



SYRACUSE UNIVERSITY
CHANCELLOR AND PRESIDENT

November 20, 2017

Honorable John Katko
440 South Warren St., #711
Syracuse, NY 13202

Dear Congressman Katko:

As H.R. 1 (the "Bill") moves to conference, I am writing to share Syracuse University's concerns related to provisions of the Bill that may eliminate essential support for higher education. Most concerning, the Bill includes provisions that:

- 1) Reduce tuition tax credits and eliminate tax deductions available to offset the cost of higher-education for students;
- 2) Make employer-provided tuition payments taxable income;
- 3) Repeal the Student Loan Interest Deduction (SLID).

The Bill also introduces a tax on endowment income for select institutions, and undercuts the ability of athletic programs to generate revenue to support investments in infrastructure, scholarships, and student programs. These provisions may harm current and future students, and undermine the financial stability of our nation's public and private colleges and universities. To frame Syracuse University's concerns in the context of our students, employees, and the institution, I'd like to offer the following observations:

- **Our Students:** Syracuse University counts more than 21,000 students, 60% of whom depend, at least in part, on student loans to meet the cost of attendance. Of those students, a great many depend on the Student Loan Interest Deduction as a means to balance the expenses of daily living with attending Syracuse University. Put differently, eliminating the interest deduction could make the cost of attending Syracuse University out of reach for many students and families. At Syracuse University, the hardest hit would be our most vulnerable – our first-generation students, and students from economically disadvantaged communities.

Syracuse University is equally concerned about the provision contained in the Bill that makes tuition waivers and tuition exemptions taxable income for graduate students. Syracuse University currently counts 875 graduates who receive tuition waivers, which would now be taxable as income. For these students, given the disparity between the income they receive and the size of the tuition benefit that would now be taxed, it is our fear that many of these graduate students – 60% working in the critical fields of science, technology, engineering and math – will be forced out of higher-education entirely as a result of the increased tax burden.

- **Our Employees:** Syracuse University employs more than 6,000 Central New Yorkers, and one of the most impactful benefits afforded our workforce is a dependent tuition remission program – the benefits of which are currently not considered taxable income. Over the past 5 years, more than 2,000 Central New York families and their 3,500 dependent children have taken advantage of this benefit as a means to attend Syracuse University. However, the Bill would add the value of this benefit to the recipient’s taxable income. For those Syracuse University employees taking advantage of this benefit [and for those planning to do so in the future] the implications will be profound. This is even more true for Syracuse University employees who earn a modest income.
- **Athletics:** While the ability to deduct premium seating as a charitable contribution has not been without its critics, the fact remains that funds generated by such payments play a significant role with regard to supporting investments in athletic infrastructure, scholarships, and student programs. Those investments, in turn, support an athletics enterprise at Syracuse University responsible for more than 3,249 local jobs and more than \$140M in annual contribution to the local economy. Eliminating the deduction for premium seating – particularly given that the Bill also imposes a tax on licensing and trademark revenue generated by the Syracuse Athletics brand – will significantly and negatively impact the ability of Syracuse University Athletics to fuel economic growth across Central New York. These concerns are heightened when considered in the context of the planned renovations to the Carrier Dome. The ability to generate premium seating sales is a foundational assumption of the economic model that supports a bold Carrier Dome renovation.

In conclusion, we’d like to thank you for your continued support of Syracuse University. We ask that as you continue to debate and discuss these important issues with your colleagues, please consider the consequences of the Bill for those Central New York residents pursuing postsecondary education, and on the financial stability of public and private colleges and universities.

We would be happy to discuss any of the above-cited concerns with you in more detail at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Kent Syverud". The signature is written in black ink and is positioned above the typed name and title.

Kent Syverud
Chancellor & President
Syracuse University