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**SENATE FLOOR ALERT**  
**AB 461 (Muratsuchi) – Senate Third Reading - File #276**

September 11, 2017

**TO:** Members of the California State Senate

**Re:** *AB 461 (Muratsuchi), as amended May 26, 2017*  
**Position:** *SUPPORT*

The University of California (UC) is pleased to support AB 461 (Muratsuchi), 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.

**UC urges an "AYE" vote on AB 461 (Muratsuchi)**