

Testimony by Rebeka Scalia, President Charter Oak State College Foundation

Before the Higher Education and
Employment Advancement Committee
February 26, 2015

Good Morning Chairs Willis and Bartolomeo and members of the Committee. My name is Rebeka Scalia, and I am President of Charter Oak State College Foundation. I am submitting testimony in opposition to both **HB 6813: AN ACT REQUIRING TRANSPARENCY OF EXPENDITURES BY THE HIGHER EDUCATION FOUNDATIONS** and **HB 5484: AN ACT REQUIRING AUDITS BY THE AUDITORS OF PUBLIC ACCOUNTS OF FOUNDATIONS ESTABLISHED FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION**.

The Connecticut statutes deny public colleges the ability to accept donations, so the institutions have created 501(c)3 foundations to serve that purpose. The Charter Oak State College Foundation, like the others, is a single purpose foundation that devotes its resources to supporting Charter Oak's students, most often through scholarships. Our Foundation is independent from the College and functions according to the federal rules that guide 501(c)3 charitable organizations. While the COSC Foundation works closely with the College, it manages its own resources, makes its own decisions, and is responsible to its own Board and the various federal rules that apply.

The assumption in both HB 6813 and HB 5484 is that Foundations are part of the college structure and as such are responsible to the state. That assumption is incorrect. The COSC Foundation exists to serve the College, but it is not operated by the College and does not exist as a financial extension or the College administration. No state dollars flow into the Foundation from either the General Assembly of the College. This last provision is very challenging because most public college foundations are modestly endowed. Still, we work very hard to pay our own way, and that hard earned independence is treasured by the Board.

We are not subject to the Freedom of Information Act, and we do not believe that we should be. If you took this step, we assume that you would apply it to all charitable foundations, not just those serving public higher education institutions. Such an application of an Act that is focused on making public policy decisions open and available to the public would be inappropriate.



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Our decisions are not related to public policy nor are our internal processes open to the public. By definition, we are private, not for profit organizations, whose value should be reflected in the good work they produce. And that good work is fully documented in our Annual Report, our federal tax submission (the 990), and our annual audit. On that last front, our foundation has been regularly audited by the state auditors. We chose that route because the state audit is free. HB 5484 both mandates a state audit and requires that we pay for it. That is both unnecessary and an unfunded mandate.

In conclusion, your very public issues with how the UCONN Foundation supports the university should be resolved in a conversation with that entity, not by new legislation that is unnecessary, intrusive, and expensive and will cause a hardship to other institutions.