Revenue Impact on Municipalities that Host a University

- Host municipalities consistently collect less revenue per capita in earned income tax, real estate tax and total taxes than their control municipal counterparts. The difference between the mean per capita revenues for earned income tax, per capita revenues for real estate tax and total taxes was significant at the .05 level of significance.

**Graph 9-1**

**Per Capita Revenue**

**Host and Comparable Municipalities**

<table>
<thead>
<tr>
<th>Revenue Categories</th>
<th>Host</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Income Tax</td>
<td>$53</td>
<td>$102</td>
</tr>
<tr>
<td>Real Estate Tax</td>
<td>$94</td>
<td>$151</td>
</tr>
<tr>
<td>Total Taxes</td>
<td>$175</td>
<td>$296</td>
</tr>
</tbody>
</table>

- A lessened ability to generate revenue would not necessarily be noticed over time by a municipality. Consequently, the effects of less revenue would be felt as an "extra" or "added" expenditure burden for providing an ordinary level of service. The lack of capacity to produce revenue makes it difficult for host municipalities to finance required service levels.
• A t-test of means that compares per capita revenues between the control group and the host group, after eliminating the on-campus student population from the calculation, found no significant difference between the two groups. This finding suggests that the presence of a student population likely contributes to the difference in per capita revenues between the two groups. College town municipalities collect less revenue than comparable municipalities because students often do not work or only work part-time, and earned income tax on wages is often paid to their “domicile” and not to the host municipalities. Second, higher education institutions that have a significant presence in a municipality tends to own large amounts of tax-exempt property, lowering the aggregate level of real estate taxes collected by the municipality. Both of these factors contribute to the difference in total taxes for the college town and control groups.

• In addition, to the review of a statewide sample and multiple “college towns” PEL attempted a statistical comparison of the study’s five host municipalities with their respective county neighbors. The results of this study were generally not statistically significant and cannot be used to develop recommendations based upon these results. PEL attempted to compare the average per capita expenditures among the county municipalities along with a comparison of the median tax burden on a hypothetical household in these same municipalities. While not statistically significant, the results suggest that the host municipalities have high taxes per capita and a higher tax burden per household than their neighbors in the same county.

Real Estate Tax Impact

• None of the five host universities pay real estate taxes given their status as an educational institution and a Commonwealth entity.

• No taxes levied by local governments can be paid to the host municipality by the State System of Higher Education (SSHE) without specific authorization by the state legislature.

• Payments-in-lieu-of-taxes by SSHE Universities cannot be paid without specific legislation.

• The degree to which the university’s tax exempt status affects the host municipality's fiscal situation depends to a large degree on the remaining taxable assessed property within the municipality. If the university is the dominant property owner in the host municipality the effects will be substantial. (See Table 9-1.)
Table 9-1
University Owned Exempt Assessed Valuation by Municipality and Proportionate Share of Exempt Valuation of Total Municipal Exemptions – 2003

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Percentage of Exempt University of Total Assessed Valuation</th>
<th>Percentage of Exempt University of Total Exempt Assessed Valuation</th>
<th>Percentage of Exempt Assessed Valuation in Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomsburg Town</td>
<td>23.3</td>
<td>60.9</td>
<td>38.3</td>
</tr>
<tr>
<td>Edinboro Borough</td>
<td>39.6</td>
<td>90.4</td>
<td>43.8</td>
</tr>
<tr>
<td>Lock Haven City</td>
<td>19.2</td>
<td>45.6</td>
<td>42.1</td>
</tr>
<tr>
<td>Millersville Borough</td>
<td>22.4</td>
<td>71.5</td>
<td>31.3</td>
</tr>
<tr>
<td>West Chester Borough</td>
<td>10.7</td>
<td>37.0</td>
<td>28.9</td>
</tr>
</tbody>
</table>

Source: Respective County Assessment Offices

- The amount of land owned by the Edinboro University is in excess of the anticipated future needs of the institution. The University owns more than 40 percent of the land area of Edinboro Borough. This has placed an extraordinary reliance on wage tax for the Borough’s revenue due to the large portion of tax exempt valuation.

Earned Income Tax Impact
- The Earned Income Tax paid by host municipality resident non-student university employees is of benefit to the municipality. However, it appears many of the Universities’ non-student employees do not live within the host municipality.
- The Earned Income Tax paid by the students usually is paid to their residence for tax purposes i.e., their "home municipality". (See Map 9-1)

Emergency and Municipal Services Tax Impact
- Because it is based on location of employment, the new Emergency Municipal Service Tax (EMST) will be a consistent municipal revenue source from University employees. EMST revenue could be affected by low-income exemptions (forgiveness of the tax for lower income employees) and by municipal collection efficiencies. PEL believes that EMST
Revenue will continue to be at the 2005 level of collections and can provide reliable, dedicated revenue to the host municipalities.

Map 9-1

Economic Development Impact on Host Tax Revenues
- The welcome benefits of a nine-month captive student customer base for the local retail and eating establishments does not translate into significant tax revenue for the host municipality, due to legislative restrictions. There is no available municipal sales tax in Pennsylvania and there are revenue limitations on the gross receipts (mercantile/business privilege) tax.
Local Government

- The five host municipalities examined exhibit a dynamic quality not found in many other similar municipalities in the Commonwealth. Each host municipality had professional staff, attractive and well-maintained municipal properties and provides extensive services to residents. The general impression is that of a healthy, long established municipality.

- Universities and their host municipalities are historically and functionally interrelated. Separation would seem to be impractical if not impossible. The Universities were established as "normal schools" and were placed in the regional centers of the 19th Century. The subsequent growth and current economic dominance of the University as a single large employer mimics the historical pattern of growth in other Pennsylvania municipalities that relied on a single economic enterprise or activity to provide employment. The fiscal constraints reported by the host municipalities may be the result of the dominance of a single employer and its activities, and the inability of the host municipality to adapt their legislative mandated tax structure to capture the positive economic effects of a tax-exempt University.

- The long standing relationship and nature of the SSHE exemption from real estate taxes brings into question the common assumption that non-taxable real estate alone is the source of perceived fiscal problems in the host municipalities. As noted by PEL, the host municipalities are in generally better apparent condition than many of their counterparts in their county. If the real estate exemption had been an inordinate reduction of revenue, the municipalities would not have the high standards of municipal government that they currently exhibit. However, the continued acquisition and expansion of taxable real estate into the SSHE system and the continued conversion of single-family housing units into student and unrelated individual rentals has placed an additional revenue burden on the host municipality that would not be experienced by non-host municipalities. As a current example, the large amount of tax exempt property owned by SSHE in Edinboro Borough has had direct results in budget and tax revenue decisions by the Borough.

- Universities can adversely impact municipalities in the areas of revenue production by the nature of their operations as student rental or housing centers. As seen in the proportion of rental occupied buildings and the SSHE budget restrictions on additional on-campus dorm or suite construction, the host municipalities are becoming renter communities. These
conversions increasingly involve the marketing of former single-family homes to students as rentals for the school year (See Table 9-2).

### Table 9-2

**Trends in Housing Unit Occupancy**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomsburg Town</td>
<td>41.8</td>
<td>36.4</td>
<td>51.8</td>
<td>56.3</td>
<td>6.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Columbia County</td>
<td>67.4</td>
<td>65.0</td>
<td>24.8</td>
<td>24.8</td>
<td>8.3</td>
<td>10.2</td>
</tr>
<tr>
<td>Edinboro Borough</td>
<td>34.2</td>
<td>33.4</td>
<td>57.3</td>
<td>59.7</td>
<td>8.5</td>
<td>6.9</td>
</tr>
<tr>
<td>Erie County</td>
<td>64.2</td>
<td>64.5</td>
<td>29.3</td>
<td>28.7</td>
<td>6.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Lock Haven</td>
<td>41.8</td>
<td>36.2</td>
<td>52.9</td>
<td>56.6</td>
<td>5.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Clinton County</td>
<td>61.2</td>
<td>59.3</td>
<td>22.8</td>
<td>22.0</td>
<td>16.0</td>
<td>18.7</td>
</tr>
<tr>
<td>Millersville Borough</td>
<td>59.6</td>
<td>60.0</td>
<td>35.7</td>
<td>34.6</td>
<td>4.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Lancaster County</td>
<td>67.0</td>
<td>67.9</td>
<td>29.5</td>
<td>28.0</td>
<td>3.5</td>
<td>4.1</td>
</tr>
<tr>
<td>West Chester Borough</td>
<td>37.2</td>
<td>35.6</td>
<td>57.4</td>
<td>60.1</td>
<td>5.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Chester County</td>
<td>71.2</td>
<td>73.5</td>
<td>24.3</td>
<td>22.9</td>
<td>4.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>64.3</td>
<td>64.9</td>
<td>26.7</td>
<td>26.1</td>
<td>9.0</td>
<td>9.0</td>
</tr>
</tbody>
</table>

- The revenue consequences of rental conversion can adversely affect both the municipal real estate tax assessment base over the long term and the earned income tax base in the short term. These two taxes make up the largest percentage of taxes collected in the host municipalities. The Earned Income Tax paid by the students usually is paid to their "home municipality" i.e., their residence for tax purposes. (See Graph 9-2.)
- Rental conversion of single-family homes does not necessarily trigger revaluations of the assessed value based on the sale price of the home or of its changed use. If there is no sale or no recorded change of use there may be no change in the assessed valuation. PEL's conversations with assessment officials in host counties indicated that the added expense of yearly maintenance of rental units could cause a reduction of assessed valuation based upon the change of the structure's use to rental producing property from a residential structure.
• The earned income capacity is also eroded by rental conversions since the converting
homeowners often move, relocating not within the host municipality but to surrounding
communities. The earned income taxes previously paid by the homeowners to the host will
then be paid to their new home community. Student renters of the single home may number
three or four unrelated individuals and often do not pay earned income tax to the host
municipality but rather to the municipality of their domicile, most likely the parents' home
community.

• The inability to accurately count or even estimate the number of students living off campus
within the host municipality is a major detriment to a proper analysis of University's fiscal
impact on the host municipality. It would also appear to preclude any University economic
impact analyses at a sub-county level.

• Student renters tend not to contribute to volunteer social and municipal organizations at the
donation level of prior homeowners. Based on PEL interviews in some municipalities, fire
department fund raising has been reduced from rental-converted houses due to the lower
income of students and the lack of a perceived need to support local fire fighters.

Graph 9-2

<table>
<thead>
<tr>
<th>Renter Occupied Housing Units Census 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Renter Occupied</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>100.0</td>
</tr>
<tr>
<td>90.0</td>
</tr>
<tr>
<td>80.0</td>
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<tr>
<td>70.0</td>
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<tr>
<td>60.0</td>
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<tr>
<td>50.0</td>
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<td>40.0</td>
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<tr>
<td>30.0</td>
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<tr>
<td>20.0</td>
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<tr>
<td>10.0</td>
</tr>
<tr>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Host</th>
<th>County of Host</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomsburg Town</td>
<td></td>
</tr>
<tr>
<td>Edinboro Borough</td>
<td></td>
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<tr>
<td>Lock Haven City</td>
<td></td>
</tr>
<tr>
<td>Millersville Borough</td>
<td></td>
</tr>
<tr>
<td>West Chester Borough</td>
<td></td>
</tr>
<tr>
<td>Pennsylvania</td>
<td></td>
</tr>
</tbody>
</table>
In the long run the fiscal health of a host municipality is of critical importance to the University's long-term viability and ability to attract students. As competition increases for a smaller number of students from within Pennsylvania, the attractiveness and perceived quality of a University's host municipality will become a larger factor in the decision by parents/students to attend a particular campus. Based on independent PEL research into the long-term fiscal health of the Commonwealth's cities and boroughs, the host municipalities of the SSHE may be on the lagging edge of municipal service and infrastructure decline. Further revenue erosion can lead to municipal service cuts or to increased local host tax effort. A host municipality that has a tax capacity that is not growing, or is not composed of the proper mix of taxable elements, is very limited in its ability to increase revenue.

If municipalities cannot balance budgets, they must raise taxes, cut service or move into fiscal distress. Because of legislated taxation caps (and political and economic reality), revenue increases through increased taxation in non-growth areas are limited. Service costs or fiscal distress will lead to a local municipal environment that is unappealing to parents and could hamper the University's attempts to be competitive in its pursuit of students.

Although recent SSHE acquisition of taxable real estate has been reduced, (as evidenced by the five universities examined) any conversion of taxable property adversely impacts the fiscal situation of the host municipality.

As part of the SSHE capital building plans, priority should be given to avoid expanding the amount of university controlled property beyond the foot print which it now occupies unless the new use is subject to hold a harmless taxable assessment agreement or other arrangements which would provide an equivalent revenue amount.

Priority should be given to the conversion of some of the excess land owned by Edinboro University into tax paying single family residential development.

PEL has observed an example of "university affiliated" non profit entities that make a specific pledge to continue paying real estate taxes on land and buildings converted to student resident use. There did not seem to be a direct market penalty for the payment of these taxes as reflected in the room rent or in the occupancy rates for these facilities. University affiliated development foundations should be structured so that new dorms and apartment complexes pay hold harmless real estate tax.
• University housing constructed through related foundations paying hold harmless real estate taxes would assist the revenue stream of the municipality and slow conversion of single-family units.

• For sociological and municipal fiscal health reasons, further conversion of private single family housing to student rental units should be controlled or reduced as much as practical. From a municipal fiscal standpoint, such a conversion tends not to be reflected in assessment increases based on the income model or market price, and in addition, multi-tenant conversions increase both the parking and police requirements in the host municipality. As a result the economic base to support municipal services could be irreversibly changed. Of all the issues affecting host municipal fiscal soundness, the changing nature of the housing stock could be the most damaging in the long run.

Impact on Municipal Expenditures

• A t-test of means for police, public safety, roads, and parks and recreation per capita expenditures found no significant difference between the college towns and their comparable municipalities. Though a small sample size may account for a lack of statistical significance, no clear pattern emerges in a review of the numerical output. A significance level of .05 (a standard statistical level of significance) was used in this report. While the per capita mean is greater for the control group than in the college town group in the areas of police and roads, the per capita mean is greater for college towns in the areas of parks and recreation and public safety than for the comparable municipalities.

• Based upon a case study review of each host municipality's expenditures, police and code enforcement activities would seem to be the service areas most directly affected by the presence of a University.

• Although not significant at the .05 level when compared to the control group, based on the individual case studies, host municipalities do seem to require additional police expenditures primarily for off-campus student housing and student “partying issues.” PEL's interviews showed a consistent consequence of the police requirements that resulted from a significant student population. The interviewed host municipal officials consistently estimated the requirement for three additional officers manning the hours from 10:00 pm to
4:00 am, Thursday evening through Sunday night. This schedule is in addition to the regular police requirements of the resident population.

- Campus police address student police needs on campus. However much of the student police related activity occurs in the municipality's business section and requires the application of local police resources. The inability of SSHE officers to routinely handle student activity outside the University perimeter places this burden of public peace on the host municipality.

- Police staffing and career building needs require a uniform work schedule throughout the year. When the University is not in session host municipalities resemble "summer resort towns in the winter" as far as resident population police effort. However, seasonal layoffs to adjust the costs of the department during these periods are not practical and conducive to professional police operations.

- The exact functional relationship between municipal and campus police varies on a case-by-case basis. Recent state legislation has not clarified the situation. In fact, the conflicting municipal and university interpretations of this legislation seems to have confused and strained the relationship.

- There is a serious difference of legal opinion as to the intent of Act 80 for municipal/campus mutual police aid. The differences have rendered the Act ineffective as regards to the SSHE and the host municipality.

- A Mutual Aid document defining specific protocols between the host municipal police and university police seems necessary to avoid confusion. Further legislation may be necessary to provide the necessary authorization in order to have effective mutual aid agreements.

- University police will most likely not expand their sphere of action beyond the campus area, and the host municipality will not be able to utilize campus police forces as a solution to the host manpower expense issues. However, municipal/university police interrelationship for joint planning, intelligence sharing, substance abuse task forces need to be developed.

- Boroughs and cities with universities will have fundamentally different police needs than surrounding areas, in particular the rural townships in the same county. Regional police cooperation in Pennsylvania will require the use of joint forces through a regional police commission or though contracting of police services to growing townships, as in the case of West Chester Borough and East Bradford Township.
• Most “older” municipalities in Pennsylvania are caught in a substantial fiscal squeeze caused by escalating costs and static revenues. These municipalities find it more difficult to balance budgets based on their local tax capacity. A university presence contributes to the fiscal squeeze within the host municipality but is not itself the principal cause. The operations of the University and the lack of legislative recognition of the growing fiscal crisis in local government financing combine to create the detrimental revenue and expenditure effects noted by PEL.

• There is an inequality in bargaining strength between the two entities due to the historical growth in size and financial resources of the universities compounded by the mounting fiscal problems of “older” municipalities.

• Host municipalities must provide adequate police and code enforcement for citizens, regardless of revenue received from the recipients of these services or the continued ability of the tax base to finance it.

• Universities expect proper municipal services for their students, employees, and visitors. As the universities increase as the largest economic entities in the municipality the effect of their presence on municipal service delivery will continue to increase. Unfortunately, municipalities do not see a direct fiscal benefit in their tax base from the economic impact of the university. In Pennsylvania, economic growth does not immediately or automatically increase the municipality's fiscal vitality. Given the tax-exempt nature of the SSHE, the fact that many of its employees do not reside in the municipality, and the inability of municipalities to directly tax sales or rental transactions, revenue growth will not offset the municipal service expenditures of the host without state legislative relief.

Intergovernmental Relations

• Land use planning concerns did not seem to be a major issue and each of the host municipalities has adopted zoning and comprehensive plans that include provisions for the university presence and its continued growth.

• There was no widespread cooperation among any of the host municipalities and their neighbors except in the area of common zoning restrictions along the perimeter of the university and their host and neighbors. Area wide planning and coordination of zoning may
alleviate some of the ongoing out-migration of residents. However, as long as there continues to be an economic benefit of single-family housing unit conversions into rental units the restriction of such conversions will be the responsibility of the host under its zoning ordinance. Code enforcement by multi-municipality compacts under coordinated common renter ordinances may help to reduce some of the expenses of code enforcement of the host municipalities.

General Relations

- Regular meetings of University and municipal officials (Town and Gown) are beneficial. Frequently, these meetings may address only superficial matters. Attempts should be made to upgrade the issues under discussion. However, at any level, it is better to have meetings in order to keep open the channels of communication.

- Municipal residents and leaders must recognize that although there may be difficult issues with student populations, universities are integral parts of the community. Indeed, the proven value of a University to a region's well-being and economic health is an asset that must be encouraged and viewed as a civic resource. Many non-host municipal officials in Pennsylvania have expressed the desire to have "the problems of a University".

- Local government financing in Pennsylvania may be a failed business model for the 21st Century. The fiscal problems common in many other jurisdictions are just now being felt as impacting the host municipalities.

- The basic function of the University is to educate a similar age cohort population year after year. The basic role of the municipality is to govern its residents, provide services, and ensure peace and safety. These objectives may be in tension but are not mutually exclusive. **Universities must recognize that the declining fiscal health of the host municipality will become a business liability in attracting students and their families to the campus. Municipalities must acknowledge that the University and its students are an integral part of the community.**

- Municipalities and universities must do a better job in developing statistics to measure the quantity and costs of municipal services. This applies in particular to off campus housing, housing conversions, SSHE property acquisition, and police matters. Lack of data on area
wide code enforcement, and uniform police data, make this a difficult area that requires the attention of the SSHE, the State legislature, and the municipal leadership.

- The SSHE must recognize that the municipalities' fiscal health directly relates to the ability of the municipality to provide services. While that seems like a self-evident statement, many University officials interviewed by PEL did not possess a general understanding of local government finance or of the structure of local government in Pennsylvania beyond that of an ordinary citizen. The recruitment of administration personnel at the University level draws on talent from within Pennsylvania, the United States, and the world. It is not surprising that the unique nature of local government in Pennsylvania would be lost on a newly arriving University official and challenge their belief that the University’s economic benefit to a region would be enough to fund needed services. Municipalities need to continue to educate their University counterparts on the need for municipal revenue to fund services and that the presence of a university does not of itself generate local tax dollars based on Pennsylvania law.

- Numerous examples have been found of municipal and university cooperation in capital and infrastructure developments and improvements. Further, universities seem much more likely to help fund such capital activities. Municipal officials must aggressively pursue and seek university funding for those projects which benefit both entities.
The following recommendations are offered as starting points for the Pennsylvania League of Cities and Municipalities (PLCM) to present to the Legislature for its consideration in assisting host municipalities of the State System of Higher Education.

- Based upon PEL’s statistical analysis, host municipalities consistently collect less revenue per capita in earned income tax, real estate tax and total taxes than their municipal counterparts. PLCM should request that the legislature amend the definition of "domicile" in the Local Tax Enabling Act to provide for a student definition that would permit some portion of student earned income tax payment to the municipality of their rental residence.

  - "Domicile." The place where one lives and has his permanent home and to which he has the intention of returning whenever he is absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntary fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce him to adopt some other permanent home. In the case of businesses, or associations, the domicile is that place considered as the center of business affairs and the place where its functions are discharged. (As amended 1978 P.L. 930, No. 177)

- PLCM should request legislation authorizing the State Legislature to develop a straightforward compensation formula that distributes funds to the primary impacted municipality in each region based on the student population of the regional SSHE university combined with a requirement for local cooperative agreements as the basis for distributing any funds among municipalities at the regional level. Such payments would be paid from the Commonwealth General Fund.

- PLCM should anticipate the need for an outside facilitator – one capable of encouraging ongoing communication, conducting factual research, providing procedural guidance and offering problem-solving skills to support the process – that will help SSHE universities and their host municipalities collaborate more effectively. Cooperation is of the essence and the use of a third party facilitator can provide the necessary impartial information on costs and effects to both sides as well as assist in the development of cooperative agreements. Regular, constructive, forward-looking dialogue
between public officials and university administrators would enable them to avoid unnecessary confrontations, allowing Pennsylvania’s financial and human resources to be directed toward the achievement of mutually beneficial goals.

- **PLCM members and all municipal officials need to** better communicate to their residents that the university is an integral part of the municipality and an asset to the community.

- **University affiliated development foundations should be structured so that new dorms and apartment complexes pay real estate tax.** PEL has observed examples of "university affiliated" non profit entities that make a specific pledge to continue paying real estate taxes on land and buildings converted to student use. There did not seem to be a direct market penalty for the payment of these taxes as reflected in the cost of rent or in the occupancy rates for these facilities.

- **PLCM should request the specific authorization of a tax on creation of a lease.** Millersville Borough has established a tax on leases and is currently defending the levy in Court. Such a specific authorization would allow the municipalities to recoup some of the cost of increased code enforcement required by the high proportion of rental units in host municipalities; other local governments could use the levy to begin or enlarge code enforcement of rental properties and landlord reporting requirements.

- **PLCM should consider legislation that would allow a local tax option of a ten percent tax on alcohol sold by the drink** such as in Class ‘A’ cities (Philadelphia). In addition, some sharing of the state sales tax for regional assets and local services could be expanded, as has been done in Allegheny County. Otherwise, there is a significant shift of the tax burden to the residential neighborhoods or a reduction of services for both. West Chester sparked the success of its downtown revitalization and the opportunity to flourish for restaurants, bars, shops, and businesses. But in order to meet increased service demands, local government must be able to share in the sales expenditures the expanding economy has created. Residents of a community should not have to trade higher taxes for a healthy economy. The opposite should be true: good economic development should be able to subsidize additional municipal services.

- **PLCM should request a review and amendments of the various municipal codes** to allow the payment for street lighting by assessment districts or other means. The Second Class Township Code already allows these assessments upon all entities, exempt or not.
Specific authorization for SSHE from the legislature to pay a fee may be granted upon amendment of the various codes. Currently, street lighting is provided by all municipalities visited as hosts for this report, campus interior lighting is the university's responsibility. The lighting of streets on the perimeter of a campus is also a municipal service to the university and consideration of a payment based on services provided would be useful.

- Differences in interpretation of Act 80 and the inability to create mutual aid agreements are of even greater concern if a major criminal or catastrophic event (such as a pandemic or other community/region wide emergency) should occur requiring an integrated cooperative solution. Further, PEL is of the opinion that these differences preclude the development of a rational comprehensive plan for effective use of both police forces. PEL believes that it would be in the best interest of all parties to come to a common interpretation and if necessary PLCM should seek clarifying legislation.

- Neighboring municipalities should consider police force consolidation, with universities as a participating commission member of a regional police commission. PEL has noted the pressures on local governments to provide adequate levels of police protection, both in established municipalities and in rapidly growing second-class townships. West Chester Borough contracts to provide dedicated police coverage for a neighboring township. While the provision of police protection for other municipalities may be beyond the means of other host municipalities, the creation of a regional police commission is recognized statewide as an effective means of leveraging existing departments and satisfying the growing need for rapidly developing townships. Consideration should be given to allow the University force to be a part of any regional police commission and pay a portion of the costs as long as the commission police force can provide assistance to the university without sacrificing the internal security of the campus.

- Clarification of the various interpretations of existing police legislation between municipal and university police should be undertaken and clarifying legislation enacted if necessary.

- At a minimum a mutual aid agreement should be developed between municipal and campus police delineating response protocols under the controlling legislation.

- The State system cannot ignore the experience of many of Pennsylvania's boroughs and cities: inadequate revenue streams and rising costs have resulted in reduced service levels
regardless of higher taxes. The problems of out migration from the older urban centers is now affecting urban centers that host the SSHE schools. **Municipal decline will affect the ability of the SSHE to compete for students; increased legislative funding for the SSHE to provide current assistance to the municipalities in the maintenance of valuable public services will be money well spent.**

- **PLCM should request a legislative or administrative review of the holdings of excess land by SSHE within Edinboro Borough.** As shown in the report, the amount of land held by the University is in excess of future demands and is a burden on the Borough.

- **Universities should consider how its expertise might be used through in kind services to assist municipalities in such areas as data system processing and development.**

- **Good capital and infrastructure investment and development in the areas of water and sewage capacity have historically involved both the municipalities and the SSHE.** This should be continued and enlarged where possible. Municipalities need to partner with the Universities for all types of capital activities when there are mutual benefits.

- **Universities should determine if capital contributions for items like police equipment and vehicles may be made, as is now the case for contributions for fire equipment.** Alternatively, donations for such items might be made through foundation grants, SSHE leases or other third party arrangements to benefit the municipality.

- **“Town and Gown” meetings should be encouraged and an attempt made to elevate them to address substantive issues.** A third party facilitator could arrange for regular meetings, relevant topics, and impartial information as the basis for Town and Gown meetings.

- **To the extent possible and without violating any privacy issues student resident information should be shared between the municipality and university.**

- **As some of the universities begin to house major campus components outside the host municipality, inter municipal and university planning meetings with all the municipalities should be instituted.**

- **Some of the university campuses are locked into limited physical configurations which limit their potential for expansion.** PEL has seen within its case studies an approach where a university has acquired for the most part existing non-taxable property. This approach has
the practical effect of not further reducing the existing municipal tax base and should be encouraged.

- Assuming the public’s interest and usage can be provided for, municipalities should consider the “transferring” of certain defined public areas to the university on condition that the university will maintain them.