

HOUSE FINANCE COMMITTEE
January 26, 2024
1:36 p.m.

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CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Andy Josephson

ALSO PRESENT

Deven Mitchell, Executive Director, Alaska Permanent Fund Corporation; Ethan Schutt, Chair, Alaska Permanent Fund Corporation; Marcus Frampton, Chief Investment Officer, Alaska Permanent Fund Corporation; Representative Dan Saddler.

SUMMARY

OVERVIEW: ALASKA PERMANENT FUND CORPORATION

Co-Chair Johnson reviewed the meeting agenda.

^OVERVIEW: ALASKA PERMANENT FUND CORPORATION

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DEVEN MITCHELL, EXECUTIVE DIRECTOR, ALASKA PERMANENT FUND CORPORATION, asked colleagues to join him at the presentation table. He introduced a PowerPoint presentation titled "Alaska Permanent Fund Corporation: House Finance Committee, Alaska Permanent Fund," dated January 2024 (copy on file). He explained that the Alaska Permanent Fund Corporation (APFC) board chair Ethan Schutt would provide an overview from the board's perspective and information on duties and responsibilities of the corporation related to management of the Permanent Fund. In the next portion of the presentation, he would personally provide history and background of current APFC events and on some of the issues the corporation anticipated policymakers would discuss. Lastly, Chief Investment Officer (CIO) Marcus Frampton would give an investment performance update.

Mr. Mitchell began on slide 2 and reviewed APFC's mission to manage and invest the assets of the Permanent Fund. The corporation had a directive to first keep principal safe and then maximize returns. He referenced the risk adjusted rate of return and the mission to achieve the highest target possible. The work was done on behalf of current and future generations with respect for the past generations that had enabled the fund to grow.

Mr. Mitchell reviewed assets under management on slide 2. The management of the Power Cost Equalization (PCE) Endowment had been moved to APFC in 2023 and was managed with the same asset allocation as the Permanent Fund. The corporation also managed the Alaska Mental Health Trust Fund as a separate account. The Amerada Hess settlement was a portion of the Permanent Fund, but it was segregated due to the nature of the settlement. He elaborated that the jury on the case had been comprised of Alaska residents and to avoid the argument that the jury would be compromised by the potential of the deposit into the Permanent Fund that would increase the size of the Permanent Fund Dividend (PFD), the court directed the settlement revenue to be held outside of the fund's principal. He elaborated that the money was principal of the Permanent Fund, but it was not included in the calculations for payments out of the fund. The settlement money funded the Alaska Capital Income Fund created in the early 2000s for the purpose of paying for capital projects.

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ETHAN SCHUTT, CHAIR, ALASKA PERMANENT FUND CORPORATION, moved to slide 3 and highlighted that the Permanent Fund was created by virtue of a constitutional provision, Article IX, Section 15. The fund was a public endowment, and the wealth of the fund was the responsibility of the corporation and every Alaskan to ensure that future generations would enjoy the same financial benefits. He noted it was consistent with the vision of the fund at its inception.

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Mr. Schutt turned to slide 4 titled "Fiduciary Duties." He relayed that AS 37.13.120 set out the four statutorily created fiduciary duties for trustees: the duty of prudence, duty of loyalty, duty to diversify, and duty of impartiality. The corporation operated as a separate state entity under the oversight of an independent board of trustees who serve as the fund fiduciaries. The corporation honored the past and was cognizant of the history of the fund and what it meant for Alaskans and worked to ensure the fund led to a healthy and bright future for state government and PFDs for Alaskans. The board looked at the key role of transitioning from revenues from non-renewable resources into wealth creation through renewable financial resources and investment. The board acted as stewards mandated to protect the fund principal. Additionally, it was necessary to invest to make returns and there was an element of acting prudently and somewhat conservatively to maximize returns while minimizing risk. The corporation was not in the business of chasing risk for the sake of chasing unreasonable returns or chasing risk.

Mr. Schutt highlighted the corporation's duty to public accountability on slide 4. He detailed that APFC was a public corporation with public funds and tried to earn and maintain the public's trust. He detailed that all of APFC's meetings were public. The corporation tried to be judicious about executive sessions and there were only a couple of topics, including personnel matters, that were allowed to be done in executive session. He and trustee [Craig] Richards were the "guard dogs" on that subject and ensured that discussion in executive session remained on topic and did not include items that should be discussed in the public portion of the meetings. The corporation also had financial controls and regular reporting and acted under

the guidance of the Open Meetings Act and records disclosures.

Representative Hannan recalled that APFC was seeking a change to the Open Meetings Act to deal with some items. She had listened to an APFC board meeting recording that seemed to reference members of the board asking to meet out of state to avoid the Open Meetings Act. She found the suggestion distressing. She thought it had pertained to a dialogue about personnel matters the corporation may be seeking a change to. She asked for comment on the conversation, which had led many Alaskans to contact her office. She explained that members of the public had asked her why the board was seeking to do things in a less transparent way and how it would benefit Alaska.

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Mr. Schutt replied that he had responded in the meeting that the idea would not happen. He reiterated that it would not happen. He thought it was a situation where the speaker had been outthinking himself. He did not believe hosting a meeting outside of Alaska would escape the confines of the Open Meetings Act. He explained that APFC was a state corporation bound by rules. He did not believe holding a meeting outside of Alaska resulted in anything other than optics problems. He stated that as long as he was the board chair it would not happen. He stressed that APFC was an Alaskan institution that would not meet out of state.

Representative Hannan appreciated the response and confirmed that she had heard Mr. Schutt's response in the board meeting recording. She referenced his adherence to a philosophy, principle, and law ensuring that any discussions about changing the Open Meetings Act were very narrow in scope and did not pertain to things the public had a right to hear. She understood that with personnel matters there was a nuance there about the ability to do that and operate. She wondered what would happen if Mr. Schutt were not chair and some of the members were advocating for the idea [of holding meetings out of state to avoid the Public Meetings Act]. She thought they had almost been speaking of the Permanent Fund as if it were a private endowment instead of a public endowment and obligation and were forgetting it was Alaska's money, not the trustee's money.

Mr. Schutt deferred the topic to a later slide. He thought it was fair to remind trustees that the money belonged to current and future Alaskans and that the corporation was an Alaskan institution by definition. He relayed there had been some debate and dialogue about what other sovereign wealth funds did. He reminded APFC board members that the sovereign for the Permanent Fund is the State of Alaska and it did things in a certain way. For example, he had clarified to board members that he did not want to be like the sovereign wealth fund for Saudi Arabia because he was not Saudi Arabian. He concluded that Representative Hannan's point was fair.

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Mr. Schutt moved to slide 5 titled "Updated Strategic Plan." The board was nearing the end of the process of updating its strategic plan. The board had been looking at options to determine whether there were improvements that could be made. The plan included the goal to build an organization that set the standard for endowment-style sovereign wealth funds. He stated that the Permanent Fund was an endowment-style sovereign wealth fund, and the aspiration was to build the right system, enhance its systems, and do everything to be the model. He believed that the Permanent Fund was viewed that way globally and nationally; therefore, it was more of an enhancement and preservation of that status rather than creating it from whole cloth.

Mr. Schutt addressed the goal of growing the fund to \$100 billion as the first item listed under the updated strategic plan on slide 5. The initial thought had been to be more aggressive and have a timeframe related to the goal; however, APFC had determined that establishing a timeframe was too aggressive when it came to what it would take to achieve the goal. He stated it would be nice to reach a balance of \$100 billion and perhaps increase it to \$125 billion; the bigger the fund, the more investment returns that could be used to sustain state government and pay PFDs. He explained that an aggressive timeframe would create risk that may not be prudent.

Co-Chair Johnson thought Representative Hannan's question and Mr. Schutt's response was valuable. She remarked that she and Mr. Schutt had had some positive conversations. She noted there had been some close examination of the board

over the past year. She asked Mr. Schutt to provide detail about his background and time on the board including management of the board.

Mr. Schutt introduced himself and shared that he had grown up in Tok watching a committee member [Representative Cronk] play basketball. He shared details about growing up in Tok. He had received a degree in pure math from Washington State University and had attended law school at Stanford. He shared information about his professional career in Alaska. He currently worked at the Bristol Bay Native Corporation as the executive vice president and general counsel. He had served on various boards and as board chair over the years. He listed various organizations he had worked for. He currently served on the APFC board and on the board of a small publicly traded company. He shared that he had been involved in executive management, project development, and investment in Alaska for over 20 years.

Co-Chair Johnson thanked Mr. Schutt for the information.

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Representative Ortiz for an explanation of the term "pure math."

Mr. Schutt explained the distinction between pure math and applied math. He explained that applied math was used in engineering, whereas pure math used proofs and was more theoretical and abstract. He elaborated pure math was where the numbers disappeared and Greek letters and concepts remained.

Mr. Schutt continued to discuss the goal to grow the Permanent Fund to \$100 billion on slide 5. The corporation had considered real leverage at the balance sheet level but rejected the idea as too aggressive and risky. The corporation was still looking at limited leverage for very narrow purposes and it would likely fall mostly to the CIO and staff. He highlighted the goal of "alpha outperformance" and explained it meant performing better than others in its classes and asset classes. He noted that the Permanent Fund typically outperformed in most of its asset classes against its benchmarks and peers. The last goal listed under the bullet point was asset class goal alignment. The corporation was constantly evaluating the

various allocations in different asset classes based on the macro market conditions and other occurrences.

Mr. Schutt addressed the second bullet point on slide 5: Improve Corporate Functionality. He acknowledged Mr. Mitchell and Mr. Frampton and clarified there was no view or perception that either would be leaving APFC anytime soon; however, the roles were critical, and the corporation was trying to anticipate ways to maximize the likelihood of getting an excellent replacement in the event of a vacancy in one of the positions. Key person risk encompassed the corporation's asset class managers. He explained the Permanent Fund had substantial investments in various asset classes and it generally ran small, lean teams; therefore, identifying and planning for succession was part of the key person risk and planning exercise. He thanked the legislature for allowing APFC to implement and continue an incentive compensation program a couple of years back, which had been helpful in recruiting and retaining investment professionals.

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Representative Stapp thanked the presenters. He referenced various terms shown on slide 5. He asked Mr. Schutt to describe the term "limited leverage" and how it may or may not achieve some of APFC's targeted goals.

Mr. Schutt answered that leverage was basically borrowing money. The corporation had considered whether it should use a larger scale, fund-level leverage, which could enhance returns if done right in certain market conditions. He explained that leverage as an investment tool amplified outcomes in a positive or negative way. The corporation had decided that leverage at the fund level was too risky and not as conservative as desired. He clarified there was leverage in areas like the real estate portfolio, which was very common. For example, the fund purchased large commercial real estate assets and had debt against those investments. He explained that the recourse for the debt was only the asset itself. The idea was to continue with existing programs with leverage and explore other narrow and small areas to apply leverage where it may be beneficial and to limit it to those applications.

Representative Coulombe asked why the goal of \$100 billion had been chosen as a target number. She asked if the figure

had come from the board or fund management. She asked what would happen at \$100 billion that made it necessary to reach the number quickly.

Mr. Schutt replied that the \$100 billion target was a nice round number that did not mean anything in particular. He explained that funds exceeding \$100 billion were compared against each other in a larger fund class. He explained that it was a target aimed at focusing on growing the fund because it meant APFC was doing things right. The corporation had backed off any explicit goal on pacing. He elaborated that APFC had started off with a three to five year timeframe, but the things it would have to do to reach \$100 billion during that timeframe were far riskier than the corporation was comfortable with. The board did not want to give the staff the impression it was the policy of the board. There was no timeframe specified; the board would like to reach the goal as soon as possible but if it took 10 to 12 years it was better to be prudent than anxious about reaching an "ego goal."

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Representative Coulombe relayed that she had listened to the APFC meeting recently and she felt she was missing something. She remarked that the corporation seemed to be trying to reach \$100 billion quickly, which made her think there was something momentous that happened once the threshold was met. She asked if there was something that would happen for the state if the balance reached \$100 billion.

Mr. Schutt replied, "No, nothing happens."

Mr. Schutt continued to review the second bullet point on slide 5: Improve Corporate Functionality. The evaluation of location expansion involved two things. He apologized that the way things had transpired with the opening of the small office in Anchorage had been rushed and inelegant. The board viewed the Anchorage office as a preliminary success and wanted to see how it played out over the next year or more. He reported that the office seemed to be helpful in the recruitment of staff who had indicated they may not come to Alaska unless they could live in Anchorage. He elaborated that the cost was low, and he described it as a net zero for the state because it was located in unused state space APFC took over from the Department of

Environmental Conservation. The board asked for some patience to see how the exercise worked in determining whether it was successful and worthwhile. The second piece was evaluating whether the board should take a look at other markets to open an office. The preliminary view was the board was not ready to look at the idea seriously and it would be a careful and considered exercise because it was a much bigger step and larger commitment than opening the office in Anchorage.

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Representative Hannan stated that the strategic plan spoke to opening continental U.S. and international offices. She highlighted that Anchorage and Juneau were located on the continent. She wondered if Anchorage was part of the continental plan. She remarked that there had been significant heartburn about the opening of the Anchorage office because it had not been mentioned to the legislature last session and suddenly it had become a high priority thing that had to be done. She asked how many staff were working there.

Mr. Schutt answered, "Five."

Representative Hannan asked if the five positions were new or filled with existing staff who had moved from the Juneau office to Anchorage.

Mr. Mitchell replied that the five positions were filled with three existing staff who had moved from the Juneau office and two new staff.

Representative Hannan highlighted that most state employees in Juneau received a cost differential because Juneau was more expensive than Anchorage. She asked if the employees had to take a pay cut to move from Juneau to Anchorage. Alternatively, she asked if their salaries were held flat.

Mr. Mitchell replied that all APFC positions were exempt, and their salaries were not adjusted. He relayed that exempt employees were not eligible for cost of living allowances.

Representative Hannan hoped that when looking at offices that APFC evaluated the target and economic benefit to the state. She remarked that of all the state agencies, APFC

had one of the lowest turnover and vacancy rates. She reasoned that the attractiveness of working for APFC seemed to be there. She stated that if the goal was economic growth, she hoped the corporation was looking at the economic return when considering international markets, San Francisco, or New York. She noted her understanding that in the 21st century almost all of the trading and investments were done digitally.

Co-Chair Johnson assumed the topic would be further discussed in the presentation. She wanted to get through the beginning of the presentation prior to more questions.

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Representative Stapp thought Mr. Mitchell had stated that the employees chose to move to Anchorage.

Mr. Mitchell replied affirmatively.

Co-Chair Johnson stated her concern that the appropriation from the legislature [the previous session] had been for office upgrades, not office relocation. She asked why APFC had not indicated it wanted an office location in Anchorage in its FY 24 or FY 25 budget request. She asked why there had been a need to move quickly outside of the typical budget process. She stated that the legislature tended to work favorably and without much change to the APFC budget.

Mr. Schutt replied that the decision was board driven. He stated it was a policy decision made by the board three to four years back that kept getting kicked down the road. He relayed that the majority of the trustees were anxious to take action and a couple of trustees had been very vocal about the issue. He acknowledged that it was not the ideal process, yet the office had been opened and the board believed it was a benefit and did not involve a large financial commitment. He reiterated his earlier statement that it was an inelegant process that took place, which would not happen again. He relayed that a step towards an office outside of Alaska was a whole different commitment that would require two compensation structures. He explained that APFC could get away with being a little under market by lifestyle and other factors when 100 percent of its employees were located in Alaska, whereas compensation in an office in New York, San Francisco, or London would need to exceed that amount or there would be

no applicants. There were big picture policy implications and much larger financial commitments [of opening an office in one of those locations]. He reasoned that the corporation would have to determine the reason for trying to open an office out of state and whether it served a specific purpose that was not attainable in the current model. He characterized the item as a backburner priority and noted it was out in the future.

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Co-Chair Johnson indicated that while funding [appropriated by the legislature] could be moved amongst lines and for different things, it was not the preferred method. She relayed that as the appropriators, the legislature liked to be able to appropriate to "what we are actually going to see happen."

Mr. Schutt responded that he was appreciative and mindful of the remarks.

Mr. Schutt addressed the third bullet point on slide 5: Advance Comprehensive Communications Plan. The corporation was doing more robust instate work to educate and raise awareness on the fund, its history, and some of the issues with the two account structure. The corporation was working to elevate its profile with a national and global focus to enhance its reputation for purposes of recruitment and investment opportunities.

Mr. Schutt reviewed the fourth bullet point on slide 5: Review and Assess the Optimal Structure of the Alaska Permanent Fund, Rules-based Endowment Practices and Modernization. The corporation was currently working on a draft of trustee paper number 10, which was out for public comment and looked at the fund's current two account structure. He would discuss the topic later in the presentation but noted that as things progressed the available cash for the POMV transfer and support for the function of the of the fund could become a serious issue.

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Mr. Schutt turned to slide 6 titled "Proposed Legislation: Seeking Amendments to Improve Corporate Functionality." He explained it was intended to be narrowly targeted around the recruitment process for the APFC executive director and

chief investment officer positions. He explained the proposal was to take part of the recruitment process out of the public setting because independent advisers had suggested that quality candidates were lost due to the open nature of the process. Currently, the list of applicants who submitted their name for one of the positions was public information. He explained it discouraged people from applying because their current employer would learn of their potential intent to leave. He noted there was currently no legislative vehicle to move the idea forward, but it was something the board had identified to try to facilitate future recruitment of the positions. The board's proposal would also provide it with the authority to interview finalists for the positions in executive session. Additionally, the board was proposing that the personnel records of all APFC staff be confidential. He noted the topic was not related to the first two proposals. The corporation had been advised by the Department of Law and counsel that APFC staff records were all subject to the public record unless they had a specific exemption to allow the information to be withheld. He stated it was awkward to have the records of an ordinary staff member subject to public records requests and fighting over what was public and what was private.

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Co-Chair Edgmon stated that in the ordinary corporate world it was standard to not go public with the information. He wondered why it had taken APFC so many years to propose the change. He asked if it was due to recent turnover in the CEO position and perhaps some other maturing of the organization. He noted the fund had started out as a public private corporate model and was having to adapt as it increased in size. He elaborated that the fund was on a sovereign wealth scale similar to other funds around the globe. He asked if the Permanent Fund was maturing to a point where it was necessary to do certain things to attract the talent it needed to continue to grow.

Mr. Schutt answered it was one factor and there were many factors at play. Another factor was the profile of the fund; it had grown and had a track record of success nationally and globally. He explained that it had become easy to make public records requests to obtain documents and the names of employees electronically. In the past, getting the information may have required looking through

paper records in Juneau. Additionally, the prominence and role of the fund in state operating budget funding via the POMV attracted more attention from people following state government. He thought there was a corollary interest in the Permanent Fund and its operations. He believed the factors and more had resulted in a high profile situation of interest to everyone.

Mr. Mitchell agreed. He thought the issue related to personnel records was separate. He believed it had been a surprise several years back when the [former] CEO's personnel records had been released and people thought the records were to be held in confidence. He referenced a court case specifying that if a public employee in the exempt service had a high enough profile position, their personnel records are not confidential. The corporation had been talking about how to potentially modify statute since that time, but there had not yet been a good vehicle or opportunity to achieve the goal. He noted that APFC had discussed the personnel privacy issue the prior session as well. He stated that the potential exemption from the Open Meetings Act for purposes of recruiting certain high level employees was a new realization by the board.

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Mr. Schutt moved to slide 7 titled "Investing for the Long Term." He stated that APFC was investing for the long term and did not try to time the market. He highlighted that the board allocated between asset classes and supervised the performance of the fund, but it did not make investment decisions. He believed the structure had historically proven itself with the success of the fund. The corporation adhered to the legislature's defined statutory purpose of the Permanent Fund to conserve a portion of the state's revenue from mineral resources and tried to convert it into enduring financial resources through prudent investing. The corporation was trying to invest in conservative and prudent ways to maximize returns while minimizing risk and was constantly attentive to the preservation of the fund's principal. Additionally, the fund was founded as a savings device and the corporation carried that tenet on.

Mr. Schutt continued to review slide 7. The corporation tried to achieve the highest level of performance while acting prudently and keeping risk in mind. The fund's current investment performance target was CPI [Consumer

Price Index] + 5 percent over a ten-year period. He remarked that the target may not seem aggressive, but it was actually fairly aggressive in the current environment. He highlighted that the board had considered reducing the target, but it had decided to hold steady recognizing it was somewhat aggressive. Part of the reasoning was because it aligned with the 5 percent POMV. He explained that a return of 5 percent plus inflation exceeding the 5 percent POMV draw would result in growth of the fund. He relayed that the corporation tried to conform to prudent investments and asset allocation decisions to achieve its long-term investment goal.

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Mr. Mitchell stated there was a theme throughout the coming slides related to some of the issues discussed the previous session on the Permanent Fund's two account structure. He characterized the trust administration and investment structure as a relic of a different time that resulted in the potential of a liquidity issue in the ERA. He clarified that he did not mean a liquidity issue in the sense that there was insufficient income or cash, but that there was not enough money categorized as spendable in the statutory framework.

Mr. Mitchell addressed diversification on slide 9, showing the fund's historical asset allocation in four pie charts. He highlighted that the fund's entire asset allocation in 1980 was fixed income. He elaborated that fixed income was well suited to the existing structure where there was interest income coming in regularly - securities were bought and hold to maturity - that was realized and statutorily available for expenditure. In 2024, the portfolio included eight asset classes and over 40 percent of the assets were illiquid. The current allocation targeted total return, but not realized income. He explained that the total return was greater, but there were numerous unrealized gains which were not eligible to be spent in the ERA despite being income from an accounting perspective. He clarified that the liquidity issue revolved around the construct created for the fund based on the fund's inception compared to the present.

Mr. Mitchell directed attention to a world map at the top of slide 9. He highlighted that the people of Alaska had done an incredible thing where excess revenue had been

deposited into the Permanent Fund beginning in 1978 and the funds were now invested in the worldwide economy. He explained that a state with one of the smaller GDPs [gross domestic product] had a revenue source created by the worldwide economy, resulting in a more diversified revenue source than perhaps any other state.

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Co-Chair Edgmon relayed that the committee had heard presentations from Adam Crum [commissioner of the Department of Revenue] and the Legislative Finance Division recently. He recalled that a handful of years ago Callan and Associates was projecting a ten-year outlook at around 6.25 percent and the latest projections were a little more optimistic at 7.1 percent. He stated that when funneled through the statutory net income construct, the 1 percent difference over a long period of time was significant. He considered it from a liquidity standpoint in a shorter term perspective. He understood that the board had compiled low, mid, and high case scenarios. He remarked that many legislators did not really understand it, but it was an important concept.

Mr. Mitchell responded that it was a great point that projections using Callan's assumptions showed a smooth upward ascending expectation of revenue, which was similar to the [DOR] Revenue Sources Book (primarily generating revenue from oil, a commodity with inherent volatility). He explained that historical performance showed a volatile line of highs and lows and the future would be the same. Projections were based on a middle ground perhaps with a slight optimism. He stated the challenge was that there was a lot of cause for concern with the low case scenarios, while under the high case scenarios things would be fine. He elaborated that under Callan's projection of 7 percent with realized earnings the fund would be fine. He stated that market cycles were the reality, and they could last ten years. He elaborated that a cycle resulting in diminished statutory net income was extraordinarily impactful to the ability to make the annual transfers to the state under the current two account construct.

Co-Chair Edgmon suggested that perhaps the topic could be addressed separately in front of the committee.

Mr. Mitchell replied that the issue would be discussed again later in the presentation.

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Representative Johnson noted there would likely not be enough time to make it through the entire presentation. She anticipated asking APFC to come back in the future. She wanted to give the opportunity to ask questions.

Mr. Mitchell turned to slide 10 titled "Renewable Financial Resource." The first royalty deposit into the Permanent Fund was \$734,000. The principal of the fund was non-spendable and had grown to \$56.7 billion. Realized earnings over the life of the fund totaled \$85 billion. He highlighted that during the first 40-something years there had been dividend draws of \$24.4 billion (the fund had been growing during that timeframe) and over the past five years there had been \$19 billion in POMV draws. He explained that the Permanent Fund was being used in a much larger way than it had been historically. He reported that POMV draws would exceed the prior dividend draws in the next several years in the \$3.5 billion to \$3.7 billion range.

Mr. Mitchell relayed that inflation proofing was another requirement of the current two account structure. For example, if a loaf of bread currently cost \$2.00, at a 5 percent rate of inflation the bread would cost \$2.05 the following year. He explained that without inflation proofing it would only be possible to buy a portion of the loaf of bread with a distribution from an endowment. He reported that \$23.6 billion had been used to inflation proof the fund. There had been special appropriations to principal from the ERA including a \$4 billion appropriation in 2022. The Permanent Fund also contained the Amerada Hess subaccount.

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Mr. Mitchell turned to slide 11 titled "Savings." The slide included a bar graph showing where the money used to fund the Permanent Fund had come from. The royalty deposits totaled \$19.5 billion over the life of the fund (25 percent

of constitutionally dedicated royalty proceeds and 50 percent of statutorily mandated deposits for leases since 1979). There was \$15 billion in special appropriations, of which about \$2.7 billion came from the general fund. He stated that about \$22 billion had been deposited into an account with a value of \$77 billion in addition to the distributions made. He remarked it was an amazing success story where leaders of the past had set up the account and used a portion of the wealth that they could have otherwise spent. He viewed 1987 as the "poster child" for the sacrifice required to create the Permanent Fund. He elaborated that the price of oil had diminished in 1987 and the state did not have a Constitutional Budget Reserve (CBR) Fund at the time (the CBR was created in the 1990s). There were no alternatives for funding state expenditures; therefore, the budget was reduced in a stark way. As a result, there had been significant negative economic ramifications where assets could be purchased for pennies on the dollar and people had left the state because they could not find employment. He explained that the legislature had still appropriated money from the ERA into principal, which had been a real sacrifice. He elaborated that the specific situation resonated with him when thinking about the intergenerational responsibility to respect and protect the funds for current and future generations.

Mr. Mitchell pointed to the inflation proofing transfers made throughout time reflected in the gold portion of the bars on slide 11. He noted it was important to consider that the calculation for inflation proofing was based in statute. The calculation from 2016 through 2024 was \$12.6 billion. The legislature had appropriated \$11.3 billion, which was theoretically \$1.3 billion under the statutory requirement. The special appropriation of \$4 billion in 2020 was not categorized as inflation proofing. He explained that for legislators who were present at the time of the payment, there was a thought process that perhaps the funds had been intended to be inflation proofing. If the \$4 billion was included in inflation proofing, there would be a slight surplus in inflation proofing in that timeframe. He noted it merely depended on a person's perspective.

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Mr. Mitchell turned to slide 12, which was intended to show the difference between gap income and statutory net income. The slide addressed the concept that revenue had to be a certain category of earning in order to be eligible for expenditure by the legislature. He explained that in 2022 the Permanent Fund had negative performance of -1.32 percent, yet there was \$4.5 billion of statutory net income that same year. He stressed there was a huge disconnect between accounting income and statutory net income. In FY 23, the portfolio's rate of return was 5.18 percent and statutory net income had only been \$2.5 billion. The slide highlighted the difference between liquidity and money that was available to expend. The chart on the right showed how statutory net income was realized from FY 18 through FY 23. He pointed out that FY 18 and FY 21 were outlier years with extraordinarily strong net income.

Mr. Mitchell explained there had been some "one off" activity in the portfolio in FY 18, and FY 21 had been an outstanding equity performance year with statutory net income levels significantly outside the norm. He noted there was a slide later in the presentation showing the averages of various timeframes. He explained that historically the averages were much closer to \$4 billion than the \$8 billion in FY 21 and should be what was expected when looking at statutory net income at least in the short term. The presentation included slides showing how the current fiscal year was performing, but the fund was generally in a depressed statutory net income phase with a large amount of unrealized gains that were not churning into the realized category as quickly as they had historically.

Mr. Mitchell moved to slide 13 titled "Earnings Reserve Account (ERA)." A graph on the slide showed the ERA in isolation and the effective POMV draw rate. The draw was 5 percent of the ending balance of the last five fiscal years. He explained it created an effective rate that was less than 5 percent due to an increasing fund value. He expounded that if there was a decreasing fund value, the POMV draws would be greater than 5 percent. He pointed out that draws had ranged from 3.79 percent to 4.52 percent since the inception of the POMV draw. He stated the ERA durability issue was highlighted in FY 23 where statutory net income was \$2.49 billion with a POMV transfer of \$3.3 billion and inflation proofing of \$4.2 billion and a draw on the Alaska Capital Income Fund, resulting in a net

negative to the ERA of \$5 billion. The draw rate was unsustainable and resulted in an ERA ending balance of \$10.491 billion. He remarked that \$10 billion sounded like a lot of money; however, it included the FY 24 POMV, FY 24 inflation proofing, the FY 25 POMV, and potentially FY 25 inflation proofing. Additionally, there was a component of unrealized gains that were not spendable. There was a balance of approximately \$200 million that was not accounted for in the ERA at the end of FY 23. He elaborated that if the current statutory net income pattern continued through the end of FY 24, there would not be sufficient funding to commit to the FY 26 POMV payment. Under the scenario, it would mean relying on a portion of next year's (hopefully) investment income to provide for the transfer.

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Mr. Mitchell advanced to slide 14 titled "Revenue Stability." He stated that from a stability perspective, the POMV had an incredibly positive impact on state revenues. The historic volatility of state revenues had been extraordinary; it was one of the blessings and shortcomings for the state. A chart on the left reflected historic revenue volatility and a chart on the right reflected the stability and predictability of POMV draws. He noted the slide showed the calculation for the FY 25 POMV. He highlighted that the lower fund values in FY 19 and FY 20 of \$65 billion and \$64 billion respectively, would be dropping off in the next couple of years and the POMV was expected to increase after that time. He explained that the ERA balance would diminish if earnings were not robust enough to grow the fund balance. The Permanent Fund balance peaked at \$81.5 billion, followed by a balance of \$75.9 billion in FY 22, and \$77 billion in FY 23. If the balance remained within the range of the last several years, the POMV was not expected to see additional growth until an additional positive market experience provided for increased fund value.

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Mr. Mitchell turned to slide 15 showing fund values as of December 31, 2023. The total fund value was \$77.4 billion including the ERA and principal. The unrealized gains allocated between the principal and ERA were \$12.2 billion and \$1.5 billion, respectively. He highlighted that if the legislature spent the \$3.7 billion on the POMV and \$1.4

billion on FY 24 inflation proofing, around 70 percent of the \$1.5 billion [in unrealized gains in the ERA] would shift up to principal because it was pro rata allocated. He stressed it was a false balance. He explained that it was an insulator from negative market experience; if there were unrealized losses, it ensured the spendable portion of the ERA balance would not diminish. The \$1.5 billion [in unrealized gains in the ERA] was a form of shock absorber, but it was not currently a spendable balance. The uncommitted realized earnings as of December 31 were \$1.9 billion. He explained it represented the \$200 million balance at the start of the year in addition to \$1.7 billion in realized statutory net income fiscal year to date.

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Mr. Mitchell moved to slide 16 titled "10 Year Annualized Returns." A bar chart on the slide showed the cyclicity of markets and the difficulty of hitting a CPI + 5 percent target. The gold dots reflected the return objective and the bars reflected real return and inflation for each ten-year cycle. The chart showed that the target had not been hit in the years 1999 to 2008 and 2008 to 2018. He stated it was not unusual and the draws during the timeframe only funded the PFD program with smaller annual draws than under the current POMV system. The situation highlighted the need to be conservative during times of largess when investments were doing well and to ensure the money remained within the fund in order to have funding to draw from when investment performance was not as strong. He expected a continuation of the cycle going forward to include multiple years of outperformance and multiple years of underperformance.

Mr. Mitchell pointed to a table showing fund performance on the right of slide 16 and indicated the corporation would have liked the fund's one-year performance to be better. There had been an underrepresentation of growth stocks in the fund's public equity portfolio. He relayed there were seven stocks within the S&P 500 that represented almost all of the increase in value during the same period. He explained that the fund's underrepresented position in the stocks occurred because it had employed a value play looking for stocks with lower price-to-equity ratios based on a belief and historical realization of value from that perspective. He remarked that for whatever reason there had been an exuberance about the seven stocks during the same

timeframe that resulted in the fund underperforming its benchmark by approximately 50 to 60 basis points in the passive index in particular. The three-year fund performance of 10.49 percent showed that the success of the fund's active strategies (exceeding the passive index by over 4 percent and the performance benchmark by 1 percent). The fund also outperformed the passive index and performance benchmark in the five-year and ten-year periods.

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Co-Chair Johnson asked if the fund's one-year underperformance was because it had not held positions in the five best performing stocks.

Mr. Mitchell deferred the question to Mr. Frampton for details. He stated that generally there were seven stocks referred to as the "magnificent seven" where underrepresentation in those stocks resulted in weaker performance.

MARCUS FRAMPTON, CHIEF INVESTMENT OFFICER, ALASKA PERMANENT FUND CORPORATION, provided information about his educational and professional background. He worked in private market investments until 2018 when he had been the CIO. The one-year performance in June of 2023 had been disappointing. He explained that the underperformance had been focused in the public equities or stock investments accounting for 36 percent of the fund. The fund had outperformed its benchmark in the other asset allocations. He explained that the fund had deemphasized growth tech stocks, which had become very expensive compared to banks, industrials, consumer staples, and lower volatility stocks. The Permanent Fund's top 10 holdings were the large S&P 500 companies such as Google and Microsoft, but it owned less than its benchmark. The fund had a robust risk system and if APFC managers believed Google to be overvalued, there were limits on the magnitude they could express it.

Mr. Frampton explained that the fund's risk system that looked at the fund's positions, benchmark, and tracking error, showed how much it would underperform if it got all of its bets wrong and how much it would outperform if it got bets right. The fund had a tracking error limit of 4 percent, but it typically did not push up to that limit. The fund's tracking error in public equities had been about

2 percent in the past year. Managers had chosen value stocks over tech stocks and the fund had underperformed in public equities by 2 percent. He explained that underperforming by 2 percent in 36 percent of the fund resulted in the .5 percent underperformance. He was disappointed by the performance, but in a sense, it validated the fund's risk models. He explained that the fund had gotten it all wrong and had underperformed by what the system suggested it would probably underperform by. Over longer term periods that type of looking for value in the market played out over longer periods of time. He detailed that that type of trade was used by the fund in all of its asset classes and it generally worked out, albeit not last year.

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Mr. Frampton turned to slide 18 titled "Fund Performance vs Benchmarks." He stated that the fund closed its books on private investments and received appraisals on a quarterly basis. The slide showed fund performance as of September 30, 2023, and updated performance numbers for stocks and bonds as of November 30, 2023. He noted that the markets had been tough during the quarter ending in September, but the fund resumed outperforming as of September. He pointed to the bar chart on the left of the slide showing the fund performance at -0.53 percent in comparison with its benchmark performance of -1.25 percent fiscal year to date. The table on the right of the slide reflected a rally in the stock market through November (continuing through December). On a preliminary basis, the result was a return to positive fund performance above its benchmark. When factoring in the continued rally in December, the estimated return was about 4 percent through the first six months of the fiscal year. He stated it was turning into "kind of a nice year in the markets" and the fund was back to meeting its benchmarks. Consequently, APFC was happy with "where we sit right now on that front."

Mr. Frampton moved to slide 19 titled "Focus on Increasing Internal Management." The pie chart on the left showed asset classes and accompanying investment staff. He noted that the number of private equity staff shown on the slide needed to be updated from five to seven. The corporation had 28 investment staff, which he believed was lean compared to some of the state pension funds around the country. He believed APFC did a lot with an appropriate

number of staff. The right section of the slide highlighted how APFC had been exploring where it could save money on fees and bring strategies in-house. He stated that the entire fixed income management had been brought in-house the prior year. At that point, APFC had already been trading investment grade corporate bonds, high yield bonds, mortgages, cash, and TIPS [Treasury Inflation-Protected Securities] in-house. The corporation had brought management of global sovereign bonds in-house in the past year. He explained that the fund owned treasury bonds of every major country and hedged the currency. The corporation brought the management of high yield bonds in-house in 2018; management had previously been done by external managers for a substantial fee.

Mr. Frampton reported that APFC currently spent over \$100 million per year in stock manager fees. In 2014 (and further in 2021), the corporation started some U.S. based stock investments at the staff level. The corporation was currently working on a plan to begin trading international stocks in-house in the coming months. He noted that bringing management in-house saved a substantial amount on fees; however, paying the fees was superior to getting it wrong.

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Mr. Frampton moved to slide 20 titled "APFC Performance Relative to Large Public Funds." He stated that APFC managed money to the benchmarks because every pension fund had a different asset allocation, mandate, and features; however, it was worth taking a look at the Permanent Fund's performance compared to other large public funds. The slide showed a comparison against the large U.S. state pension funds. He highlighted that the Permanent Fund had been in the top decile or quartile over in every time period over the past 20 years with the exception of last year. He believed it indicated that the complexity of the fund's diversification had paid off relative to the performance of other large pension funds.

Representative Galvin understood the previous year was a bad year for fund performance. She asked what had been learned from the experience.

Mr. Frampton answered that the fund's underperformance the prior year was limited to one asset class, and it was

within the magnitude expected under the circumstances. He recognized the big investment positions were wrong but given what APFC knew at the time about the relative values, the corporation did not believe it got the analysis wrong, the market merely played out differently during the given time period. He remarked that even Warren Buffet went through long periods of underperformance. He clarified he was not putting APFC in the same category, but he did not believe any investor would beat their benchmark every year. He stated that when underperformance occurred it was necessary to reflect on whether there had been a breakdown in the decision process or a bad analysis. He did not believe that had been the case. He explained that because they got so much wrong [in the particular situation] and the poor performance was within the range generated by APFC's modeling, in a sense it was validating even though it was painful to have a difficult year.

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Co-Chair Edgmon asked for verification that it was fair to say that APFC was successful in keeping its risk profile in reasonable parameters. He believed the fund had also been coming off a year that had seen a -1.32 percent return.

Mr. Mitchell replied that APFC had beat the benchmark [in that particular year].

Mr. Frampton responded that it depended on the definition of success. He relayed that last year the fund made 5 percent but underperformed its benchmark, whereas the prior year the fund had been down -1.32 percent, but its benchmark was down 3.24 percent. He believed that in a sense it was better to beat the benchmark when the market was down because anyone could meet the benchmark when the market was up by taking more risk. He thought performance should be looked at over the three to five-year period. He explained that APFC did not generally make investments that would play out in the next six months, but they should play out over the next five years or else fund managers were doing something wrong. He added that APFC looked at the performance of other endowments and funds. He highlighted that the Yale endowment was well regarded in the market, and it published an annual report that did not include anything less than 10-year performance for its asset classes because it was focused on long-term performance. He elaborated that the Yale endowment also included a topline

number annually. He stated that most institutions tried to focus on the longer term rather than year-to-year, but it was still disappointing to have a tough year.

Mr. Frampton highlighted that one of APFC's assets was its limited turnover in key investment and staff positions (slide 21). The corporation generally recruited its investment positions from individuals in the private sector who found APFC's mission and the idea of moving to Alaska appealing. He noted there were exceptions such as Mr. Ross Alexander who had been hired from the Alaska Retirement Management Board (ARMB) several years back [as the senior portfolio manager of private equity]. He found the turnover of APFC's 28-person investment staff to be manageable. He estimated that annually the corporation likely lost one person it would prefer not to lose. He highlighted that the fund's head of private equity left APFC a couple of years back and Allen Waldrop was the most recent hire. The position had been vacant for around six months and had not been easy to fill. The corporation was fortunate to hire Mr. Waldrop who had been a consultant to APFC for ten years. He highlighted that investment decisions were made by a three-person committee including himself, Deputy CIO Jim Parise, and Mr. Waldrop, and reviewed by the executive director. He explained that investment decisions were well vetted and not made by an individual person.

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Representative Johnson stated her understanding that the fund's allocation to private equity had not changed in the current year. She asked for details on the board's decision not to make a change.

Mr. Frampton replied that when he had joined APFC in 2012, only about 4 percent of the fund was invested in private equity. He reported that APFC had leaned into private equity in the past decade and the asset class currently accounted for 19 percent of the fund's portfolio. He relayed it had been a very good decision and a strong area to be. Often in institutional investing, the highest performing areas attracted significant capital and the areas became progressively less attractive as more money went in. He believed private equity was no longer as attractive as it had been ten years earlier. He elaborated that one year ago he had proposed a reduction to the fund's private equity allocation from 19 percent to 15 percent.

The proposal had been approved by the board and the fund's investment in private equity had been reduced in pursuit of the lower target. There had been substantial discussion on the topic and differing opinions and the topic had been revisited over time. He explained that one of the mechanisms that could have achieved higher return objectives was an increase in private equity and the board ultimately decided not to change the return objective. The corporation was still following the decision from one year ago and was doing less in private equity.

Co-Chair Johnson asked if the decision not to increase the allocation was because the Permanent Fund was a public fund. Alternatively, she asked if the decision would have been the same regardless of the type of fund.

Mr. Frampton responded that being a public versus a private fund could play into a private equity allocation. For example, some public pension funds did not have the ability to maintain certain trade secrets or elements of private equity that their partners would want to remain confidential. The corporation had the ability to operate effectively in private equity because it had better legal protections over those matters than other funds such as CalPERS [California Public Employees' Retirement System] may have. The fact that the Permanent Fund was a public fund was not necessarily the reason he believed it should allocate less to private equity. His decision was more about all of the money that had gone into private equity and the fact that valuations of the deals were higher and less attractive. Additionally, funding in private equity investments was locked up for ten years and fees were high. He believed investments in private equity should provide a premium return and he was not certain the asset class was providing the same returns it had five years ago, which resulted in his recommendation to do a bit less. He noted that in five years he may have a different opinion as conditions may change.

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Co-Chair Edgmon stated that as the fund grew and became more diversified and sophisticated, the capabilities of the corporation had to grow as well. He referenced Mr. Frampton's statement that the APFC investment team was lean. He remarked that the team was also very capable and dedicated. The committee had heard from Callan Associates

in the past on how prestigious it was to work for APFC, and a major award had been won several years back. He lauded Valerie Mertz for her leadership during the transition [between executive directors] in recent years. He referred to the expansion into an Anchorage office and wondered about the statement about growing the corporation's capabilities and the fund. He asked if the opening of an office in Anchorage and [potentially] elsewhere reflected a natural outgrowth. He was not clear why APFC would need to open an office in Anchorage given its level of success in its ability to recruit and retain 28 investment staff. He asked for additional details.

Mr. Schutt responded that regarding the Anchorage office it was the "subtleties there." He highlighted that every position was evaluated for whether it had to be located in Juneau based on position level and interactions needed with peers and supervisors. For positions that did not need to be in Juneau, APFC considered whether there was an advantage to the corporation in the recruitment and retention of employees. The corporation had determined that the Anchorage location was beneficial for a small set of current and potential employees. The board and staff wanted to internalize functions when it made sense, in part because the fund had outperformed external managers when bringing management internally and it saved an incredible amount of money. He remarked that many of the fees were on basis points and did not seem that large until they were applied to the fund's billions under management. He emphasized the number became large very quickly. He reported that in some cases the fund paid more to a single manager than the cost of its entire staff operation because of the multiplier effect.

Mr. Schutt relayed that staff continued to evaluate bringing more [management] in-house and the board continued to support the policy. He stated that the board wanted Alaska-based employees. He remarked that "if we have to make a little bit of sacrifice and stir up a little bit of controversy by doing that with a small Anchorage office, we think that part is worth it." The corporation would much rather have a few Anchorage-based employees and a lot of people managing Alaska's Permanent Fund in Alaska rather than outsourcing it to third parties on contract or asset managers. The corporation was taking the "Alaska first" approach and a component of that was having a bit of

flexibility in the precise location in Alaska where the work was done.

Co-Chair Edgmon asked if a private company would have made the same move.

Mr. Schutt replied that he believed a private company would likely have moved more. He remarked that he was respectful of Anchorage versus the rest of Alaska and had deep connections to the rest of Alaska despite living and working in Anchorage. He stated that it was much easier to operate a business in Anchorage than it was in Juneau. He noted the same was true of Fairbanks, Kenai, and the rest of Alaska. He added that Alaska was special in large part because of everything that was out of Anchorage; however, there was also tension for APFC in terms of how to recruit and retain the best staff. He stated that sometimes the compromise was to have more [staff] in Anchorage.

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Co-Chair Johnson recognized Representative Dan Saddler in the room.

Representative Hannan asked about private equity on slide 19. She asked if APFC had invested in Alaska businesses under its private equity asset allocation. She referenced the reduction to the portfolio's private equity allocation and asked how much of the Alaska private equity investments remained. She asked if the Alaska investments were measured separately from or combined with the rest of the private equity return.

Mr. Frampton answered that the \$200 million in-state private equity program passed in 2018 and was implemented in 2019. He explained that the private equity investments were illiquid and APFC did not control the exits. The corporation hired two managers who were investing in companies related to Alaska in some way. The reduction to the private equity allocation did not impact the investments, which the corporation would hold for another five to six years. The performance of the investments was reported separately on APFC performance reports. He looked at the November report and relayed that the Alaska investments had a positive return but had underperformed the fund's other private equity investments. The board had

elected not to continue the program, but existing investments remained.

Mr. Frampton turned to slide 22 titled "Permanent Fund Balance Sheet." He highlighted that the fund had one asset allocation for its two separate accounts, and everything was invested pro rata in all of its assets. As of December 31, 2023, the ERA balance was \$8.5 billion. He detailed that \$5 billion of the total was categorized as "committed" including inflation proofing for the current year and the FY 25 POMV transfer. There was \$13 billion in unrealized gains in the total fund, with the ERA's portion at \$1.5 billion. As a result, the available realized ERA balance was \$1.9 billion as of December 31, 2023. The fund's statutory net income in FY 24 through December 31, 2023, was \$1.7 billion. He explained that if the same \$1.7 billion was generated in the second half of FY 24 it would result in a realized ERA balance of just under \$4 billion. He noted that statutory net income refreshed the ERA balance, but a current snapshot of the balance would show funding as largely committed.

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Co-Chair Johnson noted that she would end on the current slide of the presentation in order to leave time for questions.

Representative Cronk remarked that some people thought the private investments in Alaska would lead to corruption, but he did not share that sentiment. He opined that it was the state's money and it should be invested in Alaska projects that would bring back a return in addition to benefitting all Alaskans. He highlighted that Chairman Schutt was Alaskan grown and it was something to be proud of. He thanked Mr. Schutt for his work and relayed that people back home were proud of him.

Representative Coulombe was trying to wrap her head around inflation proofing and the POMV draw. She noted that she had not been in the legislature when the POMV draw had been instituted, but she believed there was an inflation proofing aspect to the draw. She asked if all of the money going to inflation proofing was based on statute. She wondered whether the POMV draw helped with inflation proofing. She asked for details on how the two intersected.

Mr. Mitchell replied that the confusion may be created by the concept of a constitutionalized POMV draw because it would eliminate the need for inflation proofing. He explained that it would be unnecessary to inflation proof if there was a limit of one draw on a single fund. Currently, there was a two account structure with a POMV draw. He explained that the Permanent Fund was halfway to a true POMV endowment structure. He elaborated that the POMV structure was in place, but the fund still had the two account structure. Within the two account framework, whatever was in the ERA was spendable by a simple majority of the legislature and signature of the governor. He clarified that [under the current structure] without inflation proofing/transferring money from the ERA to the principal, the buying power of the Permanent Fund was not maintained.

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Co-Chair Edgmon referenced slide 6 "Proposed Legislation: Seeking Amendments to Improve Corporate Functionality." He stated that at first blush he was completely in support of the legislation should it emerge later on. He pointed out that after being introduced, bills could be changed and amended. He stated that if the bill was introduced the way it was presented on the slide, there would be an attempt to amend it. For example, there would be an attempt to add a seventh board member and/or possibly a public member. He added there had been some consternation about the seats not being subject to legislative confirmation. He asked if the board had talked about the possibility of changes that could be made to a potential bill.

Mr. Schutt answered that the board had talked about the way topics could fall under amendments to a potential bill as part of the legislative process. The corporation was aware of various calls to change either the appointment or confirmation structure of the board, to add different members or so called professional members, and various governance topics. He stated that if a bill were introduced, he thought it was fair to anticipate there may be other things that may or may not end up in the bill. The board had talked about the attendant issues and risks.

Co-Chair Edgmon asked how it would work if a bill was introduced during the current session and it was amended in April to add a public member board seat and other things.

He asked if the board would hold a special meeting to contemplate the bill at that point.

Mr. Schutt answered, "Probably not." The board had a meeting coming up in a couple of weeks in Juneau and an accompanying open house. He invited committee members to attend and invited the co-chairs to address the board directly. The board had regular quarterly meetings and would be meeting again in Barrow in May. He relayed that the legislation was not an urgent priority because APFC did not have a foreseeable or existing vacancy in any of the positions the legislation would pertain to. He stated there was time and perhaps the legislation would come the next session.

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Co-Chair Johnson thanked the presenters and would be in touch with any questions to be addressed at a later date. She reviewed the schedule for the following Tuesday.

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ADJOURNMENT

[3:28:26 PM](#)

The meeting was adjourned at 3:28 p.m.