

# 32ND ALASKA STATE LEGISLATURE



## REPRESENTATIVE ANDY JOSEPHSON

### Sponsor Statement for House Bill 251

HB 251 adds a layer of protection from political influence between the Permanent Fund Corporation and elected officials. The Permanent Fund is vital to Alaskans, our economy, and our state government, and protecting it from short-term politics is paramount. Oversight of the Permanent Fund should rest in the hands of the public to a greater degree than it does today, and that is exactly what HB 251 seeks to accomplish. Under current law, the Board of Trustees of the Permanent Fund Corporation have full oversight over the 80-billion-dollar fund entrusted to the current and future generations of Alaskans. AS 37.13.050(a) establishes the sole power to appoint and remove the members of the board in the governor. No legal mechanisms currently exist to insulate the selection of board members from the political pressure that comes with managing our largest state fund.

This bill shifts the direct selection of board members away from *all politicians*. Instead of its current structure, the governor, along with the speaker of the house of representatives, the senate president, and members of the minority in each body would select the nine members of an appointment committee. The nine-member appointment committee is entrusted with the power to select the Board of Trustees. The board increases under this bill from six to seven members, and the public members of the board increases from four to six. Just as under current law, one seat on the board remains reserved for the Commissioner of Revenue and all public members must have backgrounds and competence in the financial or business management sectors. HB 251 adds a mandate that one seat be reserved for a member with experience in socially responsible investing.

The creation of an appointment committee does not simply shuffle oversight around from one politician to another. It insulates the fund by an extra degree from politicians all together. The Permanent Fund embodies Alaskans' ownership of their resources. Ownership by the people must be protected at all costs and the structure of the board should be improved for that purpose. I urge your support for HB 251 and a step toward protecting the current and future generations of Alaskans.