

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1 **CORRECTED**
 Bill Version: CSHB 275(FIN)
 (H) Publish Date: 4/28/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Transportation Projects RDU Revenue Programs & Services
 Component Treasury Management
 Sponsor House Finance Committee
 Requester House Finance Committee Component No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel	10.0					
Contractual	2,533.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		19,242.0	19,242.0	19,242.0	19,242.0	19,242.0
TOTAL OPERATING	2,543.0	19,242.0	19,242.0	19,242.0	19,242.0	19,242.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		17,317.8	17,317.8	17,317.8	17,317.8	17,317.8
1003 GF Match		1,924.2	1,924.2	1,924.2	1,924.2	1,924.2
1004 GF	10.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Certificates sale proceeds	2,533.0					
TOTAL	2,543.0	19,242.0	19,242.0	19,242.0	19,242.0	19,242.0

Estimate of any current year (FY2005) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill authorizes sale of \$195.8 million in lease-financing agreements to finance \$193.3 million in state transportation projects described in the bill. This fiscal note and analysis contemplates 16-year level debt service and a 5.9% interest rate/true interest cost, a 90% federal participation in payment of debt service, and credit ratings in the A range. **Using a current interest rates of 4.14% annual debt service would be reduced by \$2.3 million to \$16.86 million.** Contractual costs include underwriting, financial advisor, bond counsel, bond ratings, and other costs associated with issuing the bonds. This fiscal note does not attempt to quantify the possibility of any negative state credit rating action that might result from the issuance of these obligations.

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 Division: Treasury Division Date/Time 4/28/05 5:03 PM
 Approved by: Tom Boutin, Deputy Commissioner Date 4/28/2005
 Agency: Revenue