We wanted to believe we were different

- We’re bigger and tougher and more resilient, able to withstand deep cold, long winters, large mosquitoes, cracked windshields
- But we stuck our heads in the permafrost for years, hoping to find more money in an oil well while our fiscal future turned mushy
- We’ve been overspending and undertaxing for most of the past three decades, ignoring the math we expect students to learn
- **But math works the same in Alaska as anywhere else in the world**
Palin was right, but she didn’t know it

➢ In 2010, former vice presidential candidate Sarah Palin was criticizing President Obama in her own unique, demeaning tone of voice: ‘How's that hopey, changey stuff working out?’

➢ If she had paid attention in Alaska as a mayor, or as governor, she would have realized that the ‘hopey, changey stuff’ is exactly what Alaskans had been banking on to pay for public services

➢ We hoped the math was wrong and the free ride would never end
That ‘changey stuff’ is going to be hard

- Alaskans have lived two generations without an income tax
- Never been a state sales tax; more than half of Alaskans don’t pay a local sales tax; our motor fuel tax is unchanged in 50 years
- All the while, we’ve grown older by two generations while handing out $25 billion in sacred Permanent Fund dividends
- Changing two generations of politics isn’t easy, but it’s necessary
We’re an investment state, not an oil state

- FY 2019 oil royalty deposits to the Permanent Fund = $385 million
- FY 2019 investment earnings of the Permanent Fund = $4 billion
- FY 2019 first year the fund’s earnings helped pay for public services — the day we knew was coming but had long wanted to avoid
- FY 2019 budget: $2.8 billion in Permanent Fund earnings vs. $2.5 billion in general fund revenues (mostly oil dollars)
- The math works — the political fight is how to use the earnings