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State Senator William Aniskovich.

In taking up the challenge of tightening welfare entitlements, cutting taxes and fighting crime, national and state legislators may end up worsening those very problems—and others—for the city of New Haven.

New Haven Mayor John DeStefano and State Sen. William Aniskovich discussed these views during the Feb. 3 New Haven Policy Forum, a regular seminar at ISPS that brings people from Yale and New Haven together to discuss issues pertinent to both communities.

The legislators told the audience of 35 people that current political trends toward stricter social policies and stronger local government do not always take into account the needs of cities.

As evidence of near-sighted strategy, the Democratic mayor from an urban center and Republi-

can state senator from a suburban town both pointed to Connecticut Republican Gov. John Rowland's campaign promise to lower the income tax.

DeStefano walked the audience through a 10-page handout of charts on income and property taxes, explaining why he believes the state should focus on lowering the property tax—not the income tax.

Connecticut residents pay a lower percentage of their earnings to the income tax than the U.S. average. In the U.S.- Connecticut relationship on property taxes, however, residents of 155 of Connecticut's 169 towns pay above the national median rate.

"There's a tremendous impact we're seeing with the deterioration of the tax base," DeStefano said.

The mayor also compared Rowland's goals with

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those of New Jersey Republican Gov. Christine Todd Whitman. Her fulfilled campaign promise of cutting income taxes by 30 percent resulted in an average per household income tax decrease of \$49.10. That savings, however, was far offset by a resulting average \$176 jump in local property taxes, DeStefano said.

"In each step of this tremendous phasedown of income tax, they saw a passing on to local municipalities. Think of who it's affecting in the economy," the mayor said.

Saying that he never had a business move out of the city because of the income tax, DeStefano added, "on the property tax, it's a very different story."

Aniskovich, a self-described moderate Republican, said the combination of reducing the income tax while also dealing with a budget deficit would force Connecticut legislators to find \$1 billion in cuts.

"Some in the Republican party, including myself,

believe that is not a prudent course to take," said Aniskovich, whose district covers Branford and East Haven.

Any budget cut-backs would also likely come from two areas whose shrinking would resonate, again, in the cities: grants to municipalities and state employee salaries and benefits, he said.

(Two weeks after the talk, Gov. Rowland announced an income tax reduction from 4.5 percent to 3 percent. The cut would affect 43 percent of state taxpayers in 1995. The governor did not address the property tax, but his budget did include a \$30 million decrease in state aid to municipalities and elimination of 3,000 state jobs through layoffs and attrition.)

Welfare Cuts

Speaking to an audience from Yale and New Haven—including professors, students, businesspeople, civic leaders and private residents—Aniskovich said welfare is another area where current efforts to pare things down may backfire for the cities.

"How you expect to move people off general assistance and force them to find some sort of job in this economy," the state senator said, shrugging, "well, there's some sort of causal problem there."

A pending Connecticut state law calls for a state takeover of general assistance, which is now distributed through each municipality, by July 1996. The current general assistance budget is about \$150 million, or nearly 5 percent of the state's \$3.3 billion social services budget.

Again, the state action would directly affect New Haven, DeStefano said, and could do so quite negatively. "I'm very nervous about this state law that says the state takes over general assistance," DeStefano said.

He said that while legislators in Hartford may find it reasonable to throw those deemed "employables" off the rolls, "then I get to practical life in New Haven where we'll have people sleeping in parks."

The state senator echoed the mayor's senti-

ments, saying, "Those (proposals) aren't solving the problems. Those aren't having a human effect that's beneficial."

(In the subsequent budget message, described above, Gov. Rowland reversed course on this plan. Instead, he now proposes to turn general assistance responsibility entirely over to the cities, along with reduced funding in a "block grant" form.)

Welfare gets a lot of attention from politicians, but it is not the biggest issue before the state, Aniskovich stressed. Noting that corrections programs receive double the amount of the Aid to Families with Dependent Children (AFDC) budget, he said, "It's not welfare that drives the budget."

Solutions

Aniskovich identified three legislative areas that could benefit cities: transportation, economic development and education.

Action on the first two would improve the region's jobs competitiveness, and ideally would lead to a future with high-tech

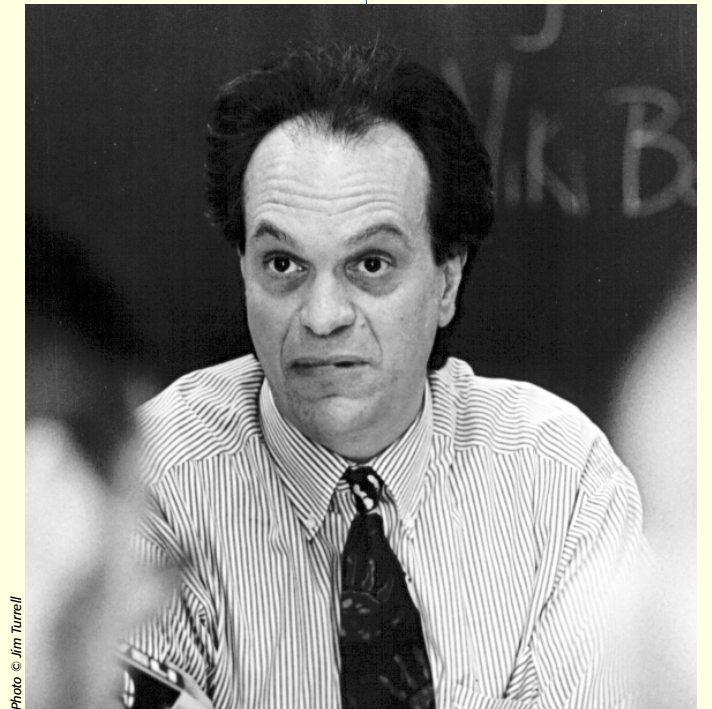


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New Haven Mayor John DeStefano.

companies in the New Haven area, he said. Education and school desegregation, which were stressed by former Gov. Lowell Weicker, are not high on Gov. Rowland's list, the state senator said.

Mayor DeStefano said that beyond a push to lower property taxes, the city must begin to think of itself as competing not with other cities, but with regional urban economies such as Raleigh-Durham in North Carolina.

But when asked by a seminar attendee about the likelihood of full-fledged regionalization in Connecticut, DeStefano said, "I think we've got a very strong tradition that goes another way." He was referring to the state's historic commitment to home rule.

"Politically, you have to pick your fights and you've got to pick fights you can win," he added.

In the previous seminar, New Haven Police Chief Nicholas Pastore and Yale Law School Professor Steven Duke discussed drug crime and violence in New Haven.

Pastore argued that drug crimes can be handled most effectively if they are seen as a public health issue. Duke, in saying "drug prohibition has been the most destructive social program in the U.S.," argued that the legalization of drugs would be the most effective approach.

Further New Haven Policy Forums in the Spring 1995 semester will discuss neighborhood revitalization projects in the city, education reform and economic development.

This article was written by Julie Beglin, ISPS Report editor.

