

**SENATE AND HOUSE
JOINT JOURNAL SUPPLEMENT**

January 25, 2022

Tuesday

No. 9

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State of the State Address

by

The Honorable Mike Dunleavy

Governor

State of Alaska

Before a Joint Session

of the

Second Session of the

Thirty-Second Alaska State Legislature

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January 25, 2022

Juneau, Alaska

The following was submitted for publication:

Thank you, Lieutenant Governor Meyer, Senate President Micciche, Speaker Stutes, and members of the 32nd Legislature. I'm glad to be back at the Capitol addressing the Legislature in person, and I thank you for the invitation to speak to you tonight.

I first want to recognize my wife of 34 years, First Lady Rose Dunleavy.

Alaska made history this past year. A stellar young Alaskan who could not be here tonight also deserves some recognition. Lydia Jacoby of Seward stunned the world last summer in Tokyo when she won gold with a thrilling finish to the 100-meter breaststroke in record time. We saw Lydia's friends and neighbors cheering her on in that famous video that quickly went around the world from the Seward ferry terminal. Alaskans around the state were cheering right along with them. On behalf of Lydia's fellow Alaskans, I know we're going to keep cheering her on in everything she does going forward. We can't wait to see what else she'll accomplish. Let's all give Lydia a great round of applause.

Another special guest that made history this past year is our own Miss Alaska now known as Miss America, Emma Broyles. Emma, a graduate of Service High in Anchorage, broke through as the first Miss Alaska, and first of Korean heritage, to win the title of Miss America in the 100-year history of the competition.

Because of her personal experiences, she is using her platform to bring awareness to ADHD and OCD and highlighting community building through the Special Olympics. This past semester at Arizona State, where she is enrolled in the Honors College studying biomedicine with plans to enter medical school, Emma passed 21 credit hours, worked two jobs, and took three finals on the day she left for the Miss America competition. Her hard work and tenacity embody the 21st Century Miss America.

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But her victory almost didn't happen. During the interview competition, Emma shared her experience of hitting "rock bottom" while isolated in her dorm early in the pandemic. At times, her schoolwork and distance from her home state made her wonder if she should give up her Miss Alaska title.

At the competition, Emma was asked why she was sharing her most vulnerable self with the rest of the world. "A lot of people," she said, "don't recognize that their low points are what are going to propel them to their future."

Emma, we are so glad you stuck with it, and we are so proud of you. You have only just begun a lifetime of making a positive difference in the lives of others with the story you share, and the example you set. You represent Alaska's strength, our diversity, and how we stand up when we get knocked down. Thank you, Emma, for being here tonight, and for being an inspiration to all of us. Could you please stand and be recognized?

Young people like Emma and Lydia are showing the world what Alaskans are made of.

We take great pride in being Alaskans. We take great pride in facing challenges head on. We don't retreat, and we don't accept defeat. We also take great pride in helping our neighbors when things get tough.

From the Interior to Western Alaska, from the Mat-Su Valley to Southeast, including right here in Juneau, we have seen winter weather that has wrought tremendous destruction on our Great State.

The storms have required state disaster declarations covering almost half of our boroughs and the communities they include. We are so thankful that we haven't suffered any loss of life, and it's always heartening to see and hear stories of Alaskans pitching in to help each other. Neighbors, utility workers, contractors, our

Department of Transportation, our National Guard, and countless others, have all answered the call to help, sometimes under the most hazardous conditions. We couldn't be more grateful.

Our National Guard is ready to respond at a moment's notice when called upon thanks to members like Captain Andrew Viray. Captain Viray is a lifelong Alaskan, a graduate of East High in 2010, and the University of Alaska Anchorage and ROTC in 2014. He was commissioned into the Army National Guard as an infantry officer after graduating and is serving as a plans and projects officer with the First-297th until he takes command of an Infantry Rifle Company in the coming months. Captain Viray has been a leader in our COVID response through the Joint Task Force we stood up in March 2020.

After returning from deployment to Kosovo in June 2020, he volunteered for the Joint Task Force assignment. He has assisted in warehouse operations, our airport testing program, and elections support in the Y-K Delta. More recently, he's served as a staff planner in our Joint Task Force emergency responses in Fairbanks, the Mat-Su, and Yakutat.

When he's not answering the call for our National Guard, he is enrolled at the University of Alaska Anchorage pursuing his Master of Social Work degree and is on track to graduate in May 2023. Captain Viray is here tonight, and I'd like to ask him to stand and be recognized for his dedication to Alaska, his exemplary service, and on behalf of all our National Guard members. Thank you for being here tonight, Captain, and for standing up for all Alaskans.

After everything we've faced over the past three years, it's my honor to report that not only is the State of our State resilient, but we're also fulfilling our motto of "North to the Future."

Despite earthquakes; despite floods; despite fires, wind, ice, and snow; despite hostile policies coming from Washington, DC; despite a once-in-a-lifetime pandemic; despite these obstacles and against all odds, we're not only still here, but we are also moving forward, and, yes, we are Open for Business.

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Here's what I'm talking about:

The state of our fiscal situation has vastly improved from the budget deficit of \$1.6 billion I inherited upon taking office. Thanks in part to our fiscal restraint over the past three years, we're on track for a budget surplus in the current fiscal year for the first time in a decade. Based on current trends, we could see revenue in the current year increase by more than \$281 million over the fall forecast and by \$466 million in the upcoming fiscal year. This can generate a surplus this year, and next, even without one-time federal funds.

Regarding crime, thanks to the repeal of Senate Bill 91, Alaskans are safer today than we have been in decades!

When I first stood before this chamber three years ago, I declared war on criminals and asked for the Legislature to repeal and replace the catch-and-release policies in SB 91. With the help of many of you, we got it done.

Policies do matter. We've seen our overall crime rate decline by 10 percent in 2019 and another 18.5 percent in 2020!

According to the FBI, reported property crimes are at the lowest level since 1974. The murder rate has declined by a whopping 31 percent from 2019 to 2020. We all remember the huge spike in car thefts after SB 91 was signed in 2016. Following the repeal of SB 91, vehicle thefts were down 54 percent in 2020 compared to 2017.

Burglary and larceny theft dropped by 22 percent from 2019 to 2020; robberies dropped by almost 15 percent in the same time. These figures from the FBI are indisputable. Never again can we put criminals ahead of victims, or social engineering ahead of public safety.

When we express appreciation for law enforcement, we usually just think about our State Troopers or local Police forces. Too often, we forget about our men and women serving in the Department of Corrections. It's a difficult, typically thankless job, but no less critical to public safety.

One of our most senior Corrections officers is Staff Sergeant of Operations Ken Noland. Sergeant Noland, an Alaskan since age 8 and a graduate of Bartlett High School in Anchorage, started his career with the department in 1994 at Spring Creek in Seward. He's been at the Anchorage Correctional Complex since April 1998, and he was promoted to Sergeant in June of 2005. Sergeant Noland is a diligent and generous officer who has mentored and trained his peers in those values for more than 25 years.

According to those peers, his positive attitude and exceptional work ethic help create an environment that recognizes the difficulties faced by Corrections staff while treating everyone with the dignity they deserve. Sergeant Noland is a fine example for our Corrections Department, and I'm happy he is here tonight to be recognized not only for his service, but for the service of all his fellow officers he represents. Sergeant Noland, could you please stand and be recognized?

Thank you, Sergeant.

I'm also glad to report good news from the North Slope. To date this fiscal year, our oil production and prices are better than forecasted.

As Alaskans, we know the price of oil is volatile. In just the past two years we've seen prices go from negative to nearly \$90 per barrel. We know better than to take current prices for granted, and we must continue to hold the line on state spending without sacrificing core services, and that includes the PFD. Our Permanent Fund is now worth \$82 billion, and our multi-billion-dollar pension

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gap is virtually closed. The performance of the Permanent Fund solidifies our state government's fiscal situation by smoothing out the highs and lows in oil prices.

The outstanding returns of our pension funds are freeing up revenue that can be devoted to core government responsibilities like Public Safety and Infrastructure, without imposing taxes.

This just didn't happen on its own. It's not just an accident. It's the result of great investment decisions, policies, vision, and direction. Our great state is pointed in the right direction; our focus is where it should be on Alaska's future.

In the near future, our \$4.5 billion tourism industry is poised to welcome millions of travelers back to Alaska. Together with our industry partners, we've invested millions of dollars in marketing efforts that saved many businesses in 2021 and will revitalize this pillar of our economy in 2022, and for many years to come.

Our mining sector is poised to supply our nation and the world with the critical minerals we need for national security and cleaner forms of energy and transportation.

Compared to the dire predictions at the onset of this pandemic, our health care system has surprised many with its resiliency and resourcefulness.

As of today, 1,039 of our fellow Alaskans have unfortunately passed away with COVID-19. We mourn their loss, and our hearts go out to their loved ones.

At the same time, of the more than 194,000 cases we've identified, nearly 99.5 percent of our fellow Alaskans have survived this infection, and for that we are immensely thankful.

While we battled the delta variant surge this past fall, our staffing shortfall for medical professionals was of grave concern to all of us. My administration acted last August before the surge fully hit when we took decisive action after receiving a notification that health care workers were available. We consulted with the state

hospital association to identify their needs and secured nearly 500 contract professionals covering specialties from nurses to respiratory therapists. After finalizing the contract in September, it took less than a month for us to deploy these workers around the state to our hospitals, nursing homes, and the Department of Corrections just in time to deal with the surge. Again, good policies and decisive action can make all the difference.

We brought the needed resources to bear to reinforce our hospitals, but we recognize temporary workers are not a long-term solution.

We now have three initiatives to address the shortages we've identified in our health care workforce.

First, we're working with the Board of Nursing and the state hospital association to recruit and retain over 600 Certified Nursing Assistants. This is a huge accomplishment achieved in a very short amount of time to boost our health care workforce for the long-term.

Second, we've issued a \$2.1 million grant to the University of Alaska Anchorage Nursing School to recruit and retain additional faculty to train and graduate more registered nurses.

Third, my administration's FY23 budget includes a 50 percent increase to the number of students in the WWAMI program.

If approved by the Legislature, we'll go from 20 seats to 30 seats at the University of Washington School of Medicine to train doctors to work in Alaska.

Together with these partners, we'll build a stronger, more durable health care system in Alaska that can respond to most any situation.

Every state, every nation, has been confronted with this pandemic, and its periodic surges as new variants emerge. But make no mistake about it, we've been very different from many others in how we've responded, and our outcomes prove it!

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We've led on testing. We've led on vaccine distribution. We've led on the distribution of therapeutics such as monoclonal antibodies as the first state to establish a community site to receive treatment. We recognized early on that specific populations were more vulnerable to this virus than others, particularly our elders, those with underlying health issues, and some residents of our remote communities with limited health care infrastructure.

From the beginning, I was determined that there would be no repeat of 1918 on my watch here in Alaska. By any measure, history will reflect that our actions helped us achieve some of the best outcomes in the nation. The data speaks for itself, and it's irrefutable.

We'll also continue to lead on protecting Alaskans' medical freedoms. My administration will continue to defend Alaskans' rights to make their own medical decisions about vaccines and therapeutics for themselves and their families in consultation with their doctors and pharmacists. It's not the State's job to make those decisions for you. My administration's job is to make sure our health care system is strong, and you have the tools available to take care of yourself.

What we've learned about this virus is that it impacts certain groups more than others, that inevitably it will continue to mutate into new variants, and that it will most likely be with us for a very long time, if not forever.

We've learned with the latest variant that it won't be vaccinated away. As a result, we need to live with it and incorporate it into our daily lives. We cannot simply exist. We can't run away from life. We must live without fear. Fear is not a substitute for knowledge, and what we've learned about this virus allows us to move forward and get on with our lives.

While we've had to respond to this virus, an effective public health policy is not just about one disease. An effective public health policy must include all aspects of health: physical; mental; spiritual; educational; and economic well-being.

Mental health is a critical issue in Alaska as we all know.

We remember the dire situation my administration was handed at the Alaska Psychiatric Institute at the beginning of my term.

API was in such disarray that it was in danger of losing its certification and its ability to receive federal funds, but, most importantly, its ability to serve Alaskans. One of the promises I made when I ran for this office was to ensure that government works for the people. Thanks to our Health Department, we turned that situation around. From a low of 20 staffed beds soon after I took office, we now have more than 55 staffed beds.

The crisis was so bad at API in the winter of 2018 that it led to a halt in admissions for the unit that serves adolescents in crisis. I'm glad to report today that we have reopened the unit, we now have seven staffed beds, and are continuing to build up its capacity.

My administration has added mental and behavioral health resources to our Pioneer Homes and our Department of Corrections as well. By focusing on effective policies, Alaska is now situated to provide the right care at the right time to our families, friends, and neighbors.

Making sure government works for Alaskans wasn't the only promise I made three years ago. I also pledged that we would live within our means, that we would make government more efficient, and we would find reductions before we ever asked Alaskans to be taxed. We've done this.

My proposed budget for state spending in the next fiscal year is 7 percent less than the 2019 budget in place when I took office. Because of our insistence on being as efficient as possible, and with an improved revenue situation compared to when I first took office, we're funding the core services that Alaskans expect.

Three years ago, from this chamber, and throughout my time in office, I have pledged to fight for the PFD. Fighting for Alaskans' share of our resource wealth will always be a top priority of mine.

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I've asked the Legislature to follow the statutory formula, and if these bodies will no longer follow that law, they should change the law with the approval of Alaskans. Year after year, I've offered the Legislature solutions that I believed would honor Alaskans and solve this issue for the long-term. Isn't that why we're here? To honor the people who sent us here and work on their behalf? Our purpose is to be servants of the people.

I agree with former Governor Jay Hammond that the government should never take more from the Permanent Fund than is distributed to the people of Alaska.

To break through the gridlock that has paralyzed the Legislature since the PFD was first vetoed in 2016, I've offered a plan that would protect the PFD in the constitution for generations to come and would give the people a say in how their PFD is determined. The Permanent Fund was created by the people, for the people, and the people must have a voice in the future of their PFD.

Keep in mind, the government's finances are doing quite well. This is great news. However, our focus must be on how well our fellow Alaskans are doing.

Inflation is now at a 40-year high! The price of everything is going through the roof. Inflation is eating away paychecks faster than wages are rising for most Americans and Alaskans. Yet, Alaska is fortunate. The Permanent Fund is the envy of every state in the country. Now is the perfect time to settle this issue for Alaskans during this critical period. The people of Alaska must not be an afterthought! They must be foremost in every decision we make.

There are a lot of lobbyists who come to Juneau to argue for a bigger piece of the pie for their clients from the Permanent Fund, but, as I've often said, my job is to represent Alaskans who don't have lobbyists.

That's not just my job. That's your job as well.

We can't forget why we're here, and who sent us here.

Everyday Alaskans who play by the rules and follow the law are wondering how the people they've given the power to make laws can excuse themselves from following those very laws when it appears to be inconvenient. They're wondering how we've come to a place where the PFD is nothing more than what's left over after government takes the lion's share. They're wondering how we've reached a place where the last Permanent Fund Dividend wasn't even paid for from the Permanent Fund.

These everyday Alaskans have watched the Permanent Fund boom over the past two years thanks to a record run in the stock markets and they wonder why they've been left behind. Just two years ago, the Permanent Fund was worth \$65 billion, and today it is worth \$82 billion. But as we know, stock market gains do not equally benefit everyone.

Working- and middle-class Alaskans and their fellow Americans have struggled to keep their paychecks, or keep their businesses open for the past two years. At the same time, we've witnessed the largest transfer of wealth to the top 1 percent in the history of mankind.

Under our constitution, the people of Alaska are the resource owners. Under our constitution, they are owed their share of this wealth. I will continue calling upon the Legislature to either follow the law or change the law with the consent of the people. Settling this issue can't be avoided any longer.

Let us write the history that this was the year we all came together to find a solution once and for all.

Another pledge I made to Alaskans as I stood here three years ago was to promote economic growth and opportunity.

As 2019 ended, we had finally clawed out of a multi-year recession. Our GDP was growing as fast or faster than all but seven of our fellow states; our unemployment rate continued to reach record lows.

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But we all know what happened next as we entered 2020. The economic devastation hit Alaska like no other state. Nearly overnight we lost more than 42,000 jobs.

We are still a long way from recovering the jobs lost in 2020, but we are moving in the right direction.

Oil production has rebounded from the industry cuts at the onset of the pandemic. Back in 2013, after years averaging 6 percent annual production declines, the forecast for production in the current fiscal year was projected to be just 340,000 barrels per day. Instead, we are in fact, around 500,000 barrels, with multiple large projects in development and billions of barrels still in the ground. If allowed to come to fruition, these projects can add more than 300,000 barrels per day in production.

Ten years ago, some had the idea that policy didn't matter, that the oil was running out and the decline was inevitable. There was basically nothing we could do. Today, our production numbers prove that good policy that encourages business works.

At the same time, our ability to increase production is under attack from Washington, DC, and federal courts that side with extremist environmental groups. No state has been targeted more by the current administration than our Great State of Alaska. At every turn and since day one of the Biden Administration, this hostility has been perfectly clear. They don't care about Alaska, and they don't care about you.

Out of all 50 states, we are the only state that was specifically admitted to the Union compelled to support ourselves through the development of our rich natural resources. For those who want us to invest in programs such as renewables, as I do, the cost of transition can only come from the revenue from our oil and gas. From that perspective, the policies coming from Washington DC make absolutely no sense and quite frankly border on insanity.

Why do I say that?

Because no president should have to beg for more oil from the Middle East or Russia's Arctic when we can produce it right here better and safer than anywhere else on the planet! This is common sense! This misguided policy only caters to extremists in the environmental movement, and strangely, to the leaders of countries that are not our friends. Folks, our enemies are laughing all the way to the bank.

This is why my administration's Statehood Defense Initiative is vital to protect Alaska from these crazy policies.

I will not stand idly by and allow Washington to throttle Alaska's future without a fight and I thank the Legislature for standing with my administration and the people of Alaska by funding this effort. We must be allowed to fulfill the promises made in the Statehood Act to support ourselves with resource development!

Along with increased oil production, another bright spot this past year was a record run of 63 million sockeye salmon in Bristol Bay. The state salmon harvest overall was valued at \$644 million, the third-best ever.

But we also know that some salmon returns across the state set different records, unfortunately, for all-time lows, particularly in many parts of Western Alaska. In conjunction with local and industry partners, we secured tens of thousands of pounds of salmon for the impacted villages.

At the same time, we know this isn't a solution for Alaskans who have survived off their lands and waters for thousands of years.

The issue of bycatch has long been a contentious one. To help solve this longstanding issue, my administration has created a Bycatch Review Task Force that will take in all the science and data to ascertain causes and then put forth recommendations to solve this issue for the benefit of Alaskans. We know that natural forces cause ups and downs in wildlife populations, but we must understand the causes of population declines and the possible

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manmade effects from other fisheries in the Bering Sea and Gulf of Alaska. Every possible impact must be examined, and we must make sure our valuable species such as salmon, crab, and halibut are protected.

As we all know, the main purpose of government is to provide security for its citizens first and foremost, and that includes food security. This is an area we are proposing further initiatives to boost our agriculture and mariculture industries.

As a state disconnected from the Lower 48, at the top of the world with a small population, we are at the start and the end of the supply chain and too often at the mercy of others for our state's survival. What we've seen at backed up ports around the country powerfully illustrates how fragile that supply chain can be. Whether caused by a natural disaster or a port closure, Alaskans are aware of how a disruption in the supply chain can affect us. It's often noted that Alaska's grocery stores only have about two weeks' worth of food in stock.

At the onset of the pandemic, and more recently, we've seen some empty shelves in Alaska.

The key component of a modern state is the ability to produce what it needs to ensure its survival, and that means we must build our own supply chain.

That is where our Alaska Grown businesses have a huge part to play. Because, and make no mistake, at some future date, there will be another disruption to our supply chain. We must be prepared for that inevitability. We must be self-sufficient. Through our Pioneer Homes, our Department of Corrections, our schools, and more, the State of Alaska can be the biggest supporter of our Alaska Grown products to ensure our agriculture, mariculture, and food processing industries have the level of business they need to sustain and expand, and to be there when we need them!

Soon, we will be introducing legislation and an Administrative Order creating a Food Security Task Force in support of this effort. Food security starts with land, and Alaska has more farmland potential than any other state.

In Texas, more than 95 percent of the land is privately-owned.

But in Alaska, the biggest state in the country by far, we have barely 4 percent of our land in private hands. This must change. We often rail against the federal government that holds so much of our land, yet as a state we hoard our own land like no other. This makes no sense. To increase our agricultural production, and to make the Alaska dream of owning a piece of the Last Frontier attainable, we must have land reform.

We introduced several bills last year that would facilitate the goals of growing an agriculture sector and make land easier for Alaskans to acquire as well.

But we need these bills to move to make this happen. Our constitution demands that we encourage the settlement of our land, and the development of our resources by making them available for maximum use. I call upon the Legislature to act upon these land bills. We must meet our responsibilities under the constitution and to give Alaskans a piece of the Last Frontier.

Over the past several years as we've faced multi-billion-dollar deficits, we've been forced to have a debate about how much the state spends and how we should prioritize that spending. But where there can be no debate is that the number one job of any government is public safety.

When I took office, the Department of Public Safety, our brave State Troopers, and Village Public Safety Officers had been weakened through years of budget cuts. In 2016, the State Troopers had lost 38 positions in just two years, posts were being closed around the state, and our services to rural Alaskans were being shortchanged as well.

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While restraining state spending elsewhere, my administration has proposed four years of increased resources for the Department of Public Safety, and I thank the Legislature for supporting these efforts. We now have 20 more funded Trooper positions than when I took office. We're on track for two full Public Safety academies in 2022 that could add as many as 60 Troopers to our ranks. We've added dedicated major crimes investigators to Western Alaska for the first time. These new resources will be a game-changer. Four of those investigators are now based in Bethel, where we are adding a deputy fire marshal and a crime scene technician as well.

One of our outstanding State Troopers is also based in Bethel. Sergeant Elondre Johnson is an 18-year veteran of the State Troopers assigned to the Bethel Post. Over the years, Sergeant Johnson has developed an impeccable reputation and positive relationships with the communities he serves. Sergeant Johnson serves the villages of the Y-K Delta where he also helps train local law enforcement and new Troopers assigned to the Bethel Post. Sergeant Johnson has won praise from stakeholder groups, residents of the communities he serves, survivors, and the local District Attorney's office. The local District Attorney cites his high caliber case work as essential for successful prosecution of serious crimes.

Serving rural Alaska is the primary mission of the State Troopers, and Sergeant Johnson puts that mission into practice everyday in harmony with his division's purpose of "Public Safety through Public Service." In recognition of his outstanding service and his model example to fellow Troopers, Sergeant Johnson was named the 2020 Alaska State Trooper of the Year. We are fortunate that he is here tonight, so please, Sergeant Johnson, could you stand to be recognized?

We are so grateful for the service and sacrifice you and your fellow Troopers are giving Alaska every day. I assure you it does not go unnoticed. Again, I want to thank you, Sergeant Johnson, for your service to Alaska.

In furtherance of our goals to revitalize service to rural Alaska, we've authorized pay increases for Village Public Safety Officers, and we've hired 22-year Trooper veteran Colonel Joel Hard to take over the new position of VPSO Operations Director.

Thanks to previous funding from the Legislature, we've finally cleared the decades-old backlog of thousands of untested sexual assault examination kits! We must never let such a backlog happen again, and we've put into place the personnel and policies to make sure it won't.

In the bill that repealed SB 91, another provision was added to require all kits to be examined within one year. My administration knows we can do much better, so we've tasked the Crime Lab to complete these examinations in less than 90 days.

I also appreciate the Legislature approving my funding request for 10 Department of Corrections personnel to take on another decades-old problem of collecting DNA from those arrested or convicted for certain crimes. We're making great strides with legislative support for funding this important program, and I thank you all for that. Good things really can happen when we work together.

These programs will not only aid us in providing swift justice for victims but are also helping us resolve cold cases to bring long-overdue justice for victims and their families.

Justice delayed is justice denied, and I thank the court system for resuming criminal jury trials to protect the rights of victims and the rights of the accused.

My proposed budget also funds additional criminal prosecutors to clear the case backlog brought on by this pandemic, and it includes court system funding to resume the five-day work week.

Tonight, I'm asking you, the Legislature, to fund my proposed DPS budget for the next fiscal year that supports the People First Initiative.

The good news for Alaska is that our overall crime rate has declined significantly in the past couple years; the bad news is that our rates of domestic violence and sexual assault remain stubbornly high.

As we announced last month, the People First initiative is the umbrella for five distinct initiatives addressing our most critical problems that impact our most vulnerable:

- * Domestic violence and sexual assault
- * Human trafficking
- * Missing and murdered Indigenous persons
- * The foster care system
- * And homelessness.

These are not top-down proposals. They've been crafted from the ground up based upon the input of multiple stakeholders in a process that started in November of 2020. The People First Initiative is a mix of statutory changes, additional personnel, administrative orders, technology, and increased resources to tackle these longstanding, serious problems. These issues are not necessarily new. Many of them have been with us for so long that they've almost been normalized in Alaska, as almost unsolvable. My administration cannot – *it will not* – accept these tragic outcomes as beyond our control. We owe Alaskans, especially our most vulnerable, to do nothing less than everything in our power to break these vicious cycles of violence, of abuse, of despair.

Carley Rose Kelly is an example of a survivor who is breaking these cycles. Carley has survived domestic violence and drug addiction, but it wasn't easy. After losing custody of her children, she turned to drugs to numb the pain. She has had run-ins with the law; she chose unhealthy relationships; she became homeless. After years of struggle, she was able to pull her life together.

Today, at the age of 27, she is nearly three years sober. She is a Client Navigator and Peer Support Specialist for at-risk and homeless youth at My House in Wasilla. She is in a healthy marriage and is reconnecting with her children.

One part of the People First Initiative that Carley is most enthusiastic about is the “through one door” concept we’ll be implementing at the Alaska Family Justice Center.

Carley knows about the need for victims to feel safe, to not have to go to multiple sites to address their emergency medical, housing, legal, and children’s needs. She can see the benefit of being able to connect with a case manager and tell their story once and receive immediate assistance. Carley knows how easily victims get lost in the shuffle ... she knows the challenges of transportation, and how quickly victims “give up” in the process of seeking help because they have to deal with a disjointed, bureaucratic system.

Carley firmly believes had this type of approach existed during her darkest hours, she would have been in recovery sooner and had a better chance of maintaining custody of her children. These are the types of approaches we’ll be implementing under the People First Initiative thanks to the input from survivors like Carley.

Carley is here tonight, and, Carley, I congratulate you on your recovery and your commitment to others. Carley, could you please stand and be recognized?

Thank you for the example you’re setting, Carley, and for all you’re doing at My House.

The People First Initiative will be critical for our fellow Alaskans who are experiencing what Carley has gone through. With innovative approaches such as the “through one door” concept, we are determined to provide the assistance to Alaskans that Carley struggled to find. I look forward to working with the Legislature and stakeholder groups to put this into action.

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As we begin this second half of the 32nd Legislative Session, there are some who believe nothing will get done because it's an election year. Let's prove them wrong! We must remember that other than pink salmon fishermen, most Alaskans don't care whether it is an odd- or even-numbered year. Most Alaskans outside this room don't plan their lives around an election season. They plan their lives around hunting season, or fishing season, construction season, or tourism season. But not election season. Alaskans won't accept that we can't get anything done because it's an election year. Because I'm an eternal optimist, I still believe we can bring out the best in each other. We can never lose sight of the future, and we certainly cannot lose sight of why the people of Alaska sent us all here. We need to work on the Alaska, not of yesterday, but of the next 5, 10, and 50 years. That Alaska starts now.

Our motto isn't "North to the Next Election" or "North to Gridlock." Our motto is "North to the Future."

What does that future look like to you?

I envision an Alaska where our people and our most vulnerable feel safer tomorrow than they did yesterday. I envision an Alaska where our privacy and our freedom of speech are secure. No Alaskan should fear the IRS snooping around their bank account.

No parent should fear speaking up lest they be targeted as a potential domestic terrorist.

I will always stand between Alaskans and a federal government that violates our God-given rights and exceeds its constitutional authority. I envision an Alaska where our educational outcomes are the best in the nation, not the worst.

As a teacher, a superintendent, and a School Board member, education has been a lifelong passion for me. When I pursued my master's degree at the University of Alaska Fairbanks, I chose the track of cross-cultural education so I could be a more effective

teacher in rural Alaska. I worked in education in rural Alaska for nearly 20 years, and I know firsthand the challenges for students both on and off the road system.

My proposed budget fully funds education, school bond debt reimbursement, and University scholarships, but I have long said that we must be focused more on outputs than inputs. I will continue to work with our Department of Education, Commissioner Johnson, and the Legislature to improve our education system. We must ensure that our children are attaining the benchmark skills in reading and math that will set them on a course for success no matter what career they choose.

I have always envisioned an Alaska where parents are the most crucial component in the educational success of their children. This is why I've supported our public schools, home schools, charter schools, and other schools of choice.

Years ago, when I was a Senator, I and other legislators passed a parental rights bill that recognizes parents as the most essential part of their children's education. I envision an Alaska where parents and children are ... and remain ... at the forefront of every educational decision we make, and I will continue to protect the rights of parents in the education of their children.

I also envision an Alaska that is energy independent and a leader in renewable energy whether it be hydro, tidal, geothermal, wind, solar, or other. I envision an Alaska where we finally get our stranded natural gas off the North Slope and into our homes and businesses, and around the world. With key permits in hand and a federal loan guarantee in place, we are closer now than ever to making this gas line a reality.

I envision an Alaska where our cost of energy is no longer the second highest in the nation, but one of the lowest. That's my vision. I hope it is yours as well.

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Since the 2019 fiscal year, the Alaska Energy Authority has completed projects that have replaced more than 7.6 million gallons of diesel fuel per year.

We have abundant renewable resource potential, and we can turn that potential into a reality that will lower costs for all Alaskans and invite industries to invest in our Great State as well.

The Trans-Alaska Pipeline System has operated for nearly 45 years as the backbone of our economy. It has transformed Alaska into the modern state that it is. The pipeline provides energy, revenue, and jobs for our state, and it provides national security for the United States as well.

I envision an Alaska that remains an oil and gas giant with a pipeline that operates for at least another 45 years to underwrite the cost of government, our renewable potential, and secure our energy independence.

I envision an Alaska that is connected to the digital world through high-speed broadband that unlocks the opportunity for us to live anywhere and work from anywhere in this Great State.

I envision an Alaska that is a worldwide leader in technology, in unmanned aircraft systems, and in the critical minerals needed to power the technology of today and tomorrow.

The University of Alaska is central to this future in my proposed budget.

I envision an Alaska that capitalizes on our proximity to the rest of the globe; an Alaska that is the U.S. port to Asia; an Alaska that continues to anchor America's national security as host to our military bases.

The Alaska I see in the future is self-sufficient and secure in its energy, its food supply, and other critical sectors; an Alaska that is healthier and safer; an Alaska that is prosperous with opportunities for all.

I envision an Alaska where its major port systems are not only structurally sound but are designed to handle a growing economy for the next 10, 50, and 100 years.

I envision an Alaska that is prepared for every opportunity.

An open Arctic supporting trans ocean shipments from the Atlantic to the Pacific could make Alaska “the Panama of the north” and create more jobs, more wealth, and more opportunity for future Alaskans.

Over the holidays, I had a chance to take a walk with two of my daughters, Catherine and Maggie, and our three dogs Blue, Olive and Mr. Tito, and I asked them what they see for Alaska’s future. “Dad,” Catherine said, “Alaska has so much to offer. I can’t think of anywhere I’d rather be. I love the outdoors. I will have the opportunity to work at a great job. My family is here, and I only see upside. Sure, I can visit somewhere else, but this is my home.”

As many of you know, all three of my daughters are shareholders of the NANA Corporation, Tribal members, and work at the Red Dog Mine located in the region where they were born and spent much of their childhood. I met their mom, Rose, in Nome, and we were married there 34 years ago. Our First Lady is from Noorvik, a village on the Kobuk River, and through the Red Dog mine, she has seen firsthand how economic opportunity and jobs transformed the region for the better. When I asked her what she envisions for the future of the state, she told me she wants those same opportunities she had ... for everyone else.

She would tell you no one should be left behind, urban, or rural, regardless of race or background. Without economic opportunity, without safety, without good schools, the next generation of Alaskans may look South.

“North to the Future” will be a hollow motto without opportunity for our kids and grandkids. It will merely be a bumper sticker on a car crossing the Canadian border never to return. It will be a destiny gone unfulfilled. The power to fulfill this destiny is in this

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room tonight ... It's in our hands. Together, we can make sure that the next generation doesn't look South to find its opportunities and its dreams. We can make sure it is truly the future that the next generation sees when they look North to the Great State of Alaska.

Those of us here tonight have a great obligation to come together around policies that will solve long-standing issues and create those opportunities for generations to come.

The future is now. We can't dwell on yesterday, and we're running out of tomorrows. So let's get to work, and let's work together.

I want to thank you again for the opportunity to speak to you tonight.

May God bless you all, and may God continue to bless the Great State of Alaska.

Thank you.

Please report corrections to the Senate Secretary's office.