

**From:** [Ronald Johnson](#)  
**To:** [Senate Finance Committee](#)  
**Subject:** sb 139  
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My testimony re the operating budget.

- 1) We need to have both enhanced revenue plus cuts to the state general fund.
- 2) If revenue enhancements are adopted, I vote for one underlying principle to be **[all Alaskans should have "skin in the game"]**

Hence, if we implement an income tax [I will willingly pay if it is a simple calculation], we should also take actions that effect the PF dividend and/or a sales tax -I prefer the former. I guess > 30 % of Alaskan families pay no federal income tax and hence wouldn't pay a state income tax if it is a flat % of the federal tax.

I realize each of the below ideas has very vocal constituencies in opposition but that doesn't mean we shouldn't consider them.

3)

H S sports travel is expensive [Fbks to Anch, Barrow to anywhere, etc]. State funding for such activities should be scrutinized.

4) The Alaska Energy Authority has funded hundreds of energy projects/studies spanning the last several decades. I would like to see an independent benefit cost ratio for this before funding further studies.

5) I'm not happy with the work AIEDA has done re the Interior Energy Project. Maybe their staff could be reduced.

6) Regarding the University of Alaska, we need a 5 - yr plan to reduce its dependence on state general fund support. We can't wisely do the below in one year.

University of Alaska item 1: I think the number of associate vice chancellors at the statewide level is excessive.

UA item 2: We can save a lot of money if we just had one university wide team for each sport. For example hockey and swimming could be home-based in Fairbanks, and basketball and skiing in Anchorage. The hockey team could play some games in Anchorage, and the basketball team some games in Fairbanks, etc. I'm bothered with the millions we spend

subsidizing travel for teams to come to Alaska.

UA item 3: Close down some of the > 1 dozen campuses/sites spread around the state. Obviously a political hot potato but prudent. We could have more distance delivery in cooperation with local H Schools to lessen the impact.

UA item 4: **To have a sustainable state in the long run we cannot rely so much on funding government by taxing industries that export raw materials. We must diversity our economy.** Engineering is a key part in adding value to our products. To help accomplish this, we need to finish the Fairbanks engineering building. How about providing five million dollars a year from the state to be matched by five million dollars from UA [thru private sources] to finish one floor per year?

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