

**HOUSE AND SENATE
JOINT JOURNAL SUPPLEMENT**

January 22, 2026

Thursday

No. 11

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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-Fourth Alaska State Legislature

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January 22, 2026

Juneau, Alaska

The following was submitted for publication:

Thank you, Lieutenant Governor Dahlstrom, Senate President Stevens, Speaker Edgmon, and members of the 34th Legislature. I want to thank you for the invitation to speak to you tonight, and to our fellow Alaskans as well.

This is my eighth and final State of the State address to you, and the people of Alaska. To the members of the Legislature: Welcome back to Juneau, and thank you for being here to represent your fellow Alaskans. To the people of Alaska: thank you for putting your faith in me for the past seven years.

But, before I continue, I want to take a moment to recognize my wife, First Lady Rose Dunleavy, and my three daughters Maggie, Catherine, and Ceil, who are here in the gallery tonight. I want to thank you for supporting me and putting up with me in this role. I know at times it hasn't been easy. But I couldn't have asked for better people to be behind me as we enter the last year on this job. Thanks for being here tonight, and for all that you do.

I'd also like to recognize the members of my cabinet in attendance tonight. Could you please stand and be recognized? Thank you, for everything you're doing for the people of Alaska.

It's the people of Alaska who had the confidence to put me in this role to serve all Alaskans as Governor. Because of that, it is you, the people of Alaska, who are in the forefront of every decision I make. Yes, I work with the legislators in this room, but it's you, the people of Alaska, who've elected me based upon the platform I ran on, not just once, but twice. It's because of you, the people, that I have never lost an election, and it hasn't really been close. Despite what the media says, despite what the political pundits say, despite what my detractors say, the ideals I stand for, and campaigned on, are what the majority of the Alaskans chose. I believe the choice of the people of Alaska to put me here reflects my sincerity in understanding their needs, knowing their values, trusting their judgment, and keeping my commitments to them.

I've been serving the people of Alaska for more than 40 years. Other than marrying my wife Rose and raising our kids, serving the people of this great state, as both an educator and elected official, has been the best decision of my life. From serving a small group of school children in the wonderful town of Koyuk, to serving the entire state as Governor, I've been blessed. Service is an honor. It's a privilege. It's a responsibility to live up to every single day, and I'll forever be grateful to the people of Alaska for trusting me with this job for the past seven years, and for one more.

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In this last year, I'm looking forward to working with all 60 of you here in the Legislature to move an Alaska-centric agenda forward. Not an agenda that is constructed, pushed by, and that benefits the special interests. We know who they are, and you know who they are. They walk the halls of Juneau looking for opportunity to push their own agenda, too often at the expense of what the people need. They try to get on your calendar for their own gain to co-opt agendas that are focused on outcomes that aren't best for Alaskans. These are the groups that will have a party the day I leave office, and that's understandable because I haven't been very accommodating to them while I've been in office. That won't change this year, either.

But for the next year, I plan on working with you, together, to advance great policy that benefits the mothers and fathers, the sons and daughters, the Alaskans who count on us to do the right thing.

It's also important to remember that we don't have a parliamentary form of government. The Executive Branch is separate from the Legislative Branch. The framers of both the U.S. Constitution and the Constitution of Alaska were very clear on this point. They wanted three distinct branches of government to protect people's liberty and their pocketbooks. Our founding fathers, arguably the greatest collection of minds in one spot at one time in history, had just separated from Great Britain in a protracted civil war that ended in revolution. They risked everything to create this country that will soon be celebrating 250 years of existence. They thought long and hard about how they would construct this government that we have today. A government with three distinct branches: The Legislative, the Executive, and the Judiciary. They wanted a government full of checks and balances. They wanted a government that was limited in scope and reach. They wanted a government that puts the people first and in charge. They rejected a dictatorship by king as firmly as they rejected a dictatorship by parliament.

As a result, I am as accountable to the people as you are. But I don't work for you, I am not a 61st legislator, nor do you work for me. We work together on behalf of all Alaskans. And in my last year, that is exactly what I hope we do.

I have to say that every day in this job is exciting, and it's been quite an adventure. The excitement actually started right before I took office, with the second-largest recorded earthquake in Southcentral's history. That was just the beginning. Since then, the State of Alaska has experienced 85 state and federal disaster declarations. That's an average of one per month while I've been in office. Wildfires, landslides, windstorms, typhoons, flooding, record-breaking snowstorms, and a once-in-a-century pandemic. Tragically, we've lost some of our fellow Alaskans to these disasters.

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But while we couldn't save every life, what we've seen time and time again is the heroism of our people: Our first responders, our National Guardsmen and State Defense Forces, our federal allies in the Coast Guard, our health care workers, our state agencies, our nonprofit partners, and private companies and citizens. Time and time again, they've rallied to the cause. They've answered the call of duty and saved lives. They are absolutely the best. Let's all give them a round of applause.

We saw this heroism in action just this past fall after the remnants of Typhoon Halong surged into the Kuskokwim Delta, sweeping homes and vehicles away in Kipnuk and Kwig. Our National Guard, the Coast Guard, and our State Defense Forces sprang into action. Their combined efforts led to the rescue of 51 Alaskans. Personnel and assets further mobilized to evacuate some 1,000 Alaskans from the affected communities and transport millions of pounds of relief supplies into the region.

Our Department of Transportation and Public Facilities was also critical to our response and recovery. In just three days, the department completed assessments for 35 communities utilizing drones, GoPros, and remote Starlink connections. They flew more than 300 missions, which was critical to saving lives, delivering supplies, and rebuilding infrastructure.

As I traveled the region and spoke with folks who responded to Alaska from outside the state, I heard it over and over that we had the best disaster response they'd seen anywhere in the country. That may have come as a surprise to them considering our vast geography and harrowing weather. For me, it's what I've come to expect, but it's something I will never take for granted. We can't control natural disasters. But we can control how we respond, and I couldn't be prouder of how we've responded to these events thanks to the brave men and women that I have the honor to serve as Governor.

Tonight, I want to recognize the leaders of those brave men and women, here on their behalf not just for the response to Halong, but to so many other events over the past seven years. Major General Torrence Saxe, Coast Guard Captain Christopher Culpepper, the Commander of Sector Western Alaska and U.S. Arctic, Homeland Security and Emergency Management Director Bryan Fisher, and Transportation Commissioner Ryan Anderson, could you please stand and be recognized for your leadership in these the life-saving efforts? On behalf of every Alaskan, thank you for your leadership, and thank you to everyone under your command who's ready at a moment's notice to run toward danger in service to others. Thank you.

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There's no question we've dealt with our fair share of natural disasters over the past seven years. We also had to manage a manmade disaster over four years during my time in office. That being the policies of the Biden Administration. With at least 74 executive actions against Alaska under his administration, the very concept of Alaska being able to pay its own way through resource development was in jeopardy. No state suffered more than Alaska under the last federal administration, and it's not even close. Thankfully, those years are now behind us and we have a President and administration in Washington that finally gets it. On his first day of his second term, President Trump issued a comprehensive Executive Order specifically for Alaska. This was extraordinary, and has never been done before. This highlights the importance of Alaska in the President's agenda. It has also signaled to the international investor community and federal agencies that Alaska is open for business, and is a priority. I want to take a moment to thank President Trump and his Cabinet for everything they're doing in Alaska's best interests, and in the best interests of the United States of America.

There's no doubt a positive relationship with our country's President is everything, and it's my hope that the next governor pursues and cultivates a very strong relationship with the President of the United States. What has this positive relationship done for our great state? The list is exhaustive, but here are a few examples. Last August, we received a record-setting \$183 million in federal highway funds for transportation infrastructure improvements. This administration has taken numerous steps to increase oil and gas production including offshore, reopening millions of acres in the NPR-A, finalizing plans to open ANWR, and promoting Alaska LNG on the international stage. Last August, the State of Alaska entered a first-of-its-kind MOU with the Federal Permitting Council to streamline project permitting under the FAST-41 program. This MOU is accelerating permitting for expansions at existing operations at Greens Creek and Red Dog mines. It's advancing prospects like Graphite One and Donlin, and it extends to transmission and broadband projects as well. Even projects that could be considered small, such as the King Cove Road, get attention from this President. And just last month, we learned we'll be receiving up to \$272 million per year for the next five years to completely transform our health care system.

There should also be some great news coming soon about management in the Tongass National Forest. This didn't happen by accident. Through our work in the Executive Branch and with our Congressional delegation, we've secured historic investments and decisions for Alaska. Alaska is benefitting greatly thanks to President Trump, and his administration. We need to do all we can to work with our federal partners over the next three years. We may never get this opportunity again. We finally have a President that believes in

Alaska, and wants to unleash our resources for the benefit of all our people. Can you imagine the progress we would have made in the past five years if the Biden administration hadn't sabotaged the work in NPR-A, the Tongass, ANWR, Ambler, and elsewhere? Thousands of jobs would have been created, and development would be well underway. This is why elections matter!

Individuals can make a difference, too, in our great state. Given our small population and our location on the map, we're often an afterthought for many. Because of that, Alaskans have always had to punch above our weight whether it's in Congress, in the courts, or other endeavors in life. The odds are rarely in our favor, but Alaska's history is filled with examples of those who would not be denied. I'm honored to have two friends of mine here tonight who have done just that: Dick Randolph and John Sturgeon.

Dick moved to Alaska in the 1960s. Like me, he became a teacher in rural Alaska. Eventually he moved to Fairbanks and became State Farm's top-selling agent in the nation. He could have been satisfied with that life, but he wanted to serve Alaska in a different capacity, so he got into politics. He founded the Alaska Libertarian Party and was the first Libertarian elected to office in the United States. Dick was instrumental in mastering the use of the initiative process by galvanizing the people of Alaska to put a repeal of the state income tax on the ballot, which ended up forcing the Legislature to eliminate it. He is an outspoken advocate for individual and states' rights. To those who know him, he embodies the independent spirit that typified Alaska during the '70s and '80s, and he's left a lasting impression on me, and many other Alaskans.

My next friend in the gallery is a man named John Sturgeon. John was just minding his own business in 2007 doing a very Alaskan thing – moose hunting with his hovercraft on the Nation River in the Yukon Charley Preserve. Then he was threatened with a citation by the National Park Service under a supposed federal ban on such craft. John could have taken it lying down, paid a ticket, or found another place to use his hovercraft. But John knew the federal government was wrong, and he took his fight to court on behalf of every Alaskan. It took 12 years and more than \$1.5 million, but John beat the odds and was proven right with an unprecedented two 9-0 victories at the U.S. Supreme Court that upheld the rights of Alaskans to access our lands.

Another thing about John. Not only is he a Navy veteran that served our country. He continues to serve today. John has a huge hand in our Wounded Warrior program, including the hunt that I attend every November on Afognak Island. John invites men and women who have bravely served our country, and who have paid terrible prices in terms of being injured and

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mained. John gives them a chance to feel whole again, to see Alaska, and go on a hunt. It's an honor for me to go on these hunts every year, and watch him interact with these veterans. I want to thank you John, for everything you do, and everything you've done, for our great people and this great state. Every Alaskan owes men like Dick Randolph and John Sturgeon a thank you, and I'd like to ask both of them to stand and be recognized for their dedication to our great State. Thank you once again, John, and Dick, for being here tonight, and for all you've done for Alaska.

Last year, polling was released that showed nearly 70 percent of Americans agree with John Sturgeon and Dick Randolph. They believe that Alaskans should have more control of our lands as well. The most frequent words they used to describe Alaskans like John Sturgeon and Dick Randolph were "self-sufficient" and "independent." I believe most Alaskans agree with their fellow Americans.

But we all have to ask ourselves important questions from time to time. Do we still believe in ourselves? Do we still believe in our independence? Do we recognize the opportunities we have in front of us now? It's easy to be pessimistic. It's easy to be cynical. It's easy to say "no." Being optimistic in the face of challenges is hard. Refusing to accept things the way they are, or the way they've always been, is hard for some.

I didn't run for this job just to be Governor, just to be called Governor, to go to balls and black-tie events. I ran for this job because I believe that if one puts their mind to it, they can change outcomes for the better. I've always been an optimist. I continue to be an optimist. And I'm optimistic about the coming year, and Alaska's future.

But before we get to that, we need to talk about some of the great things that have happened in the past seven years. Despite what some in the media would like to portray, despite what some bloggers, and special interests, and political opponents would like to convey, some really great things for Alaska have happened under my administration. Before my administration, crime was at record highs. Today, we've driven it down to historic lows. That's a fact. Before my administration, we lost jobs every year from 2015 to 2018. That's the longest stretch of job losses in our state's history. In 2018, our unemployment rate hit 6.3 percent compared to the national rate of 3.7 percent. Today, our unemployment rate is 4.7 percent, nearly equal to the national average of 4.6 percent.

Jobs have also grown faster than the national rate and are forecast to reach a record high in 2026. That's six straight years of job growth, resulting in an

economy that's more diversified than ever. Today, wages are also growing by 7.7 percent, faster than the national average of 4.8 percent. Our population has also stabilized and is growing. I know there's a feeling that things can be better, and of course they can, but our economy has been getting stronger and stronger every year of my administration.

There's a few more things we've accomplished under my administration. Before my administration, the Alaska Psychiatric Institute was in disarray. API was failing in its mission and in danger of losing its federal certification. Today, driven by strong leadership, system improvements, and staff commitment, not only is API still certified, but it has expanded from 20 beds to 80, and reopened the Chilkat adolescent unit.

Before my administration, the Alaska LNG Project was floundering and AGDC was nearly broke. Under my administration, we secured funding from North Slope producers to finish the permitting, and we defeated challenges to the project in court. Today, we are on the cusp of realizing a decades-old dream of delivering abundant, affordable energy that will benefit every Alaskan. Today, unlike seven years ago, oil production is increasing; reading scores are improving; and the Permanent Fund has reached record highs thanks to steady and strong leadership.

We've held budget growth in check, at less than 1 percent per year since I've been in office. By some estimates, this has saved the State billions of dollars. We've paid down debts, and we've improved our credit ratings across the board. Our Treasury Division managers delivered 10 percent returns for our retirement systems last year and have generated \$20 billion in gains during my administration. Last year's gains across all Treasury managed assets were nearly 13 percent, generating \$6.7 billion in returns, and we've received four credit rating upgrades in the past two years.

We've set up the State of Alaska to welcome advanced nuclear power, carbon capture and storage technologies, data centers, and emerging energy sources such as tidal and sustainable aviation fuels. The Alaska Industrial Development and Export Authority, also known as AIDEA, just posted its second year in a row of record net income and has now paid over a half-billion dollars in dividends to the State. AIDEA is leading the way on some of the biggest resource development projects in our state's history – the West Susitna Access Road, the Ambler Access Road, and, of course, our leases at ANWR that were restored last summer and have new life under the Trump administration. Through the Alaska Energy Authority, we're reforming and upgrading our major power transmission system on the Railbelt; and we're expanding the Bradley Lake hydro project through the Dixon Diversion.

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By establishing a Department of Agriculture, building up infrastructure like roads and power to our farm and ranch lands, and funding research at the University of Alaska Fairbanks, we're laying a foundation for an Alaska that's more independent and more food secure. My administration has also undertaken ambitious efforts to modernize our information systems across all agencies. We inherited antiquated and arthritic systems, from software and hardware to a persistent reliance on paper in this digital age. At the Commerce Department, this modernization effort has dramatically reduced processing time for licensing and renewals. In just one example, we've cut the wait time to process a nursing license from 13 weeks to 2-and-a-half weeks. This is real progress. At the Division of Public Assistance, there's been an 80 percent shift from paper applications to online applications, improving efficiency and reducing errors. Everyone that applies for their PFD online is familiar with the MyAlaska portal. But you may not know that the MyAlaska portal is now available as the MyAlaska mobile app, which currently has 50 state services you can access, from PFD applications to fishing licenses, and more. Another 50 state services will soon be available through your phone no matter where you are on the planet, with more services being added continuously. So, find it in your app store, download it, and you'll see how easy it is to access state services.

Over the past 21 months, more than 1100 state applications on our servers have been migrated to the Microsoft cloud system. This migration will give our IT systems the resiliency and security we need in the cyber age, and Microsoft estimates that Alaska is on track to be one of the first states to handle most of its business in the cloud. We've even introduced mobile driver's licenses that have been approved for use by TSA at our international airports and around the state. Once again, we've improved the services the people expect, while holding budget growth in check.

At our Department of Transportation, we're capitalizing on our strategic location. The Ted Stevens Anchorage International Airport is the second-busiest cargo airport in the country and is now the fourth-busiest in the world under my administration. Within the past two years, we've added five new cargo carriers in Anchorage, and this year with the addition of Southwest, we'll be served by every major passenger carrier in the U.S. Thanks to additions like Southwest, Anchorage is now the fastest-growing airport in the country, based on growth in interstate seat capacity. Passenger traffic is up 23 percent in the past five years. Cargo volumes are up 32 percent in the same time. Amazon, UPS, and FedEx have all expanded their operations, and the Department is leading our initiatives to serve all these carriers with sustainable aviation fuels.

On the ground and at sea, we're improving safety in our most dangerous highway corridors, and we've turned around the performance of our ferry system. We're revitalizing and replacing our marine highway vessels. We've had uptime of 98.5 percent for the past two years since implementing a Preventative Maintenance System for our ferries. We're advancing critical port infrastructure projects in Kotzebue and Nome in preparation for expanded Arctic shipping and for national security interests. We've also expanded our maintenance of ice roads to now serve 40 rural communities.

Across the state, the Alaska Housing Finance Corporation is addressing affordability and availability and providing aid to our most vulnerable. AHFC has won national awards for its response to the pandemic and since then, by standing up its Housing Stabilization Program. This program has helped more than 1,900 households representing nearly 3,700 Alaskans achieve self-sufficiency. Through legislation we sponsored in 2024, AHFC is now able to offer lower down payments and rebates on new construction of energy efficient homes. New housing for seniors has been built in Fairbanks, and new family housing is coming online this winter in Valdez. AHFC has also acquired 600 acres from the University of Alaska for future development in Anchorage, the Mat-Su, and Fairbanks. AHFC has done all this while returning nearly \$300 million in dividends to the State in the last seven years for reinvestment in these critical programs in both urban and rural Alaska.

As someone who spent many years living in rural Alaska, I've made it a point as Governor to not let rural Alaska fall behind. Rural Alaska is what makes Alaska, and we've kept our commitments to rural Alaska. We've prioritized rural workforce housing for teachers, health care workers, and law enforcement. The Rural Professional Housing program, which is a public-private partnership that I helped start as a superintendent in Kotzebue 22 years ago, has now completed 592 units through AHFC. We've grown the Tribal Child Welfare Compact to include 167 Tribal governments, and with a legislative vote this year, we can expand Tribal compacting to education.

And now, thanks to President Trump's administration, we have a federal government working with us, rather than against us, to unleash our oil and gas, our abundant strategic mineral resources, our timber, and our fisheries for the benefit of all Alaskans no matter where they live. The eyes of the world are on Alaska. We saw this last spring, when President Trump's Energy Cabinet and delegations from around the world descended on Anchorage for the Alaska Sustainable Energy Conference. We've positioned Alaska well, both internationally and domestically, to meet this moment. I could go on and on for some time, detailing the positive things that have occurred in the state under my tenure, and I know our future truly is bright. I know, at the same

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time, we still have so much work to do to create that future for our kids and grandkids. Just like the first purpose of the U.S. Constitution is to form a “more perfect union,” we must strive to pursue a more perfect Alaska. As the second-youngest State in our great nation, we have more work to do than most.

And, just as I said from this spot last year, I’m not going to take a knee. I will not run out the clock. Even though it’s my last year, there is no slowing down. As a matter of fact, my staff and I are doubling down to ensure that we get a number of policies across the finish line for Alaska. There are simply too many opportunities for Alaska right now that need to be executed. Contrary to what you may have heard, my time is not up until noon on December 7th, 2026, and our time here together in this last regular session isn’t up until midnight on May 20th. So, we need to continue our work to strengthen public safety, put victims’ first, and hold perpetrators accountable.

As I just mentioned, crime in Alaska had reached historic highs in the years before my administration. This was thanks to catch-and-release policies, and devastating cuts to our State Troopers and Village Public Safety Officers. And to be fair, we inherited a longstanding culture as well that tolerated criminals and criminal behavior in our state. When I got into office, we didn’t accept these crime rates as just part of the status quo with no possible solution. We began surging resources into our Troopers, our VPSOs, our investigators, our prosecutors, and our response capabilities. We increased the number of Trooper positions in the budget and we’ve hired hundreds of Troopers during my time in office. We also strengthened the VPSO program. It was serving just 42 communities in 2018, and we only had 49 officers. As of last month, we’ve increased the communities served by our VPSOs by nearly 50 percent, to 62 villages. We’ve nearly doubled the number of VPSOs to 84. We’ve also achieved an 80 percent retention rate in the past four years, which is a great improvement. Last fiscal year, we also introduced Regional Public Safety Officers to strengthen the program. We are already up to 10 officers, and that number will continue to grow.

Along with growing our VPSO ranks, the Department of Public Safety has also established a major crimes investigative unit in Western Alaska. We also established Child Abuse Investigative Units in the Yukon-Kuskokwim Region, the Seward Peninsula, and the Northwest Arctic. We now have four dedicated Missing and Murdered Indigenous Persons Investigators. DPS also hired two Tribal Liaisons to ensure that Alaska Native communities have a dedicated resource to ensure their voices are heard within the department.

We didn't just increase personnel resources. We've reformed our policies as well. We repealed catch-and-release policies and kept criminals in jail. We passed legislation that put victims first, and we increased the penalties for trafficking in deadly drugs. The scourge of fentanyl is like nothing we've ever seen in this country. This drug has claimed hundreds of thousands of lives across the United States, and here in Alaska, over the past 10 years. We've responded with enhanced enforcement, and our State Troopers, working with their federal and local partners, seized 42 million fatal doses of fentanyl in 2024 alone. We've also passed legislation to enhance the penalty to second-degree murder for selling drugs like fentanyl that result in the death of another human being. Our enforcement effort is making a difference. According to provisional data from the Centers for Disease Control, from August 2024 to August 2025, overdose deaths in Alaska declined by nearly 19 percent. This is great progress, but we still have work to do.

Sadly, we haven't been able to prevent every death, including Alaskans like Bruce Snodgrass. Bruce was Sandy Snodgrass' only son. Like many young Alaskans, Bruce was an avid outdoorsman who loved exploring our beautiful state on his mountain bike. Bruce also struggled with addiction, like so many family and friends we all know. We also know these struggles often come with relapses in the recovery process that is long and arduous. Before fentanyl, a relapse was often a bump in the road to recovery, not the end of it. In 2021, at just 22 years old, Bruce's recovery was cut short by a fatal poisoning of fentanyl in Anchorage. When Sandy learned this from the toxicology report, her grief turned to resolve. She vowed to do something about it. She couldn't save Bruce, but she knew she could save others. Less than a year after his death, Bruce's Law was introduced in Congress in 2022 by Senator Lisa Murkowski to increase federal prevention and education efforts. But as things in Washington, DC, often go, even legislation like Bruce's Law takes far too long to pass. Sandy didn't let that stop her. She traveled tirelessly from Alaska to DC and around the nation to advocate for Bruce and for Americans like him and his family. Finally, last month, in the Oval Office, Sandy Snodgrass stood next to President Trump as Bruce's Law was signed into law alongside other parents who've experienced the same tragedies, who have fought this fight together, who never gave up hope.

We owe her our thanks, and we owe it to her to finish the job she started. I know she won't let us get away with anything less. Sandy, will you please stand and be recognized for your efforts to end this plague against our people, and for all your life-saving work? Thank you, Sandy, for being here tonight to represent the parents, the family members, the friends, the victims, and the survivors, who remind us that our work is not done until we eradicate this poison once and for all.

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As you can see, the pursuit of justice can be long, but it can't be denied in the face of determination. I declared war on criminals from this podium in 2019, and I meant it. No matter how long it takes, we will ensure justice for victims, and accountability for perpetrators. With this priority in mind, we began collecting long overdue DNA from individuals charged or convicted of certain crimes. In some cases, this DNA hadn't been collected for over 20 years. We've now reduced owed DNA nearly by half, with almost 4,000 samples taken since 2021. We cleared the testing backlog for sexual assault kits that built up over decades, and we put in place the policies to make sure the oversights of the past would not be repeated in the future.

Just this past year, these completed tests led to convictions for sexual assaults dating back decades, including as far back as 1993. These policies, though, need to be put into law for future administrations. I want to thank the members of the House for unanimously passing my legislation to accomplish this last year, and I look forward to signing this bill shortly, to make these tracking systems and testing deadlines permanent.

The results of these actions in personnel and policy are undeniable. Our overall crime rate is down 41.8 percent since I took office. Let me just repeat that: our crime rate has decreased 41.8 percent since I took office. That isn't just a number. That is quite literally thousands of Alaskans who didn't become just another statistic over the past seven years. Violent crime is down nearly 19 percent. Property crime is down 48 percent. Burglary: Down 56 percent. Robbery: Down 33 percent. Motor vehicle theft, remember what that was like under catch-and-release? Motor vehicle theft is down 55 percent since we repealed that disastrous policy. Aggravated assault is down 14 percent. Rape and sexual assault are down 25 percent. This is progress, but our rates are still far greater than the national average. We've come a long way, but we still have work to do.

I've always said every Alaskan should feel safe no matter who they are or where they live, and that includes our largest city by far. Under the leadership of Attorney General designee Stephen Cox, we're partnering with the Municipality of Anchorage to take on crime in our largest city. If you take Anchorage out of the mix, our state's overall crime rate is well below the national average. Let me just repeat that: If you take Anchorage out of the mix, our state's overall crime rate is well below the national average. Anchorage represents about 38 percent of our population, but in 2024 it had 55 percent of the state's murders, 51 percent of the sexual assaults, 67 percent of the car thefts, and more than 78 percent of the robberies. The Anchorage property crime rate is nearly 60 percent higher than the national average. In 2024, 74 percent of deaths from drug overdose or poisoning were in

Anchorage. Now, I really want this to resonate: the violent crime rate in Anchorage is nearly three times the national average. It's higher than Washington, DC, Los Angeles, New York, and Chicago. Let that sink in for a minute. This is far outside the norm. We don't have to accept this, and we're not going to. I want to give the Mayor of Anchorage credit. When we met with her and her staff, she saw it the same way we do. We agree it cannot, and should not, be ignored, and we're looking forward to working together to drive down crime in our biggest city. We must do better to protect people and their property. As a result, the State of Alaska and the Municipality of Anchorage are joining forces and working together to attack this overall crime rate, beginning with a Quality of Life initiative that started several weeks ago. This first phase, now underway, is focused on retail theft, and public nuisance crimes like camping, drug activity, and disorderly behavior. The second phase of this attack on crime will focus on drug interdiction, and the final component will focus on violent crime: assaults, rape, and murder. The goal is to put the resources where the data says the resources are needed. The data says the focus needs to be in Anchorage, and that's why we've partnered with the Municipality on these initiatives, while we continue to surge resources in the rest of Alaska as well.

Public safety has been my No. 1 priority and it will continue to be so until the end of my term. Together, we can make sure Anchorage isn't just a safer place, but one of the safest in the country for everyone who lives there and those who visit from around the world. The progress we've made in public safety isn't permanent; it can be undone with a return to the poor policies and a lack of commitment that my administration inherited. Policies must come with focus and an objective, followed by execution to achieve that objective. We've proven this works when it comes to public safety.

Policy and execution are also making a difference in education outcomes. Take the READS Act, which barely passed by one vote in this chamber in 2022. After just two years, we know the READS Act is working. We know this policy is working. During the 2024-25 school year, 44 percent of third graders were reading at the national benchmark to begin the year. By the end of the year, 60 percent were reading at the benchmark level. This is real improvement. Kindergartners saw the biggest jump. At the start of the school year, only 23 percent were reading at the benchmark level. By the end of the year, 62 percent were reading at the benchmark level. This is phenomenal improvement. We want to do better, and we will do better if we keep our focus on outcomes and not just funding.

I believe with all my heart – as an educator and as a parent – that ensuring a quality education for everyone is a moral imperative, and we have a moral

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obligation to do something about it. Dead last is unacceptable. We can't wait. Our children can't wait. It's past time that the voices of parents and students are given the same weight as the voices of special interests who are roaming these halls whispering to you to wait me out. The education legislation I filed is still live, and can be acted upon. We can increase access to public charter schools for all students, create an open enrollment system, address teacher retention with incentive payments, and make targeted investments with accountability-based reforms. We can also provide more of our Native students with meaningful, culturally relevant education through Tribal compacting. We have the time to do something now. We have 120 days to put in place good educational policies.

Legislators in other states don't say they don't have enough time. For example, in Utah last year, their legislature passed 582 bills in 45 days. That's 13 bills per day. In Arkansas, their legislature passed over 1,000 bills in 97 days, or about 10 per day. In Alaska? We passed 33 pieces of legislation in 120 days. That's about 1 bill every four days.

So what am I trying to say here? I think we all can agree, this being our last year, with a number of good bills to consider, we have the opportunity and the time to focus on improving our educational outcomes. I'm always the optimist, and I believe that the people in this room can accomplish big things whether it is in public safety, education, or stabilizing our fiscal situation. Alaska has long been viewed as having the most volatile fiscal and budgeting regime of any state in the country by investors, think tanks, and others. Instinctively, we know this is true as well.

We're the only state that relies so heavily on the price of a single commodity, oil, that changes year-to-year or even hour-to-hour, and we watch it every single day. During my time in office, we've seen extremes in both oil and the PFD. We've seen \$3 oil, and we've seen \$120 oil. We've had the largest PFD in history, and we've had one of the smallest in history. This volatility ensures that the budget is the biggest topic every year in Juneau, at the expense of nearly every other policy. This volatile budgetary process has negatively impacted our ability to recruit investment to the state; it has retarded our GDP growth; it has caused deep fractures within this body and other relationships; and it leads to uncertainty in funding for critical programs. As I've interacted with investors across the country and around the world, and engaged with those familiar with other states' budget processes, it's clear that this volatility is our greatest challenge to overcome. We have a problem, and we can solve it, this year, under my watch and yours, by working together.

As a senator, and as Governor, I have introduced legislation that I believe would have helped address this issue. These bills that I introduced did not pass, but I remain an optimist. So, in my last year, I'm going to once again make a concerted effort by introducing what I believe is a fiscal package that will not only work, but will solve this issue for many years to come. This plan will allow Alaska to join the ranks of other successful states that have solved this volatility issue long ago. I want to stop our fights over the PFD and the Permanent Fund. I want to minimize the arguments over how much we're going to spend each year, and how we're going to control the growth of government. I want to create an environment that is attractive to investors from all over the world. I want to inject surety into the fiscals of the budget process. I consider this to be one of the highest priorities. So, as I introduce legislation, and the components of this plan in the following week, I ask you and all Alaskans to consider the alternative – where we don't act to stabilize our budget process.

Now imagine a future when we don't have to spend most of the legislative session spinning our wheels on this issue. That's the future we can create this year. I know that each element of the fiscal plan that I'll introduce will have its detractors. There will be those that say, "it doesn't work." But the fact of the matter is, the numbers and elements of the plan could work. I'm open to ideas that will improve the plan, but I believe we all can agree on one thing in this room: Alaskans today, tomorrow, and for years to come deserve our best efforts to fix this issue, this year, and put Alaska on a course to prosperity.

In this plan, the Permanent Fund and the Dividend will be protected. This plan will grow our savings, incentivize investment, and ensure stable revenue to underwrite this plan. As I've said, we have opportunities like never before. Our future has never been brighter. But in the near-term, while we're building the infrastructure to unleash our untapped wealth on the North Slope in both oil and gas, we also have an opportunity to not only stabilize our fiscal regime but to set ourselves up for success and the economy of the future. This fiscal plan recognizes that in the next five years, current revenues may not be enough to fund government, especially with low oil prices. Starting in 2032, with new oil produced on the Slope, and the anticipated gasline with full exports, as well as growth of the Permanent Fund, that new revenue will provide the means to fund government going forward.

It's the next five years that need our attention; it's the next five years that we need to stabilize. The reality everyone in this room understands is that we can't continue to fund government by shrinking the PFD, which was the smallest in history adjusted for inflation this past year. Using the PFD to pay for government also hurts young families, the poor, and the elderly the most.

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But no new revenue source can be enacted without corresponding fiscal restraint. I won't support a tax-and-spend plan, and neither will Alaskans. Nor should you. A tax-and-spend plan doesn't solve volatility. In some cases, it can increase volatility. We need a comprehensive approach that I'm advocating for. We need to move these measures forward as a plan. We need a stable, rules-based budget process that is clear, simple, and well-understood. It needs to be something that any other state or fiscal guru can look at and agree makes sense. We're not just here to solve this year's math problem, which is to find some revenue stream to plug this year's budget. This can't be a short-term view. We shouldn't be here just to play politics, and we're not here just to play games in an election year.

There's an old saying: If you think you can, or you think you can't, you're right. Well, we have 120 days, and the only reason we won't get this done is if we think we can't. I believe we can, and I'm ready to work with each and every one of you to get this done. Fiscals are important, and so is energy to the State of Alaska. As I mentioned earlier, our long-sought goal to transport stranded natural gas off the North Slope is closer to reality than ever. We have so much wind at our backs. We have the full support of the White House and President Trump's Cabinet. As we speak, the Department of Energy and the National Energy Dominance Council are working on crucial components to help make this project work. Industries of all kinds are eager to harness this abundant and affordable resource for decades to come, not the least of which are our Southcentral power and heating utilities facing a looming shortage. This project is also a national security priority for the President, a priority for our military bases, and for our allies in Asia. In addition to including Alaska LNG in his "Unleashing Alaska" Executive Order on the first day of his second term, the Alaska LNG Project was the only infrastructure project mentioned by President Trump in his first address to Congress around this time last year.

And if you think that was a one-off, just two days ago, on the one-year anniversary of his second term, President Trump again singled out the Alaska LNG Project as a national priority. President Trump said, and I quote, that he has secured "unprecedented funding" from South Korea and Japan through his trade deals to develop the Alaska LNG Project. Not long after President Trump's address to Congress last year, the Alaska LNG Project passed another milestone in Tokyo, at the U.S. Ambassador's residence. It was there in March 2025 when Glenfarne, a private energy developer, signed a contract to take over the lead role on the project from AGDC. Since then, Glenfarne has been very busy. In less than a year, they've made amazing progress. Glenfarne has been formulating agreements for gas purchases and the steel necessary to build the 800-mile pipeline, with construction that could begin as

early as this year. Well-respected international firms like Worley, Baker Hughes, and POSCO have signed firm agreements with Glenfarne and are now partners on the project. Customers including Japan, Taiwan, Korea, and Thailand are at the table with Glenfarne negotiating definitive LNG purchases totaling more than half of the annual export capacity of the project. Glenfarne has finished its updated cost reviews of the pipeline, and is now heading into final investment decisions. Just this afternoon, Glenfarne announced it is advancing Phase One of the project from development into execution. Glenfarne announced it has executed Gas Sales Precedent Agreements with both Hilcorp and ExxonMobil to supply gas to the pipeline. This is a huge milestone! Glenfarne announced a host of additional agreements today, for pipeline construction, and for engineering, procurement, and construction management. This in-state phase of the project represents \$10 billion in labor and materials, and the agreements announced today include Alaska-based companies ASRC, Doyon, and Cruz Construction. Glenfarne also announced that it has signed letters of intent for gas offtake with both ENSTAR and Donlin Gold. Earlier this month, Glenfarne also signed an agreement to advance development of the gas pipeline to power the Donlin mine. Just two days ago, Glenfarne announced another new partnership with Danaos. Danaos, a major shipping firm based in Cyprus, will construct at least six container ships to transport Alaska LNG, and make a direct investment in the project. There is simply no shortage of good news about this project, and Glenfarne deserves enormous credit for this outstanding work that will benefit all of us.

Communities off the Railbelt system will benefit from the gasline as well through the Alaska Affordable Energy Fund. This Fund was established when the law enabling the gasline project was passed. After royalty payments to the Permanent Fund, the law dedicates another 20 percent of the state royalty income to energy projects that will benefit rural Alaska. Over the life of the project, this represents the potential for hundreds of millions of dollars to flow into rural energy projects. This revenue can help rebuild power houses, replace fuel tanks, and build new sources of energy. This revenue will help displace diesel and fuel oil and open up economic opportunities across Alaska. Most importantly, this project will guarantee a low-cost source of gas for Alaskans for decades to come. This project will provide thousands of high-paying jobs during construction. The Alaska LNG Project will spur countless new industries using the cheap energy it provides, creating even more jobs and opportunities for Alaskans. This will be the single most transformative project in Alaska since the Trans-Alaska Pipeline. More than anything, Alaska LNG is a dream realized, a hope fulfilled, just like TAPS before it, that will keep our young people in the state and attract others just like them to come here, put down roots, and start families.

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Because of our urgent need for in-state gas, I'll be having conversations with you, the Legislature, about tax policy that could impact the cost of gas to our residents. We must ensure through policy that we have the lowest cost of natural gas possible for Alaskans, and those will be the conversations I'll be having with you.

Now, I'd like to introduce two of the men leading this project who are here tonight: Glenfarne Group CEO and Founder Brendan Duval, and Alaska LNG President Adam Prestidge. Brendan and Adam, could you both please stand and be recognized? Thank you Brendan and Adam, and your team at Glenfarne, for everything you're doing to build an Alaska for the future. Alaska was built by risk takers like Brendan. It was built by people with vision. Alaska wasn't built by can't-doers and naysayers.

One of those Alaskans who didn't believe the naysayers is a name you probably know. Scotty Gomez was one of the best young hockey players Alaska had ever seen, but he heard a few naysayers growing up: "Nobody gets out of Anchorage. You're not going to make it." Scotty did more than prove them wrong. He made history. Scotty became the first Alaska-born player drafted to the NHL in 1998, and the first of Latino heritage to be drafted in the first round. In his first season, he won NHL Rookie of the Year and helped New Jersey win the Stanley Cup, which he brought home that summer to Anchorage. He'd win another Cup with New Jersey in 2003, play more than 1,000 games and 16 years in the NHL, and during work stoppages he'd come back to Anchorage and thrill his fans by dominating for the Alaska Aces.

Despite all his success, Scotty never forgot about home. His father, Carlos, who took him to his first hockey game when he was 4 years old, helped him establish the Scotty Gomez Foundation in 2006. His parents knew how hard it had been to raise the money to pay for the hockey life as Scotty was growing up. The equipment, the practice, the travel. But they made sure their son had everything he needed. Today, they're doing the same thing for the youth of Alaska through the Scotty Gomez Foundation. Since 2006, the Foundation has given out more than \$1.3 million in youth hockey scholarships. It supports 140 kids every year, as well as local hockey associations around the state. It was the Scotty Gomez Foundation that stepped up in 2013 when the Anchorage School District was about to eliminate its girls' hockey program and its opportunities for hundreds of athletes. The Foundation donated \$200,000 to keep the league alive for another two years. The Foundation then secured another donation from Dick's Sporting Goods to sustain the program even longer. The girls are still skating today, thanks to the Scotty Gomez Foundation. There's no doubt that Scotty inspired a generation of young Alaskans that followed him. He proved that anything is possible, and just last

year, Scotty received the ultimate professional honor: He was inducted into the USA Hockey Hall of Fame.

He's also now the coach of the Chicago Steel in the US Hockey League, and we're so proud he's here tonight. Scotty, could you please stand and be recognized for your amazing career, for giving so much back, and for showing everyone what Alaskans can do? Congratulations once again, Scotty, and thank you for everything you and your family are doing for the young people of Alaska.

Scotty, John Sturgeon, Dick Randolph, and Sandy Snodgrass represent the best of Alaska. They represent the risk takers and the believers, whether it's challenging the federal government, walking your own path as a politician, making it to the NHL, or taking on the drug traffickers. They all show what Alaskans can do in the face of adversity and long odds. We wouldn't have an Alaska without people like them – people who believe. These are Alaskans who believe anything is possible, and I'd like to think I'm one of them. I believe in a future that includes opportunities like the Ambler Road, ANWR, AKLNG, NPR-A, the Tongass, and so much more as we realize the full potential of our natural resources. With data centers, fiber connectivity, and our strategic location, I believe in a future where Alaska could be a global hub for information just as it is for transportation and logistics. We have to prepare for that future as we advance the major items before us, leading with Alaska LNG and establishing a fiscal plan.

We also have an opportunity to address issues the average Alaskan deals with on a daily basis, and what we need for the Alaskans of tomorrow. We'll continue our new partnership with the Municipality of Anchorage to surge shared resources to combat crime, and we'll keep up our work to provide affordable, abundant energy for all Alaskans. Additionally, I'll be introducing several initiatives focused on child care, job training, and affordable housing. Alaska is poised for a building boom over the next 10 to 15 years, and we've introduced legislation to provide both the job training, and the child care that's required to go along with it. This legislation will ensure our workforce needs will be met by Alaskans. Alaska needs new technologies in recruitment and training for high-paying skills in professions such as electricians, carpenters, construction, heavy equipment mechanics, plumbers, and iron workers. My plan supports and expands internships, apprenticeships, and other "earn-as-you-learn" programs to help prepare today's Alaskans for tomorrow's opportunities. The goal is to build an Alaska-grown, Alaska-trained workforce ready and able to help secure Alaska's future.

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We'll also be introducing an initiative creating a partnership between the State, the Alaska Housing Finance Corporation, and willing municipalities aimed at increasing the housing supply in their communities. Under this initiative, the State and AHFC will provide buildable land, competitive mortgage rates, lower down payments, down payment assistance, and technical expertise. Partner municipalities will provide long-term tax breaks for first-time buyers, and those communities that step up to partner with us will be at the front of the line to get more homes built. It's a win-win-win for the State, our communities, and most importantly, our young people.

Through these initiatives, we'll not only address long-standing issues of today, but lay a solid foundation for the Alaska of the future. Beyond policy, we must prepare for a rapidly changing world. We're entering a period of accelerated technological change unlike anything humanity has seen. Advances in artificial intelligence and related technologies will eliminate diseases that have plagued humanity for generations and vastly improve health care outcomes. Agriculture technology will feed more people with fewer resources. Crime prevention will become smarter and more proactive. Many long-standing problems that once felt permanent will finally be solved. Yes, there are risks. There always are. Every major technological leap, from electricity to aviation to the internet, has come with some risk. Those concerns deserve serious attention, but history shows us something: when guided by sound policy, strong institutions, and clear values, progress overwhelmingly improves the human condition. Alaska is uniquely positioned for this moment because we're blessed with vast natural resources. We're blessed with a strategic position on the globe. And most importantly, we're blessed with Alaskans – independent, resilient, innovative people who understand both opportunity and responsibility, and believe in our state motto, "North to the Future."

So, what will our future look like when change comes? How will future Governors and Legislatures choose to respond? That's the bigger question. Will they see new ideas and new technologies as threats, something to fear or resist because they challenge the status quo? Or, will they see them as opportunities to make Alaska stronger, more independent, and more prosperous? Let's not be afraid of what the future may bring. Let's not fear AI and robotics. Let's take advantage of the opportunities instead. We can be a leader and an active participant in developing our future. Too often, we look elsewhere for leadership. To other states. To other nations.

But Alaska doesn't need to follow. Alaska can lead. We led on pioneering LNG exports for the world. We led on building mega projects with the Trans-Alaska oil pipeline. We led on launching rockets at Poker Flats in 1965, the

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first University in the world to do so. We're leading on logistics worldwide from our international airport in Anchorage; our Pacific Spaceport in Kodiak is poised to be a leader on the world stage launching satellites and rockets. We will lead in Arctic shipping by advancing the Port of Nome as well. We can lead in energy. We can lead in responsible resource development. We can lead in technology, connectivity, and innovation. We can lead by proving that progress can be made while maintaining core values. We can prove that growth and stewardship go hand in hand, and that opportunity should expand freedom, not shrink it.

So, as I close out my last State of the State and enter the last year of my two terms serving the people of Alaska, I want to say to the people of Alaska: this has been the greatest honor of my life. I'm excited about the possibilities and I'm grateful for the opportunities to make Alaska the greatest state in the greatest country on the face of the earth. The future is not something that happens to us. It's something we choose, through the policies we adopt, the courage we show, and the faith we place in our people. And if we choose wisely, Alaska's best days are not behind us. They are ahead of us.

Thank you. God bless you. And God bless the great State of Alaska.

Please report corrections to the Chief Clerk's office.