



ALASKA STATE LEGISLATURE

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COMMITTEE CONTACT:

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COMMITTEE AIDE:

Shareen Crosby

December 27, 2021

Craig Richards, Chair
Alaska Permanent Fund Corporation
801 W 10th Street, Suite 302
Juneau, AK 99801
Sent via email

Dear Mr. Richards:

I am writing today regarding the circumstances surrounding the termination of Angela Rodell as CEO of the Alaska Permanent Fund Corporation (APFC) by the APFC Board of Trustees (Board). The dismissal was abrupt and the APFC has not provided any explanation for its actions or a clear plan for a professional and timely leadership transition. The Board's actions threaten to send a message of management instability at the APFC during a time of global uncertainty.

Because the Alaska Permanent Fund provides more than 65% of the state's annual revenue and is now without a permanent Executive Director, the Legislative Budget & Audit Committee (Committee) has questions for the Board.

Policy makers and the public need to know more about what led to the Board's actions on December 9, 2021. Alaskans should be given better answers for such a high-profile decision. Hiding behind employee confidentiality by refusing to provide any information or transparency regarding the process followed by the Board, or its goals and intent, contradicts the Board's guiding principles stated on your website.

It is also the responsibility of the Committee to make sure the stability and professionalism of the Alaska Permanent Fund will be upheld in perpetuity, and to ensure the Alaska Permanent Fund will continue to operate politically independent from the legislature and executive branch.

Therefore, in support of the Committee's oversight responsibilities, this letter serves as a formal request that one or more APFC Trustees appear at the Committee's next hearing on Monday, January 17, 2022, 2 PM, at the Alaska State Capitol in Juneau, Senate Finance Committee Room 532, to testify regarding the process followed by the Board to reach its decision to terminate Ms. Rodell's employment and the Board's ongoing supervision and management of the Fund.

Specifically, the Committee intends to discuss with the Board the questions listed below, and any other questions which members may feel relevant. Ideally, the Committee should have your written answers to these questions well in advance of the January hearing in order to help us have a more productive conversation.

Personnel Process and Procedure:

1. What is the Board's established policy and procedure for evaluating, disciplining, and terminating APFC officers and, in particular, the Executive Director?
2. How did the Board's review of Ms. Rodell's performance and decision to terminate Ms. Rodell's employment comply with that established policy and procedure?
3. What process has the Board adopted to identify a permanent replacement for Ms. Rodell? When does the Board expect to identify a new permanent Executive Director?

Timing of Ms. Rodell's Dismissal:

1. Did the Board previously identify deficiencies in Ms. Rodell's performance reviews prior to termination of Ms. Rodell's employment? If so, (1) when did it do so, (2) what was the basis for those deficiencies, and (3) when and how was Ms. Rodell informed of the deficiencies?
2. Did the Board give Ms. Rodell the opportunity to improve or make changes in areas where the Board had found her performance deficient prior to the Board's decision to terminate Ms. Rodell's employment? If so, please describe the opportunities provided to Ms. Rodell to improve or make changes in areas where the Board had found her performance deficient.
3. Who was present in the Board meeting when the question of whether to terminate Ms. Rodell's employment was first raised? This question requests the identification of both Trustees and any other individual(s) present in person or by other means attending the meeting.
4. Who was present in the executive session Board meeting on December 9th when the termination of Ms. Rodell's employment was approved by the Board? This question requests the identification of both Trustees and any other individual(s) present in person or by other means attending the executive session.
5. Did any individual(s) other than the Board Trustees know that Ms. Rodell's position as CEO was in question for termination at the Board meeting on December 9th?
6. Did the Board receive legal counsel on its decision to terminate Ms. Rodell? If yes, from whom? Did the Board follow the recommendations laid out by counsel, if any?
7. Why did the Board make the decision to make the termination of Ms. Rodell's employment effective immediately, and before identifying a replacement or a process to identify a replacement?
8. Did the Board consider any alternatives other than termination of Ms. Rodell's employment, such as counseling, training, or any other measures designed to improve her performance? If so, (1) what were those other options and (2) why were they not implemented?

Employee surveys:

APFC was recently awarded “Best Place to Work” by Pensions & Investments, with 75% of the weighted evaluation based on employee surveys. This survey was sent to APFC staff in July 2021 and played a significant role in Pensions & Investments’ decision to award APFC with this prestigious distinction.

1. Did the Board receive copies or data from the Pensions & Investments employee survey?
2. How did the Board account for the Pensions & Investments employee survey and the “Best Place to Work” award by Pensions & Investments when making the decision to terminate Ms. Rodell?
3. Was there an additional employee survey conducted in 2021 that was used to evaluate Ms. Rodell’s performance?

Benchmarking:

The Alaska Permanent Fund has outperformed a portfolio of benchmarks for returns for trailing one year, three years and five years. Smart, prudent, and professional investors and investment boards use a variety of benchmarks of various market types to understand how a portfolio is performing as a whole. Entities such as the Board should look at all applicable benchmarks in their entirety to make informed decisions regarding changes in leadership of the APFC.

1. What benchmarks has the Board adopted to evaluate the performance of the Alaska Permanent Fund?
2. How has the Alaska Permanent Fund performed in relation to those benchmarks for the trailing one year, three years and five years?
3. Did the Board use any benchmarks when it evaluated Ms. Rodell’s performance and/or in connection with its decision to terminate Ms. Rodell’s employment? If so, (1) what were those benchmarks, (2) why were those benchmarks chosen, and (3) how did the Alaska Permanent Fund perform in relation to those benchmarks for the trailing one year, three years and five years?

Records to be Delivered:

Pursuant to the Alaska Public Records Act, the Committee requests that APFC produce the following information and documents:

1. Any and all communications from 2019-present between Trustees and the executive branch of the State of Alaska relating to the performance of Ms. Rodell.
2. Any and all communications from 2019-present between Trustees and the executive branch of the State of Alaska relating to the decision to terminate Ms. Rodell.
3. Any and all communications from 2019-present between employees of the APFC and the executive branch of the State of Alaska relating to the performance of Ms. Rodell.

4. Any and all communications from 2019-present between employees of the APFC and the executive branch of the State of Alaska relating to the decision to terminate Ms. Rodell.
5. Copies of any employee surveys from 2019-present that the APFC conducted or received from any source.
6. Copies of Ms. Rodell's employment contract, if any.
7. Copies of all policies and procedures regarding the Board's evaluation of the position of Executive Director of APFC.
8. Copies of all policies and procedures regarding employee termination, discipline, and counseling that apply to the position of Executive Director of APFC.
9. Copies of all reports, memorandum, or other documentation considered by the Board at the meeting at which the Board terminated Ms. Rodell.
10. Copies of any benchmark reports used by the Board in its evaluation of Ms. Rodell in 2021.
11. Any and all communications from 2019-present from any fund managers, investment bankers, or other third parties to the Board that either raised concerns with or praised Ms. Rodell's performance or role as Executive Director.

Thank you.

Sincerely,



Senator Natasha von Imhof, Chair
Legislative Budget & Audit Committee

cc: Valerie Mertz, APFC, Acting Executive Director
Paulyn Swanson, APFC, Communications Manager
Members, Legislative Budget & Audit Committee