

Office of Governor
MIKE DUNLEAVY

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Governor Dunleavy Addresses Alaskans in Fourth State of the State

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Alaska Governor Mike Dunleavy addressed Alaskans and the Legislature tonight in his fourth State of the State speech, expressing a positive vision for Alaska's future by working together. He delivered his speech before members of the Senate and House, in person, in the House chambers in contrast to the virtual delivery last year because of COVID-19.

With the second half of the 32nd Legislative Session underway, Governor Dunleavy emphasized fiscal restraint alongside a budget surplus. He spoke of crime rates going down and Alaska recovering from economic devastation from the pandemic. He praised Alaska's firsts in the fight against COVID, while still protecting Alaskans' medical freedom. He spoke of building our own supply chain for food security, investing in public safety, the health care system, mental health bed capacity and of gaining energy independence, and unlocking opportunity with high-speed broadband in rural areas. He expressed challenging a federal government that is trying to shut down resource development in Alaska and also pledged fighting for Alaskans' share of the resource wealth through the permanent fund dividend.

In the House chambers tonight, Governor Dunleavy recognized five inspiring Alaskans and one stellar Alaskan who could not attend. Read more about [the honored Alaskans](#) here.

View the livestream of the [State of the State address](#). Read the full [2022 State of the State](#).

The following are key excerpts from the State of the State address as prepared for delivery.

Despite Obstacles, Open for Business

"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 even without one-time federal funds."

Alaskans Are Safer Today

“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.”

Permanent Fund’s \$82 Billion Value

“Our Permanent Fund is now worth \$82 billion, and our multi-billion-dollar pension 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 an accident. It’s the result of great investment decisions, policies, vision, and direction.”

Tourism Recovering

“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.”

Alaska Firsts in the Fight Against COVID-19

“While we battled the delta variant surge this past fall, our staffing shortfalls 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. ... 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 different from many others in how we’ve responded, and our outcomes prove it!

- *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 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.”

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 a very long time, if not forever. ... 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.”

Rebuilding the Bed Capacity for Mental Health

“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.”

Fiscal Restraint and Funding Core Services

“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 ask 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.”

Pledging to Fight for Alaskans’ Share of Resource Wealth through the PFD

“Fighting for Alaskans’ share of our resource wealth will always be a top priority of mine. 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."

Recovering from Economic Devastation, Oil Production Rebounding

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

Statehood Defense Initiative Against Federal Overreach

"Because no president should beg for more oil from the Middle East or Russia's Arctic when we can produce it here better and safer than anywhere else on the planet! ... 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!"

Food Security

"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, 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 to support this effort."

Single Largest Investment in 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. 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 also adding a deputy fire marshal and a crime scene technician as well.”

People First Initiative to Break Cycles of Abuse

“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*
- *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 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 to do everything in our power to break these vicious cycles of violence, of abuse, of despair.”

Funding Education and School Construction Bonds

“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 on outputs more 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 public schools, home schools, charter schools, and 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.”

Alaska is Opportunity

“I also envision an Alaska that is energy independent and a leader in renewable energy whether that is 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, a federal loan guarantee in place, we are closer now than ever to making this gasline 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. 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.”

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