



OFFICE OF THE PRESIDENT

Office of State Governmental Relations  
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Kieran Flaherty, Associate Vice President and Director

September 1, 2017

The Honorable Ricardo Lara  
Chair, Senate Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

**Re: AB 461 (Muratsuchi), as amended May 26, 2017**  
**Scheduled for hearing in the Senate Appropriations Committee on September 1, 2017**  
**Position: SUPPORT**

Dear Chair Lara:

The University of California (UC) is pleased to support your measure AB 461, which would exempt from state income tax the amount of student loan debt that is cancelled under two federal income-contingent repayment plans for public service employees: Revised Pay As You Earn Repayment plan (REPAYE) and Pay As You Earn Repayment Plan (PAYE).

UC is working diligently to address legitimate concerns regarding the rising cost of education. UC undergraduate students graduate with less debt than students in other public 4-year institutions. Forty-seven percent of UC undergraduates graduated with no debt at all. This is largely due to our financial aid program which is one of the strongest in the country and the primary way that we ensure that financial considerations, including debt, are not a barrier to access. In fact, we enroll a greater proportion and number of low income and first-generation college students than any other top-tier research university in the country.

For this reason we support AB 461 because it will help ensure students will not incur a state tax liability once their loans are forgiven under these federal programs.

On behalf of the University, we would like to thank Assemblymember Muratsuchi for his continued commitment to higher education and for your consideration of the University's views. If you have any questions about our support position on your bill, please do not hesitate to contact me at (916) 445-9924.

Sincerely,

A handwritten signature in blue ink that reads "Kieran Flaherty".

Kieran Flaherty  
Associate Vice President & Director

cc: Assembly Member Al Muratsuchi  
Vice Chair and Members, Senate Appropriations Committee  
President Janet Napolitano  
Executive Vice President and CFO Nathan Brostrom