

State of Alaska

Office of Management and Budget

HB93 – General Obligation Bonds: State Infrastructure Projects

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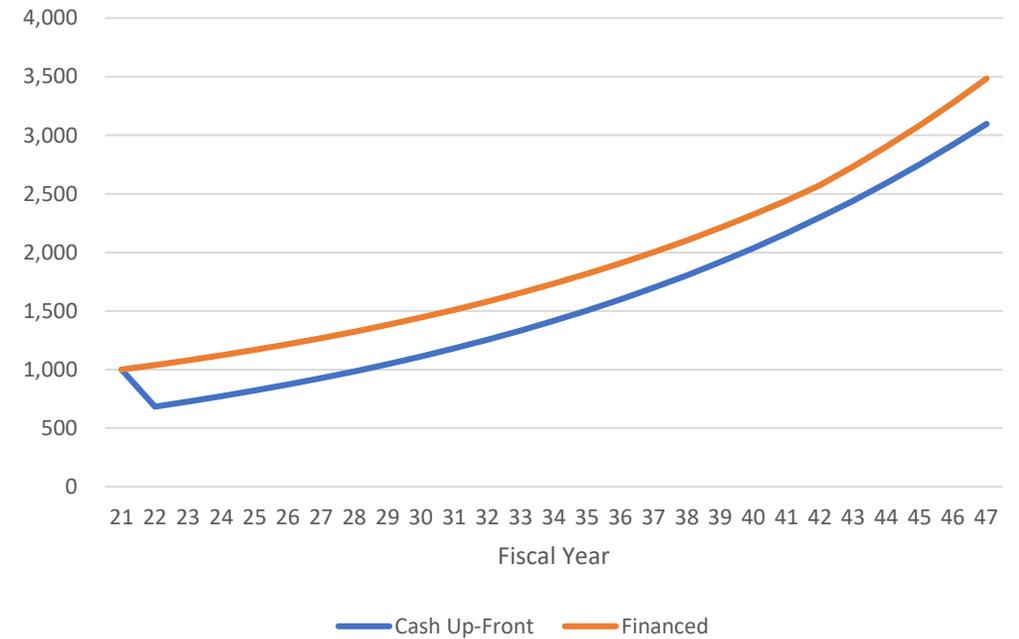


Office of Governor
MIKE DUNLEAVY

HB 93- General Obligation Bonding

- Proposed bond issuance of \$356.4 million
 - \$354.6 million in projects
 - \$1.8 million to issue bonds
 - \$22.0 million annual debt service
- Current bond interest rates 2.35%
- State savings earn approximately 6.25% annually
- Financing these projects results in \$273 million in additional interest earnings compared to paying cash up-front.
- Special election within 120 days of adjournment (~\$2m)

Savings Balance Comparison



HB 93 – Bond Projects by Department

Department	Bond Proceeds	Federal Match
Department of Commerce, Community, and Economic Development	8,500.0	0.0
Department of Education and Early Development	41,882.0	0.0
Department of Family and Community Services	23,605.8	3,250.0
Department of Labor and Workforce Development	19,500.0	0.0
Department of Military and Veterans Affairs	14,029.5	837.5
Department of Natural Resources	38,079.0	0.0
Department of Public Safety	3,400.0	0.0
Department of Transportation/Public Facilities	175,658.5	998,383.5
University of Alaska	29,978.0	1,000.0
Total	354,632.8	1,003,471.0

State Debt Obligation Process

- All forms of state debt are authorized by law
 - May be a one-time issuance amount or a not-to-exceed issuance limit in statute
 - General obligation bonds must then also be approved by a majority of voters
 - GO bonds are the only debt secured by the full faith and credit and taxing authority
- All state debt must be structured and authorized by the State Bond Committee
 - Includes GO bonds, subject to appropriation issues and state revenue bonds
- The State Bond Committee determines method and timing of debt issues to best utilize the state's credit and debt capacity while meeting the authorized project's cash flow needs



HB 93 Debt Service Costs

<i>(\$millions UGF)</i>	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
Current annual debt service	79.1	73.8	73.6	73.4	68.4	68.1	67.5	66.6	65.6	64.8	52.4	51.9	51.4
HB93 annual debt service			22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Total debt service with HB93	79.1	73.8	95.6	95.4	90.4	90.1	89.5	88.6	87.6	86.8	74.4	73.9	73.4



Detailed project descriptions and more at:
<https://omb.alaska.gov/fiscal-year-2022-amended-budget/>

