



# Sacred Heart UNIVERSITY

## **Testimony for Appropriations, Finance, Commerce & Planning and Development Committees March 21, 2018**

On behalf of Sacred Heart University, the other nonprofit institutions in the state and the communities where they reside, I want to thank the Fiscal Stability Commission for recommending full funding of the PILOT program. That said, I have concerns about authorizing municipalities to charge nonprofits service fees in lieu of taxes (SILOTs).

The tax-exempt status for nonprofit institutions grew out of the tradition of these institutions filling important public needs. It has been in place for hundreds of years in every state, and nothing has changed. The fact remains that government should not be and could not afford to be the sole provider of these services.

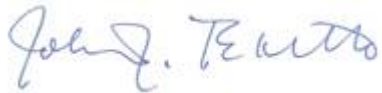
In Connecticut, private and nonprofit institutions of higher education award more than 10,000 bachelor's degrees annually—just shy of half the degrees earned in the state. The only state support these institutions receive, beyond our tax-exempt status, is less than \$5.9M in need-based grants for low-income Connecticut residents. That means we receive approximately \$590 per degree in state support. To put things in context, the general fund appropriation for the state's four-year public institutions is over \$400M for just over 11,000 bachelor's degrees or \$36,000 per degree.

Your own report acknowledges the importance of education in the future success of the state. You note the need for entrepreneurship, innovation and competitive STEM programs—all things that Sacred Heart is seeking to implement on its new campus (the former site of General Electric's worldwide headquarters). We also are working hard to develop programs and train our graduates to meet the needs of the next generation of employers. In the spirit of entrepreneurship, Sacred Heart University has developed dynamic relationships with regional employers, organizations and municipalities that include marketing research and forecasting, on-the-job training, job shadowing, environmental restoration and preservation and multiple collaborative learning opportunities. We need to be working together on these initiatives.

With the funding of PILOT while implementing SILOTs, we once again see the kind of “giving with one hand, taking with the other” philosophy that has continually hindered economic growth and vitality in Connecticut. We acknowledge the significant fiscal constraints that our state and municipalities face. However, we are also managing daunting financial challenges. Tuition is our primary form of revenue. A tax or fee on our property will be passed to the students and will make higher education even less affordable for the citizens of this state. Please reconsider the implementation of SILOTs.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John J. Petillo". The signature is written in a cursive style with a large initial 'J' and 'P'.

John J. Petillo  
President