

James R. Johnsen, Ed.D.  
President

Butrovich Bldg, Ste. 202, 2025 Yukon Drive  
P.O. Box 755000, Fairbanks, AK 99775-5000  
Phone: (907) 450-8000; Fax: (907) 450-8012  
Email: ua.president@alaska.edu  
www.alaska.edu



December 11, 2017

The Honorable Lisa Murkowski  
United States Senate  
525 Hart Senate Office Building  
Washington, DC 20510

The Honorable Don Young  
United States House of Representatives  
2314 Rayburn House Office Building  
Washington, DC 20515

Dear Senator Murkowski and Congressman Young:

Congratulations on your appointment to the Conference Committee responsible for reconciling the differences between the House and Senate versions of the Tax Cuts & Jobs Act. Alaska is fortunate to be so well represented on this historic and critically important policy negotiation.

I recognize the difficult challenge you face in trying to balance competing priorities across a broad spectrum of national tax policy. As you work with your colleagues to reach a compromise, I urge you to protect the following education tax provisions slated for elimination in the House version of this legislation. Collectively, these provisions help reduce cost and improve access to higher education for thousands of Alaskans. Eliminating them will decrease educational attainment in Alaska and impede our efforts to develop the highly-skilled workforce we need to move Alaska's economy forward.

*Retain the Student Loan Interest Deduction*

As in other states, the majority of Alaskans borrow money to help fund their education. Under existing law, individuals can deduct annually up to \$2,500 of the interest they pay on these student loans - a critical benefit for students and families of modest means. Lower and middle income Alaskans are much more likely to be deterred from seeking more education as affordability declines and long-term financing costs increase.

*Retain Employer Provided Tuition Assistance*

Current law allows employers to offer their employees up to \$5,250 annually in non-taxable tuition assistance. This assistance helps narrow the gap between the skills of Alaska's current workforce and industry needs. Alaskan businesses have a vested interest in improving access to higher education as they look to hire employees with critical analytical, communications, and problem-solving skills, particularly in the science, technology, engineering, and mathematics related (STEM) fields so critical in a knowledge economy. Without a well-trained resident workforce, these businesses will look outside Alaska to fill their best paying and highest skilled jobs.

*Retain University Employee Tuition Assistance*

Currently, the university has the ability to provide tuition waivers to its employees, their spouses, and dependents. The House proposal would place a tax on the value of this non-cash benefit. Not only has this proved to be an effective recruitment and retention tool, it provides our employees

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access to valuable professional development, improves their business skills, and enriches the educational experience for all of our students.

*Retain Graduate-Level Tuition Assistance*

The House bill eliminates a provision that allows the University to provide tuition assistance to graduate-level teaching and research assistants, taxing this non-cash benefit as income. These are the very students who help drive discovery, innovation, and scientific advancement particularly in STEM fields. UA recognizes the value of their contribution by reducing or waiving their tuition. If this non-cash benefit is taxed, graduate education may become unattainable—it will most certainly increase cost—for many of these students and Alaska loses the benefit of their contributions.

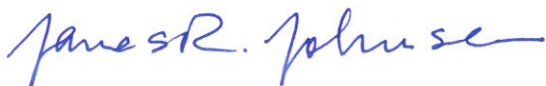
*Retain the Lifetime Learning Credit*

The House proposal eliminates the Lifetime Learning Credit (LLC), adversely impacting part-time students, graduate students, lifelong learners, and many others who for legitimate reason need longer than five years to complete their training or degree. These non-traditional students are our fastest growing student segment—indeed, Alaska ranks first in the nation in the percentage of our population in this segment—and they are critical to Alaska’s future workforce. The loss of the LLC may simply put post-secondary education out-of-reach for many working Alaskans.

I have shared with you that Alaska has one of the lowest college going rates in the nation, even though by 2025, 65 percent of all jobs in the state will require some form of post-secondary education. In today’s environment of increasing college costs and rising levels of student debt, we should be doing everything possible to help Alaskans improve their skills and become more competitive in the marketplace. Historically, each of these provisions have helped to make college possible for many Alaskans. Their elimination raises taxes on students who are trying to improve their skills and contribute to our state’s economy. By increasing educational attainment, the record is clear that we increase incomes, strengthen our economy, increase life expectancy, and reduce our high health costs, crime rates, and cost of incarceration.

I know the choices you face are difficult. However, as you work on a final compromise, I urge the conference committee to recommend to Congress the preservation of each of these important higher education provisions. They are good for our students, for Alaska, and for the nation.

Respectfully,



James R. Johnsen, President  
University of Alaska

cc: Alaska Governor Bill Walker