

# Town of Haddam

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## Office of the First Selectman

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**TO: Honorable Sen. Beth Bye and Rep. Toni Walker,  
And the Members of the Appropriations Committee**

Testimony in **FAVOR** of **SB816**

*An Act Establishing a Minimum Level of Funding Under the Education Cost Sharing Grant Formula*

Thursday, April 2, 2015

As a municipal leader, I see the direct effect state funding and grants have on my town. When the formulas work they are a fair way to help towns cope with many state mandates. But when the formulas don't work, it hurts small towns like Haddam in a much more profound way.

With respect to the ECS formula, there are currently 16 significantly underfunded towns throughout the state. These towns receive less than 50% of the amount required by the formula and Haddam is one of them. We are the tenth worst funded town in the state but we are very far from the tenth richest municipality, as that ranking would imply.

While in operation, Connecticut Yankee Nuclear Power Plant made up half of our grand list. Our share of the ECS funding was low during those years and rightfully so. When the plant closed our grand list dropped in half but the formula was not adjusted for that loss in revenue. We are currently rated as if the plant was still operating within our borders.

There is no way for a small town like ours to make up for the loss of revenue from such a high taxpayer; to put it into perspective, the plant paid the equivalent of 24 super-sized box stores in taxes. Haddam is acting as the Yucca Mountain of Connecticut and to add insult to injury we have been penalized from our fair share of ECS funding for the past 19 years.

For example, we currently receive two million dollars less each year than our economic twin, East Haddam; this is 2.25 mills that we have to add to our tax rate to compensate. The resulting high mill rate prevents us from attracting small businesses and selling our homes, leaving us with empty storefronts. We have to forego many necessary infrastructure maintenance and improvements to our schools and municipal properties.

But I'm not just testifying for Haddam, I support assistance for Branford, Glastonbury, Middlebury, Milford, Newtown, North Haven, Orange, Rocky Hill, Shelton, Simsbury, Southbury, Trumbull, Wethersfield, Woodbury and West Hartford, all 16 towns that are below the 50% ECS funding level. We're not asking for 100% or even 75%. We all know the state of the budget and the tough choices you have to make. All we are asking for is 50%, a humble half of what the formula mandates.

While 16 towns are severely underfunded, there are 43 towns that are overfunded.

This means the ECS system is creating super winners and super losers from a formula that is supposed to do the opposite and make for a fair and equitable state education system. We are pitting municipalities against one another, opposite of the intent of the ECS law.

Over many years I know you have deliberated about holding towns harmless and that it would be a difficult decision to cut ECS funding to the overfunded towns. But what about the deeply underfunded 16 municipalities, which year after year are harmed by the fact that they are not even at 50%? Shouldn't they be held harmless first?

Many of you have towns in your district in both predicaments, overfunded and underfunded. But your message to the towns that are overfunded is simply you would do the same for them if they were in this position and that you believe in fairness and stand by your promises to equally represent all citizens in your district.

I know you will do the right thing and move towards fixing this broken system this year. The people of Connecticut trust in you to represent them all equally and support of this bill will show you support fair and equal funding for all municipalities.

It won't happen overnight and we understand this could be a multiyear fix but this bill is the first step in the right direction. If we can't fix the regressive property tax system in Connecticut let's at least fix the ECS system making it fair for all municipalities, large and small.

It will take incredible courage to tackle the ECS formula but I trust all of you to do the right thing for your constituents with this bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melissa J. Schlag', written in a cursive style.

Melissa J. Schlag  
First Selectman