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**Testimony for the
Finance, Revenue & Bonding Committee of
Jennifer Widness, President
Connecticut Conference of Independent Colleges
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On behalf of the Connecticut Conference of Independent Colleges (CCIC) I am submitting testimony in support of Section 11 in **SB 873: AN ACT MITIGATING ADVERSE TAX CONSEQUENCES RESULTING FROM EMPLOYEES WORKING REMOTELY DURING COVID-19, AND CONCERNING THE REMOVAL OF LIENS ON THE PROPERTY OF PUBLIC ASSISTANCE BENEFICIARIES AND A THREETIERED GRANTS IN LIEU OF TAXES PROGRAM**, which, seeks to revise the calculation of the amounts of payments in lieu of taxes paid to municipalities (“PILOT”) based on equalized net grand list per capita, an effort to provide more revenue to those cities that have a high percentage of tax.

Connecticut’s Payment in Lieu of Taxes (PILOT) program for Colleges and Hospitals provides payments to municipalities for real property tax losses due to exemptions applicable to private, non-profit colleges and hospitals. The program recognizes that colleges and hospitals and other tax-exempt non-profits concentrate in urban centers and that these institutions serve the public good by providing critical resources and benefits that assist all Connecticut residents, not just those living in municipalities in which the institutions are located.

Like every other state in the nation, Connecticut enacted a property tax exemption in recognition of the unique and critically important role not-for-profit colleges and hospitals play in their communities to enhance the health, education, and general welfare of state residents. The tax-exempt status for not-for-profit institutions grew out of the tradition of important public needs being provided by private entities: hospitals and health systems, not-for-profit agencies, and private colleges. Our state’s tax exemption recognizes that the government should not be, and in fact cannot afford to be, the sole provider of such critical services. This status provides necessary and important support allowing colleges and universities to pursue their basic mission of teaching, research, and service.

The 15 private, non-profit colleges and universities in Connecticut which comprise the membership of CCIC award nearly half the bachelor’s degrees earned in Connecticut each year. They are strong community partners that provide a myriad of programs, benefits and other support to our host cities (see, [CCIC Community Contributions](#)). They have an estimated [\\$15 billion annual economic impact statewide](#).

Since the pandemic began, the critically important role these non-profit institutions play as anchor institutions has never been more evident. These institutions donated PPE and housed first-responders last spring; faculty serve as advisors to state and local leaders; they have conducted over 550,000 tests since August in an effort to offer in-person learning safely for the benefit of the students and their communities; and they are hosting mass vaccination sites and providing volunteers to staff those sites and others.

The PILOT program is critical to help address the revenue gap that exists in our cities due to rising costs at the local level and an inability to adequately raise additional revenue to cover those costs, given the disproportionately small size of our cities and an overreliance on the property tax as the only way to raise revenue at the local level. Taxing non-profits to try and close this gap would never generate enough revenue to address these structural issues and it would have devastating consequences on the exempt institutions.

The tiered grant proposal in SB 873 would put a priority on grants to cities with the most exempt property and the least ability to raise revenue. This approach would significantly reduce operating deficits in the state's larger cities and allow them to focus on economic growth in support of both the state and local economy. As such, we support this proposal.