

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SCS CSHB 424(FIN)
 (S) Publish Date: 4/18/10

Identifier (file name): CSHB424(FIN)(amH)-REV-TRS-04-12-10
 Title: G.O. Bonds for Education Projects
 Dept. Affected: Revenue
 RDU: Taxation & Treasury
 Component: Treasury Division
 Sponsor: House Finance Committee
 Requester: House Rules Committee
 Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
miscellaneous	10.0	10.0	29,769.6	29,771.0	29,766.5	29,772.3	29,771.4
debt service							
TOTAL OPERATING	10.0	10.0	29,769.6	29,771.0	29,766.5	29,772.3	29,771.4

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

1002 Federal Receipts							
1003 GF Match							
1004 GF	10.0	10.0	29,769.6	29,771.0	29,766.5	29,772.3	29,771.4
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	10.0	10.0	29,769.6	29,771.0	29,766.5	29,772.3	29,771.4

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The Bill authorizes Alaska's voters to consider up to \$397.2 million in general obligation bonds. The bonds would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available. If the proposition were approved in November 2010 it is anticipated that bonds would be issued in early 2011, unless there are compelling financial reasons to sell the bonds more quickly. The current interest rate is very favorable with 20 year amortization debt for credits similar to Alaska achieving interest rates below 4% by using temporary programs like the Build America Bond program. Interest rate achieved will depend on market conditions at the time bonds are sold. For modeling purposes the Department used an assumed interest rate of 4.2% with a 20 year amortization, however in today's market debt service would be approximately \$1 million lower per year. Miscellaneous costs include statutory requirements related to public notice and information dissemination prior to the election.

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Phone 465-3750
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