

Citizens Forum

The League of Women Voters
of Connecticut



The Community Foundation
for Greater New Haven
Taking philanthropy to the next generation

Views about the financing of local services:

Selected results from the Citizens Forum regional dialogues

2002-2004

In all three regional dialogues, the participants have addressed the general topic of tax sharing: in 2002, the focus was on sharing property tax revenues, in 2003 it was financing government services, and 2004 participants deliberated about the financing of local public education. The citizens discussed a variety of perspectives provided in the background materials, each designed to give a clear picture of the trade-offs inherent in each option. These voices pointed in different directions and outlined the choices that needed to be made among them.

Results

Change is needed

The majority of Citizens Forum participants think that the current tax system is flawed.

- In 2003, virtually **everyone (98%) thinks the system of financing local services needs to be changed**. 80% of the group supported the general proposition that “the state should increase aid to towns to reduce local dependence on property tax.” 69% of the Forum participants do not believe that “the current system of taxation enables towns to cover the services they need.” Only 53% expressed this view when they were first invited to attend the Forum.
- In 2004, the number of participants who think the present system of financing public schools is fair fell by more than half. **By the end of the day 67% said that the system was not fair**. At the time they were invited, 47% agreed strongly or somewhat that *the current system of funding public education is fair*; this number had dropped to 22% at the end of the Forum. On the final survey, 63% of participants agreed with the statement that *the current system of funding public education shortchanges poor children*. When asked what strategy they preferred, only 5% of the participants opted to stay with the status quo.

Regional cooperation

After learning and discussion, there was also a movement towards the idea of regional interdependence and regional solutions.

- In 2002, when first interviewed, 80 per cent of participants thought that towns should retain control of their own taxes. After deliberation, support fell to 42%. At the same time, **support increased dramatically for the idea of voluntary agreements for sharing of incremental revenue and for the use of state incentives to encourage this kind of cooperation.** There was support for agreements between towns and state incentives to encourage tax sharing among new businesses and industries.
- During the 2003 dialogue, more than half of the citizens – from all kinds of towns in the region – opted for regional cooperation as the best method for addressing the challenge of financing local government services. **Half of those who chose the regional option said that they thought regions should engage both in regional planning/service delivery and in levying regional taxes.** 25% of the participants opted for increased state aid to municipalities, while 15% thought that spending growth should be limited to the rate of growth in taxable property.

Local control

Town control also emerged as a strong theme.

- While the 2002 participants voiced support for regional control, they believed that it should be a local initiative. Only 10% believed that the state should require tax sharing, but **41% believed that “my town should try for a voluntary [tax sharing] agreement with other towns in the region.”**
- In 2003, the citizens emphasized that **towns should control the use of the funds:** 84% said that this was very or somewhat important.
- Before the 2004 event, a majority of the participants (54%) agreed that “If responsibility for school funding were shifted to the state, local governments could still hold on to their authority to make decisions about education.” **Afterwards, 69% believed that increased state funding and local control were compatible.** In the final survey, 42% of participants agreed (strongly or somewhat) that they would rather see their taxes controlled at the local level, even if it means that their town runs into budget difficulties now and then; about the same percentage disagreed. 95% of respondents believed that it was somewhat or very important that towns and cities retain substantial control over how funds are spent.

What factors, values, considerations affected how participants thought about these issues?

In 2003, participants cited three major considerations that influenced their views: the challenge of financing the public schools; revitalization; and attracting business. The primary value for a majority of participants was efficiency.

- 20% cited the belief that “the current system for paying for public schools doesn’t work.” 17% referred to the view that “high property taxes discourage the revitalization of cities and older suburbs,” and the same percentage to the claim that “high property tax burdens make Connecticut unattractive for business.”
- 50% of the participants said that efficiency was the value that figured most prominently in their choice. 28% cited equity: the importance of ensuring that “citizens of all towns have access to roughly comparable services.” The value of choice, i.e. that “citizens choose where to live according to what they will have to pay and what they will receive in return” was cited by 11%.

When the 2004 participants were asked about factors affecting their views on the best strategy for financing public education, the following percentages thought the factor was above-average to very important (5-7 on a 7-point scale):

- Local reliance on local taxes assures more local control: 53%
- Present system causes sprawl: 44%
- Our problems with the property tax are caused by high spending: 56%
- High property tax burdens make CT unattractive for business: 71%
- Ensuring a high-quality workforce depends upon the quality of K-12 education: 86%

When the same group was asked about values that come into play in selecting the best strategy for financing public schools, the following percentages thought the value was above-average to very important (5-7 on a 7-point scale):

- Fairness to taxpayers: what people pay as a percentage of what they own or earn should be about the same in every community across the region. 64%
- Fairness to students: the quality of education should not depend on where families happen to live. 91%
- Efficient use of tax dollars. 92%
- Accountability of policymakers to citizens. 90%

*For detailed results of the 2004 Citizens Forum
Consult the Community Foundation website at www.cfgnh.org*