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S.B. 1137, AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES
Finance Revenue and Bonding Committee
April 29, 2019

Senator Fonfara, Representative Rojas, and members of the Finance Revenue and Bonding Committee, thank you for the opportunity to testify today. My name is John Cattelan and I am here today on behalf of the Connecticut Alliance of YMCAs. The Alliance represents 21 YMCAs across the state of Connecticut. I'm here today to testify oppose S.B. 1137, An Act Concerning Deposits in Lieu of Taxes.

The bill would require any non-profit that owns college or hospital property or that maintains a pension fund, endowment fund or other significant savings fund or account, to pay a fee annually to the State Treasurer for deposit in the community development account.

The fee paid would be equal to twenty-five per cent of the amount of the property tax, calculated annually, that the entity would have paid on such real property at the mill rate applicable for each assessment year. The funds that are collected would be distributed to community impact zones that would be created by the community development credit union oversight council.

The Connecticut Alliance of YMCAs is strongly opposed to this legislation. This proposal could significantly impact the ability of Connecticut's YMCAs to continue to strengthen our communities, provide financial assistance, and employ thousands of Connecticut residents.

In 2018, the 21 Connecticut YMCAs distributed \$11 million in financial assistance and during the past five years our YMCAs have distributed over \$60 million to families in aid.

Financial assistance allows families across Connecticut to send their children to a quality early childhood program and after school program. It allows adults to improve their health by participating in our Diabetes Prevention Program and our Cancer Survivorship programs. Individuals are provided with housing. Children are able to learn how to swim and attend summer camp. The financial assistance our YMCAs provide would be impacted by this proposal.

Additionally, during the past 17 years YMCA childcare centers have received one rate increase of three percent for Care4Kids and School Readiness. During that same time, the minimum wage has increased by over 50% and inflation has risen by almost 50% as well. If you pair the current rates our childcare centers receive, along with the proposed minimum wage increase and Paid Medical Family Leave proposal, the math simply doesn't work. Child development programs are

already unaffordable, and increasing our costs will be make the children care system significantly more expensive. YMCAs will have no other choice but to ask families to pay more for their childcare.

Just like every other non-profit, our YMCAs have also faced over the years considerable cost increases for employee healthcare, electricity and heating oil. I also ask that you please consider the significant cost increase our organization will face if the minimum wage is increased and paid family medical leave become law. Our YMCAs have estimated that financial impact of increasing the minimum wage to \$12 an hour will result in a cost of \$2.6 million and an increase to \$15 an hour will cost us \$4 million.

I would also share with the members of the Committee that we employ almost 8,000 Connecticut residents and over 500,000 Connecticut residents have participated or attended a YMCA program or event in Connecticut.

Many difficult financial decisions will need to be made by local YMCAs if this provision is approved by the Connecticut General Assembly.