

DEPARTMENT OF REVENUE

42. Department of Revenue

Operating/Capital Budget (CCS HB 268 (Corrected))

It is the intent of the legislature that the Department of Revenue clearly delineate the separate dollar amounts attributable to the FY25 Permanent Fund Dividend and the FY25 energy relief payments when making these payments.

The Department of Revenue clearly delineated the separate dollar amounts attributed to the FY2025 Permanent Fund Dividend and the FY2025 energy relief payments when making these payments.

43. Alaska Permanent Fund Corporation Juneau Office Operations / Alaska Permanent Fund Corporation Juneau Office Operations

Operating/Capital Budget (CCS HB 268 (Corrected))

NON-COMPLIANCE

It is the intent of the legislature that the Alaska Permanent Fund Corporation will not establish or maintain new office locations without corresponding budget increments for that purpose. It is the further intent of the legislature that the Alaska Permanent Fund Corporation shall provide a report to the Finance Committee Co-chairs and the Legislative Finance Division by December 20, 2024, that details any actual expenditures to date related to the Anchorage office.

In compliance with this intent language, APFC is providing detailed expenses related to the opening of the Anchorage Office and taking this opportunity to report on its value.

The Anchorage Office

The Anchorage Office provides an Alaska-based solution to address recruitment and retention challenges. Since its opening nearly a year ago, it has enhanced APFC's capacity to retain and attract highly skilled professionals in a competitive market, which is vital for APFC's mission to manage and invest the Alaska Permanent Fund. This satellite office serves employees with established family ties in Southcentral Alaska and new recruits seeking the work-life balance offered by a larger city. Currently, there are six staff members in the Anchorage office: five in investments and one in trade operations.

Anchorage Office Expenditures

The operations and travel expenses for the Anchorage Office represent 0.02 basis points of APFC's beginning of FY2025 total assets under management. This small investment is significant for APFC's initiative to provide an additional Alaska-based opportunity for APFC's professional talent, complementing our Juneau-based

headquarters.

The legislature requested details on “any actual expenditures to date related to the Anchorage Office.” The following table also includes known lease and internet contractual costs *for the remainder of the fiscal year*.

Operations	FY24	FYTD25
Travel	\$33.7	\$27.6
Contractual Services	\$27.8	\$36.0
Commodities	\$1.6	\$1.7
Equipment	\$18.6	\$19.0
Totals per FY	\$81.7	\$84.3
Total to Date	\$165.9	

The FY2024 travel line includes temporary Juneau housing, meals and incidental expenses, and travel to Anchorage to look for housing for those hired to work in Anchorage who first did their training in Juneau. APFC has not paid for additional moves or relocations in FY2025. In terms of inter-office travel, in FY2024 there were nine trips to or from Anchorage. In FY2025, the inter-office travel to and from the Anchorage office has a total of 12 trips to date.

The FY2024 lease was prorated, and the FY2025 amount covers the annual contractual amount. The only other contractual service specific to the Anchorage Office is internet at \$375 per month. Although internet is billed monthly, the annual amount of \$4,500 is included in the FY2025 total.

The FY2024 equipment line captures the initial start-up costs associated with the Anchorage Office, including monitors, computer docks, and accessories, as well as office chairs, routers, and power cords. The FY2025 equipment line is primarily comprised of a meeting board and stand-up desks. This meeting board will allow the Anchorage team to participate in video meetings in the conference room.

In Conclusion

The Anchorage satellite office is a modest budget expenditure that significantly contributes to APFC’s ongoing success in creating in-state work opportunities as the nation’s largest sovereign wealth fund and Alaska’s primary renewable financial revenue generator.

APFC’s Board of Trustees and staff share in the accountability and stewardship obligations for the Alaska Permanent Fund to benefit all Alaskans. APFC values our

partnership with the legislature and acknowledges its importance in ensuring that we meet the expectations of our Alaskan stakeholders at the highest standards.

We thank you for your ongoing support of the Corporation's efforts and your understanding of the vital role that recruitment and retention play in our collective goal of a prosperous future for Alaska.

<p>Legislative Fiscal Analyst Comment: APFC continued to maintain and further establish the Anchorage Office, which defies the legislature's intent.</p>
