

MANS&C Quarterly

Massachusetts Association of Nonprofit Schools and Colleges

Fall '07

20 Newton St. Brookline MA 02445-7498

www.mansac.org

President's Letter



The MANS&C board and our veteran legislative counsel, John W. Spillane, are closely following two disturbing trends that would erode the independence that is the bedrock of our institutions. They are the increasingly bold moves by local communities that consider our institutions potential sources of revenue and attacks on our Dover Amendment rights in the state legislature.

As you will read in this newsletter, Braintree officials have asked local nonprofit institutions, including Thayer Academy, to provide them with a list of their tax-exempt properties, their valuation and whether they generate income and are available for use by outside groups, among other things.

While the group that sent out the evaluation survey didn't mention why they wanted this information, there can be little doubt that the town is preparing to request payments in lieu of taxes or some other "negotiated" form of payment.

Each of our schools and colleges considers itself a loyal citizen and sympathizes with the financial difficulties that our cities and towns are facing. But we must resist this unjust and unfair trend.

Our institutions are not supported by tax dollars and we do not have the right of eminent domain. Many of our schools and colleges already make substantial voluntary contributions to our communities, including donations to buy equipment for police and fire departments. Some even maintain local roads and parks.

Our schools and colleges also provide numerous economic and social benefits to our cities and towns. We employ local residents and offer scholarship to local students. Businesses benefit from our institutional purchases, as well as from the spending of students and their parents.

The second major threat to nonprofit schools and colleges is in the form of two bills – House Bill 820 and Senate Bill 151. Both would gut the Dover Amendment, which offers protection to our institutions from arbitrary and unfair zoning requirements and is one of the safeguards of our independence. MANS&C has been successful in turning back similar measures in the past and will continue to oppose them.

There are several ways to fight these incursions on our independence. Your institution can create a Community Impact Statement and develop closer ties with local officials. You can also renew your membership in MANS&C and urge your non-member colleagues to join. The greater our membership, the stronger MANS&C becomes. The stronger we are, the more influence we will carry at the Statehouse and in our local city and town halls.

Our membership drive is now under way. To find out more about the benefits of MANS&C membership and to download a membership application, go to our Web site, www.mansac.org. The site also has valuable information about how to create a Community Impact Statement you can use to detail the benefits your institution provides to your community.

I'd also be happy to answer any questions you may have. Please feel free to contact me at b.amsbary@rivers.org or at 339-686-2221. I'm looking forward to hearing from you.

Bruce T. Amsbary
President

Communities Step Up Pressure on Nonprofit Schools and Colleges

Nonprofit schools and colleges statewide are reporting inquiries from their local communities that could result in requests for payments in lieu of taxes.

In June, a committee lead by the vice chair of the Braintree board of assessors sent out an evaluation survey to nonprofit organizations in the town, including Thayer Academy and Catholic schools.

The survey asked for a list of all tax-exempt properties owned by the institutions, including their valuation. It requested details about square footage, income generation and availability to outside parties. Copies of budgets and financial statements were also requested.

"We provided them with material that was publicly available and also sent them our Community Impact Statement, which had been recently updated," Thayer Academy Business Manager Bill Stephenson said.

In Concord, nonprofit schools also have been approached by local officials making inquiries about the number of faculty children who are educated in Concord public schools.

And in Worcester, there has been an ongoing debate about whether to require local nonprofit schools and colleges to make payments in lieu of taxes (PILOTs). Recently, the Worcester City Council asked the mayor to help resolve the city's budget problems by negotiating payments in lieu of taxes with nonprofit organizations – particularly colleges – in Worcester.

In a recent article in the Worcester Telegram & Gazette, the executive director of the Worcester Research Bureau cast doubt on the belief that a PILOT program would alleviate the city's budget problems. Roberta R. Schaefer noted that PILOT revenues would be built into the ever-growing city budget and may not lead to property tax reductions, as believed.

Furthermore, Schaefer noted, PILOT programs will leave colleges with less money to invest in projects such as Gateway Park, which include taxable property and generate jobs.

Schaefer suggested setting criteria that would take into account whether projects sponsored by colleges increase the city tax base, increase revenues or decrease expenditures. Another factor would be whether public schools or city government would have to hire more employees or reduce services to do what the colleges are currently doing for the city at no cost.

Legislative Report



MANS&C's veteran legislative counsel, John W. Spillane, recently leveled strong criticism at House Bill 820, which would eliminate the legal protections of the Dover

Amendment for nonprofit schools, colleges and universities.

Spillane outlined MANS&C's objection to the bill at a public hearing of the Joint Committee on the Environment, Natural Resources and Agriculture at the State House. The measure would strengthen the site plan review powers of local planning boards, allowing them to stop projects. It also would give proponents a right to appeal.

The Dover Amendment limits the power of local planning boards to derail a building permit application from a nonprofit school, college or university. The law stipulates that buildings may be subject only to "reasonable regulations concerning the bulk and height of structures and determining yard sizes, lot area, setbacks, open space, parking and building coverage requirements."

Under the current law, churches and schools do not need the approval of local review boards for their construction plans. Even though it is not required, however, some schools have voluntarily agreed to requests for local review for the sake of good community relations.

Spillane also is tracking nearly 250 other bills that would affect MANS&C members. Among them is Senate Bill 151, which is similar to House Bill 820.

After an analysis of the recently approved state budget, Spillane concluded that it contains nothing that would impinge on the rights of nonprofit schools and colleges.

MANS&C Kicks Off Membership Drive

MANS&C's annual membership drive is currently under way. Renewal notices have been sent to members, and downloadable membership forms are conveniently located on the MANS&C Web site, www.mansac.org, under Membership.

As part of MANS&C, you will learn about issues of concern to nonprofit schools and colleges in Massachusetts and help promote the interests of your school at the Statehouse.

MANS&C members receive:

- Regular reports and position statements about proposed bills that affect nonprofit schools and colleges
 - News about activities within the executive branch of Massachusetts government
 - Bulletins on the status of important legislation and calls for action by member institutions
 - Helpful information on the economic importance of MANS&C members to their communities and useful tips on how to improve ties with local communities
 - Articles of interest on issues facing nonprofit schools and colleges in Massachusetts
- MANS&C members also have the opportunity to meet with key legislators and government leaders who are guests at board meetings and our Government Relations Meetings.

In these face-to-face meetings, members can share mutual concerns about important issues and learn the inside story on what's happening on Beacon Hill. The personal relationships that begin at these meetings can be of lasting benefit to their institutions.

All of these benefits are available at a low-cost dues structure that has remained level for the past several years.

For more information about membership, please contact MANS&C President Bruce T. Amsbary at 339-686-2221 or b.amsbary@rivers.org.

Completed forms should be mailed to: MANS&C, 20 Newton St., Brookline, MA 02445-7407

MANS&C Position Statements

The MANS&C board of directors recently drew up position statements on the following bills of interest to nonprofit schools and colleges:

PROPERTY TAXES

House Bill 2868: An Act Relative to the Taxation of Real Property Owned by Certain Nonprofit Organizations attempts to limit the total tax exemption for an educational institution to a percentage of the equalized valuation of all real estate within the same assessment classification.

House Bill 2922: An Act Relative to the Taxation of New Property

Under this bill, local communities could require "private schools of higher learning" to make payments equal to the amount they would have paid in property taxes on all

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the real estate they own or hold in trust. The payments could be either monetary or non-monetary.

House Bill 3043: An Act Limiting Tax Exemptions for Educational Institutions would limit the tax exemptions provided to educational institutions to 75 percent of their fair commercial tax rate.

House Bill 3065: An Act Relating to the Change in use of Certain Tax Exempt Property says that land no longer used for educational purposes is subject to “rollback taxes” for the year it ceases to be tax-exempt and for the preceding four years. The school or college may contest that assessment at an administrative hearing.

House Bill 3168: An Act to Require Nonprofit Institutions with Large Endowments to Pay Property Taxes stipulates that institutions with more than \$500 million in an endowment or net worth – or any combination of the two – will lose their real estate tax exemption. The tax would be paid into a fund to lower the real estate tax burden of low- to moderate-income residents.

Why MANS&C opposes these bills:

- Nonprofit schools and colleges in Massachusetts have the right – grounded in constitutional law – to remain exempt from taxes or any kind of payments in lieu of taxes for real estate that is utilized for educational purposes.
- The cost of maintaining nonprofit schools and colleges is not supported by the federal, state or local government.
- These bills would impose tremendous financial burdens on our institutions and ultimately jeopardize the numerous benefits we provide to our communities, such as the free use of school facilities and grounds by local groups.
- Rather than being a financial burden, our institutions are economic engines in our communities through the employment of local residents and the purchase of goods and services, as well as student and faculty spending.
- Without private education, the state and our local communities would face significantly higher costs, including the cost of educating local students who currently attend our institutions.

Status: MANS&C Legislative counsel John W. Spillane has testified against these bills at hearings of the Revenue Committee.

Sponsors: **HB2868**, Rep. Paul C. Casey of Winchester; **HB2922**, Rep. Anne M. Gobi of Spencer, Sen. Stephen M. Brewer of Barre and Rep. Lewis G. Evangelidis of Holden; **HB3043** Rep. Michael J. Moran of Boston; **HB3065** Rep. Alice Hanlon Peisch of Wellesley; **HB3168** Rep. Douglas W. Petersen of Marblehead

REAL ESTATE

House Bill 146: An Act Relative to the Sale of Property in Cities and Towns

Senate Bill 1781 and House Bill 2855: An Act Relative to Tax Exempt Property

All three of these bills give communities the right of first refusal when schools and colleges want to sell any tax-exempt property or convert it to residential, industrial or commercial use. **HB2855** and **SB1781** add that, after being notified, communities have 120

days to meet any bona fide offers or purchase the property at fair market value.

Why MANS&C opposes these bills:

- This legislation marginalizes our institutions and would have a chilling effect on our attempts to sell property or convert it to other uses.
- Our institutions should not be treated differently than for-profit organizations when it comes to the sale or conversion of real estate.
- Nonprofit schools and colleges need the flexibility to buy and sell real estate or convert it to other uses without these unfair restrictions.

Status: MANS&C Legislative Counsel John W. Spillane testified against these bills at a June 2 hearing of the Committee on Community Development and Small Businesses.

Sponsors: **HB146** Rep. Cory Atkins of Concord; Rep. Barbara A. L’Italian of Andover; Rep. Denise Provost of Somerville and Rep. Alice K. Wolf of Cambridge; **SB1781** Sen. Pamela Resor of Acton; **HB2855** Rep. Jennifer M. Callahan of Sutton, Rep. Barbara A. L’Italian of Andover and Rep. Cleon H. Turner of Dennis

BIOSAFETY LABS

House Bill 2097: An Act Promoting Research and Protecting Public Safety and Homeland Security

This measure would establish a state Health and Safety Program that would set criteria for determining appropriate locations for level 4 biosafety labs and would require prior approval for research in certain situations. It also would place limitations on level 2 and 3 laboratories.

Why MANS&C opposes this bill:

- Schools and colleges would be prevented from expanding or improving their existing level 2 and 3 labs, limiting their potential for educational growth.
- The competitive position of Massachusetts in scientific research would be severely impaired.
- It adds yet another layer of oversight for labs that are already heavily regulated.
- Construction delays would result and the cost of designing, building, renovating or expanding laboratories would increase.
- It would diminish research opportunities for colleges and universities by virtually prohibiting the siting of laboratories on existing campuses.

Status: Legislative Counsel John W. Spillane stated MANS&C’s opposition to this bill in a public hearing of the Joint Committee on Public Health.

Sponsors: Rep. Gloria Fox of Boston and others



Good Neighbors: Thayer Academy

Thayer Academy in Braintree has always been a positive force in its community, but in recent years, the school has stepped up its civic involvement.

“We’ve been more intentional in our efforts to be involved in the community at large and in touch with local business owners,” said David Casanave, director of communications at Thayer Academy. “People now see us as more than an academic institution on a hill.”

Thayer’s involvement has taken many forms. Casanave is a member of the Sea Level Exchange, a subgroup of the South Shore Chamber of Commerce, which provides positive networking opportunities with area businesses and community leaders. The academy hosts one of the group’s meetings each year.

In September, Thayer held a candidates’ forum that gave the public the opportunity to hear from Braintree’s mayoral candidates.

According to Casanave, Thayer also recently started a neighborhood newsletter that will be published twice a year for residents in the surrounding blocks. The newsletter is both a way to thank area residents for being good neighbors and a way to inform them about Thayer news and activities.

“The contact and dialog [with the neighbors] is not always happy, but we don’t need to shy away from that,” Casanave said. “We’re not on a large plot of land – we’re right in the middle of the community. We want to make sure we’re acting like that.”

Student activities

Thayer students and faculty have a commitment to community service that dates back to the academy’s earliest days, when its founder, General Sylvanus Thayer, urged them to give something back to their communities.

Many of the activities are ongoing; others may vary from year to year. Here is a sampling of student and faculty community service projects this year:

At holiday time, the junior class Thanksgiving food drive for local Headstart families brings in enough food to fill at least 60 baskets, as well as about \$1,000 in cash for supermarket gift certificates. Students and faculty also contribute toys for young children through the Holiday Toy Project.

Every May, students from St. Coletta’s Cardinal Cushing Center in Braintree take part in activities on campus that are organized by Thayer students. In the fall, St. Coletta’s students and their Thayer buddies have fun at a Halloween Dance.

Financial Benefits for the Community

Thayer Academy is a major economic contributor to Braintree and the surrounding area, according to the school’s Community Impact Statement.

- Thayer’s annual payroll and cost of benefits for Braintree residents employed at the academy total more than \$2.2 million.
- Thayer does \$1 million of business every year with 40 Braintree businesses.
- This year 56 Braintree students are attending Thayer, which is saving the city \$481,600. The local students make up about 8 percent of the Thayer student body and receive \$675,000 in financial aid – 17 percent of the financial aid budget.
- Playing fields are offered free of charge for weekend use by town youth leagues in the spring and fall, representing \$100,000 of foregone rental revenues.
- Thayer pays \$50,000 to the city in annual real estate taxes on its residential properties and last year paid building and grading fees of more than \$200,000.
- More than \$100,000 in improvements to neighborhood streets have been made by Thayer in recent years.
- Donations were made to the local police and fire departments for equipment purchases, and to the Thayer Public Library for its new building.
- Braintree’s Daily Field was renovated by Thayer at a cost of \$75,000 and is maintained at the school’s expense in exchange for rent-free use.
- Camp Thayer’s summer programs attract 144 local children.



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Thayer students visit local nursing and rehabilitation facilities, work on local Habitat for Humanity projects, play sports with local children who have disabilities and work with children at a nearby Montessori School.

Thayer's Driver's Education program is available to Braintree residents, a local drum and bugle corps uses the academy's facilities at no charge and the Thayer art gallery is used free of charge by the Braintree Art Association for its annual exhibitions. All of the gallery's shows are open to the community during school hours.

Students also raise money for the Leukemia and Lymphoma Society of Massachusetts, take part in the Making Strides Against Breast Cancer walk and donate blood to the MGH Blood Mobile. Faculty members and students ride in the Pan Mass Challenge, a two-day bike ride to benefit the Jimmy Fund.

To find out more about Thayer's community involvement and to see its complete community impact statement, go to www.thayer.org.

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CAMPUS POLICE

Senate Bill 1872 and House Bill 3249: An Act to Provide for the Public Inspection of Records Made or Received by Special State Police Officers at Educational Institutions and Hospitals

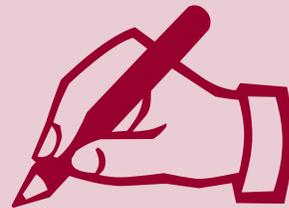
These two similarly worded bills focus on the logs of complaints, crimes, arrests and charges that are maintained by campus police officers who have been designated as special state police officers. These officers have the power to make arrests.

Why MANS&C opposes these bills:

- Adequate regulations already exist concerning the officers and their logs.
- Campuses are a unique environment in which students have their own organizations that set up codes of conduct and disciplinary measures.
- This bill would interfere with the relationship between the campus police, administration and students.

Status: John W. Spillane, MANS&C legislative counsel, opposed these bills in testimony at a public hearing of the Committee on State Administration and Regulatory Oversight.

Sponsors: **SB1872** Sen. Patricia D. Jehlen; **HB3249** Rep. Carl M. Sciortino Jr. of Medford and Rep. Kevin G. Honan of Boston



Upcoming Meetings

The MANS&C executive board has scheduled the following meetings for the coming months:

December 20, 2007

January 17, 2008

February 21, 2008

March 27, 2008

April 17, 2008

The annual meeting and election of officers and board members will be held May 15, 2008. Meetings generally are held at the Wellesley College Club.

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