



Members of the Connecticut General Assembly
Finance Revenue and Bonding Committee
Senator John W. Fonfara, Co-Chairman
Representative Jeffrey J. Berger, Co-Chairman
Senator Scott L. Frantz, Ranking Member
Representative Christopher Davis, Ranking Member
Legislative Office Building
Hartford, CT 06106-1591

Dear Senators and Representatives:

**Testimony of Anthony Rescigno, President
The Greater New Haven Chamber of Commerce
To the Finance Revenue and Bonding Committee
Public Hearing – March 22, 2016**

**Re: Testimony in Opposition to SB 413,
AN ACT CONCERNING THE TAX ON CERTAIN ENDOWMENT FUNDS OF INSTITUTIONS OF HIGHER EDUCATION**

I write to you today on behalf of the Greater New Haven Chamber of Commerce. We represent approximately 2000 member businesses in the municipalities of Bethany, Branford, Cheshire, East Haven, Guilford, Hamden, Madison, Milford, New Haven, North Branford, North Haven, Orange, Wallingford, West Haven, and Woodbridge.

The Greater New Haven Chamber of Commerce stands in **Strong Opposition to SB 413**, An Act Concerning the Tax on Certain Endowment Funds of Institutions of Higher Education. The language in Section 2 of the bill specifically targets Yale University, and no other. This proposal is an obviously short sighted approach to generate State revenue, and misses the overall importance and economic impact Yale already plays in the State economy.

Yale University's economic impact on the regional economy, and the entire State economy, cannot be understated. Yale draws an enormous amount of out-of-state investment from sponsored research, tuition, alumni donations, and medical service industry adding a direct benefit to our economy. A study, based on 2013 spending levels, commissioned by the Connecticut Conference of Independent Colleges, documents Yale's substantial contribution to the economy as follows:

- \$1.8 billion in salaries, wages, and benefits
- \$714 million spent on goods and services
- \$5.2 spent on construction, renovation, and equipment (average over five years)
- \$802 million in labor income of alumni living in the state
- \$183 million spent by students
- \$61 million spent by visitors to Yale University

In total CCIC estimates that Yale's total contribution to the Connecticut economy is \$8.7 billion dollars.

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A proposal such as this bill ignores the economic impact created by Yale, and lacking any connection to reinvestment in the community, the bill misses the larger picture. Nonprofit colleges such as Yale, by definition, have to put revenues toward public purposes. College endowments exist to support financial aid for students, support research and advance these institutions' charitable missions. Yale's incredible economic impact is a direct result of it generating educated students and an educated workforce that build long-term economic growth and innovation. Taxing Yale's endowment would hinder such economic vitality and negatively impact its students, and our economy.

The Greater New Haven Chamber of Commerce urges you to **reject SB 413**, and allow Yale to continue to reinvest its assets in our State, our communities, and in its students, faculty and staff, as it has for centuries.

Thank you,

Anthony Rescigno, President