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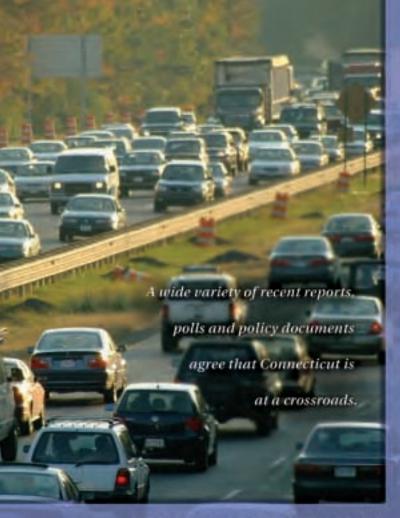


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CONNECTICUT'S FUTURE > AN EMERGING CONSENSUS





A wide variety of recent reports, polls and policy documents agree that Connecticut is at a crossroads. They look at Connecticut — its strengths and its challenges — from a variety of viewpoints. But there is broad agreement regarding the biggest challenges we face and how to address them. The common themes are striking. Some highlights are summarized here.

The overriding conclusion is that Connecticut must improve how it manages its public resources if it hopes to compete effectively with neighboring states, improve its standing in the world economy and maintain and improve its quality of life. All types of communities — central cities, fully-developed suburbs, newly developing suburbs, rural areas and even affluent areas — are hurt by the way Connecticut is growing.

There is broad consensus on why this is true.

- Wide disparities in the property tax base result in dramatic differences in the ability of Connecticut's towns and cities to pay for important public services.
- The local property tax system is broken and needs to be fixed. Towns and cities in Connecticut lack viable alternatives to the property tax to fund the local services vital to the state's standard of living and economic competitiveness.
- The education funding system is seriously flawed. K-12 public education is the single largest local government expenditure in Connecticut. State government support of public education is near the bottom in comparison with other states and it is declining.
- Current land use, zoning and tax laws encourage sprawl, traffic, pollution and poor planning, and contribute to increasing segregation of poor people and racial minorities in a few towns and cities.

THE SOURCE DOCUMENTS THAT WE CITE INCLUDE:

- The Changing Demographics of Connecticut 1990-2000: Part 1 and Part 2: The Five Connecticuts, the Center for Population Research, University of Connecticut, October 2003 and May 2004. http://popcenter.uconn.edu/reports.html
- Connecticut's Changing Landscape, Center for Land Use Education and Research (CLEAR), The University of Connecticut, 2004. http://clear.uconn.edu/project/landscape/index.htm
- Connecticut Economic Vitality & Land Use, from the Connecticut Regional Institute for the 21st Century, March 2003.
- *Connecticut Metropatterns*, a report by Ameregis, Inc., sponsored by the Office of Urban Affairs of the Archdiocese of Hartford, 2003. http://www.oua-adh.org/4.8 CONNECTICUT.PDF
- New Haven Register/Sacred Heart University Poll, from the Sacred Heart University Polling Institute, March 2004.
- Quinnipiac University Poll, Quinnipiac University, February 2001. http://www.quinnipiac.edu/x11362.xml?ReleaseID=494
- Recommended Conservation and Development Policies Plan for Connecticut, 2004-2009 from the State Office of Policy and Management, Intergovernmental Policy Division, 2004. http://www.opm.state.ct.us/igp/cdplan/cdplan2.htm
- *The Regional Citizens Forum Survey* of a randomly-invited group of residents of the region informed by balanced background materials, and a structured, non-partisan discussion, sponsored by the Community Foundation for Greater New Haven and the League of Women Voters of Connecticut, 2002, 2003, 2004. http://www.yale.edu/isps/programs/ddlg.html
- *The Report of the Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives,* sponsored by the State of Connecticut, October 2003. http://www.cga.ct.gov/pd/
- *The Shape of Things to Come: Is Connecticut Sprawling?* from the New Jersey, Connecticut and New York Regional Plan Association, May 2002.
- *The Social State of Connecticut 2002 and 2003*, a report by the Fordham Institute for Innovation in Social Policy, 2002 and 2003.

CONNECTICUT'S CHANGING COMMUNITIES

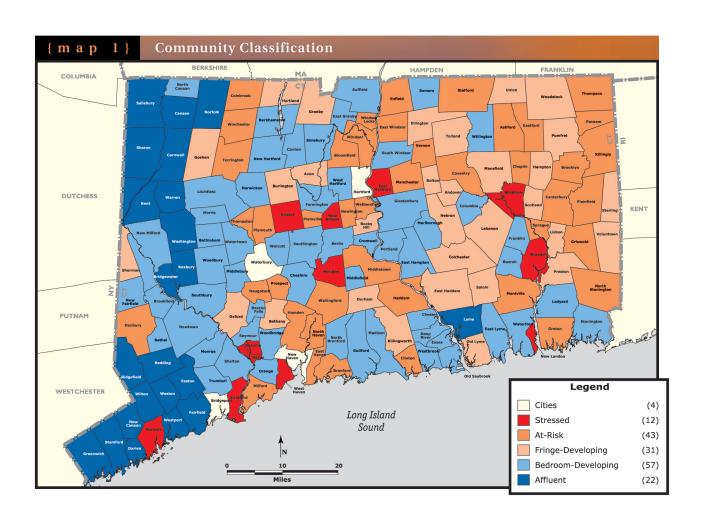
Problem > The current way of doing things in Connecticut makes it very difficult for many towns and cities to compete.

- More than half of Connecticut residents live in suburban communities facing stress from low and stagnant property tax resources or high and increasing social and physical needs. (Metropatterns and Conservation & Development)
- Many older suburbs have problems typically associated with large cities, including weak tax bases and significant and growing poverty in their schools.
 (Blue Ribbon Commission, Changing Demographics, Economic Vitality & Land Use and Metropatterns)
- Many growing suburban areas have fewer social needs, but are facing growth-related costs with stagnant, below-average property tax bases and modest household incomes.
 (Blue Ribbon Commission, Changing Demographics, Social State of Connecticut and Metropatterns)

Policy Options >

- Consider different forms of regional and statewide revenue-sharing 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. (Blue Ribbon Commission, Register/Sacred Heart Poll, Citizens Forum Survey '02, Conservation & Development and Metropatterns)
- Improve the incentives in the property-tax system. For instance, 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. (Blue Ribbon Commission, Quinnipiac University Poll and Metropatterns)

Larger versions of the maps in this document can be found at: http://www.oua-adh.org/4.8_CONNECTICUT.PDF

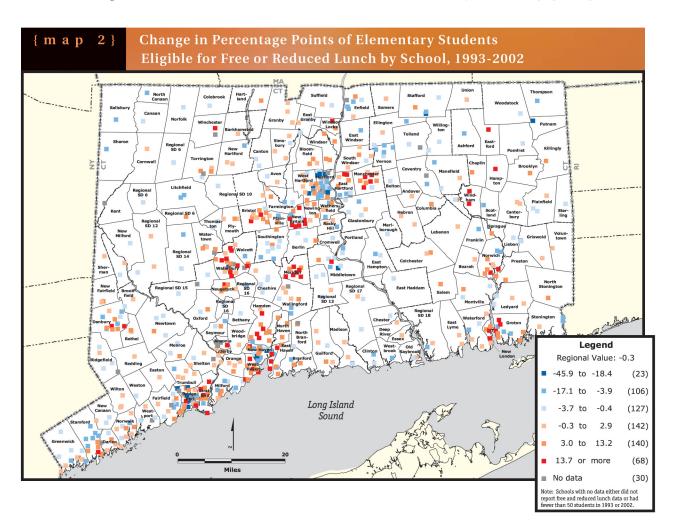


Problem > The local tax system is seriously flawed.

- Connecticut's towns and cities rely too heavily on property taxes to finance local services like schools, police protection and streets. Right now, there is no real alternative to the property tax to meet the growing needs for these services. (Blue Ribbon Commission and Metropatterns)
- There is a great deal of inequality in the local resources (property tax base) available to finance schools and other services. Towns and cities with fewer resources must assess a much higher property tax rate than places with more resources in order to provide the same level of service. These differences increased significantly during the 1990s.
 - (Quinnipiac University Poll, Citizens Forum Survey '03, '04, The Shape of Things to Come and Metropatterns)
- The state's Education Cost Sharing [ECS] grant formula hurts smaller cities and suburbs with pockets of poverty. (Blue Ribbon Commission and Changing Demographics)
- School costs are increasing, but the share of costs shouldered by the state is declining. Connecticut ranks near the bottom nationally in this regard. (*The Shape of Things to Come* and *Metropatterns*)
- Connecticut's towns and cities face powerful economic incentives to compete with each other for property tax base. This wastes local and state resources. It promotes disinvestment in our cities and larger towns. It often increases economic segregation. (Economic Vitality & Land Use, The Shape of Things to Come and Metropatterns)

Policy Options >

- Increase state support of K-12 public school costs, lowering the burden on local property taxes. One goal might be for state funding to cover at least 50 percent of the minimum spending needs for public schools. (Blue Ribbon Commission, Citizens Forum Survey '04 and Metropatterns)
- Consider different forms of regional and statewide revenue-sharing or tax-base sharing to support local
 and regional public services.
 (Blue Ribbon Commission, Register/Sacred Heart Poll, Citizens Forum Survey '02, '03 and Metropatterns)
- Eliminate the ECS funding cap and/or modify the formula to better take into consideration differences in cost of living across communities. (Blue Ribbon Commission, Citizens Forum Survey '04 and Changing Demographics)

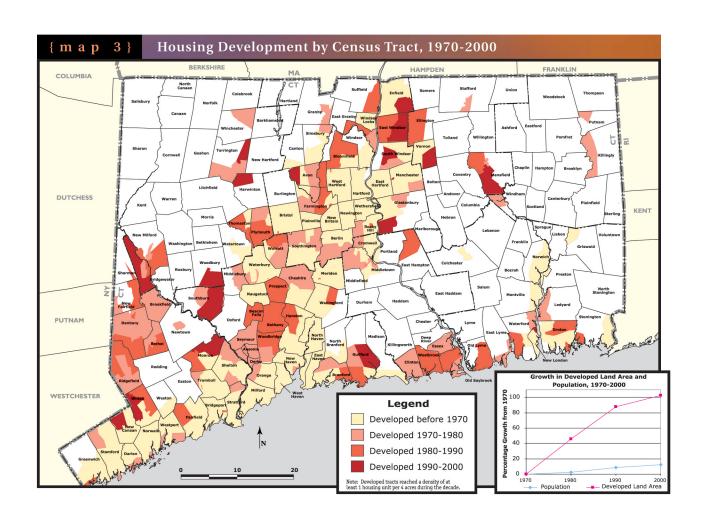


Problem > Connecticut's present system of uncoordinated planning creates many problems for the state.

- Economic development is crucial to the state's continued prosperity. However, poorly planned development contributes to sprawl, adding to the growing problems of traffic congestion, air and water pollution, loss of open space and conversion of agricultural land. (CLEAR, Economic Vitality & Land Use and Metropatterns)
- Uncoordinated planning requires expensive public infrastructure investments at the edge of urban areas and squanders past investment in more developed towns and cities. It promotes social and economic segregation and unequal housing opportunity. (Economic Vitality & Land Use and Metropatterns)
- Connecticut citizens are aware of the problems created by sprawl high taxes, the education system pand traffic congestion were the chief concerns of respondents to a New Haven Register/Sacred Heart University Poll. (Register/Sacred Heart Poll)

Policy Options >

- Strengthen the state's capacity to carry out strategic planning and support municipalities and regional organizations. (*Metropatterns* and *Economic Vitality & Land Use*)
- Encourage growth where the infrastructure and public facilities to support it already exist. Nearly 87 percent of respondents to the New Haven Register/Sacred Heart University poll agreed with this notion. (Metropatterns, Economic Vitality & Land Use and Register/Sacred Heart Poll)
- Expand funding for agricultural and open-space preservation programs and promote transit-oriented development in key corridors. More than 75 percent of the New Haven Register/Sacred Heart University poll respondents felt that Connecticut should acquire more land for public open space. (Metropatterns and Register/Sacred Heart Poll)



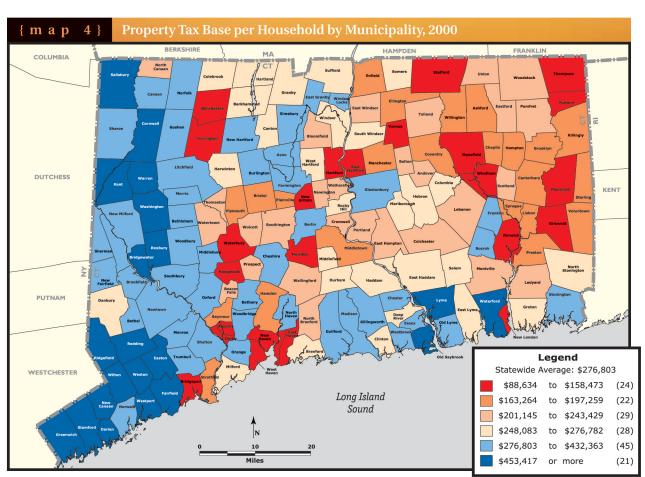
CONCENTRATED POVERTY AND RACIAL SEGREGATION

Problem > Households in poverty and African Americans and Latinos are concentrated in ways that isolate them from economic opportunity.

- The percentage of students eligible for free lunches is a commonly used measure of a community's current health and its future well-being. Poor students in Connecticut are segregated in central cities and poorer towns to a greater degree than most U.S. metropolitan areas. African American and Latino students are segregated in schools where the majority of students are nonwhite and the majority of students are poor. (Changing Demographics of Connecticut and Metropatterns)
- Connecticut's older, fully developed suburbs and small cities are experiencing the fastest racial change. African American and Latino families are moving away from the central cities to inner ring suburbs. Often financially stressed, these suburbs had the largest increase in the percentage of elementary school students in poverty in the state during the 1990s. (*Metropatterns*)
- Fiscal incentives contribute to the separation of rich and poor. Land use and zoning decisions based on the need to increase property tax revenue can lead to the exclusion of low- and moderate-income families. (The Shape of Things to Come and The Social State of Connecticut '02, '03)
- Connecticut is 48th among the 50 states in the rate of minority homeownership. This is directly connected to the concentration of poor people and African American and Latino families with children in a small number of school districts and neighborhoods. There is a mismatch between where African American and Latino families live and where the jobs are. (Metropatterns)

Policy Options >

- Provide tax abatements and credits toward restoring residential areas in central cities and inner-ring suburbs that will encourage a diverse mix of people from varying economic backgrounds.
 (Blue Ribbon Commission, Economic Vitality & Land Use and Register/Sacred Heart Poll)
- Promote choice, housing mobility and the use of rental-housing vouchers in more cities. Enforce existing fair housing laws. Promote minority home ownership. (Conservation & Development, and Metropatterns)
- Develop jobs, housing and transportation together. (Blue Ribbon Commission, Economic Vitality & Land Use and Metropatterns)



{conclusions}

To prosper in the 21st century Connecticut must reform the ways it provides the public services necessary for economic growth. The way Connecticut is growing harms everyone in the state in one way or another. Connecticut's present fiscal system promotes an unhealthy competition among municipalities for the property tax-base growth they need to pay for public services. This competition in turn often leads to land-use decisions that promote uncoordinated growth and costly, inefficient development. The manifestations of sprawl — high housing costs, traffic congestion and higher taxes — hurt businesses and households alike, dampening economic growth, depressing living standards, and harming the environment and human health.

There are steps Connecticut can take to reverse the trend. The time to act is now. The framework for addressing these challenges is inherently regional and statewide in nature.

- Consider different forms of regional and statewide revenue-sharing or tax-base sharing.
 These programs can improve the incentives in the property-tax system and reduce fiscal inequities.
- Provide municipalities with state funding for at least 50 percent of education needs, including special education costs, and modify the ECS formula to better account for differences in the cost of living among communities. Reduce reliance on the property tax to pay for schools. Consider taxing income instead of property with a cap on property taxes to make sure that it is a trade-off.
- Adopt a state plan that employs smart growth policies to make efficient use of state and local government resources, ensure protection of the environment and ease traffic congestion. Develop jobs, housing and transportation together. Conserve public funds by making efficient use of existing roads, bridges, rail lines, sewers and schools.
- Use the coordination of state, local, and regional planning as a tool to assure that all citizens have access to jobs and transportation. Consistency between plans at all three levels is a fundamental land use measure that is given short shrift right now.
- Modify and strengthen existing regional structures to address problems that towns and cities cannot address alone. State government, too, needs better tools to monitor and steer growth, and will need strong incentives to promote regional cooperation and decision-making.
- Provide tax abatements and credits toward restoring residential areas and brownfields in central cities and inner-ring suburbs that will encourage a diverse mix of people from a variety of economic backgrounds.
- Promote housing choice, mobility and the use of rental-housing vouchers in more towns and cities. Enforce existing fair housing laws. Promote minority home ownership.





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