

Alaska State Legislature

Senate Bipartisan Working Group News

Tim Barry, Senate Majority Press Secretary
Room 413, State Capitol Building
Juneau, AK 99801

Web Site: <http://www.aksenate.org>
Phone: 907.465.3803
Email: Tim.Barry@legis.state.ak.us

FOR IMMEDIATE RELEASE: April 15, 2009 **CONTACT:** Tim Barry, Press Secretary: 907.465.3803

Legislative Leaders Ask Governor to Give CBR Management to Permanent Fund

Huge Losses from Risky Investments Shake Confidence in Department of Revenue

(JUNEAU) – State House and Senate leaders today delivered a letter to Governor Sarah Palin asking her to move management of the state’s Constitutional Budget Reserve from the Department of Revenue to the Alaska Permanent Fund Corporation.

The letter, signed by Senate President Gary Stevens (R-Kodiak), Speaker of the House Mike Chenault (R-Nikiski), along with the Co-Chairs of both the Senate and House Finance Committees – Senators Lyman Hoffman (D-Bethel) and Bert Stedman (R-Sitka), and Representatives Mike Hawker (R-Anchorage) and Bill Stoltze (R-Chugiak/Mat-Su) – communicated to the Governor that it “is imperative that the State’s limited cash reserves are protected and invested in the most responsible fiduciary manner possible.”

The bipartisan legislators from both houses said that they believe the investment procedures in place at the Alaska Permanent Fund Corporation make it the best custodian for the Constitutional Budget Reserve.

The Constitutional Budget Reserve was established by a vote of the people in 1990, as a savings account where legislators could put aside money in times of plenty and draw from to help tide the state over in times of low revenues. As of February 28th, the balance in the CBR was \$6.4 billion, including an unrealized investment loss of \$1.2 billion.

A copy of the letter to the Governor is [available here](#) as well as inside the press release PDF.

For more information, contact Senator Stedman or Miles Baker at 907-465-3873.

###

ALASKA STATE LEGISLATURE

FINANCE COMMITTEES



SENATE FINANCE COMMITTEE
Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
State Capital, Room 532
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax

HOUSE FINANCE COMMITTEE
Rep Mike Hawker, Co-Chair
Rep Bill Stoltze, Co-Chair
State Capital, Room 519
Juneau, AK 99801-1182
Phone (907) 465-4949
Fax (907) 465-4979

April 13, 2009

Honorable Governor Sarah Palin
PO Box 110001
Juneau, AK 99811-0001


Dear Governor Palin:

Due to the significant losses incurred as a result of the Department of Revenue's management of investments in the Constitutional Budget Reserve and allocations to the sub-account, we the undersigned presiding officers and co-chairs of the Senate and House Finance Committees request you exert your executive authority to manage the Constitutional Budget Reserve Fund under AS 37.10.430 (a).

The statute referenced explicitly gives the executive branch the authority to transfer from the Department of Revenue the management responsibility over the entire Constitutional Budget Reserve Fund to the Alaska Permanent Fund Corporation. It is imperative that the State's limited cash reserves are protected and invested in the most responsible fiduciary manner possible. We believe the existing investment policies and proven accountability of the Alaska Permanent Fund Corporation make it the best custodian for not only the Permanent Fund but also the Constitutional Budget Reserve Fund.

Thank you for your attention to this extremely important matter. We stand ready to discuss this issue with you in more detail at your convenience.

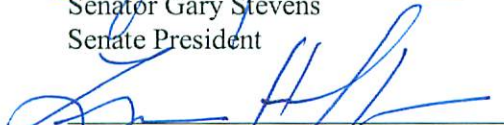
Sincerely,



Senator Gary Stevens
Senate President



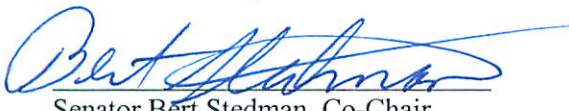
Representative Mike Chenault
Speaker of the House



Senator Lyman Hoffman, Co-Chair
Senate Finance Committee



Representative Mike Hawker, Co-Chair
House Finance Committee



Senator Bert Stedman, Co-Chair
Senate Finance Committee



Representative Bill Stoltze, Co-Chair
House Finance Committee