



February 14, 2018

The Honorable Chris Tuck
State Capitol Room 204
Juneau, AK 99801

Subject: House Bill 233, Education Tax Credit Extension

Dear Representative Tuck:

I write this letter to encourage continuation of the Education Tax Credit on behalf of the University of Alaska Foundation and as a third generation Alaskan. Education is viewed as a way to better one's situation in times of challenge and is fundamental to Alaska's status as a land of opportunity. In the Last Frontier each generation believes the next will be able to surpass its accomplishments.

The University of Alaska and the University of Alaska Foundation have received a substantial benefit as a result of the Education Tax Credit. According to the Alaska Department of Revenue, contributions of more than \$12 million have been received over the past few years alone. These numbers are significant. What's more important, though, is the benefit that accrues to the state as a result of this small reduction in tax revenue.

Companies and their employees value an Alaskan education. Each organization that donates to the University of Alaska through the tax credit becomes a part of the UA family. Employees are invited to see the tremendous impact taking place as a result of their generosity. They meet scholarship recipients and interns whose futures are brighter because of their company's contributions. In short, the companies and their employees are woven into the fabric of Alaska as they learn about the significance of their contributions. Alaska's future will be richer because companies, their employees, and their families participate in Alaska's economy.

Companies and their employees contribute. Charitable giving engenders pride in employees of corporations that choose to take advantage of the Education Tax Credit. Employees and their families take pride in the place they call home. When they see investment in the community by their companies, they and their children are more likely to stay rooted in Alaska. They contribute to the economy financially and work to build a resilient social climate that attracts more enterprises.

Companies help inform the University through their investments. The Education Tax Credit enables businesses to partner with educational institutions for research and innovation projects. They provide input through investment in scholarships and programs that address perceived future needs. Mining, Engineering, and Fisheries are examples of disciplines that have benefitted from industry interest, demonstrated through donations.

According to the Department of Revenue, for FY16 the amount of state revenue offset by the Education Tax Credit amounts to less than 2.8% of the total tax liability owed. Foregoing this very small amount of revenue encourages companies and their employees to develop long-term ties to Alaska. Their future contributions to the state economy will far outweigh the impact of the Education Tax Credit.

In short, continuation of the Education Tax Credit is a wise choice for the future of Alaska.

Sincerely,



Susan Behlke Foley
President, University of Alaska Foundation