



Great Alaska Schools

April 28, 2021

Dear Members of the House Special Committee of Ways and Means,

This letter is in support of HB 189, with one caveat.

Great Alaska Schools is a statewide, non-partisan coalition advocating for a quality public education for every child. Thank you for taking on the challenge of seeking new revenue sources for Alaska, especially for funding our public schools. Providing a good education for every child will help ensure a strong future for our state. We recognize that continuing to rely on our current revenue sources to fund our public schools is short-sighted; it is not a sustainable solution. Supporting our public schools with an income tax is not new in Alaska—in fact, until 1980, Alaskans funded our schools with a small tax on wage earners. Given the huge fiscal challenges our state faces, Alaskans will need to return to directly paying more for the services we receive. We are pleased that public education may be the first to receive this sustainable funding.

We are also pleased that this bill utilizes an income-based tax method, rather than a sales tax, because it more fairly distributes the cost among our residents. However, we believe that the taxes imposed on the two lowest earning brackets are higher than they should be, unfairly burdening the workers that earn the least. Even though the tax does change based on income, the measure is still regressive: someone who earns just under \$20,000 would pay state government two-tenths of one percent of their income compared to someone who earns \$1 million a year, who would pay five-hundredths of one percent of their income. We believe that wage earners making only \$20,000 or \$50,000 should pay a smaller amount, and higher brackets should pay more.

We understand that imposing a tax on Alaskans will not be not a popular move, but we congratulate the committee for working on a solution for an equitable way to provide a predictable and sustainable way to fund our public schools.

Respectfully,

Alison Arians, Aaron Poe, Val Buckendorf, Caroline Storm, Sara Dykstra