

SB

379

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 379
 (S) Publish Date: 3/26/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title APFC Board Removal for Cause BRU AK Permanent Fund Corporation
 Component AK Permanent Fund Corporation
 Sponsor Rules
 Requester Governor Component No. 109

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill institutes the "removal for cause" threshold for the four public members of the Alaska Permanent Fund Corporation Board of Trustees. It would not affect the financial operations of the Permanent Fund and therefore does not generate any costs or savings to the Fund.

Prepared by: Robert D. Storer, Executive Director Phone (907) 465-2047
 Division Alaska Permanent Fund Corporation Date/Time 2/8/04 3:17 PM
 Approved by: William Corbus, Commissioner Date 2/8/2004
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 379
 (S) Publish Date: 3/26/04

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title "An Act providing that public members of the RDU CIVIL
Board of Trustees of the Alaska Permanent Fund ..." Component Labor & State Affairs
 Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would give members of Alaska Permanent Fund Corporation Board of Trustees protection in that a member could only be removed for cause after a public hearing. Under existing law, the governor may remove a board member by sending a letter that sets out reasons. Existing law does not require the governor to state grounds sufficient for removal for cause. Removal for cause customarily involves removal for neglect of office, misconduct or malconduct, or conviction of a crime.

Passage of this legislation will have no foreseeable fiscal impact on the Department of Law.

Prepared by: Kathryn A. Daughhete, Director Phone 465-3673
 Division Administrative Services Date/Time 2/4/04 8:41 AM
 Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 2/4/2004
 Agency Department of Law



**Alaska Permanent Fund Corporation
Talking points for Senate Bill 379
Prepared by APFC staff, April, 2004**

- SB 379 would require sufficient cause for the removal of the four members of the Alaska Permanent Fund Corporation Board of Trustees before the expiration of their terms.
- The two cabinet members that sit on the Board of Trustees would still serve at the pleasure of the Governor.
- This change would retain the investment knowledge of the public board members.
- New members would benefit from the experience of sitting board members.
- As investment methods become more complex and sophisticated, it becomes increasingly important to maintain continuity of the board membership.
- Requiring cause before public board members could be removed would limit the amount of political pressure that could be placed on a board.
- Board members would be allowed to act as fiduciaries, and to be insulated from political influence.