



June 13, 2017

The Honorable Jay R. Kaufman, House Chair  
The Honorable Michael D. Brady, Senate Chair  
Joint Committee on Revenue  
State House Room B-2  
Boston, MA 02133

Dear Chairmen Kaufman and Brady and Members of the Committee:

I am writing on behalf of the members of The Association of Independent Schools in New England (AISNE) to express our concern about the provisions of House 1565 entitled: "An act relative to payments in lieu of taxation of organizations exempt from the property tax."

AISNE represents 140 private, independent schools in the Commonwealth. Independent schools are a subset of private schools, and are distinguished by their independent governance and financing.

AISNE's concerns:

- Requiring non-profits to make PILOTS (Payments in Lieu of Taxation) of 25% on their property is to go against current law and long-standing practice with regard to the treatment of non-profits/public charities.
- PILOT is an unfortunate misnomer in that it implies "in lieu of," suggesting some kind of legal tax obligation when there is none.
- Our schools understand the financial challenges facing some towns in the Commonwealth. Many of our member schools have very little, if any, endowment, and are tuition dependent. The finances of our towns and our schools are interwoven.
- Our schools contribute millions of dollars in both cash and in-kind services to their communities in a variety of ways, from opening athletic or educational facilities to helping towns buy new fire and emergency equipment.
- Based on data from the DESE, approximately 90,000 Massachusetts students are educated in private schools (around 10%). Looking at the per-pupil expenditures in all Massachusetts towns, a reasonable median per-pupil expenditure would be about \$13,000. With this calculation, Massachusetts towns are saving at least \$1.1 billion, because private schools, of all kinds, are educating one out of ten Massachusetts students, who would otherwise have to be educated by their towns. At the same



ASSOCIATION OF INDEPENDENT  
SCHOOLS IN NEW ENGLAND

time, these families continue to pay taxes to the town to support the local public schools.

Thank you for the opportunity to share with you our concerns about this bill.

Sincerely,

Claire Leheny  
Executive Director  
AISNE  
Association of Independent Schools in New England