

A Response to Equitable Sharing of Connecticut School Aid Critical

By Chip Beckett

This is a response to the opinion piece in the Hartford Courant on January 15, 2017 entitled Equitable Sharing of School Aid Critical by CT OPM Secretary Ben Barnes. Let's be clear, the state makes the rules for the overall state and local government finance system in the state. These rules have made us one of the most dependent states on property taxes in the country which all but guarantees a parallel inequality of resources based on property tax values. From financial distress in a number of urban centers, to stretched school budgets, it is clear that we have work to do.

The scope of properties off the tax rolls has reached as high as 50% in some cities with many more non-profits than ever before. The PILOT program formula was designed to hold harmless the host municipalities for the costs of hosting the regional and state benefits. Yet many towns across the state from East Hartford, Hartford, Manchester, Somers and Mansfield to New Britain are harmed by the state not fully funding the PILOT formula in state statute.

As Chairman of the Capitol Region Council of Governments, representing one third of the state population, and almost equally divided between republicans and democrats, we do and should focus on how to make government effective and work for us all and address the overall state and local financial system.

Towns have been addressing local education costs that often makes up around 65 percent of most town budgets and of that most is staff costs. Negotiating under the state rules is not easy -- the threat of binding arbitration, consideration of other union members' compensation on a rotating schedule, leads to a constant ratcheting up of salaries and benefits beyond what general citizens are experiencing in their work lives. Most towns have worked hard to negotiate health and retirement benefits with the employees within limits set by the state. Most changes have been comparable to large private sector businesses including HSA healthcare plans and 401(k) retirement plans. State mandated retirement plans that have not been similarly updated for the most part. Clearly the state also has work to do on state employee and education pensions to make the systems viable into the future.

Connecticut's culture is to take care of the less fortunate. All levels of government must continue to find efficiencies and financial savings while maintaining services. Towns need the state to modernize employee compensation to be fair to both employees and taxpayers. As well, we need mandate relief so we can have a better state-local partnership to benefit our residents. We need to work hard to advance the critically important steps to repair the dysfunctional state-local financial partnership that we face today.

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