

MANS&C

Massachusetts Association of Nonprofit Schools and Colleges

QUARTERLY

20 Newton St.

Brookline MA

02445-7498

www.mansac.org

WINTER/SPRING 2010



PRESIDENTS' LETTER

Despite signs that the economy is beginning to recover, communities throughout Massachusetts will be facing budget shortfalls for the foreseeable future. Until that situation improves, communities will cast about for creative, new ways to skirt

prohibitions against taxing our institutions. Demands will continue for nonprofit schools and colleges to pay our "fair share."

The demands have been accompanied by a troubling drop in the public's perception of nonprofit colleges. In a recent nationwide survey, outlined in the Chronicle for Higher Education, 60 percent of the respondents – compared to 52 percent three years ago – believe colleges are like businesses in that their primary concern is the bottom line. In addition, 54 percent of the respondents believed colleges could spend less and still maintain a high level of quality.

Across the country, colleges have had considerable success so far in defending themselves against unwarranted taxes in the courts and in state legislatures. Still, the challenges continue.

The best way to prevent requests from escalating into demands, and then to court cases, is to assess ways that our institutions can best benefit our communities. At the same time we must create a working dialog with local residents, the business community, town officials and state legislators. They need to understand our own fiscal constraints and work with us to come up with creative ways we can help our cities and towns.

One of the many benefits of MANS&C membership is having an experienced legislative counsel, John J. Spillane, working on our behalf on Beacon Hill. John represents the interests of smaller schools and colleges and also serves as an additional voice for larger universities that have staff members dedicated to working on legislative issues. He also works closely with other organizations to widen our reach and to stop bills detrimental to our interests.

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.

We welcome your suggestions and are always willing to address your questions or concerns. Please feel free to contact either one of us at any time.

Bruce T. Amsbary
b.amsbary@rivers.org
339-686-2221

Julaine McInnis
jmcinnis@walnuthillarts.org
508-650-5015

New Lobbying Law May Affect Nonprofit Schools, Colleges

The new Massachusetts lobbying law, which took effect January 1, made substantial changes to the state's ethics, conflict of interest, campaign finance, lobbying and open meeting laws and could have a major impact on nonprofit schools and colleges.

Under the new law, Chapter 28 of the Acts of 2009, the definition of lobbying now includes not only face-to-face or direct communication with government officials and legislators, but also strategy, planning and research in connection with a direct communication with a government official.

As a result, certain institutions that have government relations employees, outside consultants, lawyers or vendors who spend substantial time on government relations but do not directly interact with state and local governments may be required to register with the Secretary of the State.

The new lobbying law expands the definition of a lobbyist by stating that executive lobbying and legislative lobbying shall include "strategizing, planning and research if performed in connection with or for use in an actual communication with a government employee."

Under the old law, anyone who spent fewer than 50 hours and received less than \$5,000 in compensation during any six-month period was not considered a lobbyist. This was known as the safe harbor for "incidental lobbying."

The new lobbying law narrows definition for the safe harbor. It states that anyone who spends fewer than 25 hours and receives less than \$2,500 during each six-month reporting period is not presumed to be a lobbyist. But if someone either spends more than 25 hours or receives more than \$2,500 in any six-month period, the safe harbor does not apply. He or she is considered a lobbyist and must register with the Secretary of the State.

In addition, the new law expands the definition of lobbying to include, "acts to influence the decision of any officer or employee of a city or town **when those acts are intended to carry out a common purpose with lobbying at the state level.**"

As a result, MANS&C Legislative Counsel John J. Spillane advises heads of school and employees of nonprofit schools and colleges to keep track of the time they spend dealing with state and local officials. If their activities fall outside the protections of the safe harbor, they should register as lobbyists. Spillane advises MANS&C members to consult with their legal counsel to determine whether their employees or agents are required to register because of their governmental duties.

Cont. on page 2

Taxation Pressures Mount Nationwide on Nonprofit Colleges

Despite their far-reaching economic and social contributions – including the payments in lieu of taxes many already make – nonprofit schools and colleges nationwide are coming under increasing pressure to provide additional revenue to their local communities.

Wealthier colleges and universities, in particular, have become a target for communities facing budget shortfalls. The newest trend seeks to tax students as a way of sidestepping legal barriers to taxing property.

“The current system simply doesn't require universities to do their fair share,” the mayor of Providence, Rhode Island, David N. Cicilline, said in a recent article in *The Chronicle of Higher Education*.

Last year the mayor asked the Rhode Island state legislature for permission to place a \$150 tax on each student attending its local colleges and universities or to collect 25 percent of what the institutions would have paid in property taxes if they were not tax-exempt. Providence is home to Brown University, Johnson & Wales University, the Rhode Island School of Design and Providence College.

College leaders were shocked by the mayor's proposal. Only six years ago, they had signed an agreement with the city to provide \$50 million over 20 years to help compensate for city services. At the time, Mayor Cicilline had pledged not to impose any additional fees on them.

“The current system simply doesn't require universities to do their fair share.”

Providence, Rhode Island, Mayor David N. Cicilline

The mayor's proposal failed to gain traction in the legislature.

Similar requests have been made in other states. In New Jersey, a majority of mayors supported a resolution by the state's League of Municipalities to tax college students.

In Pittsburgh, the mayor proposed that local college students pay a tax equal to 1 percent of their tuition in order to make up a shortfall in the city's pension fund. The controversial measure pitted city workers' unions against the colleges and some business groups, according to the *Chronicle* article. It also drew criticism as a simplistic solution to a complex problem. The proposal was rejected.

In Boston, Mayor Thomas Menino named a task force in January, 2009 to study the monetary and non-monetary contributions that tax-exempt institutions currently make to the city and to recommend ways to “standardize and increase them.” The task force, which includes leaders from Boston's colleges and universities, hospitals, nonprofit community organizations and government, had not reached a consensus as of March 1 of this year.

In fiscal year 2009, tax-exempt property owned by educational institutions in Boston was valued at \$7 billion. If taxable, this would have generated \$190.2 million in property taxes, according to a report by the city's Assessing Department.

According to a survey by the *Chronicle*, the Massachusetts Institute of Technology has been making payments in lieu of taxes since 1928. The payment was set at \$1.5 million in 2004 and increases annually at 2.5 percent, as well as on properties coming on and off the tax rolls. MIT also makes payments to Westford, Tyngsboro, Middleton, Groton and Dedham.

Harvard began making payments in lieu of taxes to Cambridge in 1929. Most recently, the university paid \$5.5 million to Cambridge, Boston and Watertown. The amount is negotiated periodically.

Boston University's contributions are detailed in the Good Neighbors article on page 3 of this newsletter.



Legislative Report

Activity on Beacon Hill has increased in recent weeks, as committees face deadlines to decide the fate of bills and begin deliberations on the governor's proposed budget.

MANS&C Legislative Counsel John J. Spillane recently opposed sections of a bill that would affect the financing options of nonprofit schools and colleges that are seeking to issue tax-exempt bonds for major projects.

Currently, nonprofit colleges may seek assistance from either MassDevelopment or the Massachusetts Health and Educational Facilities Authority (HEFA) in issuing tax-exempt bonds when the financing need arises.

Senate Bill 2770, filed by Sen. President Therese Murray, would make HEFA the exclusive provider of tax tax-exempt bonds to nonprofit schools and colleges.

In his testimony to the Joint Committee on Economic Development and Emerging Technologies, Spillane said MANS&C members believe both agencies should be able to assist colleges in issuing tax-exempt bonds. This would foster competition between the agencies, which would provide more cost-effective options for higher educational institutions.

He also asked the committee to rectify the situation in which nonprofit schools are limited to work only through MassDevelopment in the issuance of tax-exempt bonds. Though the new legislation provides that schools will now work through HEFA, Spillane believes that having multiple agencies that compete with one another also will be in the best financial interest of our schools.

Lobbying Law cont. from page 1

The new lobbying law stipulates that registered lobbyists must now provide the following information:

- The identity of each client
- A list of bill numbers or other governmental action that the lobbyist agrees to promote, oppose or influence
- The identity of each client on whose behalf the lobbyist is acting
- The position on each bill or governmental action
- Compensation received from each client
- All direct business associations with public officials

Prior to registering and then annually, legislative and executive agents also must complete an in-person or on-line seminar offered by the Secretary of the State.

Upon written request, the Secretary of the State is authorized to issue advisory opinions on the application of the new law to an individual's particular activities. This opinion may be used as protection against any subsequent civil or criminal prosecution.

For more information about the new lobbying law, go to the Secretary of the State's Web site, <http://www.sec.state.ma.us/>.

Good Neighbors

Boston University Makes a Difference in Boston and Beyond

It is an educational and research center that attracts students and faculty from around the world, but Boston University remains firm in its commitment to the local community.

The university's impressive economic and social contributions to Boston, the region and the state are highlighted in a new brochure entitled, "What Difference Does Boston University Make?"

The brochure notes that BU had a total economic impact of \$1.2 billion on the city of Boston and \$3.9 billion on Massachusetts in fiscal year 2008. This includes \$1.3 billion for employee salaries and benefits, and the purchase of goods and services. It also includes direct spending by students and their out-of-state visitors, as well as additional spending created as a result of the university and student expenditures.

Despite its tax-exempt, nonprofit status, BU voluntarily paid \$4.7 million in lieu of taxes to the city of Boston and an additional \$4 million in real estate taxes during the last fiscal year. It also launched an initiative to provide additional benefits and payments to the city, including \$533,000 in fees.

Not only is the university one of Boston's top taxpayers, it also was Brookline's largest taxpayer last year, with payments of \$265,000 and \$1.9 million in real estate taxes.

When it comes to Boston city services, BU is making an effort to share the responsibility.

The university police force provides 24-hour coverage of its Charles River and Medical campuses. It even backs up Boston, Brookline, Cambridge and state police when necessary and helps the city of Boston issue parking tickets.

BU representatives ride along with Boston and Brookline police on certain weekends to ensure that residents' complaints about off-campus student behavior are promptly met. They also cooperate with local police on issues such as fire safety, traffic management and crime prevention.

Boston University maintains its own sidewalks, MBTA tracks and streets around the campus, and removes its own snow and trash. In addition, the university saves the city more than \$1.3 million a year by planting trees and providing pest control.

In partnership with the city and state, BU has helped make Commonwealth Avenue safer and the area around it more beautiful. The project also has improved pedestrian safety, minimized traffic congestion and enhanced the environment of the Charles River campus. In the 2008 fiscal year, BU contributed more than \$2.4 million to the Commonwealth Avenue Improvement Project in collaboration with city, state and federal agencies.

Since 1973, the Boston High School Scholars Program has awarded more than \$129 million in full-tuition, four-year scholarships to academically qualified, highly motivated Boston public high school students, including students who are leaders in community service.

Boston University also awards scholarships to outstanding students in Catholic schools, as well as students from Chelsea and Brookline high schools and Roxbury Community College. Qualified Boston public school teachers and city employees also are eligible for scholarships to BU graduate programs.

In addition, BU's Holiday Reading Program benefits Boston public school students and its CityLab science outreach program serves as a learning lab for about 6,000 local students annually. Its Boston Medical Center and the School of Medicine serve the health-care needs of the area, and the University's Student Food Rescue program, a food salvage program, feeds nearly 1,000 people a week.

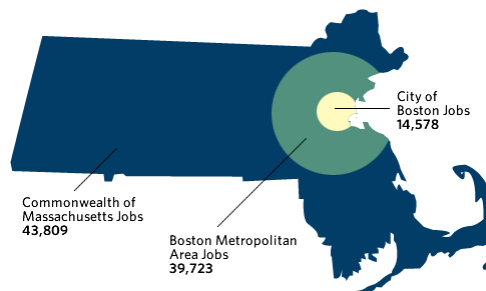
The university also distributes computers to local youth groups and centers in housing developments, and hands out Thanksgiving gift cards to needy families and free tickets to BU athletic and cultural events to local charities.

The university is home to 13 student-run organizations that contribute about 70,000 hours of service every year in the Greater Boston area.

To learn more, go to www.bu.edu/community and click on "How We Make a Difference."



Boston University Total Employment in Massachusetts



	Commonwealth of MA	Boston Met. Area	City of Boston
Faculty and Staff	11,416	10,938	2,997
Casual Employees	2,075	1,950	645
Student Employees	10,987	10,987	8,644
Subsidiary Employees	1,350	1,222	668
Total Direct Employment	25,828	25,097	12,954
Indirect Employment	17,981	14,626	1,624
Total Employment	43,809	39,723	14,578

MAKING A DIFFERENCE IN MASSACHUSETTS

Overview of Boston University's FY-2008 Economic Impact

	Commonwealth of MA	Boston Met. Area	City of Boston
Boston University's direct spending for employee salaries and benefits and the purchase of goods and services	\$486,415,452	\$1,275,009,208	\$1,339,897,856
Direct spending by Boston University students and their out-of-state visitors	\$248,876,822	\$378,294,592	\$383,886,085
Additional spending created by Boston University's spending and the spending by Boston University students and their out-of-state visitors	\$428,673,017	\$1,823,423,719	\$2,129,867,653
Total Economic Impact	\$1,163,965,291	\$3,476,727,519	\$3,853,651,594

MANS&C

Massachusetts Association of Nonprofit Schools and Colleges
20 Newton St.
Brookline MA 02445-7498



*BU medical facilities benefit
local residents*

EXECUTIVE BOARD MEMBERS 2009-10 THE MASSACHUSETTS ASSOCIATION OF NONPROFIT SCHOOLS AND COLLEGES (MANS&C) 20 Newton Street, Brookline MA 02446-7498

Bruce T. Amsbary, Co-President

*Director of Finance
& Operations*
The Rivers School
333 Winter Street
Weston, MA 02493-1040
339-686-2221 Office
339-686-2238 Fax
b.amsbary@rivers.org

Julaine McInnis, Co-President

CFO/COO
Walnut Hill School
12 Highland Street
Natick, MA 01760
508-650-5015 Office
508-653-9593 Fax
jmcinnis@walnuthillarts.org

Christine M. Rosell, Vice President

CFO
Cambridge Friends School
5 Cadbury Road
Cambridge, MA 02140-3523
617-354-3880, x-118 Office
617-876-1815 Fax
c.rosell@cfsmass.org

Barbara MacLeod, Treasurer

Director of Finance
Austin Preparatory School
101 Willow Street
Reading MA 01867-1551
781-942-1342
bmacleod@austinprepschool.org

Robert P. Gittens

Vice President for Public Affairs
Northeastern University
360 Huntington Ave.
Boston, MA 02115-5000
617-373-5805 Office
rgittens@neu.edu

Edward M. King

*Vice President,
Gov. & Community Affairs*
Boston University
121 Bay State Road
Boston, MA 02215-1714
617-353-9095 Office
617-353-2369 Fax
eking@bu.edu

William F. Phinney

Headmaster
Dexter and
Southfield Schools
20 Newton Street
Brookline, MA 02146
617-522-5544 Office
617-522-8166 Fax
pphinney@dexter.org

Margaret Striebel

Director of Human Resources
Northfield Mount Hermon School
206 Main Street
Northfield, MA 01360-1050
413-498-3206 Office
413-498-3365 Fax
maggie.striebel@nmhschool.org

James R. Tracy

Headmaster
Cushing Academy
P.O. Box 8000
39 School St.
Ashburnham, MA 01430
978-827-7100
jtracy@cushing.org

Robert B. Whiting

*Director of Finance
& Operations*
Shore Country Day School
545 Cabot Street
Beverly, MA 01915-2540
978-927-1700 Office
978-927-1822 Fax
rwhiting@shoreschool.org

MANS&C STAFF MEMBERS

Legislative Counsel
John J. Spillane
23 Institute Road
Worcester, MA 01609-2713
508-756-4342 Office
508-752-2344 Fax
spillanejj@spillanelaw.com

Communications Specialist
Ann Hall
annhall68@verizon.net

Webmaster
Brad Solomon
webmaster@bradsolomon.net

LIAISONS TO THE BOARD

AICUM
Robert J. McCarron, Esq.
www.aicum.org

AISNE
Steve Clem
Carol Peterson
www.aisne.org