

**HOUSE AND SENATE
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No. 8

**State of the State and
State of the Budget Address
by
The Honorable Tony Knowles
Governor
State of Alaska

Before a Joint Session
of the
Second Session of the
Twenty-first Alaska State Legislature**

January 12, 2000

Juneau, Alaska

**State of the State and
State of the Budget Address
to the Second Session of the
21st Alaska Legislature**

By Governor Tony Knowles

Lt. Governor Fran Ulmer, Senate President Drue Pearce, House Speaker Brian Porter, members of the 21st Alaska Legislature, my cabinet, my wife Susan, my children – Luke and Sara – my fellow Alaskans. Good evening.

The beginning of a new century offers a unique opportunity for a fresh start, a clean slate. So as we begin this 21st century, let us pledge a new era of bipartisan cooperation and civility as we strive to bring Alaskans together.

In this spirit, I offer tonight five goals for the coming year. Let's put Alaskans to work, protect our children in peril, provide excellence in education, pass a subsistence constitutional amendment, and take the steps we need to balance our budget. Let these goals be a shared vision of a stronger, better Alaska – an Alaska at its best.

Since we last met here, Alaska has lost several inspirational leaders and public servants - among them, Father of the Iditarod Joe Redington, Palmer Police Officer James Rowland, Native land claims leader Ruby John. In remembrance, let us thank their families for the service, sacrifice and citizenship which made Alaska a better place.

During our 40 years of statehood, it has been the governor's responsibility to report to you on the state of our state. Thanks to the hard work and good citizenship of Alaskans, I'm pleased to report we finished the 20th century prosperous and moving forward.

Alaskans are benefiting from the second lowest unemployment rate since statehood and a continuation of the longest economic expansion in our history.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

This past year, nearly 278,000 workers earned a record \$9.1 billion. More than 18,000 new jobs have been created in the last five years.

Welfare rolls are at their lowest levels in a decade, saving \$47 million over three years.

Violent crime is down 21 percent.

Ninety-four percent of Alaska children now have basic health care.

Alaskans lead the country in use of the Internet, and 92 percent of our schools are connected.

Our environment, with its clean air and water and fish and wildlife, is the envy of the world.

Our Permanent Fund totals a record \$27 billion, producing the largest dividends ever.

Ladies and gentlemen, the state of our state is strong.

Our source of strength comes from the same reservoir that has made America the most powerful nation in history. It is as fragile and simple as a free people working every day, for their families, for their state and for their country. That source of strength is citizenship.

Alaskans don't hesitate to rise to great heights of citizenship and public service, even at risk to their own safety. Let me share the story of one.

Just before Christmas last month, state troopers were notified of two men lost while snow-machining across 30 miles of wilderness near Dillingham. After three days of searching in near zero-degree temperatures, low visibility and high winds, hope was all but lost.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

On his way home after a long day of flying search patterns, Fish and Wildlife Protection Trooper Scott Quist decided to make one final pass. Seven miles from Levelock he spotted two men, one lying still in the snow.

Flying alone with darkness falling quickly, Trooper Quist landed his Super Cub on a precarious ridge. Leaving his own survival gear with one of the men, he dragged 70-year-old Evan Chakwak a quarter mile to his plane and flew him to the village clinic where his body temperature was only 86 degrees.

Trooper Quist then returned to the site, landed in pitch black and blowing snow, and rescued Evan Sergie. Thanks to Trooper Quist's skill in a cockpit, sound judgement and unflinching courage, both men are alive and well today.

I've asked Trooper Quist to join us here tonight so we can thank him for the work he does every day to protect Alaskans. Trooper Quist's story is just one example of Alaskans - professionals and dedicated volunteers - who come to the rescue when fellow Alaskans are in peril.

Their heroic acts and the uncelebrated actions of average Alaskans, will enable this - the first generation of the 21st century - to be another generation that gives more to our state than it takes.

Excellence in education

There is no better example of citizenship and public service than what Alaskans contribute to education.

The success of every Alaskan child is due, in large part, to the extraordinary public service of parents, teachers, school board members, administrators, business and civic leaders.

Like Teacher of the Year 2000 Marilyn Rosenc, a Dillingham elementary 5th grade teacher who volunteers for Girl Scouts, her church and a domestic violence center.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

Or parent and Lower Yukon School District board member Mike Hunt, who visits the 11 village schools in his 22,000 square-mile district by snow-machine.

We know that to be productive and competitive in this century's new economy, we must champion education as a lifetime pursuit.

Our Quality Schools Initiative, advanced by the state Board of Education, has started the most profound, positive change in Alaska's public education system since statehood -tougher standards for teachers and students, better accountability, benchmark testing and required improvements for low-performing schools.

We can thank this Legislature for approving the resources to begin the Quality Schools Initiative. But we must do more. In 20 of Alaska's 53 school districts, at least half the 11th graders score at the bottom quartile in the nation in reading, language or math.

And in March, when we give the new high school qualifying exam to this year's sophomores, we know too many students will not make the grade.

To get Alaska students the help they need to meet higher standards and pass important benchmarks, I propose investing \$7.6 million next year for lower class sizes, after-school sessions, summer school, extra tutoring and other efforts to improve student performance.

Let's also put more dollars into the classroom by challenging our 53 school districts to streamline their administrative practices.

Let's support this important investment in our young Alaskans. We cannot afford for any child to fail.

Scientific research and a record of success tells us that quality early childhood programs make a tremendous difference in a child's ability to succeed in school, and later in life. Let's help more Alaska children develop their potential by investing an additional \$2 million to enroll more Alaskan children in Head Start.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

Part of our responsibility is ensuring that classrooms are adequate for learning, don't leak in a rainstorm or rely on honey buckets as restrooms.

We must address the long overdue major maintenance and new school construction needs. So I am asking the Legislature to approve a school bond package of approximately \$550 million.

A majority of these funds will address the statutory priority list, which includes long overdue rural school needs. A Superior Court recently ruled in favor of rural school districts which had sued the state for neglect.

I know we agree we must address essential school needs across the state.

The revenues for the state portion of the bond proposal relies on national tobacco settlement funds Alaska will receive for at least the next 25 years. How appropriate to invest funds from the scourge of tobacco, into better opportunities for our children.

In addition, my proposal provides funds for urban school construction, to be financed by the state's 70 percent reimbursement for municipal school bonds. Let's build schoolrooms rather than fight in courtrooms.

A good education for the next century doesn't stop at the high school door, so I am supporting the \$16.9 million increase for the University of Alaska requested by the Board of Regents.

And if you doubt this has public support, I'll share the 3,500 letters from students across Alaska that student Regent Josh Horst recently gave me.

Over the past decade, the nation's universities have increased state support for their budgets an average of 42 percent, while our university has received just 2 percent more.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

The great progress states make economically and culturally have always been associated with great universities. Alaska would shortchange its future by shortchanging its university.

I also propose improving a centerpiece in preparing young Alaskans for vocational opportunities by investing \$5 million in completing the renovation of the Hutchison Career Center in Fairbanks.

This much needed facility will be used to prepare workers for the high tech construction, logistics, transportation and oil and mining jobs of the 21st century. As our economy grows, let's make sure educated and trained Alaskans fill those jobs.

Let's also open the University's doors by supporting the Alaska Scholars Program I recommended two years ago. Under this proposal, the top 10 percent of each graduating high school class in Alaska are offered a four-year scholarship to the University.

President Hamilton and the Board of Regents have followed through on this program with tremendous response. Let's give them the support they need to make it permanent.

I ask you to join me, so together we can widen the circle of opportunity for Alaskans by supporting a great university.

Put Alaskans to work

Thanks to the state's open and ready for business attitude and the entrepreneurial innovation of business and industry, Alaska's growing economy is more diversified than ever. What was once an elusive dream is now the great business success story of the closing years of the 1990's.

Private sector jobs now constitute three quarters of our employment - an all-time high - with new jobs in health care, transportation, telecommunication, utilities, air cargo and retail sales.

The value of Alaska's mining industry exceeded \$1 billion for the fourth successive year, even with the lowest metal prices in

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

years. Throughout the world, Alaska continues to be a hot mining prospect.

Thanks to our Tourism North campaign, we enjoyed an 18 percent jump in summer visitors to our state last year. This sustainable industry makes tourism our state's second largest private sector employer.

In the timber industry, we continued to support jobs for Alaskans by offering timber sales for value-added processing throughout the state, from Prince of Wales to the Interior. And we celebrated production of 10,000 railroad ties produced by a Southeast sawmill.

The value of Alaska seafood exports rose 47 percent this year. After years of decline, the Bristol Bay salmon fishery rebounded, Southeast produced record runs, and there were abundant harvests in the Gulf and along the Alaska Peninsula. Together this totaled the second largest salmon catch in our state's history.

However, very poor returns of Kuskokwim coho and chum, along with Yukon River and Norton Sound chum shortages, were an economic and subsistence disaster. We joined with the federal government to help our neighbors in need.

After a long bout with the Asian economic flu, Alaska exports have rebounded sharply - up 26 percent for the first three-quarters of 1999. The new economy mandates global marketing and the geographic competitive edge of Alaska makes the markets of China and Europe exciting opportunities.

In oil and gas, many believe Alaska is poised to embark in the most productive developments in this industry since Prudhoe Bay's discovery 32 years ago.

The renaissance began five years ago when I proposed making Alaska oil and gas resources more competitive. With economic incentives for marginal fields, tax procedure reform and access to new areas of exploration. With vision and commitment, a majority of you responded in a bipartisan manner.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

The federal government accepted my request for an expedited opening of the National Petroleum Reserve, the nation's most promising oil and gas prospect.

And thanks to our joint initiatives, there's more progress today in developing our North Slope natural gas than we've seen in 20 years.

In return, we asked three things of industry: hire Alaskans, use Alaska businesses and protect the environment. We can be justifiably proud of the results.

Our Alaska-hire effort is working, with the percentage of Alaskans working in our oil patch increasing. For the Northstar development, you insisted on new Alaskan value-added industries. Industry responded with truckable and sealift oil field module construction engineered and made in Alaska.

Thanks largely to regional citizens committees and the Department of Environmental Conservation, industry has elevated Alaska's marine oil transportation system to a state of the art second to none – and we are going to keep it that way.

With global competition, volatile oil prices and industry restructuring, nowhere have the winds of economic change blown harder than in Alaska's oil patch.

The BP-Amoco proposed acquisition of ARCO fundamentally changes Alaska's oil and gas structure.

To protect Alaska's interests in this merger I established three goals. First, there must be meaningful oil industry competition within Alaska. Second, Alaska must keep its oil fields competitive in the international marketplace to attract investment. And third, environmental protection must be raised to a new level with an expanded corporate commitment.

These goals are achieved in the Charter I recently signed with BP-Amoco. The required sale of acreage, production and facilities,

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

valued at \$4 billion, would automatically rank an acquiring company one of America's top 10 oil firms. The unique opportunity to acquire assets of this size and quality has the keen interest of almost every major oil company.

Given the recent oil price jump, activity in Alaska's oil industry should be booming. Yet, it's at a virtual standstill because of uncertainty over this merger. Waiting months for a decision by the Federal Trade Commission, thousands of industry employees are uncertain of their future and many have lost their jobs.

Once again, a decision with dramatic consequences for Alaskans is being slowly considered far from our borders. We're told the deciding factor is the California gas pump, not Alaskan families.

Delay or defeat of BP-Amoco's petition to federal regulators would be devastating to the Alaska workers and their families whose lives are on hold today. That dangerously gambles with the future development of Alaska's resources.

I know the thousands of Alaskans who proudly work in our oil and gas industry would be grateful for this Legislature's endorsement of a prompt and positive FTC decision. Some of you already have stepped forward with that support. Without further delay, let's join together to get Alaskans back to work.

The private sector should be and is our economic engine, and the state must provide the basic facilities of commerce. Over the past five years, we've invested more than two billion dollars improving and expanding Alaska's transportation – roads, airports, marine highway, harbors and trails.

Let me take a moment, on behalf of all Alaskans, to thank our congressional delegation and particularly its senior member, Senator Ted Stevens, for these dollars and all they've done to keep Alaska strong.

Alaska's federal transportation dollars have increased from \$200 million to \$350 million a year. Yet many major projects in every

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

region of the state cannot be built until the entire funding for each phase has been accumulated.

I ask the Legislature and voters to approve a \$350 million accelerated transportation initiative. Like other states have done, we can enjoy the economic and safety benefits of projects now, by selling bonds funded by the flow of future federal dollars.

Let's work together to open up Alaska, put people to work now and get this important investment underway.

In a land whose beauty and abundance feeds our spirit and our bodies, Alaskans have a deeper understanding than most Americans of our special obligation to protect our fish and wildlife and environment. Let us recommit to uphold the standards for clean air, pure water and unspoiled land.

This stewardship, embodied in our Constitution, is not free. Yet in the name of cutting our budget, the legislative majority handed over to the federal government permitting decisions for water quality, emission regulation for cruise ships, and inspecting our meat, poultry and seafood production. Let's assume our proper responsibility in protecting our environment and get the feds out of our business.

Alaskans can be proud of the fishermen and public servants who stood tall in protecting Alaska interests. They promoted a new level of international conservation, a "safe passage" concept for salmon and habitat protection, with a new 10-year Pacific Salmon Treaty.

At home, this Legislature made an important decision with forest and fishing industries to further protect critical stream habitat by amending the Forest Practices Act. Alaska is truly an international leader in this vital area, and you deserve to be proud of the bipartisan action taken.

Let me also thank the Legislature for continuing to fund rural sanitation. We have increased the number of rural homes with water and sewer from 50 to 80 percent. We're on track to put the honey bucket in the museum.

Pass a subsistence constitutional amendment

On the heels of our successes, we can and must do much more. By protecting our natural resources and a clean environment unequaled anywhere in the world, we will enjoy their benefits in perpetuity. Yet Alaskan control of these resources - the dream and promise of statehood - was dashed and broken on the rocks of politics last year.

Despite broad support by Alaskans, our congressional delegation and a majority of the House and Senate here tonight, a narrow minority of senators three months ago surrendered management of Alaska fish and game resources to the federal government.

The rural subsistence priority is morally right, historically smart and benefits every Alaskan. I commend those courageous legislators who came forward to give Alaskans the opportunity to vote on subsistence.

We will not rest until Alaskans regain management of Alaska's fish and game resources. Let's bring Alaskans together to get this done this year.

One of the most difficult challenges in unifying Alaska has been providing meaningful and adequate services to remote rural villages. Our Constitution directly addresses the need to "allow for maximum local participation and responsibility."

That's why we have initiated a process to negotiate and improve the relationship between the State of Alaska and the federally recognized Alaska Native tribes. I urge you to join in this historic and important effort to develop understanding, progress and unity.

Millennium lecture series

To promote a broader appreciation of being Alaskans in this new millennium - who we are and the forces that bring meaning to our lives - Alaska's First Lady is leading a conversation among Alaskans.

Probing and celebrating our arts and humanities, the land we live on and love, the history that gives us roots and values, and our

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

boundless capacity to expand our horizons, Susan Knowles will lead the Alaska 2000 Governor's Millennium Lecture Series, beginning this month.

For tirelessly championing the health and education challenges of children and families, please join me in thanking First Lady Susan Knowles for her many contributions.

Protect our children in peril

The loving arms of a strong family enables every young Alaskan to realize their God-given potential. We can and must support the hard-working Alaska families that face tough challenges, especially those who have lost hope. We must continue our investment in our children.

As a result of our Smart Start initiative approved by the Legislature two years ago, thousands more Alaska children are safer, healthier and better prepared for life.

In less than a year, more than 12,000 children in Alaska's working families signed up for basic health insurance with Denali KidCare.

Today, 81 percent of Alaska 2-year-olds are immunized against disease, compared to just 69 percent three years ago.

We're moving toward zero tolerance for child abuse and neglect. We've increased our response to calls for help from 75 to 90 percent, and strengthened child protection with a new law that has teeth.

Despite these achievements, there is more important work ahead.

One of our best medical prevention efforts is our infant learning program. Infants who may have disorders which otherwise would go undetected and untreated for years, can now get the early medical treatment they need. With a small additional effort, we can eliminate the entire waiting list for this valuable service, improve lives and save the more serious costs of delay.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

In supporting strong families, we know the value of parents going from welfare to work. Four thousand families have done so in the last two years – many of them as single parents. What helped make this possible is day care assistance. These families thank you for the support you have given this program.

But we need to do more. To continue this progress and enrich its quality, I ask you to invest in additional day care assistance.

As has been said, parents should never have to choose between the jobs they need and the children they love.

Let's do one more thing for our children. We must complete our goal of zero tolerance. Who among us is prepared to select the child in peril whose call won't be answered?

Protecting children always produces the maximum donation of love and service by Alaskans. Like long-time, nationally recognized child advocate and Children's Trust Chair Carol Brice of Fairbanks.

Or Juneau's Joy Lyon, who makes sure Southeast families get child care services and this year is Alaska president of the National Association for the Education of Young Children.

One of our greatest challenges is providing safe, loving homes to hundreds of children in state custody. Because of success in responding to reports of harm, we have a record high number of children in foster care today – more than 1,100. Yet a third of our foster homes are over-capacity.

Taking a foster child into one's home is an extraordinary act of love and public service, particularly when a child has special needs or unique challenges. Yet, many Alaskans selflessly step forward to do this.

We cannot let our foster parents down. I hope you will support improving foster care standards while putting more of these children into loving arms.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

Tonight, I've asked a foster parent to join us whose story began with heartache, but is now one of love and hope.

Herself a victim of abuse and assault, Suzette Graham had every reason to let her life disintegrate. But she didn't.

A singer who last summer fulfilled a dream when she opened for country music star Vince Gill, Suzette was recently named Mrs. Alaska, a platform she has dedicated to advocating for children.

Suzette and her husband David have three children of their own at home in Kenai. But four years ago, two young sisters arrived, both victims of terrible abuse and neglect and slowed by Fetal Alcohol Syndrome.

What started as a temporary weekend stay for the young girls has become a lifelong commitment. The Graham's adoption will be final next month. Please join me in welcoming two Alaskans who inspire us all - Suzette Graham and one of her foster daughters, 7-year-old Tasha.

Much of the credit for the progress we've achieved for our children in recent years belongs to legislators who supported Smart Start. I know you haven't changed your commitment.

So this year I ask you to invest \$25.4 million more to continue the hope and promise of Smart Start. Continuing these investments today in children's programs and education - from Head Start through the University - will save money tomorrow in reduced costs for welfare, crime and prisons.

It not only changes people's lives, but it's the best fiscal policy we can have. That's why I'm calling next year's budget, "The Children's Budget." It sends a loud and clear signal - we will not retreat from improving the lives of young Alaskans. We will not balance our budget on the backs of our children's health, safety or education.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

Overall, my budget proposal totals \$2.4 billion in state general funds. Nearly two-thirds of the increase I propose is invested in children's programs and education. We must move beyond the sterile debate over numbers and remember the faces behind the budget.

Even with these vital investments, the budget I propose for the coming year is \$1,647 less per person in today's general fund dollars than in Fiscal 1979 - the year before the pipeline boom began.

Today, we are delivering better public service at less cost. This budget is \$134 million less in general fund dollars than the one I inherited five years ago. Over the past four years, Alaska is the only state in America to cut its budget.

An important part of our budget is the compensation of state employees. As a Legislature, I know you join me in appreciating their dedicated public service that takes place around the clock, 365 days a year, in every corner of this state. We also understand the importance of reducing costs and being competitive with the other public and private employers.

Currently, my administration is in negotiations with every public employee bargaining unit. You also know that at our joint request there were no wage increases last year. We appreciate the budget discipline state employees demonstrated.

If we reach agreement - and I hope we do so soon - I will be urging you to fund the agreements, bargained in good faith.

Take the steps we need to balance our budget

The final issue I raise tonight - balancing Alaska's budget for the long-term - is the gravest challenge we face to the well-being of Alaska families.

Since the first day Alaska's oil wealth flowed down a gleaming new pipeline, we've long known the day of reckoning would come, requiring Alaska to find other revenues to provide state services.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

The good news is that Prudhoe Bay's demise, as Mark Twain would put it, was greatly exaggerated. Thanks to technology, its projected 20-year life and nine billion barrel limit has already extended to 30 years and 13 billion barrels.

New discoveries will add to the pipeline flow in coming years. Still, today's North Slope production is half what it was 12 years ago, substantially cutting oil revenues to the state treasury.

A year ago when I stood before you in this forum, oil prices had dropped to an all-time low and our constitutional budget reserve was projected to run out in 48 months. Facing up to our need to put Alaska on solid financial footing, I proposed a fair and balanced budget plan - continued efficiencies, resumption of Alaska's personal income tax, earnings from the Permanent Fund after paying dividends and a fuel tax increase.

These ideas were neither hasty nor new. In fact, they reflected the conclusion reached by every blue ribbon commission, fiscal study or report generated over the past 18 years under Legislatures and governors, Democrat and Republican.

The best and fairest budget plan, they all said, is one that relies on a combination of the tools available: budget reductions and efficiencies, use of savings and new revenues in the form of broad-based taxes and user fees. All these reports simply gathered dust.

This Legislature rejected the balanced plan I proposed. Instead, the Legislature favored starting with a single source of new revenue - Permanent Fund earnings. Eventually, in a special session, I joined you in supporting that incremental approach.

So together we did accomplished something we've all tried to achieve - an unprecedented show of unity among Alaskans as they voted 84 percent against that approach.

A year later, what circumstances do we face? Although oil prices today are two and a half times higher, our deficit for the coming

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

year will still be more than 800 million dollars. Our Constitutional Budget Reserve will be depleted in about 48 months.

There is no question that failure to act until the last dollar of savings is spent damages our economy, limits our options and threatens our future. Some have suggested that with a healthy budget reserve for the next three years, why not just ignore the problem for another administration and Legislature to solve?

Though it may be tempting, in my own good conscience I cannot let that happen. And I assure you, the spotlight of history will glare harshly on those who ducked the issue, ignored the consequences and busted the bank.

Some have asked me if it's responsible to propose a budget increase when we face a fiscal gap. To them I say three things.

First, it's the right thing to do. It represents the right values for Alaska. Second, the modest investments I propose to protect children and improve schools build strong families and save millions in the cost of prisons, welfare and heartbreak. Third, these investments are part of a balanced budget plan that includes the tough decisions to raise the necessary revenues.

Well-reasoned investments aren't irresponsible. What's irresponsible is blind allegiance to only an arbitrary budget cut number, while ignoring the rest of the enormous budget gap and this state's vital needs.

Bills for the balanced budget plan I recommended last year still remain pending in legislative committees. I don't expect, nor do I propose, that you act on them as currently drafted. I do urge you, in the strongest terms, to begin bipartisan discussions with me on how we raise the revenues to balance the budget using those bills, or any that you might propose.

Let's act together this session to responsibly balance our budget.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

No. 8

January 12, 2000

The newspapers, talk shows and even some legislators are reporting the conventional wisdom about this session – that because it's an election year, there will be no action in addressing our growing fiscal gap – or any other tough issue.

How cynical. I don't believe the conventional wisdom or the cynics, and I don't believe you do either.

Most everyone in this room worked hard, honorably and courageously last year to address the budget gap. Let's prove the conventional "do nothing" wisdom wrong and meet our responsibility together – this year – to put Alaska on sound financial footing.

If we do not succeed, it will not be because God did not bless us with ample resources. Or that we did not inherit the benefits of those who sacrificed before us. Or that Alaskans are unwilling to do their part. It will be because we failed to make the hard decisions. Let us show we are up to the task.

This year, as every year, those of us in elected office feel we face tough decisions and uncomfortable choices. But the real profiles in courage are the life and death decisions too often required of every day Alaskans.

Like the budding, remarkable life of the young Alaskan I want to introduce now. Sixteen-year-old Paula Albert was born into a family affected by substance abuse in the western Alaska village of Tununak.

Depressed and desperate, Paula finally turned to inhalants – huffing hairspray and other chemicals to get high. She dropped out of school and was headed for suicide.

Just before disaster struck, Paula got treatment and she turned her life around. Today, she is a top-notch student at Bethel Alternative Boarding School, president-elect of the student body, a counselor to her peers and younger children, and a part-time news production assistant at KYUK radio and television.

HOUSE AND SENATE JOINT JOURNAL SUPPLEMENT

January 12, 2000

No. 8

But Paula isn't satisfied with saving her own life. In the truest spirit of Alaska, she works to save the lives of others by telling her story around the state, describing the life-threatening dangers of inhalants.

Paula Albert is with us tonight, joined by Bethel Alternative Boarding School principal Bob Medinger. Please join me in recognizing her achievements.

Tonight I have talked about many good things about our Alaska. Just starting a new century, our economy is healthy, our families are strong, we are generally optimistic, certainly resilient and always fiercely independent.

I have asked you in a spirit of bipartisan cooperation to work with me on five simple goals this year and some specific ways to achieve them:

- Put Alaskans to work;
- Protect all of Alaska's children;
- Achieve excellence in education;
- Allow Alaskans to vote on a subsistence constitutional amendment; and
- Take the necessary action to balance our budget.

We know this won't be easy. But if there's anything to take with us this evening, it's the stories of Trooper Scott Quist, foster parent Suzette Graham and young Alaskan Paula Albert.

Stories of citizenship and public service demonstrated so dramatically by ordinary people doing extraordinary things for their neighbors, their friends, their fellow Alaskans. We should do no less.

Good evening.