



January 31, 2025

The Honorable John Thune
Majority Leader, U.S. Senate
Russell Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader, U.S. Senate
Senate Office Building
Washington, DC 20510

The Honorable Mike Johnson
Speaker, U.S. House of Representatives
568 Cannon House Office Building
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader, U.S. House of Representatives
2433 Rayburn House Office Building
Washington, DC 20515

RE: National Association of College and University Business Officers (NACUBO) Priorities for the 119th Congress

Dear Majority Leader Thune, Minority Leader Schumer, Speaker Johnson, and Minority Leader Jeffries:

On behalf of the National Association of College and University Business Officers (NACUBO), I congratulate you on the commencement of the 119th Congress. As you embark on shaping the legislative agenda for this Congress, we urge you to prioritize higher education policies that support students and families and recognize the critical role of colleges and universities in society.

NACUBO, founded in 1962, is a nonprofit professional organization representing chief administrative and financial officers at more than 1,700 colleges and universities across the country. NACUBO works to advance the economic vitality, business practices, and support of higher education institutions in pursuit of their missions.

The most visible component of higher education institutions' missions is instructing students seeking to advance their knowledge and pursue career goals. In addition, colleges and universities' missions include research to advance discovery and achievements in medicine, industry, technology, and economic development—all contributing to our nation's competitiveness, security, and a strong economy. Higher education institutions also provide a wide variety of public services as part of their missions. They are among the largest employers in their regions and serve their communities in many ways, from offering shelter and meals during emergencies and disasters to providing volunteer assistant teachers to public schools or Wi-Fi to local residents.

We would like to emphasize the following policy priorities for the 119th Congress:

- **Protect Tax-Exempt Status:** Tax-exemption recognizes the value to society of organizations that operate to serve societal needs and deliver benefits without generating profits for shareholders' individual private gain. Exemption also enables nonprofit resources to be invested directly into the charitable mission. In many cases, exempt organizations provide community services that assist or relieve burdens on local government agencies. The tax-exempt status of colleges and universities is essential for fulfilling their educational, research, and public service missions. Proposals to expand the excise tax on endowments, eliminate tax-exempt bonds, or curtail charitable deductions diminish the inherent value in tax exemption and would impose significant financial burdens on institutions and students alike, undermining affordability and access. We strongly urge Congress to uphold tax policies that support these missions and provide resources for scholarships, student services, and vital community programs.
- **Ensure College Affordability by Investing in Students and Families:** Simplified and robust tax incentives are critical tools for helping students and families access higher education.
 - We encourage Congress to protect and enhance the Lifetime Learning Credit and the American Opportunity Tax Credit, which help a wide range of students, including nontraditional and low- and middle-income students, pursue their education goals.
 - In addition, restoring the universal charitable deduction and expanding Section 127 employer-provided tuition assistance will ensure continued private investment in higher education and workforce development.
 - Proposals to eliminate the exclusion of scholarships and fellowships from taxable income, repeal student loan interest deductions, or modify Pell Grants must be carefully weighed to ensure they do not disadvantage students or limit their educational opportunities.
- **Revisit the 2017 Tax Cuts and Jobs Act:** The enactment of the 2017 Tax Cuts and Jobs Act created significant financial challenges for higher education institutions, especially the excise tax on private college and university endowments and the repeal of advance refunding bonds. These measures have reduced institutional resources for student aid, research, and infrastructure investments. We urge Congress to reconsider these provisions to better support students and institutions.

At a time when higher education faces mounting pressures, we were disheartened to see that a list of options compiled by the House Budget Committee includes several provisions that negatively impact each of these priority areas and, if adopted, would dramatically impact students and undermine institutions' ability to serve students and deliver on their missions.

We are very proud of the investments colleges have made in their students and we hope the federal government will continue to amplify those efforts with their own. Notably, as of 2023-24, grant aid *provided directly from institutions* constitutes over half (52%) of all undergraduate grant aid, a trend that

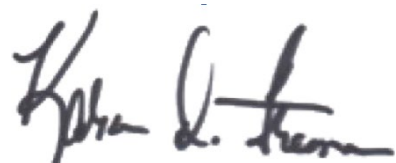


began in 2020-21, as reported by the College Board in its annual study, [Trends in College Pricing and Student Aid 2024](#). Those resources would not be available without charitable giving, endowments, and other strategic financing tools and policies. The same report also shows that as grant aid per undergraduate has risen, loans per undergraduate have declined.

Now is not the time to lose ground on federal investments in higher education. We strongly urge Congress to focus on support for policies that uplift students and support institutions and our nation's economy. We urge you to champion policies that reduce regulatory burdens, preserve federal financial aid programs, invest in innovation, and address workforce development.

We are grateful for your leadership on these important issues and welcome the opportunity to work with you in support of these goals. Please do not hesitate to reach out to us for additional information or assistance. Please contact Ashley Jackson, director of government affairs at NACUBO at ajackson@nacubo.org, or Mary Bachinger, director of tax policy at NACUBO, at mbachinger@nacubo.org.

With sincere appreciation,



Kara D. Freeman
President and Chief Executive Officer

cc: House Committee on Ways and Means
Senate Committee on Finance
House Committee on Education and Workforce
Senate Committee on Health, Education, Labor and Pensions
House Committee on Budget
Senate Committee on Budget

