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Testimony of Galo Rodriguez, President and CEO

The Village for Families & Children

Re: S.B. No. 464 (RAISED) AN ACT ESTABLISHING THE HARTFORD FINANCIAL SUSTAINABILITY COMMISSION

Finance Revenue & Bonding Committee, March 28, 2016

Senator Fonfara, Representative Berger and members of the Finance, Revenue and Bonding Committee, my name is Galo Rodriguez and I am the President and Chief Executive Officer of the Village for Families & Children.

The Village **opposes the current language in Section 7 of Senate Bill 464- An Act Establishing the Hartford Financial Sustainability Commission.** As drafted, the bill would provide the city of Hartford with unprecedented authority to negotiate and levy a tax on nonprofits that are currently exempt from the property tax.

The Village is one of the largest providers of nonprofit services in the city of Hartford. Founded in 1809, the Village was one of the first agencies in the country to provide homes for neglected children. Over 200 years later, The Village continues to help vulnerable children and at-risk families throughout the Greater Hartford region – over 8,000 each year.

Our 400 professional staff members include child psychologists, clinicians, social workers and parent educators. We operate out of our beautiful original campus at 1680 Albany Ave. in Hartford, the former Trolley Barn building at 331 Wethersfield Ave., the former Shelter for Women at Gray Lodge at 105 Spring Street, ten schools in the City of Hartford, and offices in other towns throughout Greater Hartford, including Manchester, Meriden, Middletown, and Bloomfield.

Section 7 of the bill as drafted would potentially require the Village to enter negotiations with the city and permit the city to impose a levy representing a percentage of the taxes the Village would otherwise pay if not excluded from taxation.

The language is overly broad in that it does not specify which nonprofits would be required to negotiate a levy. It states that the city “shall enter into negotiations with the number of the largest tax-exempt organizations in the city, as measured by value of property owned, recommended by the commission” but does not specify what they would classify as “the largest tax-exempt organizations in the city.” For instance if initial negotiations with larger nonprofits do not yield the funds needed, would the commission keep moving down the list of nonprofits?

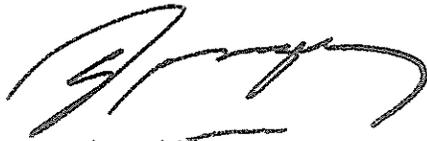
The language provides no recourse for any levy that may be imposed by this committee without agreement nor does it set any limits on the overall amount that could be assessed. It also leaves providers like the Village with a lack of certainty since there are no limits on how many tax exempt nonprofits could face a levy.

Currently, the Village does not pay property taxes in any of the many towns in the state where we serve clients. This is critical at a time when the State has cut many programs and further cuts to children's programs are looking increasingly more likely in the coming fiscal years. By opening up the door in Hartford, other towns may look for similar provisions if faced with budgetary problems.

The Village strives to be a good steward of the public funds we receive to provide services to clients. As these funds become more difficult for the public sector to provide, we operate with a very lean budget to ensure our client receive the greatest benefit. Any change to this delicate balance threatens our ability to provide services to Connecticut's most vulnerable children and families.

The Village appreciates the significant challenges facing Hartford and the State but would ask the Finance Committee to amend the language to ensure that the Village is not unfairly burdened and is excluded from the purview of Section 7 of the bill.

Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read 'Galo Rodriguez', with a stylized flourish at the end.

Galo Rodriguez