



UNIVERSITY OF HARTFORD

Testimony for the
Planning and Development Committee

From

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University of Hartford

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Good afternoon. My name is John Carson and I am here today on behalf of the University of Hartford to speak against **HB 6965, An Act Concerning the Preservation of Municipal Tax Bases**. I urge you to reject this bill and strongly suggest that efforts to tax private higher education institutions is wrong-headed public policy, and replete with the possibility of unintended consequences.

As you can surmise, I am here first and foremost as a higher education advocate and as an employee of an institution that could be impacted by the bill. I have twenty four years in the industry – six as a member of the board and eighteen years as a University of Hartford employee. However, I am speaking just as much to you today, as one who has spent twenty four years in economic analysis, economic strategy and economic development policy, focused on this great state. I was chief economist for Connecticut’s largest commercial bank in the 1970’s; I served twelve and a half years in what was then called the Connecticut Department of Economic Development, including six and a half as Commissioner; and I served as CEO for three and a half years of the Connecticut Policy and Economic Council, Connecticut’s first fiscal and economic watchdog.

I would first direct your attention to Moody’s August, 2014 “special comment” - Prominent “Eds and Meds” Bolster Northeast Cities. The report presents three examples of how the presence of universities and hospitals, our eds and meds, can assist older communities in transforming their economies and maintaining credit strength. Two points from that paper that capture my attention are – “large universities and hospitals provide stable anchors and economic vitality” and second, “while exempt from property taxes, eds and meds provide cities with direct and indirect financial benefits.”

Second, I have not heard that this is a major issue in the communities the University of Hartford calls home. We are probably the only campus whose total footprint is in three towns – Bloomfield, West Hartford and Hartford. Over the past six months we have sat with, talked to or communicated with the town planners, mayors, city managers and tax assessors in all three towns. Not once did they say that taxation of higher education facilities and property was a problem or a top priority for them. You risk upsetting the very positive town-gown relations and

- Total jobs created (retained) in Connecticut as a result of the economic activity generated by the independent colleges and universities in 2012 was 155,067 including direct employees of the 16 independents implying that their operations support an additional 138,390 jobs in the state.
- The sixteen independents pumped \$1.96 billion in wages and salaries into the Connecticut economy in 2012.
- The over 200,000 alumni and retired faculty and staff living in the state have annual earnings of \$12.99 billion that generates \$1.99 billion in state and local taxes.
- There were 65,497 full-time equivalent students attending the sixteen independents in 2012 compared to 57,514 FTE students attending the state's public postsecondary institutions.
- Connecticut and its municipalities receive \$1.14 billion in tax revenue as a result of the independents' economic activity.
- Students of and visitors to the sixteen independents spent \$639.4 million in 2012.
- Between 2008 and 2012 inclusive, the sixteen independents invested on average annually more than \$8.4 billion in new, renovated residential and non-residential buildings and facilities. These investments include equipment as well as art and library collections.
- In 2012, several colleges together remitted more than \$16 million in taxes on non-exempt property and in payments in lieu of taxes.

Please do not move this legislation forward. Thank you.