

A Fair Share Contribution for New Haven

“...I just want to respond to the comment that Yale University may be the only one within the community who doesn't support this [a proposal for Yale to pay a fair share contribution to the city of New Haven], and state that there are, in fact, numerous people within the University who recognize that at a time, when the City cannot fund libraries and parks; it is the time when no longer can a multi-million luxury golf course be subsidized by the citizens of this state”
Alderman Michael Morand, in testimony to the Board of Aldermen, March 19, 1990.

Because of a campaign in 1990 led by members of the New Haven community, including Mr. Morand, the developed portion of Yale's golf course was added to New Haven's tax roles and Yale agreed to pay an annual fair share contribution to New Haven. Today, we are waging a similar fight because in the 14 years since Mr. Morand testified, both Yale and the tax burden on New Haven citizens have grown significantly, and yet Yale's contribution to the city has not seriously increased.

- The New Haven Student Fair Share Coalition consists of 16 undergraduate groups:
 - Black Student Alliance at Yale (BSAY)
 - Climate Campaign
 - Coalition to End the Death Penalty
 - Early Childhood Education Program
 - Jews for Justice
 - El Movimiento Estudiantil Chicano de Atzlan (MEChA)
 - Muslim Students' Association (MSA)
 - Peace by Peace
 - Progressives
 - Social Justice Network (SJM)
 - Student Legal Action Movement (SLAM)
 - Undergraduate Organizing Committee (UOC)
 - Women's Center Political Action Committee
 - Yale Hunger and Homelessness Action Project (YHHAP)
 - Yale Coalition for Peace
 - Yale Student Environmental Coalition

- 10 of Connecticut's 28 “priority schools” are New Haven schools.

- New Haven's projected budget for 2004-2005 is \$379,255,923.00.
 - For the 2002-2003 fiscal year, New Haven ran a \$3.1-million deficit.
 - To compensate, property taxes for residents will probably be raised 3.7% this year.

- 8.6% of New Haven's budget comes from PILOT – Payment In Lieu Of Taxes – funding from the state to compensate for taxes lost by the presence of tax-exempt colleges and hospitals in the city.
 - This represented \$32,677,692.00 for 2003-2004.
 - It is projected that the PILOT funding for 2004-2005 will not increase.
 - If Yale were not tax-exempt, it would have paid \$40.9 million in taxes in 2002.
 - That year, PILOT paid New Haven \$26.1 million to compensate for tax revenue lost by Yale's tax-exempt status alone.

- Thus, PILOT paid, in 2002, approximately 64% of revenue lost to Yale's tax exemption, leaving \$12.8 million lost to New Haven.
- Yale represents approximately 21.33% (\$1.6 billion) of New Haven's net grand list (the worth of all property, both taxable and non-taxable, in New Haven) (the taxable grand list is \$3.9 billion; in addition, the city is home to approximately \$2 billion in tax-exempt property belonging to non-taxable institutions other than Yale).
- Yale University has grown more than 50% since 1996.
 - Yale's tax-exempt holdings have grown from \$750 million in 1996 to \$1.6 billion in 2002.
 - Based on averaging a 20-year average growth rate, Yale's endowment can be expected to grow at a rate of \$5 million a day.
- Yale has an \$11-billion endowment and a \$1.2-billion operating budget.
 - In 1999, Yale spent \$4 million on business dinners.
 - In 1999, 2.8% of the endowment (\$280 million) was spent on the University's operating budget.
 - Harvard, by contrast, spent 5.15% of its \$17.5 billion endowment in 2003 on the operating budget of the University (endowment figure from 2002).
 - If Yale spent 0.1% more of its endowment, it could make a voluntary contribution almost equal to the \$12.8 million lost by the city each year from the difference between Yale's tax exemption and PILOT funding.
- In a noteworthy step, Yale, after pressure from community members, made an agreement in 1990 with New Haven to compensate for a small amount of the revenue the city was then losing due to Yale's tax exemption.
 - Yale agreed to pay a percentage of the city's fire budget each year for 20 years (until 2010) – this currently amounts to approximately \$2.2 million.
 - Yale paid the city a one-time payment of \$1 million in exchange for two streets on campus (what is currently Rose Walk, and Wall Street between College and High).
 - Yale agreed to put the part of the golf course that is developed on the city tax roles.
- Harvard, Yale's age-old rival, made a landmark deal with the city of Watertown, Massachusetts, in September 2002, to make yearly voluntary contributions to the city.
 - Harvard agreed to pay a total of \$480 million in increasing amounts over 52 years to the city.
 - For the first year, 2002, it was estimated that the property Harvard bought would have generated \$4.8 million in tax revenue.
 - Harvard's contribution to the city that year was \$3.8 million (representing 79.17% of the projected tax revenue).
 - In exchange, Harvard received a promise from the city that the zoning of the land it had bought would not be called into question.

Sources include:

Schools, Taxes, and Jobs. *Published by Connecticut Center for a New Economy, 2002.*
 Mayor DeStefano's Budget Summary for 2004-2005.
 A Yale Book of Numbers: 1976-2000. http://www.yale.edu/oir/pierson_update.htm#M.
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<http://chronicle.com/redirect/c/2002/09/2002092601n.htm>.