

# What are **PILOTS**?

*And why do our public schools need them?*

- **Our public schools rely on local property taxes** for most of our funding.
- Despite being some of the wealthiest organizations in our region, **hospitals & universities don't typically pay property taxes.** As nonprofits, they are tax exempt.
- **These orgs could contribute their fair share** by making PILOTs payments!  
*(Compared to other U.S. cities, it is unusual that they don't already do this.)*
- **PILOTs = Payments In Lieu Of Taxes**

# SLPS Funding Needs (Partial List)

- More competitive staff salaries
  - Teachers, social workers, literacy specialists...
- Building maintenance
  - >\$350 million in unmet needs
  - Lead contamination still an issue
- Wraparound services
  - Currently only available at “full service” schools
- Reliable transportation, better food

# SLPS Housing Crisis

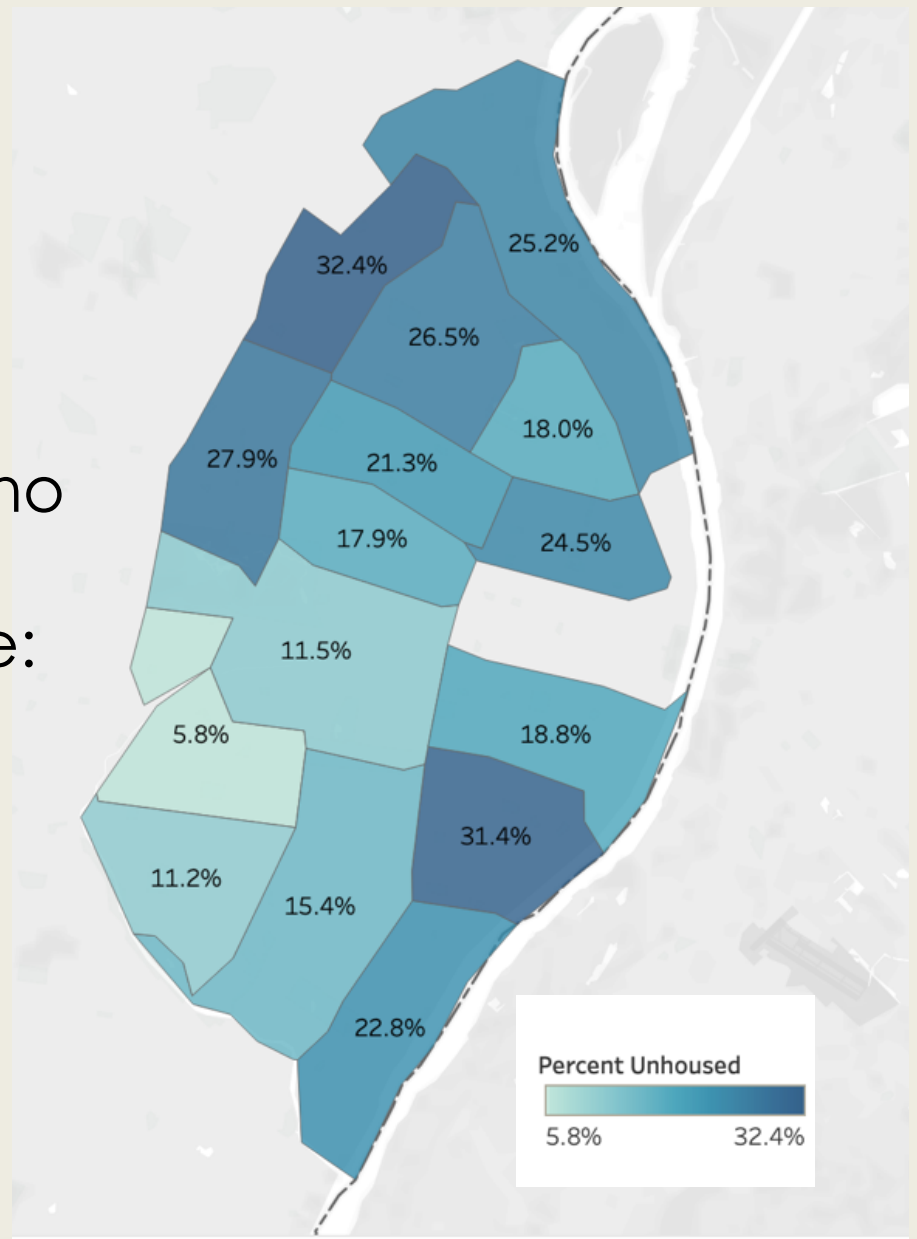
4,098 SLPS students are unhoused or unstably housed (22% of our student body)

- 1,405 in elementary school
- 1,006 in middle school
- 1,347 in high school
- 340 in other types of schools or programs

Data source: SLPS Students in Transition Office, 2023

# SLPS Housing Crisis

Percent of SLPS students who are unhoused or unstably housed, by school zip code:



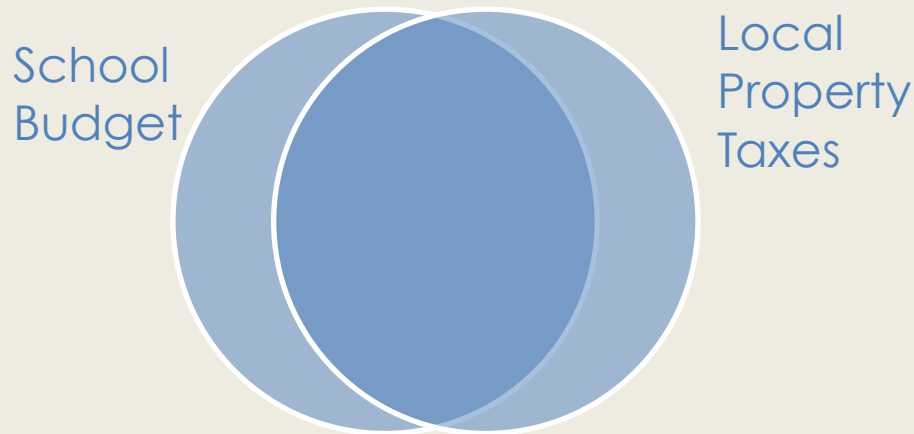
Map credit: Sophia Scott

# Constant Transition

- SLPS has a 34% mobility rate overall
  - Children entering and exiting the classroom throughout the school year
- Only 49% of students in attendance at least 90% of the time
- A community in “rootshock” (Fullilove)

# SLPS Budget Basics

- Our school district is its own taxing jurisdiction with its own budget (separate from the City budget)
- Local property taxes comprise 65% of SLPS budget. 63% of local property taxes go to SLPS.



- Additional school revenue sources: bond issues, state & federal funds...

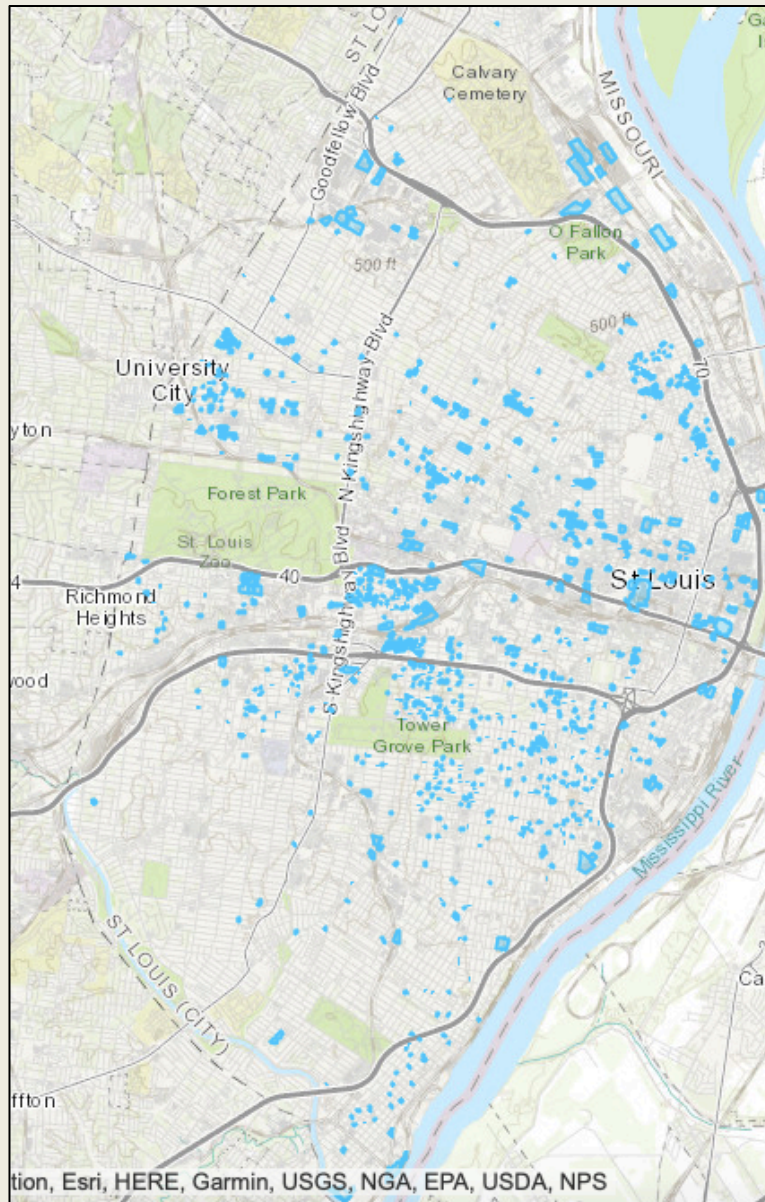
- Any policy or practice that impacts property taxes impacts our schools
- **Mega-nonprofits** (“eds and meds”) aren’t the only landowners that don’t pay their fair share.



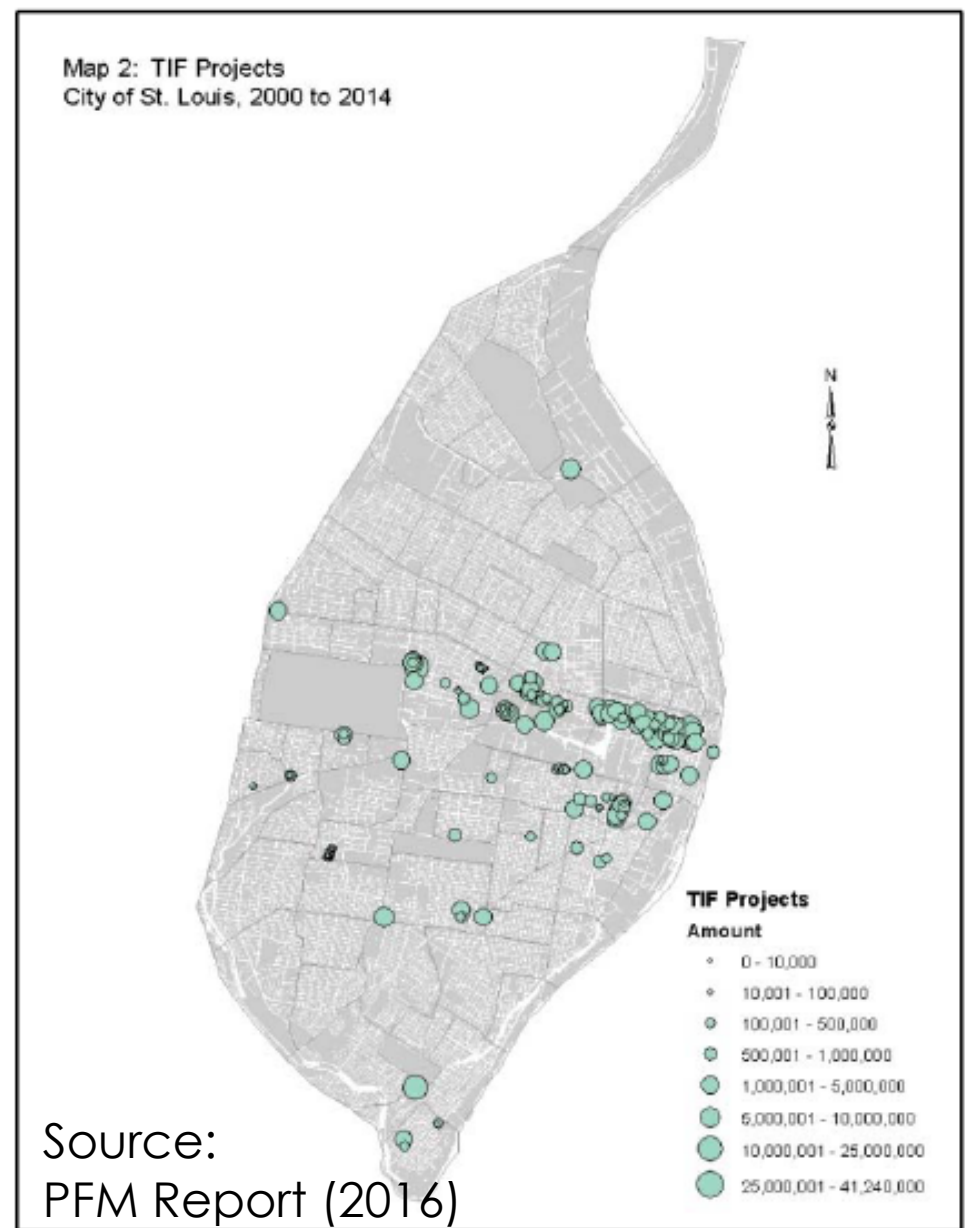
Image source:  
vox.com



# Tax Abatements



# TIF Projects

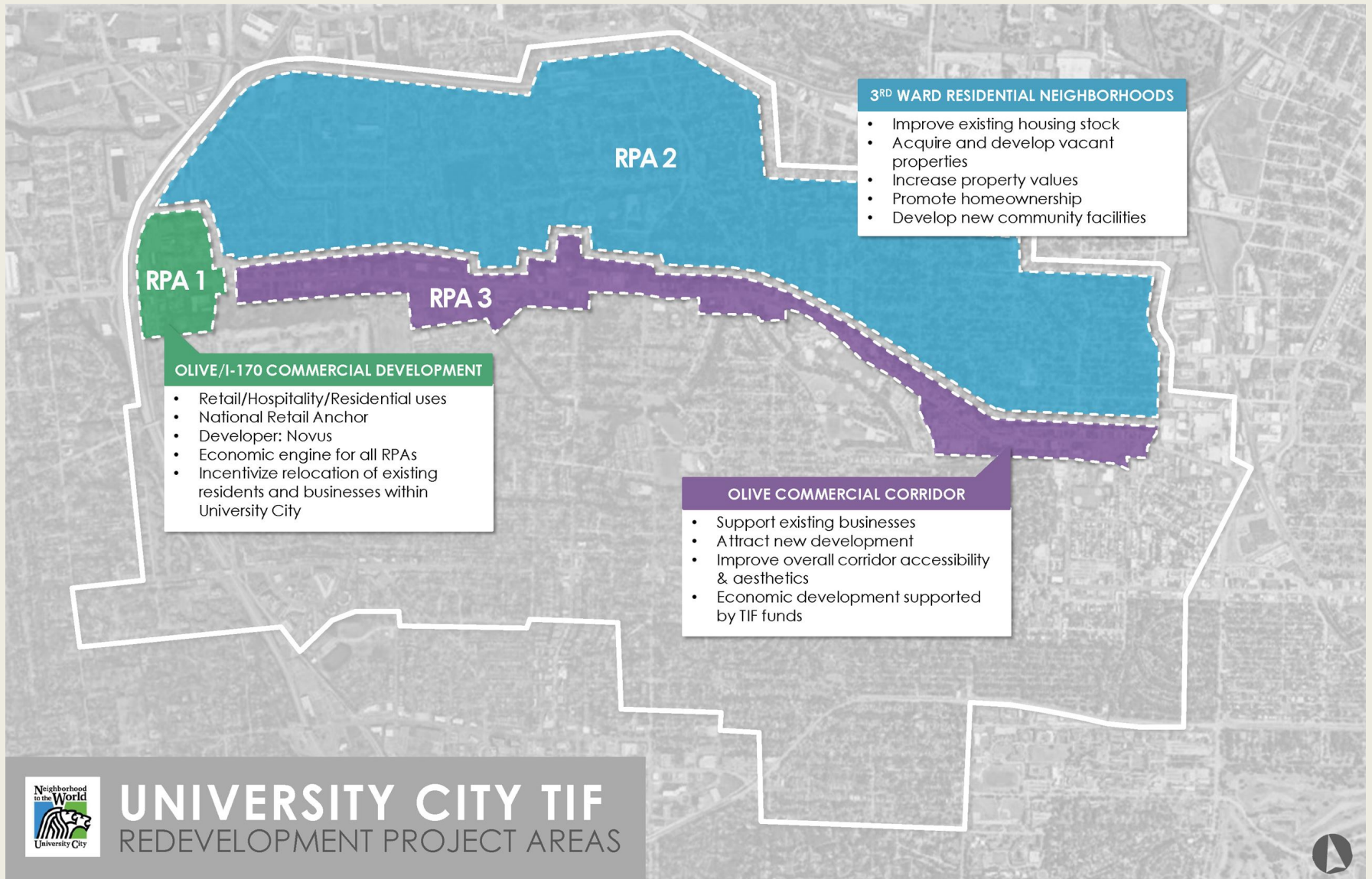




Funds diverted from SLPS in 2022  
via Tax Abatement & TIF:

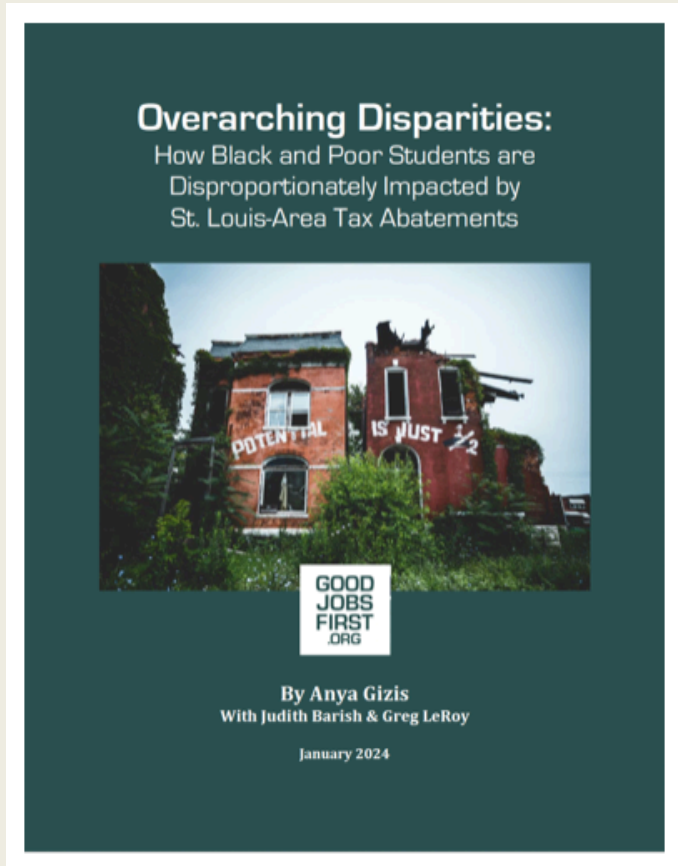
**\$32 million**

Source: SLPS Comprehensive Annual Financial Report ("CAFR")  
for the year ending June 30, 2022





To learn more about local tax incentives:



Recent report from  
Good Jobs First:  
“Overarching Disparities”



Webinar on Youtube:  
“Who Benefits from Tax  
Breaks in St. Louis?”

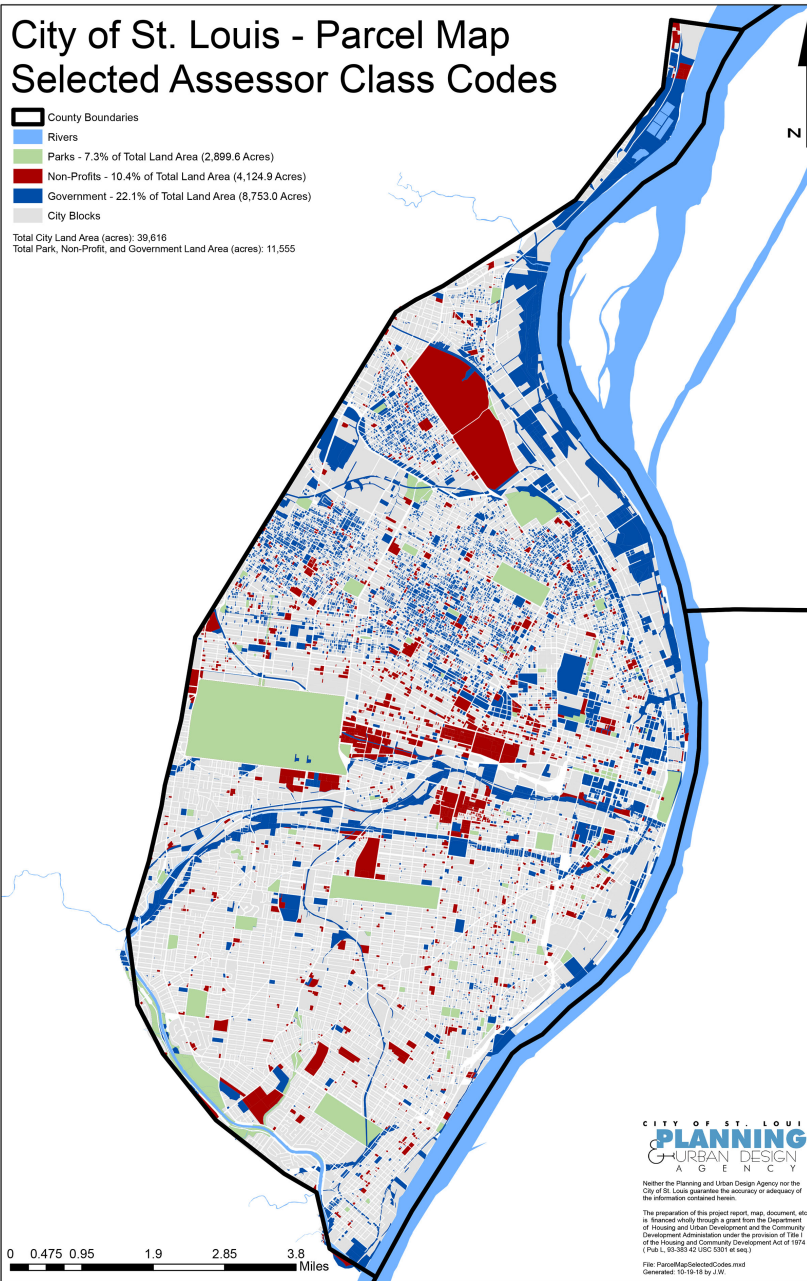
**PILOTS =**

**Payments In Lieu Of Taxes**

## City of St. Louis - Parcel Map Selected Assessor Class Codes

County Boundaries  
Rivers  
Parks - 7.3% of Total Land Area (2,899.6 Acres)  
Non-Profits - 10.4% of Total Land Area (4,124.9 Acres)  
Government - 22.1% of Total Land Area (8,753.0 Acres)  
City Blocks

Total City Land Area (acres): 39,616  
Total Park, Non-Profit, and Government Land Area (acres): 11,555



**“The Non-Profit Paradox.**  
40% of Real Estate in  
St. Louis is Government  
Owned or Tax Exempt”



Parks



Non-Profit

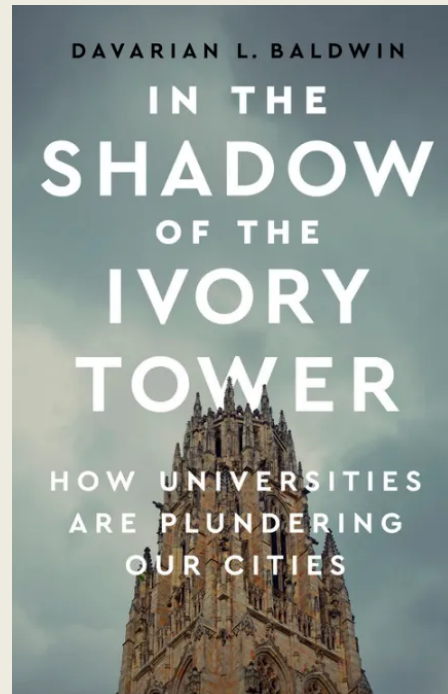


Government

Source: [Ogilvie \(2018\)](#)

# Mega-Nonprofits

- Especially in post-industrial cities, private educational and medical institutions are some of the largest employers and property owners
- As nonprofits, these “eds and meds” are tax exempt



# Paying Their Fair Share

- In some cities, mega-nonprofits contribute to city and/or school budgets
- May happen via “voluntary” arrangements or via excise taxes



Images: “Penn for PILOTs” campaign in Philadelphia



# University Endowments & PILOTs @ selected universities

University	Endowment (estimate)	Recent Contributions via PILOTs or Other Payments
<b>Brown University</b>	\$7B	~\$11M/yr committed
<b>Harvard University</b>	\$51B	\$14M requested, \$11M paid
<b>Stanford University</b>	\$36B	\$508M/yr
<b>University of Pennsylvania</b>	\$21B	\$40M/yr requested, \$10M/yr committed
<b>Yale University</b>	\$41B	\$23.2M
<b>Washington University</b>	\$14B	None (yet?)

# *Not Just The Universities: PILOTs in Boston*

CATEGORY	REQUESTED PILOT	COMMUNITY BENEFITS CREDITS	CASH CONTRIBUTIONS	% PILOT REQUEST MET
Educational	\$69,335,346	\$31,962,386	\$15,065,528	68%
Medical	\$54,874,283	\$29,115,129	\$20,167,316	91%
Cultural	\$4,375,494	\$1,054,898	\$489,562	35%
Total	\$128,585,124	\$62,132,413	\$35,722,406	76%

Source: <https://www.boston.gov/departments/assessing/payment-lieu-tax-pilot-program>

# The Takeaway

- It is unusual that St. Louis's wealthy “eds and meds” do not already contribute PILOTs to our public schools

# Big Questions Moving Forward

- Who should pay PILOTs?
  - In what amounts?
- How should funds be administered?
- What will it take to win?

# Shoutout to SLPS Parent Action Council!



Public School Proud! Day of Action  
Jefferson City, MO | January 2023

To learn more & support us: [https://  
sites.google.com/view/slpspac/](https://sites.google.com/view/slpspac/)