From: Galo A. Rodriguez (grodriguez@thevillage.org)
Sent: 2019/04/26

Subject: Oppose the 25% Property Tax on Nonprofits with Savings Accounts (S.B. 1137)

Dear [recipient's salutation and name],

As president and CEO of one of the oldest and most respected behavioural health agencies in the state, providing life-changing service to nearly 20,000 vulnerable women, children and families each year, I am urging you to VOTE NO on the Proposal to Tax Nonprofits with Endowments, Significant Savings Accounts or Pension Funds.

The Finance, Revenue and Bonding Committee’s proposal (S.B. 1137) would require nonprofits with a "significant" savings account, endowment or pension fund to pay into a state "community development account" the equivalent of 25% of the property tax the organization would pay if it were not exempt from property tax. Section 1 of the proposal would divert critical resources away from the people you and we serve.

We estimate that if this bill were passed, The Village would have hundreds of thousands of dollars less to serve children who desperately need mental health treatment and have nowhere else to turn; adults who need help to break their addiction to opioids and once again be productive, stable and good parents; mothers who need help to create a budget and save for a car to get themselves to work…the list goes on and on.

At a time when the need for our services is increasing, this proposal would essentially take funding away from The Village for Families & Children and negatively impact our ability to serve the vulnerable residents of the state. Founded in 1809 as one of the country’s first child welfare agencies, The Village fulfills its mission and commitment to building a community of strong, healthy families who protect and nurture children. Our agency does this through a wide range of services including behavioral health, addiction treatment, foster care, early childhood and youth development, and family support. We operate a school, preschool, residential treatment facility for children, financial center and family center. With a diverse team of more than 500 professionals, The Village serves nearly 20,000 clients annually (a number that has increased year after year as the needs of area residents grow). The Village operates in multiple locations throughout Greater Hartford and the northeastern CT area, including a main campus and two other facilities in Hartford, and sites in Manchester, Vernon, Meriden, Middletown and Bloomfield. The Village is licensed by the State of Connecticut and accredited by The Joint Commission.

As a result of our (and other nonprofit providers’) services, children become socially and emotionally healthy and able to succeed academically, they thrive in safe and permanent homes; their parents become effective nurturing caregivers and are able to manage and prevent crises. Adults who are addicted to opioids and other substances are able to learn to live without them and to find and keep jobs. We strengthen individuals, families and communities.
Senate Bill 1137 would divert funding away from community services that help people lead healthy, stable and productive lives. After a decade of budget cuts, community nonprofits are operating on razor thin margins and our ability to serve people in need – your constituents – is at risk. Currently, The Village subsidizes the services we provide by more than $3 million annually by support from our endowment. Increasing this subsidy to pay a property tax would force us to consider discontinuing programs that already generate sizeable losses, yet care for the most vulnerable of our citizens.

This proposal would also be a cataclysmic change in state policy. Nonprofits exist for public benefit. In exchange, we are exempt from property, income and sales tax and have access to tax-deductible contributions from individuals and corporations. This proposal would erode this social compact that has existed between community nonprofits and government for over 100 years. Nonprofits have long been exempted from state, federal and local taxes for good reason: we provide services in our communities so that government does not have to. If we are not there to address community needs, that responsibility would fall to government, at a substantially higher cost.

Senate Bill 1137 would also jeopardize our relationships with individual, corporate and philanthropic donors who want their donations to help people, not to pay fees and taxes. We and other nonprofits use precious resources to find, connect with and retain donors, and the proposal will only make that work more difficult.
I urge you to vote no on SB 1137 and protect critical services for the state’s most vulnerable.

Galo A. Rodriguez, MPH | President & CEO
The Village for Families & Children | 1680 Albany Avenue | Hartford, CT 06105
860-297-0531 | fax: 860-233-6454 | grodriguez@thevillage.org
www.thevillage.org

Sincerely,
Galo A. Rodriguez
1680 Albany Avenue, Hartford, CT, 06105

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