

Name: **Tom Begich**

District: **Senate District J**

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: I support a tripartite approach: 1) maximize deposits to the Permanent Fund Principle. The Fund currently provides Alaska its largest single source of income. If it were to be capitalized at \$85 - \$100 billion it would, with these other two proposals, ensure a sustainable budget for decades to come; 2) restructure our oil and gas taxes to ensure Alaskans receive their fair share for our resources – this could include increase to the Oil and Gas property tax (worth as much as \$200 million), as well as add as much as \$500 - \$700 million to our budget through a reduction of the per barrel tax credit; and 3) Impose a state income tax at at-least 10% of a taxpayer's federal obligation.

I also would support a restructuring of the amount we currently pay for the Dividend. I think the Dividend should be in the Constitution, along with appropriations to support education. There are other issues as well, but I think this lays out the beginning of a feasible plan that would sustain us. I will need your help to move it forward.

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?

A2: I do. We must get a handle on our over \$2 Billion in unaddressed and deferred maintenance and on ensuring our transportation and communication infrastructure remains robust - and safe. I have proposed that we look to a short-term infusion of cash through a General Obligation Bond (GO Bond) that is specially addressed to these needs. Bond rates are low, borrowing is inexpensive, but this will not remain the case - while we have the ability to bond we should. Coupled with a GO bond is the importance of ensuring any proposed spending cap have a provision for regular capital budgets to ensure we do not fall into this whole a second time. This just makes sense.

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 Do you support the state receiving these funds? If not, why?

A3: Yes, and I am working with Senator Murkowski's office today to ensure we have both

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the political will to provide that state match (in cash and personnel), and the ability to fairly allocate these funds. These new amounts could represent as much as \$90 million in federal funds coming to Alaska over the next decade for our Parks. These funds would ensure that we could upgrade and maintain our current parks, while expanding the reach of Alaska's adventure and outdoor tourism market. This is good for both the private and public sectors. We missed an opportunity this year to secure millions because we didn't pass a capital budget and we did not fund the coordinating position in DNR. We can't let this upcoming opportunity pass us by.

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: I support increases to this budget. It comes from establishing a sensible fiscal plan and assisting in paying off years of deferred maintenance for the University (see questions 1 and 2 above). We actually funded higher operating costs for the University over the past two years, only to see the Governor veto those amounts. We had the funds in our balanced budget to do so and we must. Further, if we funded the deferred maintenance it would relieve pressure on the University's operating budget. Currently the University is forced to moved operating funds to cover the costs associated with continually deteriorating structures. A state without a strong University system, attracts few and retains fewer.

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: This is a difficult decision as it really should be decided by the University system. When the Legislature starts dictating content, we have a problem – it means the Board of Regents and the President are not leading. I believe our Board and Acting President recognize that so they have made these difficult decisions – which has included a strong emphasis on engineering, natural resources, and education, and less of an emphasis on liberal arts. I think you need both, but I am not second-guessing their decisions. It is the Legislature's and the Governor's fault for not providing the University the necessary resources to provide a well-rounded education. With a sound fiscal plan – and support for the University's efforts to bring in more private capital – we could solve this educational Sophie's Choice.

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: don't know about this, but would be supportive of any effort that, like WAMI, ensures professionals have access to quality education that isn't otherwise available here. Please share more information on this idea with my campaign and Senate office. This is intriguing.

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: Again, I won't pretend to know the answer here. I would seek your guidance. If you were seeking to change current regulations, I would want to hear the arguments for and against the changes. However, I would not support eliminating professional licensing. Those licenses protect the consumer and ensure a known standard for the profession. Are there changes that the profession is seeking here?

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: Given the examples provided, I would support eliminating this exemption, or, barring that, tightening it up. Again, I would seek your guidance on this matter.

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: They should be. I built an addition to code right before the quake with the assistance of professionals, and there was no damage while houses nearby suffered. Code enforcement is a local expense, but the drastic reductions in state revenue sharing with municipalities has brought tremendous fiscal pressure on local government ensuring that zoning laws are not enforced. Local communities vote on whether they will or will not enact zoning (ergo the patchwork of zoning zones in Mat Su), but the state law should be enforced. I would encourage adoption of zoning enforcement and work with AML and others to find ways to incentivize enforcement. This might include greater engagement from the state (though that requires financial resources – see questions 1 and 2 above) to enforce building codes, greater engagement by communities to enforce local zoning laws, and clear consequences for those who do not.

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

A8: I have also championed both increasing the public's understanding of the importance of the Permanent Fund as a clean, renewable resource for the state and as the most important income source for the state (it produces more income for Alaska than oil does now). As I said above, if we can maximize the amount in the principle of our Fund to \$80 Billion to \$120 billion in 2018 dollars, we can completely remove ourselves from needing oil. Our \$5 billion deposit into the Fund on June 30th, which I supported, is one step in that direction.

9. Is there anything you would like our organization to know about you?

A9: I believe in Alaska's future. I cannot fathom how we posture and delay the decisions we know we have to make to reach that future. Instead the argument seems to devolve around begging our population to achieve reelection by talking foolishly about how much Government costs, and how much more we have to cut it. If that's what you want, I'm not your guy. We pay virtually nothing for our state government as citizens – in fact we get money from state government and we get services. We provide the highest profit rates in the world to our oil industry, despite the fact that the Constitution says WE collectively own those resources. What is wrong with us? Government isn't a business. It's a service to all of us. It keeps our infrastructure intact, supports the education of youth, protects our public safety. None of these led to an "ROI" or some kind of cash profit. These things cost money. Having a meaningful quality of life is the business of government. This allows our private economy to flourish. Every day I am in office I will fight for that vision. That's what I want you to know about me.