



November 21, 2017

The Honorable Amy Klobuchar
United States Senate
302 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Klobuchar,

I reach out to you today to express our grave concerns about the potential impact of the Senate tax bill. The bill has significant implications for the ability of the College of Saint Benedict to serve our students and achieve the public purposes defined in our mission. The legislation as currently proposed would cause significant damage to provisions of the federal tax code important to the vitality of the College of Saint Benedict and, more generally, private non-profit higher education. Fully implemented, those changes would damage our students' educational experience.

We appreciate the Senate proposal's protection of key provisions of the tax code that help students and families pay for college, like the American Opportunity Tax Credit, the Lifetime Learning credit, Employer Paid Tuition Assistance, and Tuition Remission Benefits for children of employees. Each of those provisions of the current tax code were eliminated or significantly altered in the House tax proposal. However, the Senate tax bill includes two key changes important to our continued vitality both now and in the future:


- **The elimination of tax-exempt refinancing of debt via Private Activity Bonds critically damages our ability to support our mission and cost-effectively invest in our infrastructure and our future.** Over many years, the College of Saint Benedict and every other private not-for-profit college in the state has used tax-exempt refinancing to substantially reduce our capital and debt costs. The change included in the Senate tax bill would significantly raise costs for us and by extension for our students and their families. Those bonds, provided to us by the Minnesota Higher Education Facilities Authority, help underwrite the cost of improvements to academic buildings, residential buildings, and other facilities that shape the student experience here. We most recently used those bonds to make significant additions and improvements to academic, administrative, and athletic facilities, projects that collectively will benefit generations of students to come. More broadly, the nearly \$2.9 billion in bonds issued by the Minnesota Higher Education Facilities Authority since 1971 for capital projects at private colleges have supported tens of thousands of jobs in the state.

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- **The addition of a new and punitive tax on private college and university endowments represents a change targeted exclusively at just one sector of higher education.** While the College of Saint Benedict would not be impacted by the new tax today, it could certainly affect us in the future. We use our endowment exclusively for educational purposes. It provides a key source of funding for scholarships and grants for our students, particularly our lowest income students. We know that we need to grow it significantly in the coming years. Unlike any other income source, endowment represents an investment in our future. All other revenue sources support only current operations. None of them is guaranteed. The endowment tax would materially harm our ability to invest in future generations of highly-skilled, taxpaying women.

We cannot endorse tax policy changes that would effectively raise the price of college for young people and diminish our ability to provide a high quality college experience at a time our nation needs them and us more than ever. Passage of the Senate proposal would substantially increase our borrowing costs, raising costs for our students and damage our ability to achieve our mission and serve future generations of young women. As president of an institution that has long and admirably served Minnesota, I urge you to reject the provisions of the tax proposal that will harm non-profit colleges and the students we serve.

Sincerely,


Mary Dana Hinton, Ph.D.
President
College of Saint Benedict