

TESTIMONY OF
WALTER HARRISON, PRESIDENT, UNIVERSITY OF HARTFORD
SUMMITTED TO THE
FINANCE, REVENUE & BONDING COMMITTEE

Monday, March 28, 2016

SB 464 – Act of Establishing the Hartford Financial Sustainability Commission

I am pleased to submit testimony on SB 464, the proposed Hartford Financial Sustainability Commission.

I applaud Mayor Luke Bronin's efforts to provide a comprehensive approach to the dire financial position of the City of Hartford, and I appreciate his honesty in reporting on and confronting the City's financial position. I support the proposed legislation's general approach to reduce costs. This is the only common sense alternative to municipal bankruptcy, given what I understand to be a nearly \$50 million projected deficit in FY 2017. The expenditure side of the City's financial model is unsustainable and needs to be fundamentally altered through means that are truly tough and very unpleasant for many. This bill begins to address that issue.

I object, however, to Section 7(B) of SB 464 which would force negotiated levies upon the larger not-for-profit organizations in the City. I believe that a negotiated levy against the largest not-for-profits, despite the desperate circumstances the City faces, breaches the long-established tradition of tax-exempt organizations and establishes a dangerous precedent that will serve to motivate those organizations to grow outside of Hartford's city limits. These institutions, as well as the large for-profit ones, are the greatest sources of growth in the City's future. Sending them the signal that it will cost more money to do business in Hartford is exactly the wrong approach. It jeopardizes tomorrow's promise.

I sincerely believe that first achieving significant and real progress with the cost side of the City's budget will stimulate creative ways by larger for-profit and not-for-profit anchor institutions in Hartford to come forward with realistic ways to expand how we can assist the City and how our efforts will benefit the revenue side of the model as well.

As the City's only university, we understand our obligation to give back. Hartford is, after all, our last name! Over the years we have recognized that in any number of ways. We provide half-tuition scholarships to any Hartford resident who gains admission, a "grant" to Hartford residents that amounted to \$1.28 million this year. We are also home to two public magnet schools, the University of Hartford Magnet School (a K-5 school) and the University High School of Science and Engineering. We provide a free lease of land for both schools at an annual value of \$400,000, and partner with both in providing award-winning educational programs. Students from University High School may attend university courses tuition-free, which amounts to an average of \$335,170 in free tuition in each of the past two years. We provide tuition assistance

to approximately 150 students each year to take music and dance lessons at the University's Hartt School, which amounts to about \$114,000. And we have a strong partnership with the Upper Albany Merchants Association, providing free-of-charge consulting assistance to dozens of thriving small businesses along Upper Albany Avenue. To emphasize our commitment to the City, we invested \$22 million in converting an empty former automobile dealership into the Mort and Irma Handel Performing Arts Center on Albany Avenue.

I should also point out that Hartford annually receives approximately \$4.84 million in Payment in Lieu of Taxes (PILOT) funding from the state each year that is attributed to property owned by the University, an amount that comes to just under \$13,260 per day, a total that far exceeds the city services we receive.

We are more than happy to discuss taking on more responsibilities in aiding the City, including—for example—taking over the maintenance of the Mark Twain Drive entrance to our campus from the Blue Hills neighborhood of Hartford.

Although I appreciate the comprehensive approach to Hartford's dire financial situation, I must urge you to vote against SB 464 in its present form.