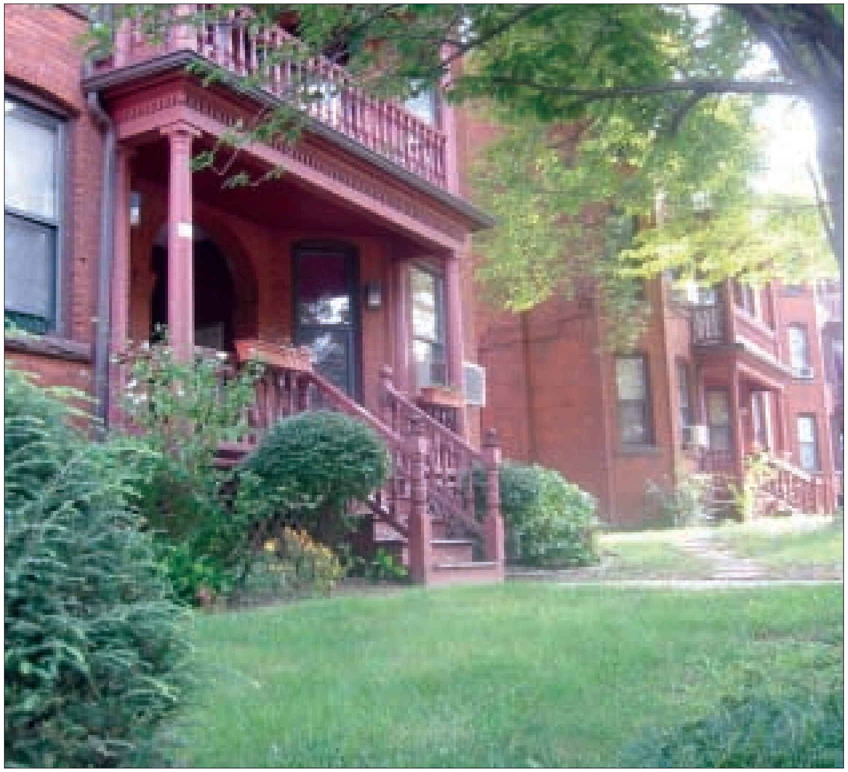
28 Report of the Blue Ribbon Commission to Study Affordable Housing, (Hartford: State of Connecticut, February 2000).

29 "Out of Reach" (Washington D.C.: National Low Income Housing Coalition. 2002).

30 Website of the Connecticut Department of Labor.

31 State Blue Ribbon Commission on Housing, 2000.

32 Bob Kantor, "When It Comes to Homeownership, Connecticut Minorities Are Being Left Behind," April 25, 2000, *Hartford Courant*.



City neighborhoods offer old housing stock that can be attractively renovated, like these homes in Hartford.

33 Steven Raphael and Michael A. Stoll, "Modest Progress: The Narrowing Spatial Mismatch between Blacks and Jobs in the 1990s," (Washington, D.C.: The Brookings Institution, 2002). Available at www.brookings.edu/dybdocroot/es/urban/publications/Raphael_Stoll_spatial_mismatch.pdf

34 This assumes that a dollar of spending generates the same amount of services in all parts of the region. In reality, however, the areas with the lowest capacities are also likely to be the places with the highest service costs, implying that the actual disparities are even greater than this simple comparison indicates.

35 See "Conservation and Development Policies Plan for Connecticut, 1998-2003," available at www.opm.state.ct.us/Resources.

36 These measures reflect a range of factors that increase costs. A high rate of free-lunch eligibility, a commonly used proxy for poverty, generates greater needs for services and increases the cost of reaching a given level of service. Enrollment declines increase costs per pupil because fixed costs are spread over fewer students and because some variable costs are often difficult to reduce over relatively short time periods. Quickly growing enrollments increase costs because it is often difficult to spread the associated capital costs over the full lifetime of the assets.

37 The "two-tier" tax is used most extensively in Pennsylvania. Fifteen cities in Pennsylvania have approved the system during the last century to lower the taxes on the buildings and improvements, and raise the tax on land values. By shifting the tax burden from the improvements to the land itself, participating municipalities promote smart growth by encouraging construction where road and sewer services already exist. The effects of the split-rate tax have been especially impressive in Pittsburgh. In seven of the eight largest metropolitan areas in Pennsylvania, the property tax base per household in the central cities is just 46 to 66 percent of the regional average, indicating how much greater the property tax bases are in the suburbs surrounding the central cities. But central city Pittsburgh's property tax base is a startling 90 percent of the regional average, bolstered in part by the split-rate tax. See Wallace E. Oates and Robert M. Schwab, "The Pittsburgh Experience with Land-Value Taxation," in Helen F. Ladd. ed., *Local Government Tax and Land Use Policies in the United States*, Helen F. Ladd, (Boston: Lincoln Institute of Land Policy 1998).

38 Jennifer Gelb, "A Summary of Horton v. Meskill," *OLR Research Report*, (Hartford, CT: Connecticut General Assembly Office of Legislative Research, January 11, 2001.)

39 *National Public Education Financial Survey*, (Washington D.C.: National Center for Education Statistics, 2002). Data are for fiscal year 1999-2000, the most recent year reported.

40 Digest, *Public School Finance*, (Hartford: Legislative Program Review and Investigation Committee, 2001).

41 John Rappa, *OLR Report*, (Hartford: July 2002).

42 Legislative Program Review and Investigations Committee, Connecticut General Assembly, "Keypoints, Economic Development Considerations in Transportation Planning, Final Report, 3/21/00," (Hartford, CT: State of Connecticut, 2000). It is available at www.cga.state.ct.us/pri/archives/2000edreport.htm

43 See Orfield 2002 for more discussion of land-use planning tools.

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