

Name: **Carl Johnson**

District: **Senate District N**

1. The State of Alaska continues to face significant budget challenges, how will you address the State's budget and revenue issues? Please provide details.

A1: We have to cease cuts to essential services, such as infrastructure, public safety and education. We lose millions in federal matching funds for infrastructure when we undercut our DOT&PF budget. We can trim some with a close examination of Indirect Expenditures. We could also look to shifting Power Cost Equalization dollars away from subsidizing costs of rural energy to instead investing in developing renewable energy infrastructure in rural Alaska. This would have the triple benefit of reducing costs of energy in rural Alaska, reducing the need to provide the PCE subsidy, and providing jobs. This would need buy-in from rural communities. Building more renewable infrastructure in rural Alaska will also reduce State costs from government buildings to schools.

We need to manage the Permanent Fund so that it is sustainable. This means not draining down our Earnings Reserve with one payment, as some are promising a 2021 PFD equaling about \$10,000 - the "withheld" Dividends of about \$6,915 plus a full statutory PFD in 2021, estimated at around \$3,000. That would cost about \$6.6 billion, which is more than is left in the Earnings Reserve following existing obligations (only about \$5.5 billion). So, the Earnings Reserve needs to be managed so we achieve targeted rates of return, which should be around 6%. We only achieved 2% this year, and lost about \$1 billion in the Fund due to overdraw from the Earnings Reserve last year. My goal will be to grow the fund to reach about \$100 billion (currently \$66 billion including the EA). At that amount, a 4-5% POMV draw would sustainably provide both funding for essential services plus a modest Dividend. One path would be to develop infrastructure on the North Slope to deliver our 35 trillion cubic feet of stranded natural gas directly to market (without need for an 800-mile pipeline).

It will likely be necessary to develop new revenue in order to give time to help our economy recover from the pandemic-induced recession and give our Permanent Fund a chance to grow. I will be willing to consider whatever revenue sources will provide us the income we need while minimizing harm to Alaskan families and businesses.

2. In 2017, the American Society of Civil Engineers (ASCE) ranked Alaska as having a C- with respect to the condition our state's infrastructure – see following link: <https://www.infrastructurereportcard.org/state-item/alaska/> Do you support taxes and user fees, such as increased gas taxes, to help provide funding for these needs? If not, do you have another plan for maintaining our road system?

## Alaska Professional Design Council (APDC) 2020 Candidate Questionnaire

A2: The first thing we need to do is stop cutting investments in infrastructure, especially when capital expenditures have federal matching dollars. When we cut the budget in those areas, we lose money. Alaskans have contributed their tax dollars to the federal budget, so we should receive our fair share. Secondly, we need to make sure that money is being spent on projects that are needed and broadly benefit Alaskans. Finally, yes, it may be necessary to raise revenue in order to fund infrastructure that we need for our state, not only in new construction but in deferred maintenance. I will be willing to consider any options for new revenue. The time to delay taking action on revenue is past us.

3. Alaska is eligible for federal funds through the Lands and Water Conservation Fund for design and development of parks and cultural facilities. See following link:

[https://omb.alaska.gov/ombfiles/21\\_budget/DNR/Proposed/2021proj32552.pdf](https://omb.alaska.gov/ombfiles/21_budget/DNR/Proposed/2021proj32552.pdf) Do you support the state receiving these funds? If not, why?

A3: Yes, I support receiving these funds to benefit Alaskans. It was unfortunate that our inability to fill a state position and have the needed elements of a capital budget left \$4 million dollars on the table this week, lost due to our inability to take the steps necessary to preserve it. Certainly, Uncle Ted would never approve of leaving federal funds on the table if they are available to help Alaskans.

4a. The University of Alaska (UA) system has faced severe budget reductions over the past several years. Do you support current funding levels, further decreases, or efforts to reestablish funding that has been cut in recent years? If increases, where do you see that funding coming from?

A4a: We need to reestablish funding that has been cut in recent years. Education is one of the key components to opportunity and a healthy economy. It is an investment in our future. We are at the point where we have little responsible cuts remaining that can be made in the budget. It will be the obligation of the Legislature to consider new revenue sources. I will be open to discussing any new revenue options, but will consider at the bottom of the list any new revenue that places unfair burdens on Alaskan families.

4b. As a follow up, if cuts are maintained or deepened, which programs within the UA system should be prioritized over others and where does the engineering curriculum fall in the priorities list?

A4b: If cuts are maintained or deepened, then we need to prioritize programs that will help our economy recover from the current pandemic-induced recession. I would consider STEM programs a priority to maintain. Public works projects could be a key to recovering from the recession, and we need skilled workers for those projects.

4c. Architecture, landscape architecture, and interior design programs are not offered within the UA system. What are your thoughts on strengthening opportunities for Alaskans through the Western Undergraduate Exchange (WUE) program to make attaining these professional degrees more feasible so Alaskans can return home to our state to fill the need for design professionals?

A4c: I support Alaska being a part of the Western Undergraduate Exchange (WUE), and will provide whatever support is available to improve participation of our students in that program. We need to provide opportunities for Alaskan students to get the education they need in Alaska for their desired careers.

5. Several states have sought to reduce or eliminate the scope of professional licensing (Engineers, Architects, Land Surveyors, and Landscape Architect) within their states. What is your stance on Alaska's current requirements for these professions: should the state's laws remain the same or be subject to change, and if changed, would you support decreasing or increasing the projects that require professional licensure?

A5: I support a higher standard, one where consumers can know that the professionals they hire for work are fully licensed and certified. This distinguishes from others who may claim to be trained in a certain profession, but lack the requisite knowledge or experience to do the work properly. I would support more state-funded projects being handled by licensed professionals, not fewer.

6. The "Industrial Exemption", found in Alaska Statute 08.48.331(a)(10), allows certain infrastructure, systems, and structural projects to be designed without the requirement of a licensed Professional Engineer (PE) IF the project is such that the risk to human health, safety, and welfare is limited only to employees of the company doing the work and not the "general public". It has been suggested that some very significant engineering disasters in our nation's history, such as the Challenger Space Shuttle Disaster of 1986 and the Deepwater Horizon Oil Spill of 2010, may have been linked to similar "Industrial Exemptions" and might have been averted had a licensed PE been the ultimate steward of safety in those examples. Do you feel it is appropriate or inappropriate to maintain Alaska's Industrial Exemption?

A6: I do not believe it is appropriate to maintain the "Industrial Exemption."

7. State law requires that all new buildings larger than a triplex are to be designed and constructed to the latest approved edition of the International Building Code. However, engineers performing earthquake damage assessments after the November 2018 earthquake found that a large portion of buildings are not being built in conformance with the code where there is no formal enforcement. This led to more structural damage in Eagle River and the Matanuska Borough, where there is no code enforcement, compared to Anchorage, where

there is code enforcement, even though ground motions were similar. What would you do to bolster adherence to and enforcement of building codes in the vulnerable and growing population centers around Alaska that are not currently under the purview of a local code official?

A7: If there is no local code or code enforcement, there is no reason why we cannot have a statewide standard. Our local municipalities enjoy the autonomy of home rule, but in the absence of applicable standards, the state could and should fill the void. A statewide standard should take into account the unique challenges of construction and sustainability found in Alaska. I would look forward to consulting with appropriate licensed professionals in developing such a standard.

8. Do you have any plans to help reduce greenhouse gasses in order to mitigate the effects of climate change in Alaska?

A8: A first step will be to invest in renewable energy infrastructure in Alaska, which has the three-fold benefit of reducing our own emissions, creating jobs, and reducing energy costs. Federal courts have ruled that states can implement environmental laws that are stricter than related federal statutes (i.e., Clean Air Act), so Alaska should implement laws (statutes and regulations) that specifically target carbon emissions in the absence of federal leadership. For example, we could require reduction of CO<sub>2</sub> and methane emissions on the North Slope; require more energy efficient government buildings; provide a roadmap to 100% renewable electrical generations; fund research toward climate change mitigation in the University of Alaska; require replacement of government fleet gasoline-powered vehicles with electrical or hybrid vehicles. Heating would still likely need to be provided through natural gas.