

State of Alaska

Credit Rating Outlook and Debt Summary

April 3, 2025





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Deputy Commissioner, DOR



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State Debt Manager



- Recent Bond Refinancing Transactions
- State's Bond Rating Overview
- State's Recent Bond Rating Improvements
- Credit Rating and Market Feedback
- Current Municipal Market Update
- State's Debt Profile
- State's Debt Capacity

Summary of Bond Refinancing Transactions

- In the last year, DOR has successfully undertaken five refinancing transactions
- **Total par amount – \$582,990,000**
- **Total net present value savings – \$36,893,604**
- Release of Debt Service Reserve Fund for Airport System Refinancing Transaction \$7.5 million

State of Alaska Recent Bond Refinancing Transactions

General Obligation Refunding Bonds-Series 2024 A – Build America Bonds

- Refund all the State's outstanding General Obligation Bonds Series 2010 A – Build America Bonds (BABs)
 - State of Alaska exercised optional extraordinary provision
 - Par Amount of Refunded Bonds **\$119,570,000**
 - Tax-Exempt Refinancing from the previously issued taxable BABs
- Transaction Highlights
 - Gross Savings – **\$4,506,834**
 - Net Present Value Savings – **\$3,999,992 or 3.35 percent**
 - Subscription Levels – \$578 Million
 - 5.4X across the board

State of Alaska Recent Bond Refinancing Transactions Cont.

General Obligation Refunding Bonds Series 2024B and 2025A

- Refund all the State's outstanding General Obligation Bonds Series 2015B and 2016 A&B Bonds
 - Par Amount of Refunded Bonds **\$190,430,000**
 - \$82,940,000 General Obligation Refunding Bonds-Series 2024B (Bond Tender)
 - \$107,490,000 General Obligation Refunding Bonds – Series 2025A (Forward Delivery)
 - Tax-Exempt Refinancing
- Transaction Highlights
 - Aggregate Net Present Value Savings – **\$16,533,796 or 8.10 percent**
 - **Series 2024B (Tender) – \$8,236,891 or 9.14 percent**
 - **Series 2025A (Forward Delivery) – \$8,296,904 or 7.29 percent**
 - Subscription Levels – \$1,210,400 billion
 - 6.3 times across the board – 35 Investment Groups (i.e., Vanguard, Fidelity, Susquehanna, JPMIM, Brown Brothers, Blackrock)

State of Alaska Recent Bond Refinancing Transactions Cont.

Alaska International Airport System

- Refund all the Airport System's 2016A&B Bonds
 - Par Amount of Refunded Bonds **\$117,960,000**
 - \$67,750,000 Revenue Refunding Bonds 2025A Bonds (Bond Tender)
 - \$50,210,000 Revenue Refunding Bonds 2025B Bonds (Forward Delivery)
 - Tax-Exempt Refinancing
- Transaction Highlights
 - Aggregate Net Present Value Savings – **\$8,876,618 or 6.53 percent**
 - **Series 2025A (Tender) – \$5,303,723 or 7.16 percent**
 - **Series 2025B (Forward Delivery) – \$3,572,895 or 5.77 percent**
 - **Debt Service Reserve Fund Release \$7.5 million**
 - Subscription Levels – \$696.2 million
 - 5.9 times across the board – 31 Investment Groups (i.e., Vanguard, Fidelity, Wilmington Trust, Brown Brothers, Boston Company, Capital Research and Management)

State of Alaska Recent Bond Refinancing Transactions Cont.

Goose Creek Correctional Facility

– Refund lease revenue refunding bonds 2025A&B Bonds

- Par Amount of Refunded Bonds **\$99,460,000**
 - \$63,025,000 Lease Revenue Refunding Bonds 2025A Bonds (Bond Tender)
 - \$36,435,000 Lease Revenue Refunding Bonds 2025B Bonds (Forward Delivery)
 - Tax-Exempt Refinancing

– Transaction Highlights

- Aggregate Net Present Value Savings – **\$5,589,231 or 5.35 percent**
 - **Series 2025A (Tender) – \$3,745,758 or 5.63 percent**
 - **Series 2025B (Forward Delivery) – \$1,843,472 or 4.85 percent**
- Subscription Levels – \$106.6 million
 - 1.1 times across the board – 11 Investment Groups (i.e., J.P. Morgan, Vanguard, Breckenridge Capital, Goldman Sachs, PIMCO)

Alaska Municipal Bond Bank

- General Obligation and refunding bonds 2025 Series One and Two
 - Par Amount of Refunded Bonds **\$55,570,000**
 - \$41,900,000 General Obligation and Refunding Bonds, 2025 Series One
 - \$13,675,000 General Obligation and Refunding Bonds, 2025 Series Two
 - Tax-Exempt Refinancing
- Transaction Highlights
 - Aggregate Net Present Value Savings – **\$1,893,967 or 3.8 percent**
 - **2025 Series One – \$1,790,158 or 3.9 percent**
 - **2025 Series Two – \$105,866 or 2.1 percent**
 - Subscription Levels – \$198 million
 - 3.5 times across the board – 10 Investment Groups (i.e., Breckenridge Capital, PIMCO, Fidelity, Vanguard, Appleton, Loomis, Norther Trust)

State's Bond Rating Overview

Bond Rating General Information

- A bond rating is a way to measure the creditworthiness of a bond, which corresponds to the cost of borrowing for an issuer. These ratings typically assign a letter grade to bonds that indicates their credit quality.
- Bond ratings are provided by third-party independent rating agencies such as:
 - Standard & Poor's Global Ratings
 - Moody's Investors Service
 - Fitch Ratings Inc.
 - Kroll Bond Rating Agency
- Rating Agencies conduct a thorough financial analysis of the issuer based on their published Public Finance Criteria that generally focus on different but similar primary credit factors.
 - Government Framework
 - Financial Management
 - Economy
 - Budgetary Performance
 - Debt and Liability profile
- Bond ratings are critical to alerting investors to the quality and stability of the bonds and the issuer.
 - Higher rated bonds “investment grade” provide lower risk and lower borrowing cost
 - Lower rated bonds “non-investment grade” provide for higher risk and higher borrowing cost

Importance of Credit Ratings to State of Alaska

- Cost of borrowing on capital improvement projects
- State bond rating benefits and/or impacts the Alaska Municipal Bond Bank and underlying issuers
- Positive bond ratings attract national and global investors to the State

State's Bond Rating Overview

Bond Rating Scale

Rating Description*	Kroll Bond Rating	Moody's Investor Services	S&P Global Ratings	Fitch Ratings
Investment Grade – Top Level	AAA	Aaa	AAA	AAA
Investment Grade – Very High Quality	AA	Aa	AA	AA
Investment Grade – High Quality	A	A	A	A
Investment Grade – Good Quality	BBB	Baa	BBB	BBB
Speculative Quality	BB	Ba	BB	BB
High Speculative	B	B	B	B
Very High Risk	CCC	Caa	CCC	CCC
Close to Default	CC	Ca	CC	CC
In Default	C	C	C	C

State's Credit Rating Improvements

Over The Last Year, We Have Seen Six Credit Rating Improvements

Department of Revenue engaged Kroll Bond Rating Agency (KBRA) in 2023.

- KBRA assigned an AA (Stable Outlook) to the State's General Obligation Bonds and AA- for the Alaska Municipal Bond Bank Authority.
- In connection with the 2024 A Bonds transactions, the State saw credit improvements.
 - S&P improved the State's rating from AA- to AA with Stable outlook.
 - Moody's improved the State's rating from Aa3 Stable to Aa3 Positive.
- On March 4, 2024, Moody's upgraded the State of Alaska Airport System Revenue Bonds to Aa3 from A1 with Stable outlook.
- On February 25, 2025, KBRA upgraded the State of Alaska General Obligation Bonds to a rating of AA+ with a stable outlook. Highest Bond Rating Since 2016.

Recent Bond Rating Meetings-Credit Summary

Diversified and Resilient Revenue Streams

- Significant project developments to build and diversify State revenue stream
- Percent of market value transfer has been in place for seven fiscal years and is a consistent source of unrestricted general fund (UGF) revenue
- Total petroleum revenue was 37.2 percent of UGF in FY2024 and is estimated to be 29.7 percent in FY2025

Deeply Experienced Management and Highly Conservative Debt Program

- 30+ years of combined experience between Deputy Commissioner Limani and Debt Manager Williams
- Commitment towards a sustainable and long-term comprehensive Fiscal Plan
- Present value savings of over \$36.9 million achieved since June 2024 through issuance of general obligation and revenue refunding bonds

Fiscal Discipline

- Demonstrated commitment to structural budgetary balance, including expenditure constraints
- Semi-annual revenue forecast that includes outlook for oil price, oil production, and state revenues
- Annual public debt report, including debt management policy and debt affordability analysis

Very Strong Financial Position

- Ample Reserves: Constitutional Budget Reserve Fund (CBRF) \$2.8 billion, Permanent Fund balance \$80.8 billion
- Low debt load and no new bond authorization
- Rapid paydown of general obligation debt in the next 10 years
- Well-funded pension obligations – PERS 89 percent and TERS 95 percent

Robust Outlook for Near-Term, Statewide Economic Development

- Executive Orders will expand immense opportunities and ensure the nation's energy security
- Prominent ongoing resource development projects impacting economic growth
- Improved economic demographics

State's Bond Rating Overview

State of Alaska Current and Historical Ratings

MOODY'S

Aa3
(Positive)

S&P Global
Ratings

AA
(Stable)

FitchRatings

A+
(Positive)

KBRA KROLL BOND
RATING AGENCY

AA+
(Stable)

TABLE 5.4

State of Alaska Credit Rating History
rating changes as of date shown

Moody's Investor Service		S&P Global Ratings		Fitch Ratings		Kroll Bond Rating Agency	
July 13, 1961	Baa	June 4, 1971	A	May 3, 1994	AA	July 20, 2023	AA
September 12, 1969	Baa1	January 23, 1975	A+	March 25, 2010	AA+	February 25, 2025	AA+
August 29, 1974	A1	June 14, 1980	AA-	January 7, 2013	AAA		
June 13, 1980	Aa	August 5, 1992	AA	June 14, 2016	AA+		
November 26, 1998	Aa2	March 27, 2008	AA+	November 2, 2017	AA		
November 22, 2010	Aaa	January 5, 2012	AAA	September 5, 2019	AA-		
February 29, 2016	Aa1	January 5, 2016	AA+	May 6, 2020	A+		
July 25, 2016	Aa2	July 18, 2017	AA				
July 13, 2017	Aa3	April 17, 2020	AA-				
		April 30, 2024	AA				

- July 20, 2023: Initiation of "AA" rating on State GO Debt by Kroll Bond Rating Agency
- April 30, 2024: Upgrade by S&P Global Ratings to "AA," Outlook revised to Stable
- March 4, 2024: Outlook revised to Positive by Moody's Investor's Service, "Aa3" rating maintained
- September 27, 2024: Outlook revised to Positive by Fitch Ratings, "A+" rating maintained
- February 25, 2025: Kroll Bond Rating Agency upgraded the State of Alaska General Obligation Bonds to a rating of AA+ with a stable outlook

State's Bond Rating Overview

State of Alaska Compared to Other States

MOODY'S

Aa3
(Positive)

S&P Global
Ratings

AA
(Stable)

FitchRatings

A+
(Positive)

KBRA KROLL BOND
RATING AGENCY

AA+
(Stable)

Alabama Aa1/AA/AA+

Alaska Aa3/AA/A+/AA+ (Pos/Sta/Pos/Sta)

Arizona* Aa1/AA/NR

Arkansas Aa1/AA/NR

California Aa2/AA-/AA

Colorado* Aa1/AA/NR

Connecticut Aa3/AA-/AA-

Delaware Aaa/AAA/AAA

Florida Aaa/AAA/AAA

Georgia Aaa/AAA/AAA

Hawaii Aa2/AA+/AA

Idaho* Aaa/AA+/AAA

Illinois A3/A-/A-

Indiana* Aaa/AAA/AAA

Iowa* Aaa/AAA/AAA

Kansas* Aa2/AA-/NR

Kentucky* Aa2/A+/AA-

Louisiana Aa2/AA/AA-

Maine Aa2/AA/AA

Maryland Aaa/AAA/AAA

Massachusetts Aa1/AA+/AA+

Michigan Aa1/AA/AA+

Minnesota Aaa/AAA/AAA

Mississippi Aa2/AA/AA

Missouri Aaa/AAA/AAA

Montana Aa1/NR/AA+

Nebraska* Aa1/AAA/NR

Nevada Aa1/AA+/AA+

New Hampshire Aa1/AA+/AA+

New Jersey A1/A/A

New Mexico Aa2/AA/NR

New York Aa1/AA+/AA+

North Carolina Aaa/AAA/AAA

North Dakota* Aa1/AA+/NR

Ohio Aaa/AAA/AAA

Oklahoma Aa1/AA/AA

Oregon Aa1/AA+/AA+

Pennsylvania Aa2/A+/AA

Rhode Island Aa2/AA/AA

South Carolina Aaa/AA+/AAA

South Dakota* Aaa/AAA/AAA

Tennessee Aaa/AAA/AAA

Texas Aaa/AAA/AAA

Utah Aaa/AAA/AAA

Vermont Aa1/AA+/AA+

Virginia Aaa/AAA/AAA

Washington Aaa/AA+/AA+

West Virginia Aa2/AA-/AA

Wisconsin Aa1/AA+/AA+

Wyoming* NR/AA/NR

NR=Not Rated; Moody's / S&P / Fitch / Kroll

*Denotes this state does not have general obligation (GO) debt outstanding; the state's issuer credit rating is listed in place of a GO bond rating.

Sources: Wikipedia combining multiple reports from separate agencies, may not include recent activity on State Ratings from individual rating agencies

Credit Rating and Market Feedback

Initial Rating Agency Feedback

- Percent of Market Value (POMV) transfer has been in place for seven fiscal years and is a consistent source of UGF revenue
- Recent budgetary surplus and deposits to State savings accounts, including the Constitutional Budget Reserve Fund
- Significant reduction in State general fund spending since 2013
- Recently stable oil price environment and significant available natural resources under development
- Well-funded pension obligations
- Low debt load and no new bond authorizations, rapid paydown of GO debt in the next 10 years
- Improved economic demographics
- Prominent ongoing resource development projects impacting further economic growth
- Ample reserves and recent positive investment performance

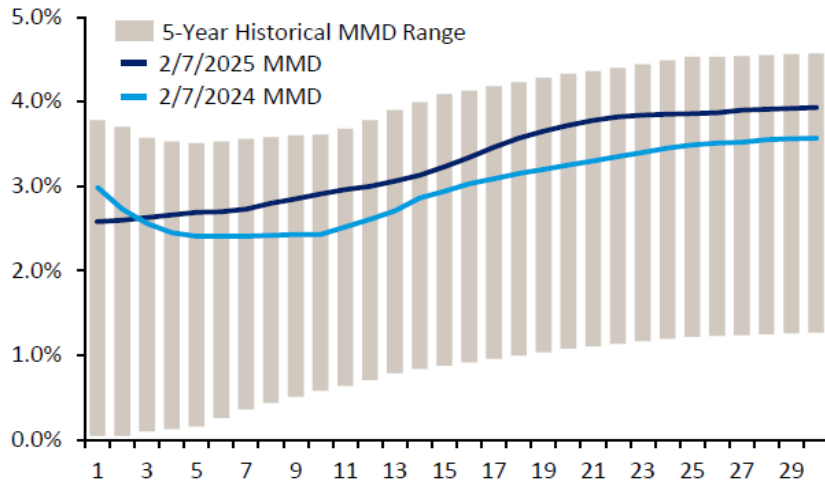
Market Feedback on Recent Transaction

- Institutional investors “love” Alaskan paper, very high-quality credit, highly secured
- More frequency in the market and larger bond issuances

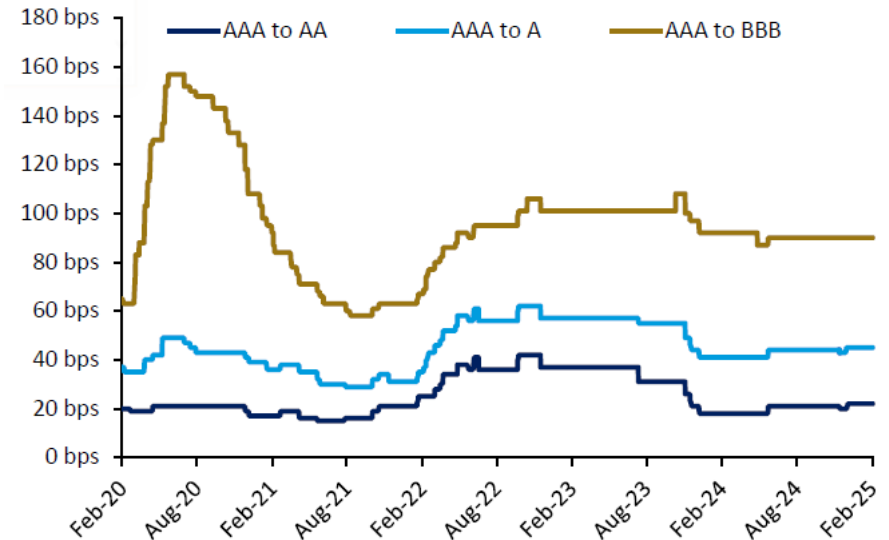
Current Municipal Market Update*

Historical Change in MMD															
		Friday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily	Weekly	2-Week	YTD	3-Month	6-Month	1-Year	2025
		1/31/25	2/3/25	2/4/25	2/5/25	2/6/25	2/7/25	Change	Change	Change	Change	Change	Change	Change	Min
2025	1yr	2.65	2.65	2.63	2.58	2.58	2.58	0.00	-0.07	-0.14	-0.25	-0.25	-0.10	-0.41	2.58
2026	2yr	2.67	2.67	2.65	2.60	2.60	2.60	0.00	-0.07	-0.14	-0.18	-0.07	-0.04	-0.13	2.60
2027	3yr	2.70	2.70	2.68	2.63	2.63	2.63	0.00	-0.07	-0.14	-0.15	+0.03	0.00	+0.07	2.63
2028	4yr	2.73	2.73	2.71	2.66	2.66	2.66	0.00	-0.07	-0.14	-0.16	+0.04	+0.04	+0.21	2.66
2029	5yr	2.77	2.77	2.74	2.69	2.69	2.69	0.00	-0.08	-0.15	-0.17	+0.01	+0.10	+0.28	2.69
2031	7yr	2.79	2.79	2.77	2.71	2.71	2.73	+0.02	-0.06	-0.16	-0.15	-0.05	+0.10	+0.32	2.71
2034	10yr	2.97	2.97	2.95	2.89	2.89	2.91	+0.02	-0.06	-0.16	-0.15	-0.05	+0.21	+0.48	2.89
2039	15yr	3.30	3.30	3.28	3.21	3.21	3.23	+0.02	-0.07	-0.15	-0.09	+0.07	+0.27	+0.29	3.21
2044	20yr	3.76	3.76	3.74	3.69	3.69	3.72	+0.03	-0.04	-0.10	+0.06	+0.22	+0.42	+0.47	3.66
2054	30yr	3.97	3.97	3.95	3.90	3.90	3.93	+0.03	-0.04	-0.09	+0.04	+0.14	+0.35	+0.36	3.89

MMD Curve



Tax-Exempt Credit Spreads (30yr)



Authorization Process

- All forms of State debt are authorized first 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
 - General obligation bonds are the only debt secured by full faith credit and taxing authority
- All State debt must be structured and authorized by the State Bond Committee
 - Includes general obligation 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
- The State has established other debt obligations
 - Reimbursement Programs
 - The School Debt Reimbursement Program ("SDRP") or HB 528 reimbursement, administered by Alaska Department of Education and Early Development and Department of Transportation and Public Facilities, respectively
 - SDRP: Not currently authorized for new debt and periodically funded (was most recently partially funded in 2017, 2020 and 2022, and no appropriation in 2021; however, supplemental budget appropriations offset prior year reductions)
 - Retirement Systems
 - Unfunded actuarially assumed liability (UAAL) for defined benefit employees is guaranteed by the constitution
 - Annual payments on the UAAL of other employers is reflected as State debt in the Annual Comprehensive Financial Report (ACFR)
 - Some flexibility in how payments are made

Types of Alaska Public Debt

- State Debt
- State Guaranteed Debt
- State Supported Debt
- Unfunded Actuarial Accrued Liability (UAAL)
- State Moral Obligation Debt
- State Supported Municipal Debt – Eligible for State Reimbursement
- State and University Revenue Debt
- State Agency Debt
- State Agency Collateralized or Insured Debt
- Municipal Debt

Debt Service Profile

As of February 1, 2025

Type of Debt Obligation	Par Remaining	Int. Remaining	Year of Final Maturity (FY)	FY2025 UGF Payment (P+I)	Total Debt Service to Maturity
General Obligation ("GO") ¹	\$468,800,000	\$131,127,000	2041	\$64,222,000	\$599,927,000
Subject to Appropriation (COPs/Lease Revenue) ²	\$139,375,000	\$30,595,000	2033	\$22,358,000	\$169,970,000
Total	\$608,175,000	\$161,722,000		\$86,580,000	\$769,897,000

As of June 30, 2024

Type of Debt Obligation	Par Amount or Current Valuation	Year of Final Payment	Enacted FY2025 Budget - UGF Payment Projection
School Debt Reimbursement ("SDRP") ³	\$367,900,000	2043	\$44,418,000

• Debt Activity and Updates

- On 6/4/2024, the State closed on the GO Series 2024A Bonds, which refunded the outstanding GO Series 2010A, which contained a Federal (Build America Bond) subsidy. The state achieved total debt service savings of approximately \$4.5 million.
- On 8/15/2024, the State closed on the GO Series 2024B Bonds, and on 8/6/2024, the state priced the GO Series 2025A Bonds (Forward Delivery) to refund the outstanding GO Series 2015B, 2016A, and 2016B Bonds. Upon closure of the GO Series 2025A (Forward Delivery), the overall transaction reduces total debt service payments over the next 12 years by approximately \$19.5 million.
- SDRP Update: The enacted fiscal year 2025 budget funded the SDRP program at 100%, with an appropriation of approximately \$57.5 million to the Department of Education and Early Development, including an estimated \$44.4 million from UGF and \$13.1 million from the School Fund.

1) In Fiscal Year 2025, the State refunded the Series 2015B, 2016A, and 2016B through the Series 2024B and 2025A (Forward Delivery) Bonds. The par and interest remaining to maturity incorporates a projected close of the 2025A (Forward Delivery) on May 6, 2025.

2) Subject to Appropriation debt includes Lease Revenue (Goose Creek), COPs, and a parking garage financed through AHFC.

3) This is depicting the portion of outstanding general obligation bonds of local communities that is paid by the State of Alaska as of June 30, 2024, UGF payment estimate for FY2025 is preliminary.

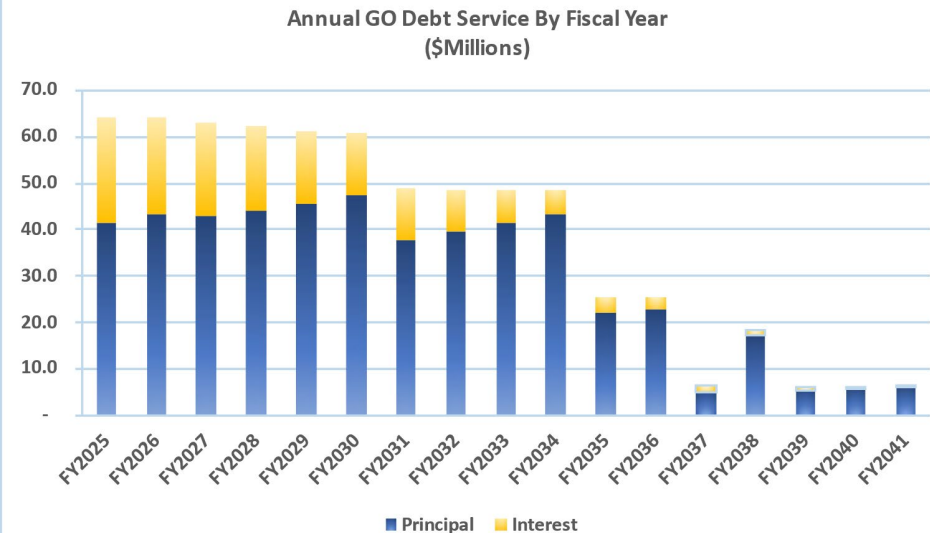
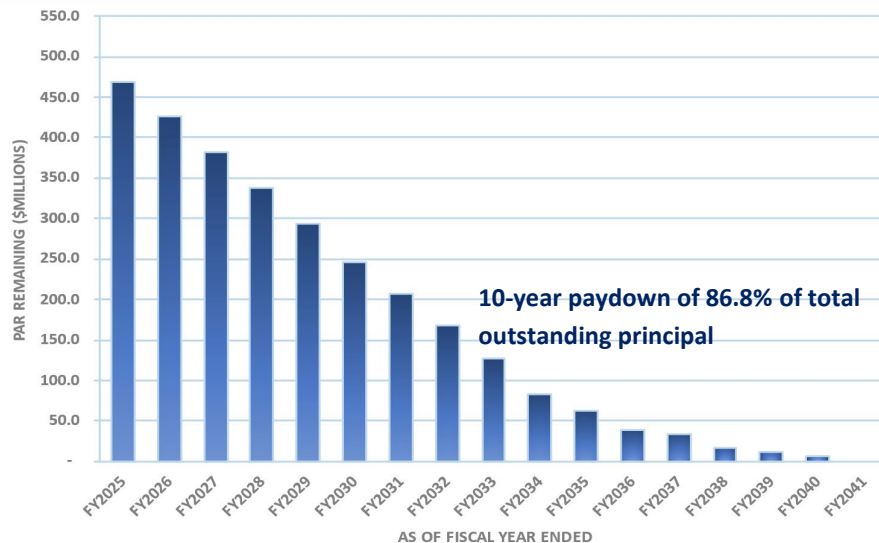
Debt Service Profile

GO bonds outstanding decline through FY2041

Recent Activity:

- The State does not have unissued GO bonding authority and the State's remaining 2012 GO bond authorization was sold in FY2021 (\$453.2 million funded since 2012)
- Net debt service of \$64.2 million in FY2025 declining to final payment of \$6.1 million in FY2041

Total General Obligation Debt Currently Outstanding as of February 1, 2025*



*Source: State of Alaska, Department of Revenue, all dates assume fiscal year basis with end of fiscal year principal to maturity from 6/30/2025, (FY2025 P&I already paid) and assumptions for Series 2025A (Forward Delivery) closing. GO bonded debt service is shown net of any Federal (Qualified School Construction Bond) subsidies

State's Debt Profile

Outstanding Debt as of June 30, 2024 – By Type

TABLE 1.1
State and State Agency Debt by Type at 6/30/24
\$ (millions)

	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
State Debt			
State of Alaska General Obligation Bonds	\$ 523.5	\$ 160.1	\$ 683.6
State Guaranteed Debt			
Alaska Housing Finance Corporation Collateralized Bonds (Veterans' Mortgage Program)	\$ 86.5	\$ 48.6	\$ 135.1
State Supported Debt			
Certificates of Participation	\$ 12.5	\$ 1.9	\$ 14.4
Lease Revenue Bonds with State Credit Pledge and Payment	137.0	31.8	168.8
Total State Supported Debt	\$ 149.5	\$ 33.7	\$ 183.2
State Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	\$ 367.9	\$ 62.1	\$ 430.0
State Reimbursement of capital projects	11.2	2.2	13.4
Total State Supported Municipal Debt	\$ 379.1	\$ 64.3	\$ 443.4
Pension System Unfunded Actuarial Accrued Liability (UAAL)¹			
Public Employees' Retirement System UAAL	\$ 3,468.0	\$ N/A	\$ 3,468.0
Teachers' Retirement System UAAL	936.0	N/A	936.0
Total UAAL	\$ 4,404.0	\$ N/A	\$ 4,404.0
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005 & 2016 General Resolution General Obligation Bonds	\$ 978.3	\$ 413.4	\$ 1,391.7
Alaska Energy Authority:			
Power Revenue Bonds #1 through #11	201.3	186.8	388.1
Total State Moral Obligation Debt	\$ 1,179.6	\$ 600.2	\$ 1,779.8
State Revenue Debt			
International Airports Revenue Bonds	\$ 227.9	\$ 74.3	\$ 302.2

1) From most recent 6/30/2023 actuarial valuation.

State's Debt Profile

Outstanding Debt as of June 30, 2024 – By Type

University of Alaska Debt			
University of Alaska Revenue Bonds	\$ 217.5	\$ 90.7	\$ 308.2
University Lease Liability and Notes Payable	11.3	2.2	13.5
Total University of Alaska Debt	\$ 228.8	\$ 92.9	\$ 321.7
Total State Revenue and University Debt	\$ 456.7	\$ 167.2	\$ 623.9
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	\$ 46.5	\$ N/A	\$ 46.5
State Capital Project Bonds II	1,158.6	684.2	1,842.8
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.2	1.3	10.5
Alaska Railroad	-	-	-
Northern Tobacco Securitization Corporation			
2021 Tobacco Settlement Asset-Backed Bonds ²	250.5	431.1	681.6
Total State Agency Debt	\$ 1,464.8	\$ 1,116.6	\$ 2,581.4
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Home Mortgage Revenue Bonds	\$ 428.6	\$ 155.8	\$ 584.4
General Mortgage Revenue Bonds II	807.7	463.3	1,271.0
Governmental Purpose Bonds	56.2	8.2	64.4
Total State Agency Collateralized or Insured Debt	\$ 1,292.5	\$ 627.3	\$ 1,919.8
Total State and State Agency Debt	\$ 9,936.2	\$ 2,818.0	\$ 12,754.2

2) "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of \$335.7 million

State's Debt Profile

Outstanding Debt as of June 30, 2024 – By Type

TABLE 1.1 (Continued)
State and State Agency Debt by Type at 6/30/24
 \$ (millions)

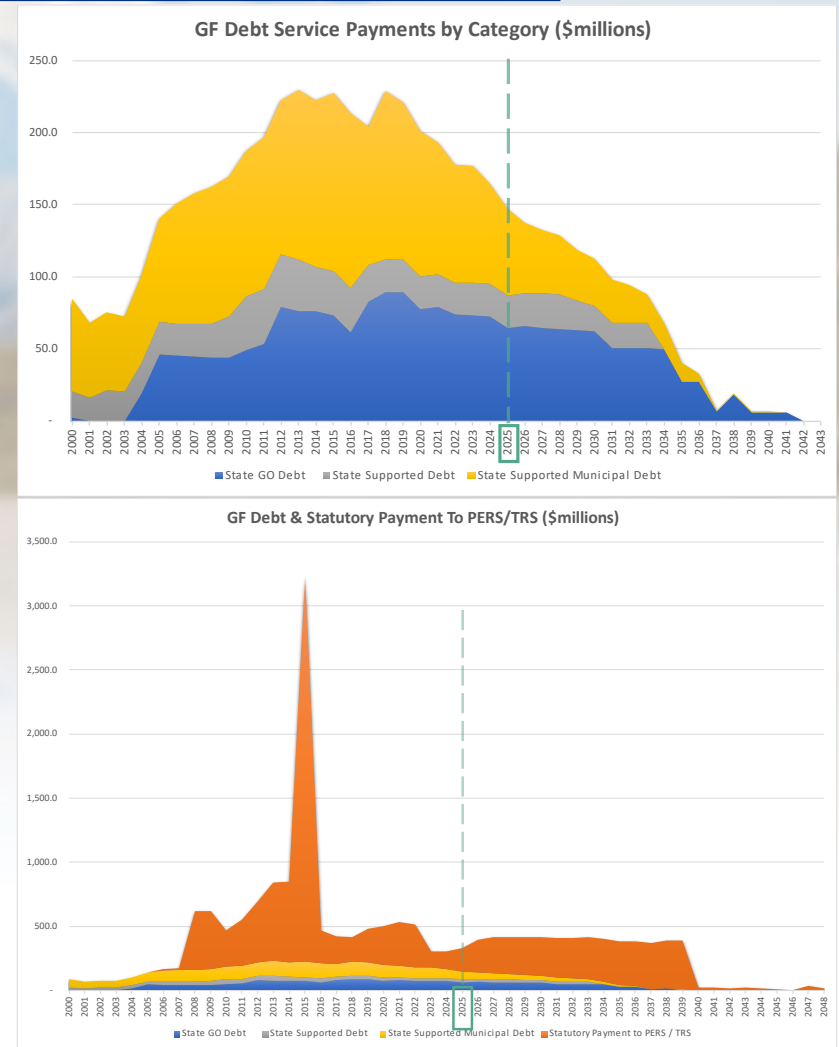
	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
Municipal Debt			
<i>School G.O. Debt</i>	\$ 556.8	\$ N/A	\$ N/A
<i>Other G.O. Debt</i> ³	1,644.1	N/A	N/A
Revenue Debt	873.9	N/A	N/A
Total Municipal Debt	<u>\$ 3,074.8</u>		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases	\$ (148.2)		
Less: State Reimbursable Municipal School G.O. Debt	(367.9)		
Less: Alaska Municipal Bond Bank debt included in University debt	(75.5)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt	(792.2)		
Total Deductions Due to Reporting in More than One Category	<u>\$ (1,383.8)</u>		
Total Alaska Public Debt ⁴	<u>\$ 11,627.2</u>	<u>\$ 2,818.0</u>	<u>\$ 14,445.2</u>

3) "Other GO Debt" includes information sourced from the Office of the State Assessor, and certain municipal ACFRs, when available; Sources: Annual reports and financial statements of AHFC, AMBBA, AIDEA, AEA, UofA, ARRC, AIAS, and other State Agencies, where available

4) Interest to maturity listed for Total Alaska Public Debt includes State and State Agency Debt

Historical and Future Debt Service

- GF payment peaked in 2018 at approximately \$229 million
- FY2025 GF Debt service payments include approximately \$87.0 million in State GO and State Supported debt, and approximately \$60.0 million for State Supported municipal debt
- \$683.7 million in remaining debt service to maturity of outstanding GO debt (principal + interest, as of June 30, 2024, and \$599.9 million as of February 1, 2025, unaudited)



Debt Affordability Analysis

- Annual analysis required by AS 37.07.045 to be delivered by January 31
- Discusses credit ratings, current debt levels, history and projections
- Relies upon debt ratios, limit of four percent for directly paid state debt, and seven percent when combined with municipal debt that the state supports
- Identifies currently authorized, but unissued debt
- Establishes refinancing parameters
- Determines a long-term debt capacity at current rating level and debt profile
- Discusses, but doesn't define, a capacity for short-term debt
- The 2024-2025 analysis determined that the State had a debt capacity of approximately \$1,625 million
 - Adjustments made to base analysis to account for recognition of a POMV split for PFDs vs state budget, recognition of special funding for PERS/TRS and future budget uncertainty and volatility in the State's revenue sources

Questions?

Contact

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