

A TEACHABLE MOMENT FOR OUR BOARD OF ED

THE PROPOSED BOE BUDGET OFFERS IMPORTANT LESSONS FOR TAXPAYERS AND THE PUBLIC OFFICIALS WHO REPRESENT US.

It's budget time again in Fairfield. The opening round is the BOE budget recently proposed by Superintendent Title, who has requested **a \$5.7 million increase to \$157 million, representing a 3.8% increase over the current year's budget.**

As usual, Dr. Title offers sound reasons for his request (e.g., an unavoidable increase in the costs of special education students, contractual increases in staff salaries and benefits, and essential maintenance for school facilities) that are backed up by 181 pages of numbers and charts plus a 54-page slide presentation. In a series of long meetings, he will now lead the BOE through a detailed, line-by-line review. If history is any guide, BOE members will ask many questions, they will seek even greater efficiencies than Dr. Title has already documented, and they will vote in favor of some token cuts. They will be strongly discouraged from making any program cuts because "we don't want to hurt the children," because "the children are our future," and because "people move to Fairfield for the schools and thus any cuts will hurt property values."

The "Teachable Moment" is found not in the 181 pages or the 54 pages; it is found in what is missing from them.

Missing is the support for the two key premises in Dr. Title's presentation that should matter most to the BOE and to all of us who elected them to represent us.

1. On page three of the BOE budget book, Dr. Title says that he has "attempted to balance the needs of our highly regarded school system ***with the financial capabilities of our town.***" [Emphasis added]
2. On page four of his slide presentation, Dr. Title says that the budget he has proposed "allows us to continue the long tradition of ***a school system at least equal to others in Southern Fairfield County.***" [Emphasis added]

If Dr. Title has indeed assessed "the financial capabilities of our town," it would be helpful to see his analysis, but it is not his responsibility to do this – it is the responsibility of our elected officials, starting with the BOE. And while it is appropriate for Dr. Title to inform the BOE what it costs to provide a school system that is ***at least equal to others in Southern Fairfield County,*** it is the responsibility of our elected officials, starting with the BOE, to determine whether the Town of Fairfield, in what remains a very difficult economic environment, ***can afford to continue to keep up with some of the wealthiest towns in the United States.***

Unfortunately, in a "business as usual" fashion, the BOE is likely to spend the vast majority of its time reviewing 181 pages of budget line items because that is what they have always done, and because they do not have – because they have not demanded it – the information they would need to consider the critical issues. Among other things, they do not have a breakdown of the BOE budget that shows the cost of each program. ***Without this information, the people of Fairfield and our elected representatives cannot have the debate we must have about the public and educational services we want and can afford from our government.***

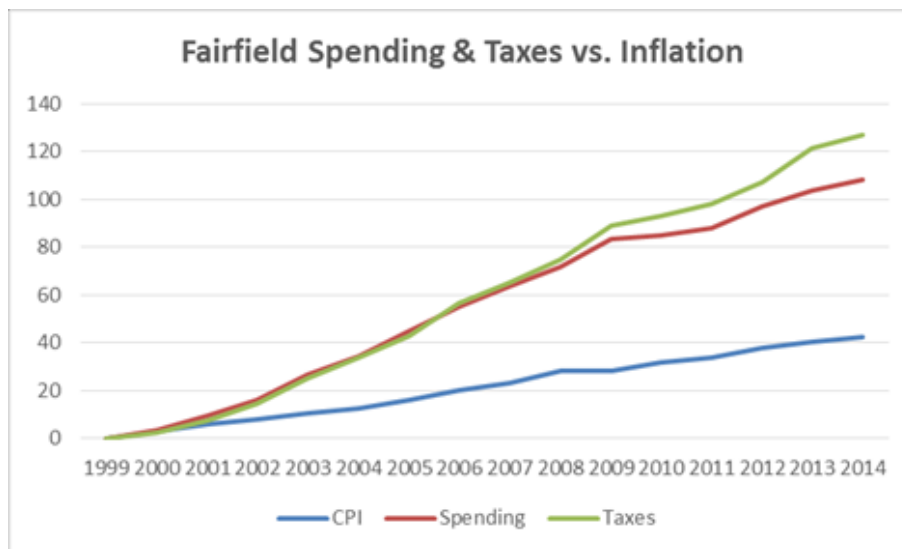
Some specific examples of the questions the BOE should be asking are as follows:

- How much do we spend on each element of the core curriculum, as opposed to non-core electives and extracurricular activities, and what is the cost per student of each course?

- Which high school classes have the fewest numbers of students and what does it cost per student to provide those classes?
- How much does it cost in total and per participant for:
 - Each of the 111 high-school athletic teams?
 - Our award-winning high-school music program?
 - Our award-winning Textile and Design program?
- How can we allocate more of our scarce resources to narrow the performance gap for our Free/Reduced Meal Plan and ELL (English Language Learners) students?

Education is critically important to all of us because the children really are our future, and also because the cost of our schools represents 64% of Fairfield's total spending – the current BOE budget of \$151 million plus Debt Service of \$27 million (the vast majority of which is related to school buildings) equals \$178 million, versus total spending of \$279 million. **Thus, all voters – those in the 30% of Fairfield households with children in our schools and those in the other 70% of households who pay most of the cost of our schools – should care deeply about both the quality and the affordability of Fairfield's school system.**

Last year, many Fairfield taxpayers got involved for the first time in the budget process after the First Selectman proposed a 6.4% increase in our taxes, more than three times the rate of inflation, continuing the unsustainable trend of the last 15 years. Indeed, for the first time in anyone's memory, our Board of Education actually discussed the need to restrain the growth in its budget on the explicit grounds of Affordability. One member even proposed that the BOE agree to limit future increases to "2% or the rate of inflation," a suggestion that Chairman Dwyer agreed to put on the Board's agenda for its spring meeting, apparently with no effect. **The proposed 3.8% increase in next year's budget is 2.5 times the current 1.5% rate of inflation.**



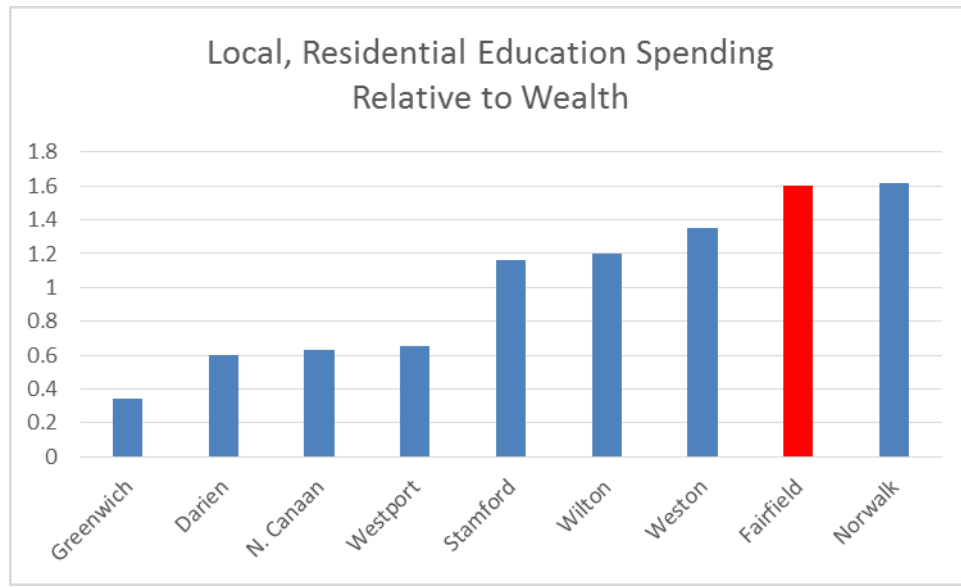
Affordability

Dr. Title notes again this year that Fairfield's Per Pupil Expenditure (PPE) seems reasonable relative to nine other "Southern Fairfield County" communities. However, his comparisons say nothing about affordability, which depends on: (a) how much of total education spending is paid for "locally" rather than by state or federal grants; (b) how much of local spending is paid by residential property owners rather than by Commercial and Industrial (C&I) property owners; and (c) the capacity of each town to spend.

We can get the numbers we need for this analysis (i.e., total education spending in each town, how much of each town's education spending is paid locally rather than by state and

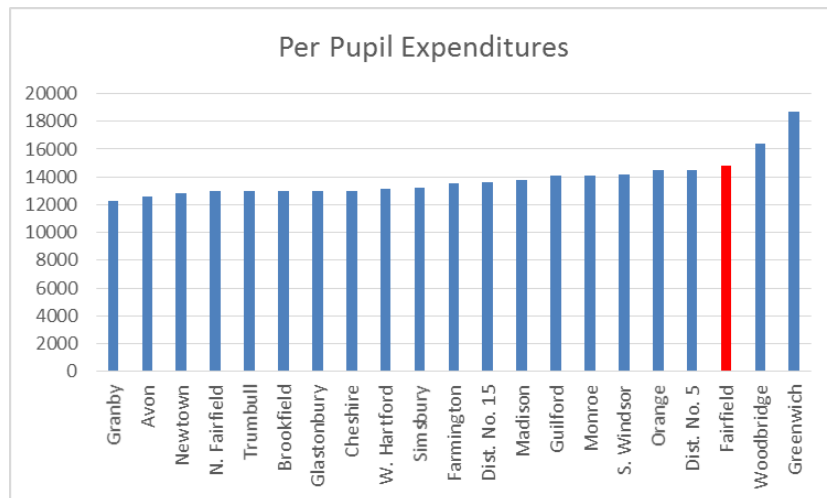
federal grants, how much of each town's total taxes is paid by residents rather than by C&I property owners, and the population of each town) from the SDOE (State Department of Education) and CERC (CT Economic Resource Center). With these data we can compute Local, Residential Education Spending per Capita in each town.

To compare these spending levels to each town's capacity to spend, we need a measure of each town's wealth per capita, and the best available measure seems to be something called "AENGLC" (Adjusted Equalized Net Grand List per Capita), which the SDOE uses to allocate grant monies to school districts. If we divide "Local, Residential Educational Spending per Capita" by "2013-14 AENGLC" for each of the towns with higher PPEs, we get the following results:



Thus, although it is true that Fairfield's PPE (Per Pupil Expenditure) is lower than eight of the nine Southern Fairfield County towns that Dr. Title chooses for comparison, ***our spending is at the higher end of the range relative to our capacity to spend*** – and not by a small margin. ***Fairfield's spending relative to our capacity is 70% higher than the average for the other eight towns.***

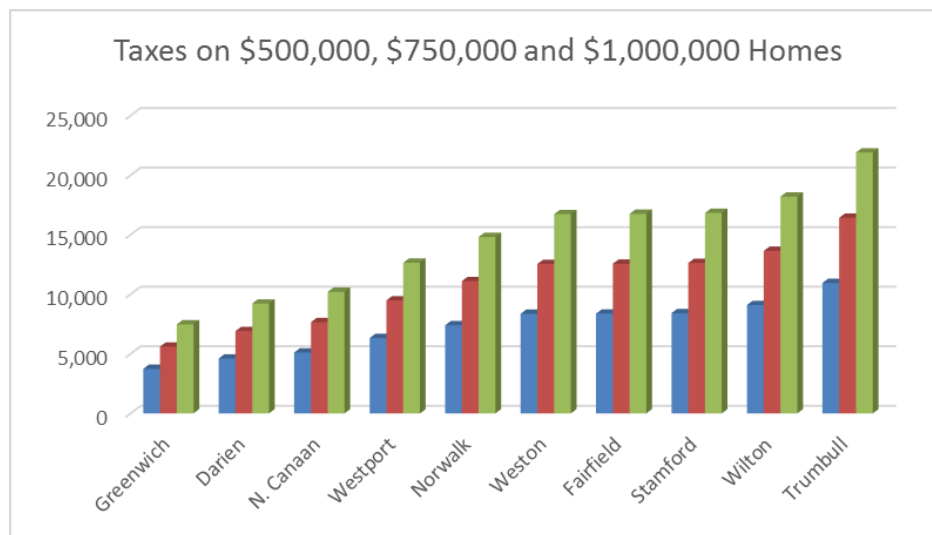
The State Department of Education places most wealthy towns in a group called "District Reference Group A" (DRG-A) based on such socio-economic factors as their substantially higher median incomes. The State places Fairfield in "DRG B" with towns like Farmington, Guilford, Madison, Simsbury, and Trumbull. Relative to the other towns in our own group, Fairfield's spending per pupil appears too high, particularly considering that, with more than twice as many students as the average for the other towns, we should enjoy the benefit of significant "economies of scale."



Since Dr. Title points out how much more we would be spending if our PPE were equal to the average of the nine other towns he chooses in Southern Fairfield County (including six of the wealthiest towns in the country), it seems fair to note that if Fairfield's PPE were equal to the average for the other towns in its own group (i.e., DRG-B, which includes high-spending Greenwich and some tiny districts like Woodbridge with 737 students), **our Education budget would be about \$10 million lower** (excluding Greenwich and Woodbridge from the average, our saving would be about \$15 million). Moreover, the PPE data we have been discussing does not include spending on land, buildings and debt service. **In that category alone, Fairfield's spending would be another \$10 million lower if it were equal to the average for other DRG-B districts.** The total of at least \$20 million represents over 13% of our current budget of \$151 million.

Proponents of education spending are absolutely correct when they say that good schools support property values in a town. However, we should all remember that, as with most things in life (e.g., sun, chocolate, apple pie and ice cream), we can also have too much of a good thing. Thus, at some point, **high spending on education, or any other government service, also hurts property values by raising taxes to levels that are not affordable or competitive.**

People moving into Fairfield County base their decisions on where to live in part on the impact of property taxes on their cost of living. The following graph shows how much a family currently pays in property taxes in each town living in homes with market values of \$500,000, \$750,000 and \$1 million.



Fairfield Taxpayer believes that ***we should spend as much on education as we can afford*** in order to provide the best education we can to our children. Spending more than we can afford is not sustainable because either our tax rates will be too high or we will be forced to cut the quality of our municipal services too low. Either way, people will increasingly choose not to live here, property values will suffer, our tax base will decline, and we will eventually have to cut spending on education along with everything else. This is what will happen if Fairfield continues to try to provide "a school system at least equal" to those of some of the wealthiest towns in the entire country – we will eventually destroy the very school system we so highly value.

It is perhaps also worth repeating that higher spending does not mean better educational outcomes, and there is no better example of this than Greenwich, where, despite spending more per pupil than any district in the state, its average 8th Grade CMT score at 83 is actually below the 84 average for the other nine towns (including Norwalk and Stamford, at 60 and 61, versus an average of 91 for the other seven towns).

Finally, Fairfield Taxpayer does not presume to dictate how affordability should be measured, but we feel strongly that ***every town body involved in the budget process should focus equally on the quality/quantity of services AND the affordability of those services,*** and should provide a clear explanation of why its members believe that any budget it approves is affordable for the taxpayers.

What Can We Do?

Here is what each of us can do to ***Keep Fairfield Affordable and put our town on a sustainable course for the future:***

1. **Get informed and get involved.**
2. **Sign up on line with Fairfield Taxpayer (www.fairfieldtaxpayer.com), speak up on the issues in our Forum, and encourage neighbors and friends to do the same.**
3. **Show up at key town meetings – particularly the BOF Public Budget Comment Session on Saturday, March 29th.**
4. **Use Fairfield Taxpayer's easy "1-Click" e-mail button to send your message to all our elected representatives urging them to address the critical issue of Affordability.**