The Honorable Thom Tillis  
US Senate  
185 Dirksen Senate office Building  
Washington, DC 20510  

Dear Senator Tillis:

I hope that Susan and you have a wonderful Thanksgiving holiday and enjoy time with your new granddaughter. The next several weeks are sure to be eventful for the US Congress as you tackle tax reform and at UNC Charlotte as we prepare for our commencement ceremonies with more than 3,500 students heading into the workforce.

I congratulate you and your colleagues for tackling tax reform. It is long overdue, a massive undertaking with many competing priorities, and not for the faint of heart. By now you have heard from many colleges and universities about the challenges that the Senate and House bills create for students and University research programs. Given your past advocacy and support for higher education, I don’t need to recite the many positive individual and societal benefits that result from a healthy system of post-secondary education.

While there are a number of issues of concern, I wanted to focus on the provisions of the tax reform package of most concern to UNC Charlotte. As a relatively young university by higher education standards, UNC Charlotte is particularly concerned with these three issues.

**Tax-free graduate education tuition assistance:** With a fast growing research program which topped $50 million in external funding for the first time last year, this benefit is particularly important to our graduate students and the growth of our graduate programs. Two decades ago, the Charlotte region’s business community led the effort to add doctoral status to UNC Charlotte’s mission. We have grown to twenty-three doctoral programs driven by the industry clusters of most importance to the economic development of the greater Charlotte region. It has been a great success by any measure. We hope that the Senate’s position will carry the day on this issue.
Itemizing charitable deductions: Last year, we launched the public phase of the largest private fundraising campaign in our history: “Exponential: The Campaign for UNC Charlotte” seeks to raise $200 million for, among other things, a significant increase in support for need-based financial aid for students. Increasing the number of alumni giving to the university is a top priority of the campaign. While we have achieved great success thus far, we fear that losing the charitable tax deduction may deter some from beginning a legacy of giving. We would welcome your thoughts on a solution that would including providing a universal charitable deduction regardless of whether an individual itemizes.

Athletics Directors of many campuses have raised concerns about eliminating the 80% tax deduction for seat licenses and privileges. These donations fund scholarships for student-athletes. For many of these students, an athletic scholarship is the road out of poverty into self-sufficiency. With a growing NCAA Division I program, this change will greatly thwart our ability to offer these scholarships.

Refinancing of Bonds: Finally, an effective financing tool for UNC Charlotte and many campuses is advance refinancing (refunding) of bonds. We are in the process of a transaction that would result in a $7 million savings over the life of the bonds, allowing us to redeploy these savings for critical repair and renovations and other capital projects. Absent these tools, these costs are passed along to students in higher fees.

We thought it would be helpful to you and your staff to know how the bill potentially impacts the fastest-growing campus in the UNC system and the economic engine of the Charlotte region. We are working alongside President Spellings and her team, as well as the national higher education associations to craft alternatives to some of these problematic issues while still passing tax reform. Betty Doster, my special assistant for constituent relations, will follow-up with your staff on these issues. My deep thanks for your support of higher education and best wishes for a great holiday season.

Cordially,

Philip L. Dubois
Chancellor

CC:  Ted Lehman, Chief of Staff, Office of Senator Thom Tillis
      Jordan Shaw, District Director, Office of Senator Thom Tillis
      Margaret Spellings, President, University of North Carolina
Kevin Howell, Senior Vice President, University of North Carolina
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