



Alaska State Legislature

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Serving the Sand Lake, Spenard, and Turnagain Communities

February 2022 Community Council Update

State of the State — Governor Dunleavy's fourth State of the State address focused on three main topics: increased Permanent Fund dividends, the continued COVID pandemic response, and public safety. The governor has proposed a budget that is based on a rise in the price of oil, changes in the stock market, and over \$350 million in one-time funds from the federal government. The governor's budget and plan do not represent a responsible fiscal plan for Alaska. We have been running a deficit every year since 2012, and it's not responsible to keep closing the deficit by spending from our savings and hoping for more one-time federal funds. What I hear from District 21 is that we need a responsible action plan for Alaska that includes a balanced budget; essential services like public safety, public health, and public education; and our public servants working together to grow Alaska's economy.

I took a few minutes to reflect on the governor's address and the economic challenges we face during the upcoming legislative session. [Click here to watch the video.](#)

APFC Investigation — The Legislative Budget and Audit Committee recently held [two meetings](#) focused on the Alaska Permanent Fund Corporation's (APFC) Board of Trustees firing its Executive Director, Angela Rodell. At a recent meeting, the committee voted unanimously to approve a \$100,000 investigation into the matter and granted the power to issue subpoenas to the committee chair, Senator Natasha Von Imhof. In [an ADN article](#), Sen. Von Imhof said that the purpose of the investigation is to determine if there was any political influence by the board or the executive branch.

Rodell [maintains](#) that her firing on December 9, 2021 was "political retribution" by Governor Dunleavy's appointees for her advocacy against withdrawals that exceed the Percent of Market Value Revenue Cap law. The 5% POMV Revenue Cap law conflicts with the governor's promise of large dividends. Craig Richards, APFC Board Chair, [testified to the Legislative Budget and Audit committee](#) on January 17 that the firing was not based on political motivations.

[The APFC Board of Trustees](#) is guided by [AS 37.13.020](#). Under this law, the governor appoints the Board with specific requirements that two of the members are heads of principal departments of state government, one being the commissioner of revenue.

Over recent years, the State of Alaska has shifted from an oil state to an investment state, with the majority of annual state revenue coming from Permanent Fund earnings. Since 2016, the legislature has held the line on the [Percent of Market Value Revenue Cap](#), which protects the Permanent Fund. The governor continues to advocate for an overdraw of the Permanent Fund earnings, breaking the POMV law in order to pay for a large dividend. There is concern that the governor, in the interest of his political agenda, advocated for the firing of Ms. Rodell. We remain concerned that there were inappropriate actions surrounding her firing, and efforts to overdraw the Permanent Fund.