



2023 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 2023.

RACIAL JUSTICE

CASE recognizes that systemic discrimination has long limited opportunities for individuals from diverse backgrounds. In the aftermath of the tragic murder of George Floyd and other incidents of racial violence in the US, CASE takes a firm stance on the side of supporting and advocating for racial justice. CASE will support policies that affirm and promote diversity, equity, inclusion and belonging at educational institutions. Likewise, CASE will strongly oppose legislative and regulatory proposals that are hostile to combating racism and discrimination in education.

CHARITABLE GIVING

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.

- **Support extension and expansion of the universal, above-the-line charitable deduction**
The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted in March 2020, included a temporary \$300 above-the-line charitable deduction for non-itemizing taxpayers. In Dec. 2021, an extension and expansion of this temporary provision (non-itemizing joint filers can deduct up to \$600) was enacted. The provision expired on Dec. 31, 2021.

CASE supports the renewal, expansion, and permanent extension of the universal, above-the-line deduction, including the removal of the \$300/\$600 cap. Renewing and expanding the universal charitable deduction would incentivize all taxpayers to give more to schools, colleges, and universities regardless of their status as itemizers or non-itemizers.

- **Oppose efforts to limit the value of the charitable deduction**
CASE will oppose efforts to further limit the value of the charitable deduction through caps, floor or other means. Additional 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.
- **Support expansion of the IRA charitable rollover**
Currently, taxpayers age 70 ½ or older can direct up to \$100,000 annually from their individual retirement accounts (IRAs) to independent schools without tax consequence. CASE will continue to support legislation that expands this important incentive by allowing individuals age 65 or over to direct up to \$400,000 annually from their individual retirement accounts to split-interest entities benefiting educational institutions.

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 and expand a federal estate tax.

ENDOWMENTS

Endowments provide critical long-term support for colleges, universities, and independent schools. Donors make endowed gifts to support scholarships, research, faculty, academic programs, facilities, and other purposes aligned with the mission of educational institutions.

- **Support repeal of the endowment excise tax**

The Tax Cuts and Jobs Acts, enacted in 2017, requires certain private colleges and universities to a 1.4 percent excise tax on their net investment income. This tax penalizes donor generosity by taxing the endowed charitable gifts of donors, redirecting critical funds away from supporting the important work of educational institutions. CASE will continue to support legislation repealing this misguided tax and will oppose any new federal or state taxes on endowments.

- **Oppose mandatory payout requirements**

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. CASE will oppose federal or state efforts to limit this institutional flexibility.

GLOBAL MOVEMENT

- **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.

REAUTHORIZATION OF 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.

- **Preserve the Public Service Loan Forgiveness Program**

After graduation, many alumni seek careers serving others in the government or nonprofit sectors. The Public Service Loan Forgiveness Program (PSLF) seeks to assist these individuals by forgiving the remaining student loan balance of alumni who make 120 qualifying monthly payments under a qualifying repayment plan while working full-time for the government or a nonprofit organization. CASE will urge lawmakers to preserve this important program.

- **Foreign Gifts**

Section 117 of Higher Education Act requires U.S. colleges and universities to report foreign gifts and contracts with a value of \$250,000 or more. While the requirement was enacted over thirty years ago, the US Department of Education has never issued formal guidance or regulations clarifying how institutions can comply with the requirement.

While CASE strongly supports transparency around the relationships that colleges and universities have with foreign governments, individuals and entities, it is critical that any federal reporting or other requirements do not discourage anyone who wants to make a difference from making legitimate charitable gifts to educational institutions. CASE will oppose legislative and regulatory changes that unreasonably expand the scope of the Section 117 reporting requirements and/or place an undue administrative burden on institutions.

- **Title III**

Title III of Higher Education Act provides critical funding for Minority Serving Institutions to strengthen their academic, administrative, and fiscal capabilities, and support capital financing for campus maintenance, construction, and funding for STEM education. Title III funding can also be used to establish endowments. CASE strongly supports reauthorization and increased funding for these programs.

- **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.

- **Administrative Burden**

When reauthorizing the Higher Education Act, Congress typically seeks to add new reporting requirements for colleges and universities. CASE will oppose new requirements that impose an undue burden on institutions, such as restrictions and reporting requirements related to the use of federal funds for recruiting and marketing purposes.

STATE CHARITABLE SOLICITATION

- **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 (college and university 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.

DATA AND INFORMATION SECURITY

- Secure data and information systems are essential for educational institutions and advancement offices. As Congress and state legislatures consider data privacy and security legislation, CASE will support policies that balance data privacy and protection with the need for educational institutions to engage in responsible outreach to alumni, donors, and other key stakeholders.