

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

No. 1  
BIL Bill Version: SB 223  
(S) Publish Date: 1-26-00

Effective Date/Time (Note if correction)	Dept. Affected	Revenue
Title <u>Transportation Bonds</u>	BRU	Revenue Operations
Sponsor <u>Rules Committee</u>	Component	Treasury Division
Requester <u>Governor</u>	Component Serial No.	<u>121</u>

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)	15.0	15.0	15.0	0.0		
Contractual (Paying Agent)		5.0	10.0	15.0	15.0	15.0
Supplies	1.0	1.0	1.0	0.0		
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	36,660.0	36,662.0	36,661.0	36,659.0	36,661.0
<b>TOTAL OPERATING</b>	<b>16.0</b>	<b>36,681.0</b>	<b>36,688.0</b>	<b>36,676.0</b>	<b>36,674.0</b>	<b>36,676.0</b>

**CAPITAL EXPENDITURES**

**CHANGE IN REVENUES ( )**

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts		32,994.0	32,996.0	32,995.0	32,993.0	32,995.0
1003 GF Match		3,666.0	3,666.0	3,666.0	3,666.0	3,666.0
1004 GF	16.0	21.0	26.0	15.0	15.0	15.0
1005 GF/Program Receipts						
1037 GF/Mental Health (Specify Type)						
<b>TOTAL</b>	<b>16.0</b>	<b>36,681.0</b>	<b>36,688.0</b>	<b>36,676.0</b>	<b>36,674.0</b>	<b>36,676.0</b>

Estimate of current year (FY00) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

Authorizes \$350 million in general obligation bonds to fund transportation projects. It is anticipated that approximately 90% of the debt service on these bonds will be paid with federal funds.

Assuming an interest cost of 6.22% (approximately 0.75% above current rates), and a 15-year term, annual debt service is approximate \$36.7 million beginning in fiscal year 2002. The state's match for annual debt service will be \$3.7 million.

The state is currently working with the Federal Highway Administration to obtain a ruling allowing investment earnings on the funds obtained through the bond sale to be used for the state's 10% match to federal funds. If this ruling is granted, the general fund exposure will be eliminated in the earlier years and reduced in the later years.

Prepared by <u>Deven Mitchell, Debt Manager</u>	Phone <u>465-3750</u>
Division <u>Treasury Division</u>	Date/Time <u>January 21, 2000</u>
Approved by	Date <u>January 21, 2000</u>
Commissioner <u>Wilson L. Condon</u>	
Agency <u>Department of Revenue</u>	

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