



2018 Legislative Agenda: United States

As the professional association serving educational advancement, CASE advocates for a positive climate for the advancement profession in general and philanthropy in particular by working proactively with local and national governments. CASE will work with U.S. federal and state policymakers on the following issues in 2018.

PRIORITY

- **Support Proposals That Encourage Charitable Giving, such as the Universal Charitable Deduction, and that Preserve the Value and Scope of the Current Charitable Deduction**
Charitable donations help colleges, universities, and independent schools achieve their teaching, research and public service missions. As federal and state governments continue to cut funding for education, raising private support from individuals has become even more crucial for educational institutions. U.S. tax policy should encourage all Americans, regardless of income, to make charitable gifts.

As Congress considers changes to the tax code, CASE will urge lawmakers to enact a universal, or above-the-line, charitable deduction. Currently, the charitable deduction is only available to the roughly 30 percent of U.S. taxpayers who itemize their tax returns. If lawmakers enact the tax proposals being discussed on Capitol Hill—all of which include doubling the standard deduction threshold—only 5 percent of U.S. taxpayers would be able to deduct their charitable gifts. The result, according to a study commissioned by Independent Sector and conducted by the Indiana University Lilly Family School of Philanthropy, would be a \$13.1 billion decline in charitable giving.

A universal charitable deduction, which would provide a charitable giving incentive to everyone by allowing taxpayers to subtract charitable gifts from their income before they determine whether to take the standard deduction or itemize their tax returns. The inclusion of a universal charitable deduction in tax reform, according to the Independent Sector study, would result in a \$4.8 billion increase in charitable giving.

While CASE supports proposals that remove current limitations to giving, CASE opposes efforts to further limit the value of the charitable deduction through caps, floor or other means. Further limitations would reduce the incentive to give to education and would fundamentally change a tax structure that has contributed to a cherished tradition of charitable giving unmatched in the world. CASE will urge federal and state lawmakers to preserve the full value and scope of the charitable deduction.

- **Allow Educational Institutions to Determine Appropriate Endowment Payout Rate and Oppose Taxes on Endowed Assets**
Endowments provide critical long-term support for colleges, universities and independent schools. In managing their endowments, institutions must balance the competing demands of funding current operations and preserving purchasing power to fund future operations. To achieve this goal, educational institutions must have the flexibility to determine an appropriate endowment payout rate to ensure that their endowments will continue to provide long-term support for their institutions. Imposing a mandatory endowment payout requirement at the federal or state level

would eliminate this flexibility to the detriment of the institution and its mission. Additionally, subjecting endowment assets to taxes simply diverts funds away from their original charitable purpose and makes it more difficult for endowment managers to preserve purchasing power in perpetuity. CASE will oppose efforts to legislate endowment payout rates and impose taxes on endowments.

- **Support the Preservation of the Estate Tax**

The federal estate tax encourages wealthy individuals to donate portions of their estate to educational institutions. Currently, the first \$5 million of an individual's estate (\$10 million for households) is exempt from taxation with the remainder subject to a 40 percent tax. CASE will continue to urge lawmakers to preserve the estate tax.

- **Support Policies that Allow Individuals to Seek Educational Opportunity in the United States, including the continuation of the Deferred Action for Childhood Arrivals (DACA) Program**

Education has a vital role to play in ending the political and cultural animosity that pervades our world today. As a global association committed to advancing education worldwide, CASE supports policies that allow and encourage individuals to seek life-changing educational opportunities in the United States regardless of their or their parents' country of origin.

CASE strongly supports the continuation of the Deferred Action for Early Childhood Arrivals (DACA) program, a program that allows undocumented immigrants who were brought to the United States as children to legally reside in the U.S. Roughly 45 percent of current DACA recipients are enrolled in school or college. CASE will work with our education sector partners to urge Congress to pass legislation as soon as possible that will include all the protections currently provided under DACA and allow these individuals to continue contributing to our society and economy by working, serving in the military or attending college.

- **Support Policies that Enhance Campus Safety**

Colleges and universities strive to ensure a safe environment for students, faculty and staff. As Congress considers legislation on campus sexual assault and the U.S. Department of Education considers changes to Title IX regulations, CASE will work with our higher education association partners to make sure that any legislative or regulatory changes achieve this goal.

- **Support and Monitor Reauthorization of the Higher Education Act**

The Higher Education Act, which expired in 2013, covers federal student aid and various programs aimed at supporting student access and affordability. As Congress continues its work towards reauthorizing the HEA, CASE will monitor potential HEA proposals affecting educational advancement and will work to shape and actively support the higher education association community's response to HEA reauthorization legislation.

- **Expand the IRA Charitable Rollover**

With the IRA charitable rollover now a permanent part of the tax code, CASE will urge lawmakers to expand this important charitable giving incentive by lifting the \$100,000 cap on annual distributions and allowing for life-income gifts from donors.

- **Support Policies that Encourage Gifts of Appreciated Property**

Gifts of appreciated property, such as stock and real estate, are an important source of private support for educational institutions. Concerned about donors overvaluing these gifts for tax purposes, some lawmakers and economists have suggested limiting the deduction for gifts of

appreciated property to the donor's basis in the property (i.e. what the donor originally paid for the property). While potentially addressing overvaluation, such a limit would lead to a significant decline in gifts of appreciated property. CASE supports policies that balance the need to ensure that property gifts are valued properly with the need to continue encouraging donors to contribute gifts of property.

- **Encourage States to Exempt Educational Institutions, Institutionally Related Foundations and Alumni Associations from their Charitable Solicitation Registration and Reporting Requirements**

Most states require charitable organizations that fundraise in their states to register and file annual reports with the state charity office, typically located in the office of attorneys general. The purpose of these requirements is to protect the public from fraudulent charities and fundraising scams. Recognizing that educational institutions and their affiliated organizations (institutionally related foundations, alumni associations, etc.) are highly visible organizations accountable to multiple stakeholders (governing boards, faculty, students, parents, alumni and community leaders) and state and federal agencies, many states have exempted educational institutions and their affiliated organizations from charitable solicitation registration and reporting requirements. CASE will work to encourage additional states to exempt educational institutions and their affiliated organizations from these burdensome requirements.

ISSUES WE MONITOR

- **Data and Information Security**

Secure data and information systems are essential for educational institutions. CASE will monitor federal and state legislation related to cybersecurity and data privacy to ensure that goals are achieved while minimizing negative impacts on advancement offices.

- **Federal and State Scrutiny of Alumni Association Affinity Programs**

Many college and university alumni associations offer affinity programs on items such as credit cards, insurance, and travel. Affinity programs benefit graduates, associations and institutions by generating resources that otherwise would not be available to serve alumni and sometimes students. CASE will work to increase understanding among federal and state lawmakers about the benefits affinity programs and will work to ensure that legislative and regulatory actions do not unnecessarily and unduly restrict affinity programs.