K-12 PUBLIC EDUCATION IN CONNECTICUT:
STATE AND LOCAL EFFORTS

Connecticut Summit on School Funding Reform
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CCM ANALYSIS OF K-12 PUBLIC EDUCATION:
STATE AND LOCAL EFFORTS

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For more information on the State budget and how it impacts your community, visit the CCM website at www.ccm-ct.org.

*** If you have questions, please call Adam Stern or Jim Finley of CCM at (203) 498-3000. ***

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MUNICIPAL SPENDING FOR K-12 EDUCATION CONSUMES A GROWING PROPORTION OF LOCAL PROPERTY TAXES

CT PROPERTY TAXES ARE HIGH BY ANY MEASURE

<table>
<thead>
<tr>
<th>Description</th>
<th>CT National Rank</th>
<th>CT</th>
<th>USA</th>
<th>CT % above USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes as a % of Total state and local taxes</td>
<td>9</td>
<td>39.6%</td>
<td>30.8%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Property taxes per capita</td>
<td>2</td>
<td>$1,760</td>
<td>$992</td>
<td>77.4%</td>
</tr>
<tr>
<td>Property taxes per $100 of personal income</td>
<td>7</td>
<td>$4.10</td>
<td>$3.10</td>
<td>32.3%</td>
</tr>
<tr>
<td>Property taxes as a % of all local taxes</td>
<td>2</td>
<td>98.4%</td>
<td>72.9%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Local property taxes as a % of locally raised revenue</td>
<td>1</td>
<td>83.8%</td>
<td>45.1%</td>
<td>85.8%</td>
</tr>
</tbody>
</table>

* Rank is highest (1) to lowest (50).

Source: U.S. Census, 2002 and PRI report, January 2006, and CCM.
TAXES THAT CAN BE LEVIED BY

**THE STATE**
- Personal Income Tax
- Sales and Use Tax
- Corporate Income Tax
- Public Service Corporation Tax
- Inheritance/Estate Tax
- Insurance Companies Tax
- Cigarette Tax
- Petroleum Companies Tax
- Alcoholic Beverage Tax
- Admissions, Dues, and Cabaret Taxes
- Motor Fuels Tax
- Real Estate Conveyance Tax
- Nine Other Miscellaneous Taxes

**MUNICIPALITIES**
- Property Tax
- Real Estate Conveyance Tax

CT's ECS FOUNDATION FALLING BEHIND

Foundation:
- Actual
- If indexed to annual % increase in costs
- If indexed to inflation (since FY 95-96)

Source: SDE and CCM estimates. FY 07 assumes a 2.5% inflation rate.

All figures in $ billions of today’s dollars (Nov. 2006 CPI).

- Special education grants rolled-into ECS grant.
- Creation of ECS (Education Cost Sharing grant).
- Phase-in of GTB: FY 80 – FY 83 (Guaranteed Tax Base grant).

Fiscal Year

Source: OFA “Revenue and Budget Data” publication, Feb. 2006, State Budget Revisions, FY 07, and CCM.
FY 07 ECS GRANT INCREASE WAS FOR $8 MILLION (0.5%); THE LOWEST INCREASE SINCE FY 03-04

Increase in % and $ millions

% Increase over previous year's appropriation

Source: Adopted state budget, previous budgets, Appropriations Committee's and Governor's budget proposals, and CCM, May 2006.
CT TOWNS AND CITIES PAY FOR MOST SPECIAL EDUCATION COSTS

figures in $ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal/Other</th>
<th>State</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 01-02</td>
<td>$1,028</td>
<td>$52</td>
<td>$357</td>
</tr>
<tr>
<td>FY 02-03</td>
<td>$1,118</td>
<td>$83</td>
<td>$358</td>
</tr>
<tr>
<td>FY 03-04</td>
<td>$1,184</td>
<td>$93</td>
<td>$360</td>
</tr>
<tr>
<td>FY 04-05</td>
<td>$1,248</td>
<td>$106</td>
<td>$375</td>
</tr>
<tr>
<td>FY 05-06</td>
<td>$1,326*</td>
<td>$115*</td>
<td>$412*</td>
</tr>
</tbody>
</table>

* All FY 05-06 data are unaudited.

Source: State Dept. of Education (SDE), and CCM, February 2006.
CONNECTICUT'S SCHOOL FACILITIES BY DECADE OF ORIGINAL CONSTRUCTION

WHAT’S INCLUDED IN THE “STATE’S SHARE” OF K-12 SPENDING?

(all figures in $ billions of dollars)

- Teacher’s Retirement Fund Contributions, Dept. of Education overhead costs, and grants from State agencies other than the Dept. of Education.
- State Dep. Of Education’s Payments for School Construction
- State Dep. Of Education’s K-12 Grants for Operations

Source: State Department of Education Grants Database FY 90 – 05, state-local-federal share tables (per SDE), and CCM, Jan. 2007.
HIKES IN SPECIAL EDUCATION FUNDING AND SCHOOL CONSTRUCTION BONDING TO INCREASE STATE’S % SHARE OF K-12 PUBLIC EDUCATION COSTS IN FY 07

State’s % share of k–12 education costs

Per the State Dep. Of Education, this percentage includes: school construction payments, unified school districts’ funding, Teacher’s retirement fund contributions, select education-related grants from the Dept. Of Social Services and other State departments, Department of Education k-12 operating grants, and Dept. of Education overhead costs.

* CCM Projection.

Connecticut Conference of Municipalities

CCM - Connecticut’s Statewide Association
of Towns and Cities

The Connecticut Conference of Municipalities (CCM) is Connecticut's association of cities and towns. CCM represents municipalities at the General Assembly, before the state executive branch and regulatory agencies, and in the courts. CCM provides member cities and towns with a wide array of other services, including management assistance, individualized inquiry service, assistance in municipal labor relations, technical assistance and training, policy development, research and analysis, publications, information programs, and service programs such as workers' compensation and liability-automobile-property insurance and risk management, energy cost-containment, and revenue collection assistance. Federal representation is provided by CCM in conjunction with the National League of Cities. CCM was founded in 1966.

CCM is governed by a Board of Directors, elected by the member municipalities, with due consideration given to geographical representation, municipalities of different sizes, and a balance of political parties. Numerous committees of municipal officials participate in the development of CCM policy and programs. CCM has offices in New Haven (the headquarters) and in Hartford.

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