

## **Dan Toscano Testimony**

### **HB 6813 AN ACT REQUIRING TRANSPARENCY OF EXPENDITURES BY THE HIGHER EDUCATION FOUNDATIONS**

### **HB 5484 AN ACT REQUIRING AUDITS BY THE AUDITORS OF PUBLIC ACCOUNTS OF FOUNDATIONS ESTABLISHED FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION**

### **SB 230 AN ACT CONCERNING THE FUNDS AND RECORDS OF THE UNIVERSITY OF CONNECTICUT FOUNDATION**

Higher Education Committee – Feb 26th

I want to thank you, the members of the Higher Education and Employment Advancement Committee, for your time today and for your careful consideration of any proposed legislation that could impact the University of Connecticut, the UConn Foundation, and most importantly the incredible students, teaching and research that have helped to make UConn the 19<sup>th</sup> ranked public university in the nation.

My name is Daniel Toscano and I'm a graduate of UConn, a UConn Foundation Board member and a donor. It is my status as a donor that brings me to the Capitol and this committee today.

About a decade ago, my wife and I established two scholarships through the Foundation to create opportunities for students who otherwise couldn't attend UConn. These scholarships are full-ride 4 year scholarships. "Bring your brain, a willingness to work hard, and a pencil and we take care of the rest." is what we say. Both scholarships are need-based and one is directed toward students of Hispanic origin. We created these scholarships at UConn for two principal reasons.

First, we believe that helping to make college accessible to all students – especially those who don't come from wealthy backgrounds - can impact a family for generations. I'm proud to share

with you that this fund has already helped a young man – from Bridgeport - become the first person in his family to graduate from college. He was a terrific hard-working student who graduated from UConn with a bachelor's degree in Accounting. He is now a CPA working for a prestigious accounting firm...in Connecticut.

And that's the other reason we give – to make sure high-potential Connecticut students don't have to attend a private college or leave the state to receive a first-rate college education. As our flagship public University, UConn needs to be as great as, or greater than, the flagships of other states. I hate seeing our young people go to Michigan or Virginia or California to get the best in public higher education...in part because most of them don't come back! Keeping high-achieving students in Connecticut – addressing the so-called 'brain drain' - strengthens our workforce and allows Connecticut to compete successfully in the high value-added elements of the economy. I see UConn as a powerful engine for the economic revival of the state we all call home.

In addition to the scholarships that my family and I created, we also recently established UConn's first endowed chair in Finance. I have listened to the mantra of the University: attract a bigger and stronger student body; attract and retain the best faculty to teach these great kids; and surround them with state of the art facilities and capabilities. You will see a trend in our philanthropy that is consistent with that mantra. Right now, there are 2 full-time students in class in Storrs (well, they'd BETTER be in class!) because of our scholarships. The Provost and the Dean of the Business School are conducting a global search for the first professor to hold the chair in Finance that we recently endowed. It is unthinkable to me that Connecticut's flagship state University didn't have a single endowed chair in finance a year ago. The Financial Services industry is critical to our state! My family's gift to UConn will help address this.

To be clear, I am not here for accolades. I am here because I'm very concerned that the General Assembly is considering legislation that will most definitely have a chilling effect on the philanthropy that is essential to building and maintaining a top-notch flagship University. As someone who has given significantly to UConn for more than a decade, I can attest to the fact that treating the Foundation like a state agency will deter people like me from giving. Even if that is not your intention, I can assure you that it will be perceived very negatively by the very people you want and need to support this great institution. Let me explain why.

First, many donors – myself included – don't want their private financial decisions printed in the newspaper and otherwise freely available to anyone with a wifi connection. We all value our privacy and treating UConn donors differently than those who give to any other non-profit in Connecticut sends a terrible message to us.

Second, I give to supplement – not supplant - the investment that the State makes in its University. If efforts to erode the independence of the Foundation are successful, I fear that giving to the University will become a zero-sum game: I donate money to create a scholarship and state officials respond by cutting scholarship funding by the same amount. In essence, my gift would become a contribution to the state budget – effectively another tax...but this one would be voluntary. Who would sign-up for that? Noone that I know, certainly not me.

Perhaps the most frustrating part of this dialogue surrounding the UConn Foundation is the damage it may inflict not only on the University but on the very students we care about so much. More than 10,000 UConn students received some type of financial aid last year and that wouldn't happen without donors feeling confident that their information will remain protected and the Foundation will be independent. Most importantly, donors want certainty that anything they give to the University is used exactly in the manner that it is directed. You will note that, other

than token amounts, I rarely give unrestricted donations to UConn. My family has created scholarships, an endowed chair, we support many initiatives of various schools, clubs and athletic programs, but we generally don't give money to UConn without directing its purpose to places where we agree with the Administration (and the legislature) that the need is most important.

The model is working: UConn's student-body is the most diverse and academically accomplished in the school's history. The Foundation also just announced plans to double the amount it provides for scholarships and fellowships over the next five years. I don't just support UConn with my philanthropy; I am an active board member of the Foundation and an enthusiastic supporter of all the impressive initiatives that you have endorsed in your budgets.

As a donor I'm proud that I can contribute to this effort. As an active volunteer helping UConn achieve its goals, I love to see the impact it is having on the lives of our young people. I'm not asking for a thank-you – just a respite from legislative proposals that attempt to “fix” what isn't broken and turn students into collateral damage.

Thank you for listening and I'd be happy to answer any of your questions.