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Testimony for the Commission on Fiscal Stability & Economic Growth

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January 29, 2018**

Thank you for the opportunity to speak to you today. The two topics being addressed at today's hearing, transportation and our state's cities, are critically important to the members institutions of the Connecticut Conference of Independent Colleges (CCIC).

Background

Connecticut's 16 private, non-profit colleges that comprise the membership of CCIC enroll over 80,000 students in Connecticut annually. They award nearly 50% of the bachelor's degree earned here each year and over 60% of the graduate degrees earned. Of the degrees awarded in key industry clusters that are targets for economic growth – engineering, computer science, bioscience and the health professions – the majority are earned at the independent colleges.

Our member institutions are diverse in their size, mission, student body and resources. Total student enrollment at our schools range in size from 700 to over 12,000. Four institutions serve nearly all Connecticut residents and four serve over 7,000 international students, combined. Collectively, we award over 50% of the bachelor's degree earned in CT by minority, non-white students. Two-thirds of our member institutions have endowments smaller than UConn; half have endowments smaller than Central CT State University.

Transportation

Transportation is critically important not only for the health of our state's economy but also its ability to retain young people, including the students attending our higher education institutions.

The brain drain that we read so much about actually begins in Connecticut at high school graduation. In 2014, 15,700 Connecticut high school graduates left Connecticut to enroll in college in another state. Just over 10,400 students from other states came here as freshman to enroll (75% came to enroll at independent institutions), for a net loss of over 5,000 students. *We are the only New England state that exports more college going students than it imports.*

If we have any hope of retaining a greater percentage of the young people that come here for college, we need to make our cities and our state more accessible to them with stronger public transportation.

We need our students to have easy access to live, work and play in the cities where our institutions are located – New London, New Haven, Hartford, Bridgeport. Leaders of the independent colleges are engaged on this issue and should be brought to the table as a partner in planning just as the state’s public universities have been through the creation of programs like the U-Pass and the extension of Fast Track to Storrs.

Cities

Nearly all of CCIC’s member institutions are located in a major city or a first ring suburb. The colleges are great community partners that provide a myriad of programs, benefits and other support to our host cities. They open their athletic fields, museums, performances, meeting rooms, auditoriums and lecture halls to town residents. Their students and faculty volunteer in local organizations, have developed partnerships with K-12 schools and provide a multitude of social resources that add to the vibrancy and vitality of the community. They also work with local employers to build programs that suite their needs.

These institutions serve as magnets attracting students and their families, alumni and tourists that all spend money locally yet use minimal municipal services. They are large employers in the communities (the largest, in some instances) and collectively employ nearly 30,000 people statewide. They have an estimated \$20 billion annual economic impact in the state, between direct and induced spending.

We recognize that the state and our cities are facing significant challenges, but so is higher education: the college-going population is shrinking; student need has sky-rocketed; state support has virtually disappeared; pressure to lower costs mounts; and there is growing skepticism about the value of a post-secondary education.

These challenging times however pose an opportunity that should encourage stronger collaboration between independent colleges and their host communities focused specifically on economic development. We should be working together to ensure:

- we retain more of our bright graduates;
- we are producing the degrees needed for the economy to thrive; and
- promote and support innovation and entrepreneurship.

A recent report authored by the Penn Institute for Urban Research on how we can promote more innovation and entrepreneurship among our higher education institutions (attached) noted:

“Connecticut, when viewed by geography alone, is a small state; when viewed as a collective however, it is a global hub of knowledge and innovation. It is stronger together when it forges new partnerships and collaborations. Only together will Connecticut’s potential for innovation and entrepreneurship be fully realized.”

Taxation

At the January 8th meeting of this Commission, Commissioner Sullivan raised the issue of the property tax exemption for non-profit institutions as something to consider revoking to generate revenue for our cash-strapped cities and towns. I would argue strongly against this.

The tax exempt status for non-profit institutions grew out of the tradition of important public needs being provided by private entities: hospitals, non-profit agencies and private colleges. It has been in place for hundreds of years, in every state. Our tax exemption recognizes that the government should not be, and in fact cannot afford to be, the sole provider of such services.

In Connecticut, private, non-profit institutions of higher education award over 10,000 bachelor's degrees annually, just shy of half of the degrees earned. The only state support received, beyond our tax-exempt status, is less \$5.9 million in need-based grants for low-income Connecticut students that attend our institutions. We therefore 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 \$400 million for just over 11,100 bachelor's degrees awarded annually or \$36,000 per degree.

We acknowledge the significant fiscal constraints that our state and its municipalities face. However, as stated above, many colleges and universities are managing daunting financial stresses of their own. Tuition is the most significant form of revenue for the majority of independent institutions in the state. A tax on our property will just be passed on to the students; only making higher education less affordable to the citizens of this state.

Revoking the tax-exempt status for independent colleges will not fix the problems our cities are facing; it is a short-sighted solution to fill the revenue gap that presently exists due to a sluggish economy and it will have long-term devastating consequences for the non-profit community. Instead, we should be encouraging stronger partnerships between our institutions of higher learning and our cities to help grow the economy.

About CCIC: The Connecticut Conference of Independent Colleges represents sixteen nonprofit independent colleges and universities in Connecticut. These institutions are bound by a common commitment to quality instruction and dedicated to collaborative efforts that strengthen the independent sector of higher education in Connecticut. The presidents of each member institution comprise the CCIC Board. CCIC serves as a liaison between the institutions, state government and other stakeholders. It supports its member institutions through advocacy, research, communications and serving as a convener for various stakeholder groups.