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ALASKA STATE LEGISLATURE



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REPRESENTATIVE CLIFF GROH

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WHILE IN ANCHORAGE
1500 W. Benson Blvd.
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(907) 269-0111

Representative Ben Carpenter & Senator Bert Stedman
Chair & Vice-Chair, Alaska Legislative Budget and Audit Committee

Dear Chair Carpenter & Vice-Chair Stedman,

I request that the Legislative Budget and Audit Committee hold a hearing as soon as possible on the governance of the Alaska Permanent Fund Corporation. Recent revelations about communications between a member of the Permanent Fund Board of Trustees and the Permanent Fund's professional staff show the need for more legislative oversight of our state's nest egg. The inadequate response by the Board of Trustees to the disturbing conflicts of interest disclosed by those revelations further underscores the need for the Legislature to protect the Permanent Fund.

The Permanent Fund has been critical to Alaska since the voters created it in 1976, and its importance will only grow in the future. Sustainable spending of the Permanent Fund's earnings currently provides 56 percent of the funding for roads, schools, public safety, and Permanent Fund Dividends. The State of Alaska's reliance on the Permanent Fund earnings is expected to increase given that the Alaska Department of Revenue projects that oil revenues will continue to fall over the next decade.

The Permanent Fund has performed its essential role because Alaskans have set up the Fund to maximize returns while protecting it from favoritism or corruption. The Legislature must provide oversight to the Permanent Fund to protect it from the apparent threats it faces, including the risk that investments will be influenced by cronyism instead of what's best for the Fund. Your action can help protect Alaskans' ability to benefit from the roads, schools, public safety, and Permanent Fund Dividends that the State can fund in the future if we are vigilant in protecting the Permanent Fund now.

Thank you very much for your consideration, and I look forward to hearing from you soon.

Sincerely,

Handwritten signature of Cliff Groh in black ink.
Representative Cliff Groh