FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 424(FIN)
(H) Publish Date: 4/11/10

Identifier (file name): CSHB424(FIN)-REV-TRS-04-11-10
Title: G.O. Bonds for Education Projects
Sponsor: House Finance Committee
Requester: House Rules Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Treasury Division
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	10.0	10.0					
TOTAL OPERATING	**10.0**	**10.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**
1005 GF/Program Receipts							
1037 GF/Mental Health							
Miscellaneous	10.0	10.0					
TOTAL	**10.0**	**10.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The Bill authorizes the voters of the state to consider up to a $384,200,000.00 general obligation bond issue of the State of Alaska. This bond would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available to the State. If the proposition were approved in November 2010 it is anticipated Bonds would be issued in early 2011 and debt service would commence in FY 2012. The current interest rate is very favorable with 20 year amortization net interest cost for credits of this type below 4% after subsidy. Interest rate acheived would depend on market conditions at the time bonds were sold. For modeling purposes the Department used an assumed rate of 4.2% and 20 year amortization for the bonds.

Prepared by: Jerry Burnett, Deputy Commissioner — Phone 465-3669
Division: Treasury Division — Date/Time 04-11-10; 7:23pm

Approved by: Ginger Blaisdell, Director — Date 04-11-10; 7:42pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)