

Statement to the Higher Education and Employment Advancement Committee
concerning Raised Bill No. 6813
An Act Concerning Requiring Transparency of Expenditures by the Higher Education
Foundations

and Proposed Bill No. 5484
An Act Requiring Audits by the Auditors of Public Accounts of Foundations Established for
Public Institutions of Higher Education

Submitted by Ronald Pugliese
Chairman, WCSU Foundation
Western Connecticut State University
February 26, 2015

Distinguished Members of the Committee,

I am Ron Pugliese, chair of the Western Connecticut State University Foundation Board of Directors. I am a WestConn alumnus and I have been involved with the university, and a supporter, since I graduated.

I would like to comment on this legislation before the committee — legislation that I believe would have a detrimental effect on foundations that raise money for public institutions of higher education in the State of Connecticut.

The WCSU Foundation has made significant progress in the past several years, with an endowment that now stands at nearly \$14 million and pledges that will increase that by another several million. Our current president, Jim Schmotter, has built a culture of philanthropy at Western even as many thought that this could not be done.

I make this point to illustrate that our success under President Schmotter has been based on building relationships with the community, including many relationships with donors and potential donors. Those relationships are built in large part on trust — trust that university administrators and faculty will do what they say they will do, both to improve the education of students and to respectfully steward donations entrusted to us.

That stewardship involves the observation of protocols to ensure that donations are used as requested, and also the appropriate interaction with donors. Staff and volunteers working with the foundation discuss ways to approach potential donors and discuss sensitive information about wealth and inclination to give. That information, along with details of all meetings we have with potential donors, is recorded in a database that we secure. It is necessary as we develop relationships and keep track of the steps we take with each potential donor — and it is not the type of information that should be disclosed.

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The provisions in HB 6813 that would allow existing donors to remain anonymous, would not absolutely protect the sensitive information that foundations must compile. And the people we deal with, who are often private and protective of their personal information, could very well decide that the threat of disclosure is not worth their involvement with the Foundation and the university. That would be a great loss to Western Connecticut State University, the state and, most directly, our students.

Similarly, I believe there is no need for HB 5484, which would require the state to audit the foundation. Under current state law, foundations undergo annual audits by independent certified public accountants, copies of which are provided to the Board of Regents and to the Auditors of Public Accounts. Our accountants are Fiorita, Kornhaas and Co., and we are very satisfied with their professional work. There would be no added benefit to us or to the public by having the Auditors of Public Accounts do the work.

Thank you for your time and I stand ready to answer any questions you may have for me.