



Representative Jennifer Johnston Sponsor Statement

House Bill 139 “Alaska Permanent Fund Corporation Procurement Exemption”

House Bill 139 adds an exemption to the state’s procurement code that would let the Alaska Permanent Fund Corporation (APFC) be exempt from the code when evaluating and managing assets.

In a recent effort to cut costs and increase revenue margins, pressure has been placed on the APFC to bring more of their fund management in-house. With markets changing quickly, it is important that they have the tools to quickly evaluate and manage investments.

Under existing law, APFC is exempt from the state’s procurement code when it acquires income-producing assets or delegates its investment authority. However, they must comply with the state’s procurement code when evaluating and managing the assets in which it invests. This bill will allow them to perform due diligence in a timely manner.

This exemption will improve APFC’s ability to identify subject matter experts, gather professional background information and negotiate contracts in under 10 days, compared to the minimum 54 days required under the state’s procurement code. The change proposed in this bill will allow an expeditious timeline that closely aligns with the pace of the markets in which APFC works.

Allowing APFC the exemption in HB 139 will give them the tools they need to meet the added demands that Alaskans are placing on the fund.