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# What do Boston colleges pay for city services?

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**Boston University contributed 80 percent of what the city requested in the Payment in Lieu of Tax program, the most among the 19 schools the city asked for payments.**

By **Matt Rocheleau**

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The majority of colleges in Boston for the fourth year in a row have not paid the city the full amounts it requested to help cover the cost of municipal services.

Of the 19 colleges the city asked for payments, 14 paid less than what was requested in fiscal 2016, which concluded at the end of June, according to [data recently released by the city](#).

None of the eight colleges with the most valuable property holdings paid the full amount requested.

“It’s disappointing,” said City Councilor Josh Zakim.

“Obviously, I think these colleges are an asset and a benefit to the city, but they also have an impact on the neighborhoods around them.”

“This is not just extra money for the city,” he added. “We need this to operate the city. We’re talking about our schools, affordable housing, police, fire, EMS, city streets, public works.”

Under a five-year-old program — called PILOT, for Payment in Lieu of Tax — the city asks nonprofits with more than \$15 million worth of tax-exempt property in Boston to write checks to help offset the cost of police and fire protection, snow removal, and other services. The payments are voluntary contributions in lieu of taxes.

The percentage of the requested amount paid by the eight colleges with the most valuable real estate varied widely.

Boston University paid 80 percent of what the city requested; Harvard University, 56 percent; Northeastern University, 23 percent; Boston College, 19 percent; Emerson College, 16 percent; Wentworth Institute of Technology, 40 percent; Emmanuel College, 22 percent; and Suffolk University, 63 percent.

Among smaller schools, Simmons College, Wheelock College, Fisher College, the New England Conservatory of Music, and Boston Conservatory paid nothing. Berklee College of Music paid about half of what was requested.



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Several schools paid the full amounts: Tufts University; MCPHS University; Showa Boston Institute; New England College of Optometry; and Boston Architectural College.

Meanwhile, the other major group of nonprofits that the city asks for payments in lieu of taxes — medical institutions — for the most part provided the requested amounts, as they have done in past years. Of those 16 medical institutions, 10, including most of the city's largest, paid the full amounts requested in fiscal 2016.

Many schools that paid less than requested said they felt that the educational and cultural benefits they provide the city offset what they owe in a cash payment.

Northeastern University — which paid \$1.1 million, far below the \$4.8 million the city requested — said in a statement: “Northeastern’s engagement with the city goes far beyond voluntary payments. Through both financial and in-kind support of services and community-based programs, the university’s contributions to Boston total more than \$27 million annually.”

Wentworth Institute of Technology paid nearly \$300,000 in fiscal 2016, less than half of the \$750,000 the city requested. In a statement, school spokesman Dennis Nealon said the payment represents “just one small part of the wide-ranging impact that the institute has in Boston.” It calculated its overall community benefit at \$5.7 million this year

Boston College spokesman Jack Dunn said in a statement:

“As a Jesuit, Catholic university committed to service, we believe that the best way we can assist the City of Boston is through the more than \$30 million in community benefits that we provide to the City and its residents each year through scholarships, jobs, volunteer outreach, community grants and the public and private grants we procure for Boston’s public and parochial schools.”

BC contributed \$331,479, well below the \$1.7 million the city wanted — paying, it said, according to a previous agreement to cover municipal fire protection service costs, not through the PILOT program.

Overall, the city received \$32.1 million through the Payment in Lieu of Tax program, a 15 percent increase from the previous fiscal year, and more than double the amount the city received in fiscal 2011, the year before the program began.

“We are encouraged by the continued increase in PILOT payments, and in particular by the contributions of the medical sector,” said a statement from Bonnie McGilpin, a spokeswoman for Mayor Martin J. Walsh. “We will continue to work with all institutions to maintain and increase this program’s success.”

For decades, Boston negotiated payments individually with nonprofits when they built a facility or acquired property. But starting in fiscal 2012, the city established a structured system and began to incrementally increase the amounts requested from the institutions.

Institutions can fulfill up to half of their obligation through a “community benefits credit” — demonstrating that they provide services that benefit Boston residents.

The rules were drafted by a task force that featured representatives from an assortment of nonprofits, including leaders of city colleges.

Several of the schools that have come closer to paying the full amount have said the PILOT program is fair.

However, officials at other colleges have pointed out that the program was designed to be voluntary and have argued that their institutions should be given more credit for the community benefits they provide.

Not only are they major employers that help boost the local economy, they also host free public events for neighbors, provide thousands of dollars in scholarships to city high school students, and run an array of after-school and summer programming for youths. Some also pay for their own services, such as campus police patrols and snow removal, the officials have contended.

But Zakim said that the PILOT calculations “already take into account the many benefits our colleges and universities provide.”

The colleges’ reluctance to pay the full amounts comes as colleges in recent years have regularly set [fund-raising records](#) and brought endowments to unprecedented highs.

Harvard, for example, broke a higher education fund-raising record this spring, [the student newspaper there reported](#). Its endowment had grown to \$37.6 billion as of the end of June 2015.

Harvard paid \$3.2 million toward Boston's PILOT program in fiscal 2016. That was about \$1 million more than it did in the previous fiscal year, but still significantly lower than the \$5.8 million the city requested.

"Harvard seeks to strike an appropriate balance between taxes, voluntary payments in lieu of taxes and funding direct mission related programming in our neighborhoods," said a statement from university spokeswoman Brigid O'Rourke.

Tufts, meanwhile, paid the full amount requested by the city. Tufts owns about \$158 million in tax-exempt property in Boston and has paid Boston the requested amount in each of the five years since the program began.

"The PILOT program is one of many ways that Tufts University supports our host communities," said campus spokeswoman Kimberly Thurler. "And with our recent acquisition of the School of the Museum of Fine Arts, we're looking forward to continuing that commitment."

## Boston nonprofits' payments in lieu of taxes

Figures are for fiscal year 2016, which ended June 30.

Nonprofit	Type	Would owe, if taxable	Requested	% paid
Boston University	College	\$62.06m	\$7.58m	80%
Mass General Hospital	Medical	\$55.47m	\$6.88m	100%
Harvard University	College	\$46.96m	\$5.8m	56%
Northeastern University	College	\$41.55m	\$4.8m	23%
Beth Israel Deaconess	Medical	\$25.24m	\$3.1m	100%
Brigham and Women's Hospital	Medical	\$24.66m	\$3.02m	100%
Boston College	College	\$16.33m	\$1.72m	19%
Tufts Medical Center	Medical	\$12.45m	\$1.5m	71%
Museum of Fine Arts	Cultural	\$8.77m	\$1.03m	7%
Dana Farber Cancer Institute	Medical	\$7.7m	\$905k	100%
Emerson College	College	\$7.47m	\$875k	16%
Boston Children's Hospital	Medical	\$20.51m	\$812k	100%
Wentworth Institute of Technology	College	\$6.46m	\$750k	40%
Emmanuel College	College	\$6.04m	\$697k	22%
Suffolk University	College	\$6.03m	\$696k	63%

Faulkner Hospital	Medical	\$5.03m	\$570k	100%
Tufts University	College	\$4.91m	\$556k	100%
Spaulding Rehab Hospital	Medical	\$4.78m	\$539k	100%
Boston Medical Center	Medical	\$8.68m	\$506k	100%
Simmons College	College	\$4.34m	\$484k	0%
New England Baptist Hospital	Medical	\$4.17m	\$464k	80%
Berklee College	College	\$4.64m	\$452k	50%
Mass Eye & Ear Infirmary	Medical	\$3.63m	\$395k	100%
Harvard Vanguard	Medical	\$3.41m	\$368k	100%
MCPHS University	College	\$3.39m	\$366k	100%
Shriners Hospital	Medical	\$3.29m	\$353k	0%
Joslin Diabetes Center	Medical	\$2.68m	\$277k	0%
New England Aquarium	Cultural	\$2.18m	\$214k	0%
Wheelock College	College	\$1.7m	\$154k	0%
Roxbury Latin School	School	\$1.64m	\$147k	0%
MASCO	Cultural	\$1.58m	\$139k	100%
Franciscan Hospital	Medical	\$1.56m	\$137k	0%
WGBH	Cultural	\$1.55m	\$135k	100%
Fisher College	College	\$1.39m	\$115k	0%
Showa Institute	College	\$1.33m	\$107k	100%
Winsor School	School	\$1.28m	\$102k	0%
Institute of Contemporary Art	Cultural	\$1.15m	\$86k	0%
Museum of Science	Cultural	\$1.08m	\$77k	0%
New England Conservatory	College	\$982k	\$65k	0%
Children's Museum	Cultural	\$963k	\$62k	0%
Bayridge Center	Cultural	\$925k	\$57k	33%
Boston Symphony Orchestra	Cultural	\$906k	\$55k	100%
Boston Conservatory	College	\$902k	\$55k	0%
Hebrew Rehabilitation Center	Medical	\$1.32m	\$53k	0%
Boston College High School	School	\$844k	\$47k	0%
Gardner Museum	Cultural	\$865k	\$40k	100%
New England College of Optometry	College	\$778k	\$39k	100%
Boston Architectural College	College	\$592k	\$16k	100%
Catholic Memorial	School	\$520k	\$7k	0%

SOURCE: City of Boston

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