

THOMAS A. TANGRETTI, MEMBER

105 STATION PLACE
101 EHALT STREET
GREENSBURG, PENNSYLVANIA 15601
PHONE: (724) 834-6400
FAX: (724) 834-6799

328 IRVIS OFFICE BUILDING
P.O. BOX 202057

HARRISBURG, PENNSYLVANIA 17120-2057
PHONE: (717) 783-5963
FAX: (717) 772-9986



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

TOURISM & RECREATIONAL
DEVELOPMENT, CHAIRMAN
LOCAL GOVERNMENT COMMISSION

Memorandum

To: All Members of the House of Representatives

From: Representative Tom Tangretti *Tom*

Date: April 23, 2007

Re: Co-sponsorship of legislation to create Independent Higher Education and Community Financing program for capital projects

I am asking you to join me in cosponsoring the attached legislation which would establish a state program to support capital funding for independent higher education institutions. Many of you cosponsored similar legislation (HB 616) last session, which passed the House of Representatives. This bill provides for a program that would pay great dividends for Pennsylvania since our private higher education sector educates so many Pennsylvanians and stimulates local economies around the state. This plan would help private colleges and universities obtain the final dollars needed to complete fundraising for capital projects. Bond financing would be used to improve and expand campus infrastructure that has an economic impact on the community.

The program would issue \$250 million in bonds over five years. This plan would require the Commonwealth to pay one-half of the debt service annually while the school paid one-half of the debt service, until the debt is retired. A \$2 million line item in the General Fund Act will be required in year one of this program. The maximum cost for the state in any given year is estimated at \$9 million for debt service. Only projects of \$5 million or less could be included under this bond issue. Private colleges and universities are doing much for community revitalization and are asking for little in return, and we need to make a commitment to help these institutions. Other states, such as New York, New Jersey, and Maryland, have recognized the public good served by their private higher education sector and have supported the capital needs of their private colleges and universities. With 94 independent higher education institutions in Pennsylvania, we need to find ways to encourage economic development activities by these institutions. Please support the proposed Independent Higher Education and Community Financing program. Thanks for your support.

If you wish to cosponsor this initiative, please contact Sharon Snell in my office by calling 783-1023 or via e-mail at ssnell@pahouse.net.