

For Immediate Release

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PCHE Statement on City's Proposed Student Privilege Tax

Good morning and thank you for attending, I am Dr. Mary Hines.

Today I am here in two roles – one, as the President of Carlow University and two, in my role as the Chair of the Pittsburgh Council on Higher Education or PCHE.

PCHE was founded in 1966 and is a voluntary multi- purpose consortium of the ten accredited colleges and universities in Allegheny County. Through association and collaboration, the diverse membership of PCHE works to enhance the intellectual, cultural, and economic vitality of the Pittsburgh region.

Our members are:

Carlow University, Carnegie Mellon University, Chatham University, Community College of Allegheny County, Duquesne University, La Roche College, Pittsburgh Theological Seminary, Point Park University, Robert Morris University, and the University of Pittsburgh.

Joining me today are my colleagues from these schools. We choose to speak with one unified voice and all of the presidents will be available to comment on specific issues.

Yesterday, the Mayor released his budget to City Council. In it, he chose to include a Post-Secondary Education Privilege tax, which he calls a “Fair Share Tax”. In his proposal, it imposes a 1% tax on the tuition paid by the thousands of students attending universities, trade schools and colleges in the City of Pittsburgh.

PCHE believes that the tax is completely unfair to our students. PCHE will do whatever is necessary to protect our students from being the easy target the Mayor is seeking to solve the City's financial problems.

As presented, the tax will charge between \$27 and \$400 per student for the privilege of studying at his or her school. These students attend school approximately eight months per year. Now, compare this to the \$52 Local Services Tax per year that professionals living outside the City and

working in the City pay, even though they may be earning anywhere from \$4,000 to \$4 million over twelve months of employment.

Our student bodies are diverse. Many of our students are adults working and living in the area and are required to pay all of the taxes imposed by the City, which include the Wage Tax, the Local Services Tax, the Regional Asset District Tax, Amusement Tax, Parking Tax, and Real Estate Tax for those residing in the City.

We know already that all of our schools do pay a significant amount of taxes to the City of Pittsburgh. The only tax that we are exempt from paying, by State law, is the Real Estate Tax. However, for those properties not used in direct support of our mission for the last fiscal year the tax amounted to \$2.6 million.

Education plays a major role in the vibrancy and marketability of this region. As anchors in our neighborhoods we act as economic generators to promote places where others want to live, work, play and invest, thus bringing with it more revenues for the City. The Mayor's proposal weakens the City's credibility as a progressive City and will hinder both community and economic development.

History shows that members of the area's schools of higher education have been and continue to be key collaborators on many positive private and public initiatives.

It is deeply troubling that this same collaborative spirit has not been offered to the PCHE members by the Mayor as he assembled his strategy for this year's City budget and beyond.

We welcome an opportunity to be a part of a vigorous discussion with the Mayor on how PCHE's members can assist in helping the City find solutions to the serious challenges facing the City.

However, we respectfully and vigorously disagree with the Mayor that the solution to years of financial woes for the City should be found on the backs of students bettering themselves and in many cases the regional workforce that will help keep the city of Pittsburgh and the region competitive in an ever challenging national and international marketplace.

In conclusion, the Mayor's proposal is contrary to well established law in Pennsylvania and the United States. This tax is illegal and unenforceable. It is an extraordinary and ill-advised disincentive to attract potential students to our universities. While Pittsburgh enjoys being first in many endeavors, we do not want to be first in the nation in this ill conceived proposal of taxing the tuition of college students.