

NEW HAVEN CAN BE BETTER!

New Haven Citizens Action Network (NH CAN) was created last summer by a group of New Haven citizens who wished to participate in the deliberations of the Board of Aldermen during the 2007-8 budget process. Our objectives were to ensure that the proposed budget fiscally sound and would not create a tax burden on future taxpayers. We were also interested in keeping city government open to participation from the general public.

Summer has come and gone. The BOA has not welcomed citizen inputs and had prevented public comments on items before the Board. There is a solid majority of the BOA that votes as a block to approve the Mayor's wishes without too much challenge. Consequently, New Haven CAN has shifted its focus – from working with the Alders to working to elect more independent minded Aldermen willing to check the Mayor's propensity to tax and spend.

The New Haven 2007-8 budget totals \$445 million, with Special Funds and Capital expenses adding another \$272 million. This is equal to over \$14,000 per New Haven household. Of this amount, about 30% is paid directly by City taxpayers, another 50% comes from State taxpayers with the remaining 20% being borrowed. The City has commitments of over \$1,100,000,000 – about \$22,000 per household -- for pension liabilities, debt and retiree health care. Future taxpayers must pay for this.

The budget process is seriously flawed. There is no culture of cost control, of eliminating unnecessary activities to pay for new initiatives. Transparency is lacking. Education spending accounts for 38% of the General Fund. Yet one has to estimate the additional costs for employee benefits, pensions, debt service, the Capital and Special Fund accounts to get a better estimate of total education costs which are closer to 61% of total spending of \$717 million.

The budget process is not integrated with the cost drivers that dominate the budget. Contract negotiations commit taxpayers for a good part of the budget, yet occur independently of the budget process. Pension plans still use the more expensive Defined Benefits approach rather than the more widely used Defined Contribution approach.

The budget process does not relate expenditures to any measures of anticipated outcomes. What should we expect for the \$17,000 spent per school student each year? How effectively can we expect Police and Fire personnel to respond to incidents? For Public Works to repair sidewalks and roads?? Etc.. There is no reference to such benchmarks in the 400 plus pages of the budget.