

Yale University's Positive Fiscal Impact for the City and Citizens of New Haven

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Yale University, part of New Haven since before the City's incorporation in 1784, is by far the single-largest local contributor to the City budget, even though its academic property is nontaxable, similar to all universities in the nation. Its nontaxable campus occupies less than 4% of the City's total area. The student population of Yale living in nontaxable facilities comprises less than 6% of the City's population. These students, generally here less than 9 months out of the year, consume very little in municipal services. Yale University has a major positive fiscal impact for the City's budget and ability to provide services.

New Haven has unique facets. One not widely recognized is that the City receives more direct budget revenue because it is home of a nonprofit university than does any other city in the United States, even cities with much larger budgets, land areas, and populations. Yale University makes a larger direct payment to its hometown than any other university in the nation, even universities with larger budgets or student populations. The three main parts of its payment are an annual voluntary contribution, property taxes, and permit fees. In addition, the State of Connecticut is virtually unique in the U.S. with a payment in lieu of taxes program for municipalities for the nontaxable real property of independent colleges and hospitals. This program, established at the urging of nonprofit and municipal leaders in 1977, is one of only two such programs in all 50 states. Rhode Island has the only other, and it is less than half as generous as Connecticut.

These payments and revenue are summarized in the chart below. It does not capture the full positive impact of Yale University in the City. The University, for example, leases space at 300 George Street, One Long Wharf, and other locations and pays for property taxes in its leases totaling more than half a million. The Yale University Homebuyer Program strengthens the tax base and has committed \$18.5 million to assist 783 employees buy homes with a total value over \$121 million. The overall economic impact of Yale University, including payroll over \$300 million to New Haven residents, further adds to the City's fiscal health.

New Haven's competitive fiscal advantage due to Yale University's presence is even greater because Yale University not only generates substantial direct revenue for the City budget, it costs the City very little for services. Yale University maintains its own police force, fire marshal, and garbage pick-up. Less than two tenths of one percent of all children in the New Haven Public Schools live in nontaxable Yale University property, and the public schools account for nearly half of City expenditures.

Yale University's presence in New Haven, its investment in campus facilities, and its active contributions to the City budget all strengthen New Haven's fiscal health. Without this positive fiscal impact, the City budget would need to rely even more on other resident property owners or provide even less services to citizens.

| Paymentⁱ | 1992 | 2007 | Change |
|--|-----------------------|-----------------------|---------------|
| Voluntary contribution by Yale University | \$1.3 million | \$4.3 million | + 232% |
| Property Taxes Paid by Yale Universityⁱⁱ | \$1.6 million | \$3.5 million | + 122% |
| Permit Fees Paid by Yale Universityⁱⁱⁱ | \$0.1 million | \$6.2 million | + 4053% |
| Total paid directly by Yale University | \$3.0 million | \$14.0 million | + 363% |
| State PILOT/Pequot for Yale University real property^{iv} | \$9.1 million | \$33.0 million | + 265% |
| Total direct revenue for City budget | \$12.1 million | \$47.0 million | + 289% |
| City General Fund Budget^v | \$271.5 million | \$415.7 million | + 53% |
| Yale University revenue impact as % of budget | 4.49% | 11.31% | + 154% |

Notes

ⁱ Dollar amounts rounded to nearest hundred thousand; percentage increases calculated on actual, unrounded figures.

ⁱⁱ Yale University pays full taxes on all commercial, nonacademic property and has voluntarily paid taxes on its golf course since 1991 and on the Yale Bowl for decades.

ⁱⁱⁱ FY2007 permit fees include actual paid through March 20, 2007 and projections based on budgeted and approved Yale University capital projects through June 30, 2007. Increase due both to City permit fee increases in FY00 and FY03 and Yale University's increased construction program.

^{iv} Data from Connecticut Conference of Independent Colleges based on data from the State of Connecticut Office of Policy and Management. Growth in PILOT due to increased state funding and increased value of Yale University property because of construction and renovation on campus, not from growth of the campus footprint by acquisition.

^v FY92 City budget is audited actual budget; FY07 is adopted budget by Board of Aldermen.