

PENN'S NEW TRUSTEE CHAIR, SCOTT L. BOK, FACES CALLS TO MAKE PAYMENTS IN LIEU OF TAXES TO PUBLIC SCHOOLS

Faculty and Staff Urge New University Leadership to Take Action This Week

PHILADELPHIA, PA—As the University of Pennsylvania brings in new leadership, Penn faculty and staff are calling on the new chair of the <u>Board of Trustees</u>, <u>Scott L. Bok</u>, to change the university's position on PILOTs—that is, to make payments in lieu of taxes to the public schools. On March 2, **208 Penn faculty and staff members** delivered a letter to Bok urging him to turn over a new leaf and ensure that Penn finally pays its fair share for public education.

Bok became chair of Penn's Board of Trustees in <u>July 2021</u>, replacing **David L. Cohen**, <u>a staunch</u> <u>opponent of PILOTs</u>. To date, Bok has not taken a clear position on PILOTs, and faculty and staff hope that he will revisit an issue that has dogged the university for years.

"As Penn's leadership turns over, the Board of Trustees has an opportunity to change course and fulfill its civic responsibility," explained **Amy C. Offner**, Associate Professor of History. "Scott Bok and incoming president Elizabeth Magill have inherited a problem. They can also solve that problem."

The letter was organized by <u>Penn for PILOTs</u>, an organization of <u>over 1,100 Penn faculty and</u> <u>staff members</u>. The group has <u>mobilized for nearly two years</u> alongside Penn <u>students</u> and <u>alumni</u>, <u>members</u> of the <u>City Council</u>, <u>community organizations</u>, and public school <u>students</u>, <u>teachers</u>, <u>and staff</u>. Cumulatively, their efforts have begun to move the university. In November 2020, Penn announced a <u>gift to the public schools</u> of \$100 million paid over ten years.

"We consider Penn's announced gift of \$100 million over 10 years a positive first step toward fulfilling its responsibility, and only a first step," reads the faculty and staff letter to Bok. "Together with more than 1,000 of our colleagues, we have called on Penn to pay 40% of what it would owe in property taxes every year on a permanent basis." Penn for PILOTs estimates that a full PILOT payment would be roughly \$40 million per year—four times what Penn has pledged. Over time, Penn's promised donation of \$10 million will represent an even smaller fraction of what the university would owe in taxes, as the real value of \$10 million falls year by year, and as Penn's property values rise.

"Public schools depend on property taxes, and Penn is the largest private property owner in Philadelphia," explains **Ann Farnsworth-Alvear**, Associate Professor of History. "With an endowment of \$20.5 billion, Penn can easily afford to pay 40% of what it would owe in property taxes."

The letter arrives on the eve of the <u>Board of Trustees meeting on March 3 and 4</u>, which is open to the public. Faculty and staff hope that the Trustees will reopen the issue and act swiftly. "Penn can increase its annual payment to the schools from \$10 million to \$40 million this spring," says **Jolyon Thomas**, Associate Professor of Religious Studies. "The city budget process begins at the end of March, and our university can cooperate with the city government to make a full PILOT payment part of the budget."

The letter to Bok forms part of a wave of PILOTs mobilization this spring. As the Trustees meet on March 3, the <u>Graduate School of Education's HEARD program</u> and the <u>Penn chapter of the</u> <u>American Association of University Professors</u> will hold a teach-in, <u>"What Penn Owes</u> <u>Philadelphia,"</u> which will include a discussion of PILOTs. Independently, Penn undergraduates have organized a <u>campaign to email the Board of Trustees</u> in support of PILOTs this week.

About Penn for PILOTs

Penn for PILOTs is an organization of over 1,100 faculty and staff at the University of Pennsylvania formed in July 2020 on the belief that Penn, the largest private property owner in Philadelphia, has a responsibility to ensure adequate funding for the Philadelphia public schools. Visit our <u>website</u> to read our <u>statement and list of signatories</u>, read our <u>FAQ</u>, and find recent <u>press coverage</u>.

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