

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

2572 SCOMM 111: DEFERRED MAINTENANCE TASK FORCE, 1997



- 42,900

Salary

705,742,700

a reduction of 20

Alaska Permanent Fund FINANCIAL PROJECTIONS

(in millions)

as of May 31, 1997

GROWTH OF FUND PRINCIPAL						
	FY Begin Balance	Appropriations	Dedicated State Revenues ⁽¹⁾	Inflation-Proofing	FY End Balance	Inflation-Proofing Shortfall
78						
79	0	2,700	2,424	617	5,741	
80	5,741		323	216	6,281	
81	6,281	1,264 ⁽²⁾	171	148	7,864	
82	7,864		418	303	8,585	
83	8,585		228	360	9,173	
84	9,173		267	454	9,894	
85	9,894		435	559	10,888	
86	10,888		338	477	11,703	
87	11,703	5 ⁽³⁾	315	362	12,385	
88	12,385	6	210	372	12,973	
89	12,973	6	318	348	13,645	
90	13,645	1,861 ⁽²⁾	264	407	16,176	
91	16,176	20	299	485	16,980	
92	16,980	10	248	515	17,754	
93	17,754	11	232	572	18,570	
94	18,570	12	237	598	19,417	
95	19,417	13	253	626	20,308	
96	20,308	13	247	654	21,223	
97	21,223	14	248	683	22,168	
98	22,168	15	238	713	23,134	
99	23,134	17	226	743	24,120	
00	24,120	18	218	775	25,130	
01	25,130	19	212	806	26,167	
02	26,167	20	206	839	27,233	
03	27,233	22	200	873	28,328	
04	28,328	23	198	908	29,457	
05	29,457	25	194	944	30,628	
06	30,628	27	197	981	31,825	
07	31,825	29	193	1,019	33,066	
08	33,066	31	190	1,058	34,344	
09	34,344	33	188	1,099	35,684	
Cumulative Totals Projected For FY 1997 - 2015: 4,223 14,893						

USES OF FUND INCOME						
Net Income	Distributions		Reserves		FY End Balance	FY
	Dividends	Inflation-Proofing	General Fund	Add (Delete)		
2,219	653	617	186	763	763	78
1,821	303	216		501	1,264	79
1,059	391	148		529	529	80
789	424	303		62	591	81
868	460	360	4	45	635	82
916	487	454	4	(29)	605	83
1,030	489	559	4	(22)	581	84
1,036	488	477	5	66	645	85
1,226	532	362	5	322	965	86
1,098	556	372	11	153	1,117	87
1,013	565	348	6	88	1,203	88
1,814	643	407	1	(1,050)	104	89
1,850	735	485	1	710	814	90
1,293	743	515		24	839	91
1,388	771	572		34	872	92
1,451	816	598		25	897	93
1,517	787	626		92	969	94
1,589	749	654		172	1,161	95
1,670	788	683		184	1,345	96
1,754	825	713		201	1,546	97
1,840	865	743		215	1,761	98
1,929	907	775		230	1,991	99
2,021	952	806		244	2,234	00
2,116	997	839		259	2,493	01
2,214	1,045	873		274	2,768	02
2,316	1,093	908		292	3,059	03
2,421	1,143	944		309	3,369	04
2,531	1,196	981		327	3,696	05
2,644	1,249	1,019		347	4,043	06
2,762	1,305	1,058		368	4,411	07
2,885	1,363	1,099		390	4,800	08
38,291	18,329	14,893	1			09

REALIZED RATE OF RETURN ASSUMPTIONS:

	Nominal	Inflation	Real
FY 97:	11.49%	2.94%	8.55%
FY 98:	6.95%	2.99%	3.96%
FY 99 - 2015:	7.14%	3.18%	3.96%

⁽¹⁾ Department of Revenue Spring 1997 Revenue Forecast⁽²⁾ Earnings reserve appropriated to principal July 1, 1987 and 1995.⁽³⁾ Transferred to principal from earnings reserve account per AS 37.13.145(d)⁽⁴⁾ Based on 1996 Calian capital market assumptions.

Current

814

- 100

714

Earnings Reserve to Principal

Used these numbers in Summary of Approp - Also show all years of history

Alaska Permanent Fund financial projections

(in millions at cost as of June 30, 1997)

PRINCIPAL							INCOME					
FY	Begin Balance	Appropriations	Dedicated State Revenues	Inflation Proofing	FY End Balance	Unrealized Gains	Net Income	Distributions		Reserves		FY End Balance
								Dividends	Inflation Proofing	General Fund	Add (Delete)	
97												97
98	0	3,981	5,448	4,216	13,645	1,707	12,285	5,349	4,216	225	3,467	1,203
99	13,645	1,861	264	407	16,176	2,125	1,814	643	407	1	(1,098)	104
98	17,795	11	241	540	18,587		1,339	741	540		47	151
99	18,587	12	225	599	19,422		1,439	774	599		54	206
00	19,422	12	237	626	20,297		1,507	822	626		48	254
01	20,297	13	253	654	21,217		1,579	798	654		114	367
02	21,217	14	247	683	22,161		1,657	771	683		189	557
03	22,161	15	248	713	23,137		1,744	812	713		204	760
04	23,137	16	238	744	24,135		1,834	852	744		222	982
05	24,135	18	226	775	25,154		1,927	894	775		239	1,222
06	25,154	19	218	807	26,198		2,022	939	807		257	1,478
07	26,198	20	212	840	27,271		2,122	986	840		275	1,754
08	27,271	22	206	874	28,373		2,224	1,034	874		294	2,047
09	28,373	23	200	909	29,505		2,331	1,084	909		315	2,362
10	29,505	25	198	945	30,674		2,442	1,136	945		335	2,697
11	30,674	27	194	982	31,877		2,556	1,190	982		357	3,054
12	31,877	29	197	1,021	33,124		2,676	1,245	1,021		381	3,435
13	33,124	31	193	1,060	34,409		2,800	1,303	1,060		406	3,841
14	34,409	33	190	1,101	35,733		2,929	1,363	1,101		432	4,273
15	35,733	36	188	1,143	37,100		3,064	1,425	1,143		459	4,732
Cumulative Totals Projected For FY 1997 - 2015:							40,252	18,916	15,504	1		

Realized rate of return assumptions

	Nominal	Inflation	Real
FY 97	12.14%	2.94%	9.20%
FY 98	7.15%	2.99%	4.16%
FY 99 - 2015	7.34%	3.18%	4.16%

* Department of Revenue (DOR) Fall 1996 Revenue Forecast.
 Earnings reserve appropriated to principal July 1, 1987, 1995 and 1997.
 Transferred to principal from earnings reserve per AS 37.13.145(d).
 * Based on 1997 Callan capital market and DOR inflation assumptions.

Substantiated
May 31 to
June 30

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE-CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES

MEMBER
HOUSE SPECIAL COMMITTEE ON
ECONOMIC DEVELOPMENT

COMMITTEE ON COMMITTEES

FINANCE SUBCOMMITTEES
TRANSPORTATION AND PUBLIC FACILITIES
FISH & GAME



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SPONSOR STATEMENT

Committee Substitute House Bill 122

An Act authorizing payment of a portion of the motor fuel tax on boats and watercraft as refunds to municipalities.

Committee Substitute for House Bill 122 accomplishes the following:

1. Increases the marine fuel tax from \$.05 to \$.08 per gallon.
2. Shares \$.03 back to the municipalities where the marine fuel is sold.
3. Keeps the revenue generated from the \$.05 tax in the general fund.
4. Has a fiscal note of @ \$40,000 to add an Accounting Technician in Revenue.

The intent of Committee Substitute House Bill 122 is to increase the marine fuel tax and provide a distribution mechanism for \$.03 of the tax to be shared back to the communities where marine fuels are sold. This money is designated for "water and harbor facilities".

CSHB 122 would provide some assistance to local governments for additional development of docks and harbors and for the maintenance and development of existing public facilities.

BILL: HB 122 SHORT TITLE: MARINE MOTOR FUEL TAX
 BILL VERSION: SCS CSHB 122(FIN) AM S
 SPONSOR(S): REPRESENTATIVE(S) MOSES,Grussendorf,Mackie

CURRENT STATUS: VETOED BY GOVERNOR STATUS DATE: 06/30/95

TITLE: "An Act imposing a reporting requirement on certain sales, transfers, and consumption or uses of motor fuel, increasing the motor fuel tax on motor fuel used in and on watercraft, and authorizing payment of a portion of that tax as refunds to municipalities; and providing for an effective date."

01/25/95	132	(H)	READ THE FIRST TIME - REFERRAL(S)
01/25/95	132	(H)	STATE AFFAIRS, FINANCE
03/20/95	804	(H)	STA RPT CS(STA) NEW TITLE 4DP 1NR
03/20/95	805	(H)	DP: JAMES, IVAN, GREEN, ROBINSON
03/20/95	805	(H)	NR: PORTER
03/20/95	805	(H)	FISCAL NOTE (REV)
04/28/95	1615	(H)	FIN RPT CS(FIN) NT 2DP 2DNP 5NR 1AM
04/28/95	1615	(H)	DP: FOSTER, GRUSSENDORF
04/28/95	1615	(H)	DNP: MULDER, NAVARRE
04/28/95	1615	(H)	NR: HANLEY, PARNELL, KOHRING, THERRIAULT
04/28/95	1615	(H)	NR: KELLY
04/28/95	1615	(H)	AM: BROWN
04/28/95	1615	(H)	FISCAL NOTE (REV)
05/01/95	1696	(H)	RULES TO CALENDAR 5/01/95
05/01/95	1696	(H)	READ THE SECOND TIME
05/01/95	1696	(H)	FIN CS ADOPTED UNAN CONSENT
05/01/95	1696	(H)	ADVANCED TO THIRD READING UNAN CONSENT
05/01/95	1696	(H)	READ THE THIRD TIME CSHB 122(FIN)
05/01/95	1696	(H)	PASSED Y29 N11
05/01/95	1696	(H)	NAVARRE NOTICE OF RECONSIDERATION
05/02/95	1800	(H)	RECONSIDERATION NOT TAKEN UP
05/02/95	1800	(H)	TRANSMITTED TO (S)
05/03/95	1470	(S)	READ THE FIRST TIME - REFERRAL(S)
05/03/95	1470	(S)	STATE AFFAIRS, FINANCE
05/07/95	1600	(S)	WAIVE FROM STATE AFFAIRS Y12 N7 E1
05/13/95	1799	(S)	FIN RPT SCS 2DP 1DNP 4NR SAME TITLE
05/13/95	1800	(S)	FISCAL NOTE (REV)
05/16/95	1898	(S)	RULES TO CALENDAR 5/16/95
05/16/95	1900	(S)	READ THE SECOND TIME
05/16/95	1900	(S)	FIN SCS ADOPTED Y14 N6
05/16/95	1900	(S)	AM NO 1 ADOPTED Y18 N2
05/16/95	1901	(S)	AM NO 2 ADOPTED Y18 N2
05/16/95	1903	(S)	ADVANCED TO THIRD READING UNAN CONSENT
05/16/95	1903	(S)	READ THE 3RD TIME SCS CSHB 122(FIN) AM S
05/16/95	1904	(S)	PASSED Y13 N7
05/16/95	1904	(S)	EFFECTIVE DATE(S) PASSED Y20 N-
05/16/95	1928	(S)	TRANSMITTED TO (H) AS AMENDED
05/16/95	2237	(H)	HELD UNDER UNFINISHED BUSINESS
05/16/95	2242	(H)	CONCUR AM OF (S) Y25 N15
05/16/95	2243	(H)	EFFECTIVE DATE PASSED Y32 N7 A1
06/27/95	2288	(H)	10:10 AM 6/13/95 TRANSMITTED TO GOVERNOR
09/27/95	2320	(H)	VETOED BY GOVERNOR 6/30/95

SENATE CS FOR CS FOR HOUSE BILL NO. 122(FIN) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/16/96

Offered: 5/13/95

Sponsor(s): REPRESENTATIVES MOSES, Grussendorf, Mackie

A BILL

FOR AN ACT ENTITLED

1 "An Act imposing a reporting requirement on certain sales, transfers, and
 2 consumption or uses of motor fuel, increasing the motor fuel tax on motor fuel
 3 used in and on watercraft, and authorizing payment of a portion of that tax as
 4 refunds to municipalities; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 43.40.010(a) is amended to read:

7 (a) There is levied a tax of eight cents a gallon on all motor fuel sold or
 8 otherwise transferred within the state, except that

9 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

10 and

11 (2) [THE TAX ON MOTOR FUEL USED IN AND ON
 12 WATERCRAFT OF ALL DESCRIPTIONS IS FIVE CENTS A GALLON; AND

13 (3)] the tax on all aviation fuel other than gasoline is three and two-
 14 tenths cents a gallon.

1 * Sec. 2. AS 43.40.010(h) is amended to read:

2 (b) There is levied a tax of eight cents a gallon on all motor fuel consumed
3 by a user, except that

4 (1) the tax on aviation gasoline consumed is four and seven-tenths cents
5 a gallon; and

6 (2) [THE TAX ON MOTOR FUEL USED IN AND ON
7 WATERCRAFT OF ALL DESCRIPTIONS IS FIVE CENTS A GALLON; AND

8 (3)] the tax on all aviation fuel other than gasoline is three and two-
9 tenths cents a gallon.

10 * Sec. 3. AS 43.40.010(c) is amended to read:

11 (c) Every dealer who sells or otherwise transfers motor fuel in the state shall
12 collect the tax at the time of sale, and remit the total tax collected, together with the
13 tax return required by AS 43.40.075, during each calendar month of each year to the
14 department by the last day of each succeeding month. Every user shall likewise remit
15 the tax accrued on motor fuel actually used by the user during each month, together
16 with the tax return required by AS 43.40.075. If the monthly tax remittance and
17 return are [IS] timely filed, one percent of the total monthly tax due, limited to a
18 maximum of \$100, may be deducted and retained to cover the expense of accounting
19 and filing the monthly tax remittance and return. [AT THE TIME THE
20 REMITTANCE IS MADE, EACH DEALER OR USER SHALL SUBMIT A
21 STATEMENT TO THE DEPARTMENT SHOWING ALL FUEL WHICH THE
22 DEALER OR USER HAS DISTRIBUTED OR USED DURING THE MONTH.]

23 * Sec. 4. AS 43.40.010(f) is amended to read:

24 (f) The proceeds from the revenue from the tax on motor fuel used in or on
25 [BOATS AND] watercraft of all descriptions shall be deposited in a special watercraft
26 fuel tax account in the general fund. The legislature may appropriate from this
27 account as follows:

28 (1) an amount equal to 37.5 percent of the proceeds from the
29 revenue from the tax may be appropriated for the purpose of paying refunds
30 under AS 43.40.150 to municipalities

31 (A) that, during the state fiscal year in which the refund is

1 payable, expend or propose to expend an amount at least equal to the
2 amount received by the municipality as a refund under AS 43.40.150 for
3 water and harbor facilities that are

4 (i) municipally owned and operated; or

5 (ii) state facilities, other than facilities of the Alaska
6 marine highway system, and that become municipally owned and
7 operated water and harbor facilities by transfer from the state;
8 appropriations may be made for the purpose of paying these
9 refunds to a municipality only after transfer of all state water and
10 harbor facilities in the municipality from the state to a
11 municipality; or

12 (B) for new or expanded water and harbor facilities to be
13 constructed by a municipality, but only if the municipality has presented
14 to the commissioner of transportation and public facilities a plan for the
15 construction of new or expanded facilities in the municipality, and the
16 commissioner of transportation and public facilities finds, and certifies to
17 the commissioner of revenue, that the making of the refund payment under
18 this subparagraph will materially assist the municipality in planning,
19 designing, constructing, and operating the new or expanded water and
20 harbor facilities; and

21 (2) the balance of the proceeds from the revenue from the tax may
22 be appropriated for water and harbor facilities.

23 * Sec. 5. AS 43.40 is amended by adding a new section to read:

24 Sec. 43.40.075. TAX RETURN FILING REQUIREMENTS. (a) A person
25 subject to the motor fuel tax shall file a return, made under penalty of unsworn
26 falsification, on a form prescribed by the department, reporting

27 (1) motor fuel sold, transferred, and used in the state by category
28 defined by the department; and

29 (2) sales, transfers, and uses of motor fuel that are exempt from
30 taxation under this chapter.

31 (b) The motor fuel tax return must show the type of motor fuel sold,

1 transferred, or used, the nature of any exemption, to whom exempt fuel was sold or
2 transferred, and other information required on the form.

3 (c) The return, including all required schedules, documentation, and reports,
4 shall be filed with the tax remitted by the deadline for remittance of the motor fuel tax
5 established in AS 43.40.010(c).

6 * Sec. 6. AS 43.40 is amended by adding a new section to read:

7 **ARTICLE 2. WATERCRAFT FUEL TAX REFUNDS TO MUNICIPALITIES.**

8 **Sec. 43.40.150. REFUNDS TO MUNICIPALITIES.** (a) Except as provided
9 in (b) of this section, the commissioner shall pay from appropriations under
10 AS 43.40.010(f)(1)

11 (1) to each unified municipality, to each city located in the unorganized
12 borough, and to each city located in a borough if the borough does not exercise
13 responsibility for water and harbor facilities on an areawide or nonareawide basis the
14 tax revenue collected in the municipality from taxes levied on motor fuel used in and
15 on watercraft of all descriptions under this chapter that is deposited in the special
16 watercraft fuel tax account and is allocable under AS 43.40.010(f)(1);

17 (2) to each city located within a borough that exercises responsibility
18 for water and harbor facilities on an areawide basis, or exercises that responsibility on
19 a nonareawide basis and all water and harbor facilities within cities within the borough
20 are owned and operated by cities, 50 percent of the amount of tax revenue collected
21 in the city from taxes levied on motor fuel used in and on watercraft of all descriptions
22 under this chapter that is deposited in the special watercraft fuel tax account and is
23 allocable under AS 43.40.010(f)(1); and

24 (3) to each borough that exercises responsibility for water and harbor
25 facilities on an areawide basis, or exercises that responsibility on a nonareawide basis
26 and all water and harbor facilities within cities within the borough are owned and
27 operated by cities,

28 (A) the tax revenue collected in the area of the borough outside
29 cities from taxes levied on motor fuel used in and on watercraft of all
30 descriptions under this chapter that is deposited in the special watercraft fuel
31 tax account and is allocable under AS 43.40.010(f)(1); and

1 (B) 50 percent of the amount of tax revenue collected in cities
2 located within the borough from taxes levied on motor fuel used in and on
3 watercraft of all descriptions under this chapter that is deposited in the special
4 watercraft fuel tax account and is allocable under AS 43.40.010(f)(1).

5 (b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the
6 commissioner shall pay

7 (1) to each city that is located in a borough incorporated after the
8 effective date of this Act the following percentages of the tax revenue collected in the
9 city from taxes levied on motor fuel used in and on watercraft of all descriptions under
10 this chapter that is deposited in the special watercraft fuel tax account and is allocable
11 under AS 43.40.010(f)(1):

12 (A) 90 percent of the taxes collected during the calendar year
13 in which the borough is incorporated;

14 (B) 80 percent of the taxes collected during the first calendar
15 year after the calendar year in which the borough is incorporated;

16 (C) 70 percent of the taxes collected during the second calendar
17 year after the calendar year in which the borough is incorporated; and

18 (D) 60 percent of the taxes collected during the third calendar
19 year after the calendar year in which the borough is incorporated; and

20 (2) to each borough that is incorporated after the effective date of this
21 Act the following percentages of the tax revenue collected in the cities located within
22 the borough from taxes levied on motor fuel used in and on watercraft of all
23 descriptions under this chapter that is deposited in the special watercraft fuel tax
24 account and is allocable under AS 43.40.010(f)(1):

25 (A) 10 percent of the taxes collected during the calendar year
26 in which the borough is incorporated;

27 (B) 20 percent of the taxes collected during the first calendar
28 year after the calendar year in which the borough is incorporated;

29 (C) 30 percent of the taxes collected during the second calendar
30 year after the calendar year in which the borough is incorporated; and

31 (D) 40 percent of the taxes collected during the third calendar

1 year after the calendar year in which the borough is incorporated.

2 (c) Notwithstanding the provisions of (b) of this section, a city may adopt an
3 ordinance to transfer a portion of the funds received under (b)(1) of this section to the
4 borough in which the city is located.

5 (d) If a person sells or transfers motor fuel used in or on a watercraft of any
6 description, in addition to the information required on the tax return filed under
7 AS 43.40.075,

8 (1) the person must report the location in which the motor fuel was first
9 sold or transferred; and

10 (2) if the sale or transfer occurred within a municipality other than the
11 municipality in which the motor fuel was purchased or stored, the person shall submit
12 to the department a statement disclosing the motor fuel sales or transfers that the
13 person made during the preceding calendar month outside the municipality in which
14 the motor fuel was purchased or stored.

15 (e) In this section, "tax revenue collected," as used with reference to a
16 municipality, means the revenue derived from the tax levied on motor fuel used in and
17 on watercraft of all descriptions under this chapter that is collected in the municipality
18 in which the final sale or transfer occurred.

19 * Sec. 7. This Act takes effect July 1, 1995.

REVISED SSSB 37

SUMMARY

Alaska Education Facilities Financing Program

OBJECTIVES:

1. Provide for the funding of critical urban and rural school construction and major maintenance projects and University of Alaska capital projects when the projects are needed, but before they could be funded by appropriation under a balanced-budget plan.

2. Establish an on-going mechanism, under which projects could be funded indefinitely in an organized manner, under strict criteria and legislative authorization.

3. Protect a portion (\$1.2 billion) of the Constitutional Budget Reserve Account for future use. The corpus of the initial capitalization of the Education Facilities Fund could not be drawn -- A portion of the earnings from the fund would pay for the projects, and allow the fund to grow as well.

SUMMARY

1. Following the examples of AIDEA and AHFC, establish the Education Facilities Finance Authority as a paper corporation within the Department of Education, and the Education Facilities Fund ("EF Fund") as an asset of the authority. The EFFA would:

- Sell EFFA bonds to directly finance the State's share of construction and major maintenance for urban and rural school districts and the University of Alaska.

- The revised bill provides for \$607 million of EFFA bonds to fund the state's share of \$731 million of construction & maintenance over the next three years. Construction & maintenance activities could begin next spring.

- Apply a portion of non-corpus balances of the EF Fund to debt service on EFFA bonds.

- The balance of the earnings could be returned to the revenue stream as dividends or retained in the fund to increase earnings.

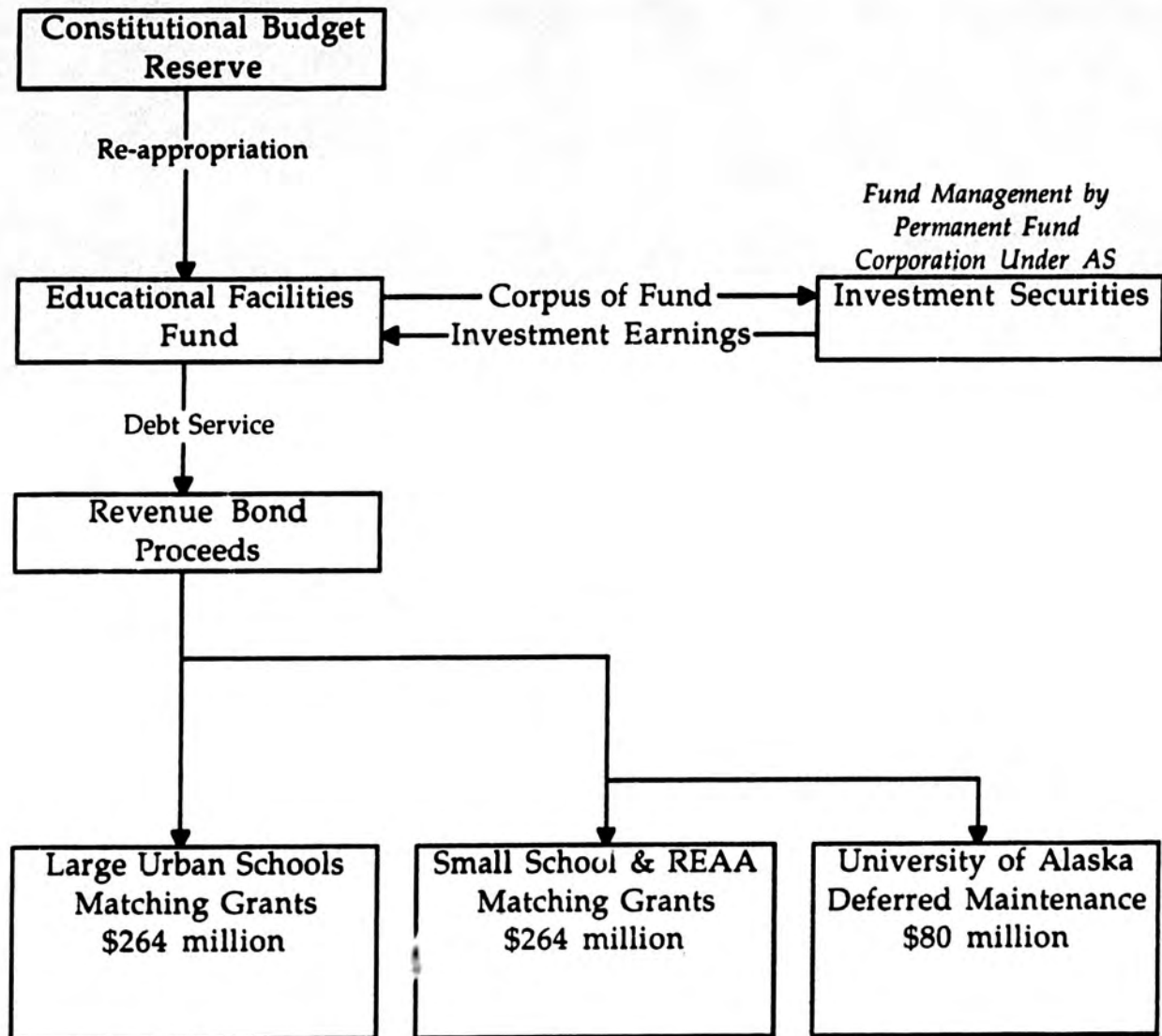
2. The Fund would be managed by the Permanent Fund Corporation under its statutes.

Future legislatures could continue to authorize more bonds or reimbursement agreements within the financial capabilities of the education facilities fund. The fund would have bonding capacity equal close to the initial capitalization, without risking the original corpus.

Under reasonable projections of future demands on the fund, it would continue to grow if investments of the fund yield more than bonds issued by the EFFA . This should occur with proper management of the authority.

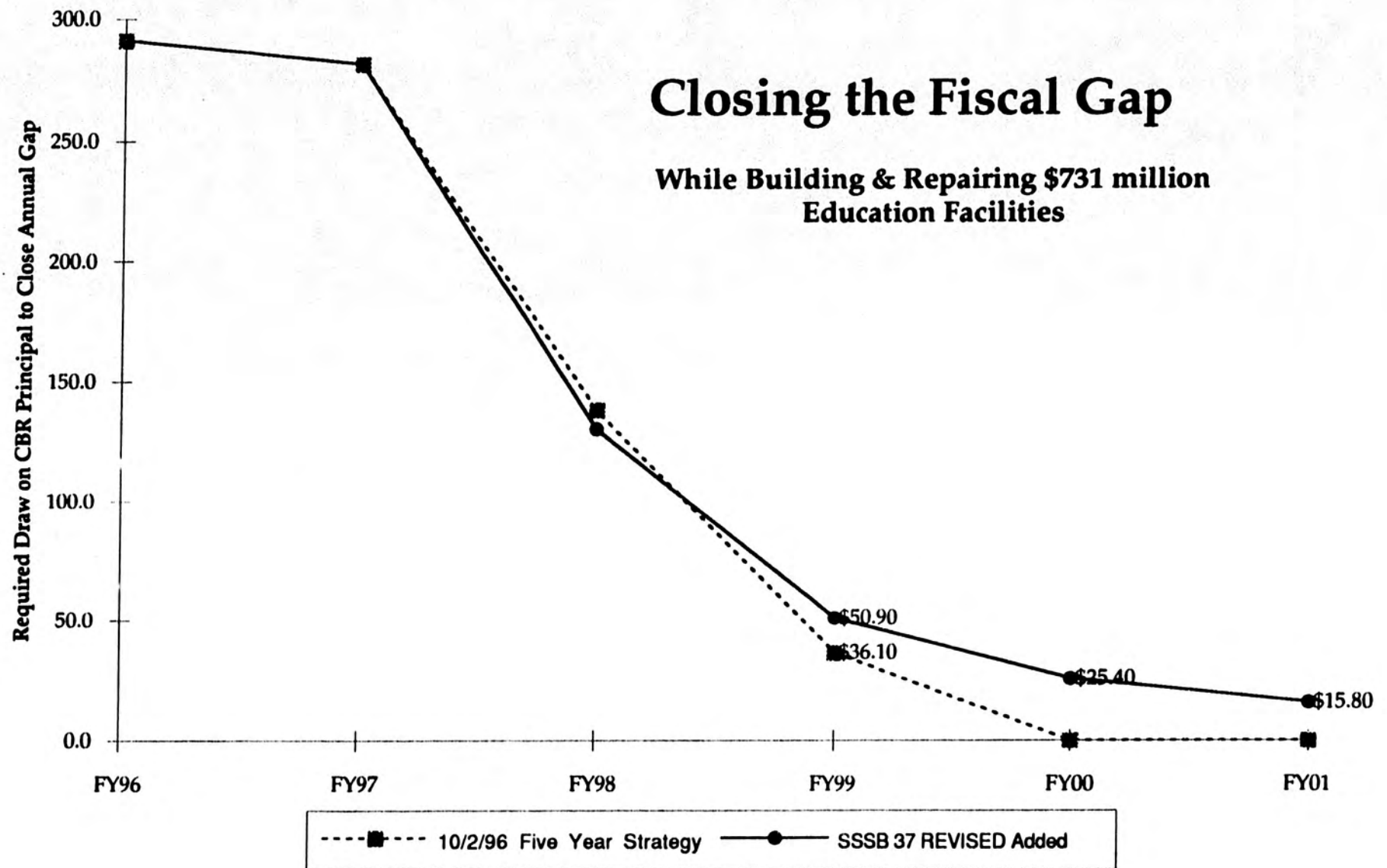
April 21, 1997

Education Facilities Financing Structure



Closing the Fiscal Gap

While Building & Repairing \$731 million
Education Facilities



ALASKA LEGISLATIVE MAJORITY - FIVE YEAR BUDGET STRATEGY as of October 2, 1996

WITH SSSB 37 REVISED (EDUCATION FACILITIES FUND)

(\$731 Million total projects over three years, with local match)

	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>Revenues</u>						
1/Unrestricted Revenues	2,042.0	1,910.0	1,844.0	1,890.2	1,886.1	1,846.7
1/Other Sources/Adjustments	101.7	33.5	30.0	30.0	30.0	39.0
1/AHFC Dividend	70.0	50.0	72.1	74.3	76.5	78.8
1/AIDEA Dividend	0.0	15.0	25.6	26.5	28.0	28.4
2/EFFA Dividend (line 6b)	0.0	0.0	65.2	42.0	18.7	18.7
3/Projected CBRF Earnings	0.0	125.0	98.1	99.5	106.6	112.0
1/New Revenues	0.0	5.0	66.0	68.0	70.0	72.0
Total Revenues	2,213.7	2,138.5	2,201.0	2,230.5	2,215.9	2,195.6
(Total Revenues Projected in Five Year Budget Strategy)	2,213.7	2,138.5	2,221.8	2,274.0	2,270.0	2,240.0
<u>Expenditures</u>						
1/Operating	2,218.1	2,192.2	2,131.5	2,089.7	2,066.4	2,053.6
1/Debt Service	109.4	93.1	91.0	82.8	66.1	48.9
1/Capital	116.0	100.1	100.0	100.0	100.0	100.0
4/(Less) Programmed Capital Projects of EFFA	0.0	0.0	(28.6)	(28.6)	(28.6)	(28.6)
1/Specials/Transfers/Fund Capitalizations	18.6	15.4	17.5	17.5	17.5	17.5
1/Revised Programs/Supplementals	43.0	19.2	20.0	20.0	20.0	20.0
Total Expenditures	2,505.1	2,420.0	2,331.4	2,281.4	2,241.4	2,211.4
(Total On-Budget Expenditures Projected in Five Year Budget Strategy)	2,505.1	2,420.0	2,360.0	2,310.0	2,270.0	2,240.0
<u>1/Expenditure Reduction from Previous FY</u>		(85.1)	(88.6)	(50.0)	(40.0)	(30.0)
1/As a % of Total Expenditures		-3.40%	-3.66%	-2.14%	-1.75%	-1.34%
<u>1/Projected Fiscal Gap/(Surplus) - from CBRF</u>	291.4	281.5	130.3	50.9	25.4	15.8
(Projected Fiscal Gap in 10/2/96 Five Year Strategy)	291.4	281.5	138.2	36.1	0.0	0.0
<u>CBRF Beginning Balance</u>	2,135.4	2,499.6	1,368.1	1,387.8	1,486.9	1,561.5
1/Projected Earnings	124.6	125.0	98.1	99.5	106.6	112.0
1/Transfers to General Fund	0.0	(125.0)	(98.1)	(99.5)	(106.6)	(112.0)
5/Transfers to Education Facilities Fund	0.0	(1,200.0)	0.0	0.0	0.0	0.0
1/Additional Settlement Deposits	551.5	350.0	150.0	150.0	100.0	100.0
1/Net of Sweep Provisions	(20.5)	0.0	0.0	0.0	0.0	0.0
1/Principal to Full Fiscal Gap [Transfers (to)/from budget]	(291.4)	(281.5)	(130.3)	(50.9)	(25.4)	(15.8)
CBRF Ending Balance	2,499.6	1,368.1	1,387.8	1,486.9	1,561.5	1,645.7
<u>6/Education Facilities Fund</u>						
a/Beginning Balance	0.0	0.0	1,200.0	1,200.0	1,200.0	1,200.0
b/Transfer From CBRF/(To) Revenues, EFFA Dividend (line 2)	0.0	1,200.0	(65.2)	(42.0)	(18.7)	(18.7)
c/Earnings	0.0	0.0	88.5	88.5	88.5	88.5
d/Bond Proceeds	0.0	0.0	202.6	202.6	202.6	0.0
e/Debt Service	0.0	0.0	(23.3)	(46.5)	(69.8)	(69.8)
f/School Construction/Maintenance	0.0	0.0	(202.6)	(202.6)	(202.6)	0.0
Education Fac. Fund Ending Balance	0.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0
7/Consolidated CBRF/Ed. Fac. Fund Balances	2,499.6	2,568.1	2,587.8	2,686.9	2,761.5	2,845.7
(1/CBRF Ending Balance projected in October 2 Budget Strategy)	2,499.6	2,568.1	2,579.8	2,693.8	2,807.5	2,933.7
8/Cumulative Gain/(Loss) in net Revenues with EF Fund	0.0	0.0	8.0	(6.9)	(46.0)	(88.0)
9/Cumulative Capital Assets Acquired (Construction/Maint.)	0.0	0.0	243.7	487.4	731.1	731.1
10/Total Capital and Cash Assets / CBRF	2,499.6	2,568.1	2,831.5	3,174.3	3,492.6	3,576.8
(1/CBRF Ending Balance projected in October 2 Budget Strategy)	2,499.6	2,568.1	2,579.8	2,693.8	2,807.5	2,933.7
<u>11/Cumulative Gain/(Loss) with EF Fund</u>	+0.0	+0.0	+251.7	+480.5	+685.1	+643.1

ALASKA LEGISLATIVE MAJORITY FIVE YEAR BUDGET STRATEGY
as of October 2, 1996

Modified to Include \$731 million New School Construction and Deferred Maintenance Using REVISED SSSB 37 Methodology

- School Construction & Deferred Maintenance program modeled:

School Construction and Deferred Maintenance Funded	
FY 1998	\$243,696,067
FY 1999	\$243,696,067
FY 2000	<u>\$243,696,067</u>
Total	\$731,088,200

- General assumptions regarding the Education Facilities Fund:
 - Earnings will be the same as projected in the Five Year Strategy for the CBRF (7.17%, as projected by the Permanent Fund Corporation).
 - True interest cost of bonds will be that of 'AA-' rated bonds marketed in the US the week of 4/18/97. This is the likely rating for an uninsured Alaska Moral Obligation Bond.
 - Earnings not required to pay debt service are paid as Dividends to the State annually in order to consolidate them into the Five Year Strategy.
- Consolidation of the REVISED SSSB 37 program with the Five Year Budget Strategy included modifying the following lines of the Five Year Strategy model as described below:
 - 1/ **No modifications to assumptions or methodology in these lines. They are the same assumptions/methodology as in the original Five Year Strategy model.**
 - 2/ All earnings of the Education Facilities Finance Authority surplus to its debt service obligations are treated as Dividends to the State's general revenue stream.
 - 3/ The Five Year Budget Strategy shows the earnings of the CBRF as revenues. This consolidation shows the earnings of the smaller CBRF.
 - 4/ The Educational Facilities Finance Authority will fund projects that otherwise would be funded out of the annual Capital budget. This consolidation offsets the cost of these projects, assumed to be the average of the last three fiscal years (FY95, FY96 and FY97) capital budget items for school construction and deferred maintenance. This average is \$28.6 million annually.
 - 5/ Line 5 shows the \$1.2 billion that would be transferred from the CBRF to the Ed. Fac. Fund by SSSB 37 and SB 111, the accompanying appropriation bill. This transfer ties to line 6b.

6/ This new section projects the operation of the Education Facilities Fund established by SSSB 37. In this consolidation, the Fund's earnings (line 6c) pay debt service on Authority bonds (line 6e), with the balance being transferred to general revenues in line "2/Education Facilities Financing Authority (EFA) Dividend."

7/ Line 7 is the sum of "CBRF Ending Balance" and "Education Fac. Fund Ending Balance."

8/ Line 8 is the difference between the ending balance in the CBRF as projected in the Five Year Budget Strategy and the combined ending balances of the CBRF and the Ed. Fac. Fund.

9/ Line 9 is the total capital provided for school construction and deferred maintenance by the Education Facilities Finance Authority and required local match. In this example, the total is \$731.1 million, evenly split between FY98, FY99, and FY00.

10/ Line 10 is the sum of the combined ending balances of the CBRF and the Ed. Fac. Fund, plus the capital assets underwritten by the Education Facilities Finance Authority. (line 7 plus line 9)

11/ Line 11 is the difference between line 10 and the ending balance in the CBRF as projected in the Five Year Budget Strategy, and approximates the net gain in assets that occurs under REVISED SSSB 37 methodology.

This gain in assets is achieved by providing \$731 million of school construction & deferred maintenance during the 5-year budget strategy period for a net cash flow cost to the balance sheet of only \$88.0 million.

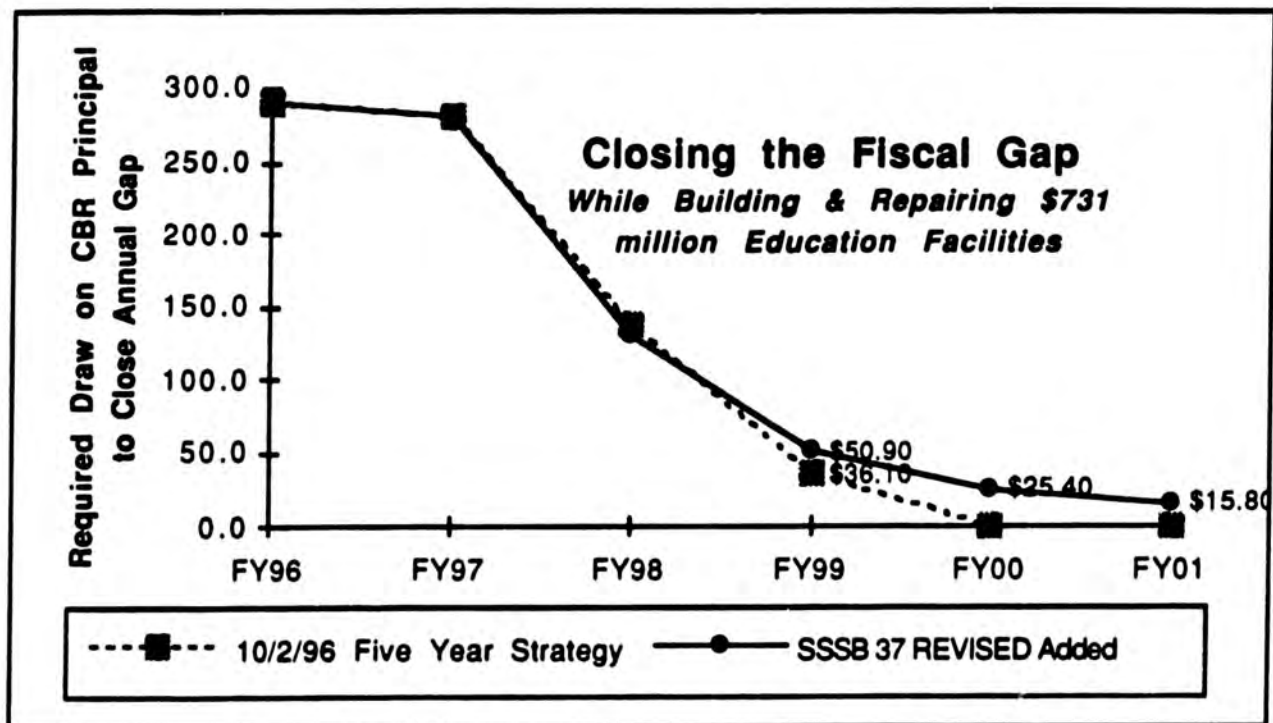
ALASKA LEGISLATIVE MAJORITY FIVE YEAR BUDGET STRATEGY
as of October 2, 1996

Modified to Include \$731 million New School Construction and Deferred
Maintenance Using REVISED SSSB 37 Methodology

Noteworthy Results:

• Adding the SSSB 37 EFA methodology does not significantly slow the reduction of the "fiscal gap." In short, SSSB 37 methodology can be readily meshed with the Five Year Strategy, without causing noticeable changes – while providing \$731 million in construction & major maintenance at the same time.

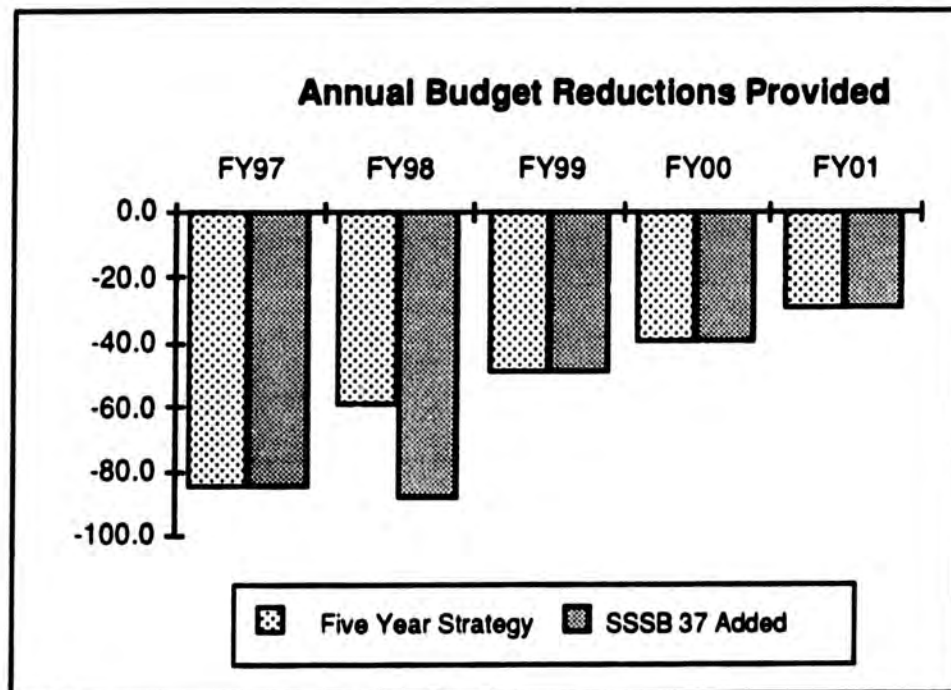
	Annual Fiscal Gap					
	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
10/2/96 Five Year Strategy	291.4	281.5	138.2	36.1	0.0	0.0
SSSB 37 REVISED Added	291.4	281.5	130.3	50.9	25.4	15.8



- Adding the SSSB 37 EFA methodology allows the FY98 budget to be cut by more than the Five Year Strategy, while still providing the identical services (because the Ed. Fac. Finance Authority provides deferred maintenance and construction that would otherwise be funded by the Capital budget).

Annual Budget Cuts - Same Services Provided

	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Five Year Strategy	(85.1)	(60.0)	(50.0)	(40.0)	(30.0)
SSSB 37 Added	(85.1)	(88.6)	(50.0)	(40.0)	(30.0)



Annual Percent Budget Cuts - Same Services Provided

	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Five Year Strategy	-3.40%	-2.48%	-2.12%	-1.73%	-1.32%
SSSB 37 Added	-3.40%	-3.66%	-2.14%	-1.75%	-1.34%

Education Facilities Fund

\$731 Million Scenario

12-Year Bond Maturities

<u>Year</u>	<u>Beginning Balance</u>	<u>Earnings</u>	<u>New Bonds</u>	<u>Debt Service</u>	<u>Ending Balance</u>	<u>Available for CBR Deposit</u>	<u>Remaining Capacity</u>
1998	\$1,200,000	\$120,000	\$202,602	\$23,265	\$1,296,735		\$842,433
1999	\$1,296,735	\$129,674	\$202,602	\$46,529	\$1,379,880		\$724,074
2000	\$1,379,880	\$137,988	\$202,602	\$69,794	\$1,448,074	\$750,138	\$593,879
2001	\$1,448,074	\$144,807	\$0	\$69,794	\$1,523,088	\$825,151	\$653,267
2002	\$1,523,088	\$152,309	\$0	\$69,794	\$1,605,603	\$907,666	\$718,594
2003	\$1,605,603	\$160,560	\$0	\$69,794	\$1,696,370	\$998,433	\$790,453
2004	\$1,696,370	\$169,637	\$0	\$69,794	\$1,796,213	\$1,098,276	\$869,499
2005	\$1,796,213	\$179,621	\$0	\$69,794	\$1,906,041	\$1,208,104	\$956,449
2006	\$1,906,041	\$190,604	\$0	\$69,794	\$2,026,851	\$1,328,914	\$1,052,093
2007	\$2,026,851	\$202,685	\$0	\$69,794	\$2,159,743	\$1,461,806	\$1,157,303
2008	\$2,159,743	\$215,974	\$0	\$69,794	\$2,305,923	\$1,607,987	\$1,273,033
2009	\$2,305,923	\$230,592	\$0	\$69,794	\$2,466,722	\$1,768,785	\$1,400,336
2010	\$2,466,722	\$246,672	\$0	\$46,529	\$2,666,865	\$2,201,574	\$1,742,972
2011	\$2,666,865	\$266,686	\$0	\$23,265	\$2,910,287	\$2,677,641	\$2,119,872
2012	\$2,910,287	\$291,029	\$0	\$0	\$3,201,315	\$3,201,315	\$2,534,462
2013	\$3,201,315	\$320,132	\$0	\$0	\$3,521,447	\$3,521,447	\$2,787,908
2014	\$3,521,447	\$352,145	\$0	\$0	\$3,873,592	\$3,873,592	\$3,066,699
2015	\$3,873,592	\$387,359	\$0	\$0	\$4,260,951	\$4,260,951	\$3,373,368

Assumes: \$731 Million construction/major maintenance financed over first three years, including local matches required.

12-year series of AA- bonds yield what they did week of April 18, 1997 (5.31% avg. to maturity).

Fund earnings average 10% during period.

April 22, 1997

Education Facilities Fund

"Billion Dollar Schools" Scenario

12-Year Bond Maturities

<u>Year</u>	<u>Beginning Balance</u>	<u>Earnings</u>	<u>New Bonds</u>	<u>Debt Service</u>	<u>Ending Balance</u>	<u>Available for CBR Deposit</u>	<u>Remaining Capacity</u>
1998	\$1,200,000	\$120,000	\$202,602	\$23,265	\$1,296,735		\$842,433
1999	\$1,296,735	\$129,674	\$202,602	\$46,529	\$1,379,880		\$724,074
2000	\$1,379,880	\$137,988	\$202,602	\$69,794	\$1,448,074		\$593,879
2001	\$1,448,074	\$144,807	\$80,000	\$78,980	\$1,513,902		\$573,267
2002	\$1,513,902	\$151,390	\$80,000	\$88,166	\$1,577,126		\$550,594
2003	\$1,577,126	\$157,713	\$63,566	\$95,465	\$1,639,373	\$684,718	\$542,087
2004	\$1,639,373	\$163,937	\$0	\$95,465	\$1,707,845	\$753,190	\$596,296
2005	\$1,707,845	\$170,784	\$0	\$95,465	\$1,783,164	\$828,509	\$655,925
2006	\$1,783,164	\$178,316	\$0	\$95,465	\$1,866,014	\$911,360	\$721,518
2007	\$1,866,014	\$186,601	\$0	\$95,465	\$1,957,150	\$1,002,496	\$793,670
2008	\$1,957,150	\$195,715	\$0	\$95,465	\$2,057,400	\$1,102,746	\$873,037
2009	\$2,057,400	\$205,740	\$0	\$95,465	\$2,167,675	\$1,213,020	\$960,341
2010	\$2,167,675	\$216,767	\$0	\$72,201	\$2,312,241	\$1,590,232	\$1,258,977
2011	\$2,312,241	\$231,224	\$0	\$48,936	\$2,494,529	\$2,005,166	\$1,587,477
2012	\$2,494,529	\$249,453	\$0	\$25,672	\$2,718,310	\$2,461,592	\$1,948,827
2013	\$2,718,310	\$271,831	\$0	\$16,485	\$2,973,656	\$2,808,801	\$2,223,710
2014	\$2,973,656	\$297,366	\$0	\$7,299	\$3,263,722	\$3,190,730	\$2,526,081
2015	\$3,263,722	\$326,372	\$0	\$0	\$3,590,094	\$3,590,094	\$2,842,255

Assumes: \$1.0 Billion construction/major maintenance financed over first six years, including local matches required.

12-year series of AA- bonds yield what they did week of April 18, 1997 (5.31% avg. to maturity).

Fund earnings average 10% during period.

April 22, 1997

FAX TRANSMITTAL

TO: Dennis DeWitt

FROM: Senator Rick Halford
(Bill Stoltze)

FAX #: 465-3518

FAX #: (907) 465-4928

PHONE #: 465-2647

PHONE #: (907) 465-4958

DATE: September 30, 1997

PAGES: (including cover sheet) FOUR

MESSAGE: Denny---Per Brett's request I am forwarding the DOE fiscal note and DOE memorandum for SB 11, Sen. Halford's school construction debt bill. stoltze

MEMORANDUM

State of Alaska
Department of Education

To: Karen Rehfeld
Director, Education Support Services

Date: February 18, 1997

Phone: 465-1858

File: g:\mdm\deptmemo\sjh
Facilities Issues

From: Michael Morgan
Special Projects Manager
ESS/Facilities

Subject: Facilities Issues

The following is a summary of issues facing school facilities. This paper is segmented into three sections: the issues facing school facilities; the positions, assumptions and beliefs underlying recommendations on how to deal with the issues; and, recommendations on each issue.

- Issues:
- 1) Existing in the state, currently, is roughly \$3.5 billion worth of school facilities. This includes almost \$750 million in school facilities which the state owns.
 - 2) The owners and operators of these facilities have a responsibility to manage the facilities to assure a safe environment which supports the educational program being conducted there.
 - 3) Facilities to support K-12 education need a long-term, stable source of funding to provide for capital additions, replacement and renewal.

Department of Education Beliefs and Assumptions Regarding Educational Facilities

- 1) Educational facilities should exist to support continuous learning in children.
- 2) Facilities should provide a safe environment for the educational program.
- 3) The state has a responsibility to provide for the capital needs of state owned facilities.
- 4) Technology is important in facilities to the extent that the use of the technology supports learning.
- 5) Maintenance and construction of facilities should reflect minimum standards established for all schools in the state.

Recommendations Regarding Facilities Issues

- 1) A long-term, stable source of funding for facilities' projects should be developed and implemented.
- 2) Projects should be funded in the priority order established by the statutorily established ranking system.
- 3) The department should continue development, review and adoption of facilities related standards.
- 4) As partnerships are established between family, school, community and business groups, the department should explore non-traditional facilities' plans as alternatives which might enhance student learning and offer this information to districts for their consideration.

ANALYSIS: Continued

The table provided below lists the projects that have been approved by the qualified voters and the bonds have been sold, but have not been approved by the Department of Education.

District	Project Name	Amount
Anchorage	DW Reroofing	\$6,765,000
Anchorage	DW Heating/Ventilation	\$9,450,000
Anchorage	Chugiak High School Septic Remediation	\$300,000
Anchorage	ADA DW Improvements per Transition Plan	\$500,000
Anchorage	DW Underground Tank Removal - Phase I	\$1,500,000
Anchorage	DW Fire Code Violations - Phase IV	\$652,000

The additional fiscal impact that these projects would have if included is listed below.

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Fiscal Impact	0.0	7,510.4	7,298.2	7,085.9	6,873.7	6,661.4

There maybe other projects that have been approved by the qualified voters of the municipality that could be approved by the Department of Education that are not listed on this schedule. These projects would have been originally funded by 100% local participation and not reported to the department.

Prepared by: Michael Morgan, Facilities Manager
 Division: Education Support Services
 Approved by Commissioner: _____
 Agency: Education

Phone: 465-1858
 Date: _____
Shirley Holloway, Ph. D., Commissioner
 Date: _____

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ANALYSIS: Continued

There will be no fiscal impact until FY99 because request for an allocation of funds under AS 14.11.100 must be submitted to the department by the school district no later than October 15 of the prior fiscal year for which the request is made.

The table provided below lists the projects that have been approved by the department and the qualified voters.

<u>District</u>	<u>Project Name</u>	<u>Amount Approved By Department</u>
Mat-Su	Talkeetna School Renovation/Addition	\$6,230,474
Mat-Su	Meadow Lakes Elementary School	\$12,904,744
Mat-Su	Alasta Middle School	\$30,500,000

The table provided below lists the projects that have been approved by the qualified voters, but have not been approved by the Department of Education. These projects are potentially eligible for reimbursement.

<u>District</u>	<u>Project Name</u>	<u>Amount</u>
Anchorage	Taku Elementary Addition/Renovation	\$6,200,000
Anchorage	Plarmigan Elementary Renovation	\$2,700,000
Anchorage	Nunaka Valley Elementary Renewal/Upgrade	\$5,400,000
Anchorage	Ocean View Elementary Wall Construction	\$445,000
Anchorage	Scenic Park Elementary Renewal/Upgrade	\$4,000,000
Anchorage	Service High Renewal/Upgrade	\$750,000
Anchorage	Northern Lights ABC Replacement School	\$1,500,000
Anchorage	Fairview Elementary Replacement	\$1,500,000
Anchorage	DW Heating/Ventilation (Ocean View, Baxter, Taku)	\$2,000,000

Section 1 also adds a section 9 to AS 14.11.100(a) which allows up to 50% reimbursement for school construction debt approved by the qualified voters after July 1, 1997. There would be no fiscal impact until FY99 because a request for an allocation of funds under AS 14.11.100 must be submitted to the department by the school district no later than October 15 of the fiscal year before the fiscal year for which the request is made. The department has no approved projects that could be considered under section 9.

The Bill will expand the types of projects that can be approved under AS 14.11.100(j)(4). If a district can demonstrate that the project will reduce operating cost or that it will improve the instructional program the project can be approved under the new subsections.

The first year section 9 could have a fiscal impact is FY99. The department can not project the fiscal impact of the new section 9 until projects are submitted for approval under the new program.

Please see page 3 for continued analysis

Prepared by: Michael Morgan, Facilities Manager
 Division: Education Support Services
 Approved by Commissioner: _____
 Agency: Education

Phone: 465-1858
 Date: _____
Shirley Holloway, Ph. D., Commissioner
 Date: _____

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FISCAL NOTE

STATE OF ALASKA

BILL NO. CS SB 11(FIN)

1997 LEGISLATIVE SESSION

Revision Date: April 21, 1997Title: An act relating to state aid for school construction
debt; and providing for an effective date.Sponsor: Senator HalfordRequester: Senate HESSDepartment Affected: EducationBRU: K-12 SupportComponent: Debt ReimbursementCOMPONENT SERIAL NO. 153

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	5,967.5 - *	5,798.8 - *	5,630.2 - *	5,461.5 - *	5,292.9 - *
MISCELLANEOUS						
TOTAL OPERATING	0.0	5,967.5 - *	5,798.8 - *	5,630.2 - *	5,461.5 - *	5,292.9 - *

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	5,967.5 - *	5,798.8 - *	5,630.2 - *	5,461.5 - *	5,292.9 - *
1005 GF/Program Receipts						
1030 School Fund						
Other						
TOTAL	0.0	5,967.5 - *	5,798.8 - *	5,630.2 - *	5,461.5 - *	5,292.9 - *

* There will be future costs for projects that are eligible for 50% reimbursement.

POSITIONS: The department cannot project the number or value of future requests.

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Section 1 - amends AS 14.11.100(a) by adding section 8 which allows up to 70% reimbursement for school construction debt approved by the qualified voters after July 1, 1995 but before July 1, 1997. The Matanuska - Susitna Borough School District is the only district that has approved projects with the Department of Education that have voter approval. The Anchorage School District has projects that have been approved by the qualified voters, but have not been approved by the Department of Education. The projects total \$74,130,218 in reimbursable debt under section 8 as amended. The dollar amounts in this fiscal note only reflect the approved projects that relate to the retroactive portion of section 8.

Please see page 2 for list of projects and continued analysis

Prepared by: Michael Morgan, Facilities ManagerDivision: Education Support Services

Approved by Commissioner: _____

Agency: EducationPhone: 465-1858

Date: _____

Shirley Holloway, Ph. D., Commissioner

Date: _____

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 463-4885

MEMORANDUM

DATE: October 7, 1997

TO: Tom Williams, Legislative Aide
Senator Bert Sharp

FROM: Dave Tonkovich, Fiscal Analyst
Division of Legislative Finance

SUBJECT: Debt Service Projections-Alternative Scenarios

You asked for a debt service schedule on 10 year General Obligation bonds showing the effects of alternative interest rates and bond issue amounts. The Debt Service Manager is currently out of town so Ross Kinney, the Deputy Commissioner, provided the information. He has many demands on his time but was able to provide an abbreviated matrix (it takes about one-half hour to run each interest rate/ issue size scenario). Based on the results in the accompanying table it should be possible to provide workable interpolations for other rate/bond size combinations.

Mr. Kinney's view is that current interest rates are as low as rates are likely to go. As a consequence he did one scenario based on current rates and three scenarios adding 50, 100 and 200 basis points (.5, 1 and 2 percent) to the current rates. The coupon rates vary for each year of the bond issue with the out years carrying progressively higher rates. Both the beginning and ending coupon rates are shown on the table. Current rates are based on Municipal Market Data for 10/6/97. A copy of that printout is also attached.

Mr. Kinney offered two cautions which are worth passing on. First, if bonds were approved in November 1998 the earliest they could be sold would be in the January to March, 1999 period (there are some marketing advantages to issues during tax season). The interest rates prevailing at that time are likely to be significantly higher than current rates which are at a 25 year low. Second, the bonds are estimated on the assumption of an AA rating. Any deterioration in the State's financial position could lead to a lower rating and higher associated interest costs. His concern is that scenarios based on current low rates may be unrealistic if market conditions change. He expressed a willingness to work with us in refining any bond related proposals.

Please let me know if I can be of additional help on this issue.

**DATA-LINED MENU**

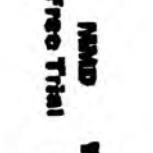
**RETURN TO CURRENT PAGE**

**HISTORICAL PAGE**

**AS OF 10/06/97**

[Municipal Yield Curves as of 10/06/97]									
General Obligations									
	"AAA"	PYE RE INSURED	"AA"	"A"	"BAA"	"A"	HOS	Revenue	REG
1 1998	3.75	3.80	3.75	3.85	4.00	3.90	3.90	4.00	
2 1999	3.90	3.95	4.00	4.10	4.15				
3 2000	4.00	4.05	4.10	4.20	4.30				
4 2001	4.05	4.10	4.15	4.25	4.45				
5 2002	4.15	4.20	4.25	4.35	4.55	4.40	4.40	4.55	
6 2003	4.20	4.25	4.35	4.45	4.65				
7 2004	4.30	4.45	4.40	4.55	4.75				
8 2005	4.35	4.50	4.45	4.60	4.85				
9 2006	4.40	4.55	4.50	4.65	4.90				
10 2007	4.45	4.60	4.55	4.70	5.00	4.85	4.85	5.00	
11 2008	4.58	4.75	4.68	4.83	5.10				
12 2009	4.70	4.90	4.80	5.00	5.20				
13 2010	4.80	5.00	4.90	5.10	5.30				
14 2011	4.85	5.05	4.95	5.15	5.35				
15 2012	4.90	5.10	5.00	5.20	5.40				
[Municipal Yield Curves as of 10/06/97]									
General Obligations									
	"AAA"	PYE RE INSURED	"AA"	"A"	"BAA"	"A"	HOS	Revenue	REG
16 2013	4.95	5.15	5.05	5.25	5.45				
17 2014	5.00	5.20	5.10	5.30	5.48				
18 2015	5.05	5.23	5.15	5.33	5.50				
19 2016	5.08	5.25	5.18	5.35	5.50	5.48	5.45	5.60	
20 2017	5.10	5.25	5.20	5.35	5.50				
21 2018	5.10	5.25	5.20	5.35	5.50				
22 2019	5.13	5.28	5.23	5.38	5.53				
23 2020	5.15	5.30	5.25	5.40	5.53				
24 2021	5.15	5.30	5.25	5.40	5.53				
25 2022	5.15	5.30	5.25	5.40	5.53				
26 2023	5.18	5.30	5.28	5.40	5.53				
27 2024	5.18	5.30	5.28	5.40	5.53				
28 2025	5.18	5.30	5.28	5.40	5.53				
29 2026	5.18	5.30	5.28	5.40	5.53				
30 2027	5.18	5.30	5.28	5.40	5.53	5.53	5.50	5.65	

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**MMMD**

**Glossary**

**Help**

**TN3**

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State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			1,107,803.00	1,107,803.00	
3/ 1/ 0	4,115,000.00	4.050000	1,107,803.00	5,222,803.00	6,330,606.00
9/ 1/ 0			1,024,474.25	1,024,474.25	
3/ 1/ 1	4,280,000.00	4.100000	1,024,474.25	5,304,474.25	6,328,948.50
9/ 1/ 1			936,734.25	936,734.25	
3/ 1/ 2	4,455,000.00	4.200000	936,734.25	5,391,734.25	6,328,468.50
9/ 1/ 2			843,179.25	843,179.25	
3/ 1/ 3	4,645,000.00	4.300000	843,179.25	5,488,179.25	6,331,358.50
9/ 1/ 3			743,311.75	743,311.75	
3/ 1/ 4	4,840,000.00	4.400000	743,311.75	5,583,311.75	6,326,623.50
9/ 1/ 4			636,831.75	636,831.75	
3/ 1/ 5	5,055,000.00	4.450000	636,831.75	5,691,831.75	6,328,663.50
9/ 1/ 5			524,358.00	524,358.00	
3/ 1/ 6	5,280,000.00	4.500000	524,358.00	5,804,358.00	6,328,716.00
9/ 1/ 6			405,558.00	405,558.00	
3/ 1/ 7	5,520,000.00	4.550000	405,558.00	5,925,558.00	6,331,116.00
9/ 1/ 7			279,978.00	279,978.00	
3/ 1/ 8	5,770,000.00	4.680000	279,978.00	6,049,978.00	6,329,956.00
9/ 1/ 8			144,960.00	144,960.00	
3/ 1/ 9	6,040,000.00	4.800000	144,960.00	6,184,960.00	6,329,920.00
	50,000,000.00		13,294,376.50	63,294,376.50	
ACCRUED					
	50,000,000.00		13,294,376.50	63,294,376.50	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 292,600.000
Average Coupon 4.543533
Average Life 5.852000
N I C % 4.543533 % Using 100.0000000
T I C % 4.533621 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:10:39 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			1,661,704.50	1,661,704.50	
3/ 1/ 0	6,170,000.00	4.050000	1,661,704.50	7,831,704.50	9,493,409.00
9/ 1/ 0			1,536,762.00	1,536,762.00	
3/ 1/ 1	6,420,000.00	4.100000	1,536,762.00	7,956,762.00	9,493,524.00
9/ 1/ 1			1,405,152.00	1,405,152.00	
3/ 1/ 2	6,685,000.00	4.200000	1,405,152.00	8,090,152.00	9,495,304.00
9/ 1/ 2			1,264,767.00	1,264,767.00	
3/ 1/ 3	6,965,000.00	4.300000	1,264,767.00	8,229,767.00	9,494,534.00
9/ 1/ 3			1,115,019.50	1,115,019.50	
3/ 1/ 4	7,265,000.00	4.400000	1,115,019.50	8,380,019.50	9,495,039.00
9/ 1/ 4			955,189.50	955,189.50	
3/ 1/ 5	7,585,000.00	4.450000	955,189.50	8,540,189.50	9,495,379.00
9/ 1/ 5			786,423.25	786,423.25	
3/ 1/ 6	7,920,000.00	4.500000	786,423.25	8,706,423.25	9,492,846.50
9/ 1/ 6			608,223.25	608,223.25	
3/ 1/ 7	8,275,000.00	4.550000	608,223.25	8,883,223.25	9,491,446.50
9/ 1/ 7			419,967.00	419,967.00	
3/ 1/ 8	8,655,000.00	4.680000	419,967.00	9,074,967.00	9,494,934.00
9/ 1/ 8			217,440.00	217,440.00	
3/ 1/ 9	9,060,000.00	4.800000	217,440.00	9,277,440.00	9,494,880.00
	75,000,000.00		19,941,296.00	94,941,296.00	
ACCRUED	75,000,000.00		19,941,296.00	94,941,296.00	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 438.895000
Average Coupon 4.543523
Average Life 5.851933
N I C ‡ 4.543523 ‡ Using 100.0000000
T I C ‡ 4.533611 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:13:06 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			2,215,599.75	2,215,599.75	
3/ 1/ 0	8,230,000.00	4.050000	2,215,599.75	10,445,599.75	12,661,199.50
9/ 1/ 0			2,048,942.25	2,048,942.25	
3/ 1/ 1	8,560,000.00	4.100000	2,048,942.25	10,608,942.25	12,657,884.50
9/ 1/ 1			1,873,462.25	1,873,462.25	
3/ 1/ 2	8,915,000.00	4.200000	1,873,462.25	10,788,462.25	12,661,924.50
9/ 1/ 2			1,686,247.25	1,686,247.25	
3/ 1/ 3	9,285,000.00	4.300000	1,686,247.25	10,971,247.25	12,657,494.50
9/ 1/ 3			1,486,619.75	1,486,619.75	
3/ 1/ 4	9,685,000.00	4.400000	1,486,619.75	11,171,619.75	12,658,239.50
9/ 1/ 4			1,273,549.75	1,273,549.75	
3/ 1/ 5	10,110,000.00	4.450000	1,273,549.75	11,383,549.75	12,657,099.50
9/ 1/ 5			1,048,602.25	1,048,602.25	
3/ 1/ 6	10,560,000.00	4.500000	1,048,602.25	11,608,602.25	12,657,204.50
9/ 1/ 6			811,002.25	811,002.25	
3/ 1/ 7	11,035,000.00	4.550000	811,002.25	11,846,002.25	12,657,004.50
9/ 1/ 7			559,956.00	559,956.00	
3/ 1/ 8	11,540,000.00	4.680000	559,956.00	12,099,956.00	12,659,912.00
9/ 1/ 8			289,920.00	289,920.00	
3/ 1/ 9	12,080,000.00	4.800000	289,920.00	12,369,920.00	12,659,840.00
	100,000,000.00		26,587,803.00	126,587,803.00	
ACCRUED	100,000,000.00		26,587,803.00	126,587,803.00	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 585,180.000
Average Coupon 4.543526
Average Life 5.851800
M I C % 4.543526 % Using 100.0000000
T I C % 4.533613 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:14:37 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			2,769,507.50	2,769,507.50	
3/ 1/ 0	10,285,000.00	4.050000	2,769,507.50	13,054,507.50	15,824,015.00
9/ 1/ 0			2,561,236.25	2,561,236.25	
3/ 1/ 1	10,700,000.00	4.100000	2,561,236.25	13,261,236.25	15,822,472.50
9/ 1/ 1			2,341,886.25	2,341,886.25	
3/ 1/ 2	11,140,000.00	4.200000	2,341,886.25	13,481,886.25	15,823,772.50
9/ 1/ 2			2,107,946.25	2,107,946.25	
3/ 1/ 3	11,610,000.00	4.300000	2,107,946.25	13,717,946.25	15,825,892.50
9/ 1/ 3			1,858,331.25	1,858,331.25	
3/ 1/ 4	12,105,000.00	4.400000	1,858,331.25	13,963,331.25	15,821,662.50
9/ 1/ 4			1,592,021.25	1,592,021.25	
3/ 1/ 5	12,640,000.00	4.450000	1,592,021.25	14,232,021.25	15,824,042.50
9/ 1/ 5			1,310,781.25	1,310,781.25	
3/ 1/ 6	13,200,000.00	4.500000	1,310,781.25	14,510,781.25	15,821,562.50
9/ 1/ 6			1,013,781.25	1,013,781.25	
3/ 1/ 7	13,795,000.00	4.550000	1,013,781.25	14,808,781.25	15,822,562.50
9/ 1/ 7			699,945.00	699,945.00	
3/ 1/ 8	14,425,000.00	4.680000	699,945.00	15,124,945.00	15,824,890.00
9/ 1/ 8			362,400.00	362,400.00	
3/ 1/ 9	15,100,000.00	4.800000	362,400.00	15,462,400.00	15,824,800.00
	125,000,000.00		33,235,672.50	158,235,672.50	
ACCURED	125,000,000.00		33,235,672.50	158,235,672.50	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 731,495.000
Average Coupon 4.543527
Average Life 5.851960
N I C 4.543527 % Using 100.0000000
T I C 4.533615 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:16:10 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			3,323,411.50	3,323,411.50	
3/ 1/ 0	12,340,000.00	4.050000	3,323,411.50	15,663,411.50	18,986,823.00
9/ 1/ 0			3,073,526.50	3,073,526.50	
3/ 1/ 1	12,840,000.00	4.100000	3,073,526.50	15,913,526.50	18,987,053.00
9/ 1/ 1			2,810,306.50	2,810,306.50	
3/ 1/ 2	13,370,000.00	4.200000	2,810,306.50	16,180,306.50	18,990,613.00
9/ 1/ 2			2,529,536.50	2,529,536.50	
3/ 1/ 3	13,930,000.00	4.300000	2,529,536.50	16,459,536.50	18,989,073.00
9/ 1/ 3			2,230,041.50	2,230,041.50	
3/ 1/ 4	14,530,000.00	4.400000	2,230,041.50	16,760,041.50	18,990,083.00
9/ 1/ 4			1,910,381.50	1,910,381.50	
3/ 1/ 5	15,165,000.00	4.450000	1,910,381.50	17,075,381.50	18,985,763.00
9/ 1/ 5			1,572,960.25	1,572,960.25	
3/ 1/ 6	15,840,000.00	4.500000	1,572,960.25	17,412,960.25	18,985,920.50
9/ 1/ 6			1,216,560.25	1,216,560.25	
3/ 1/ 7	16,555,000.00	4.550000	1,216,560.25	17,771,560.25	18,988,120.50
9/ 1/ 7			839,934.00	839,934.00	
3/ 1/ 8	17,310,000.00	4.680000	839,934.00	18,149,934.00	18,989,868.00
9/ 1/ 8			434,880.00	434,880.00	
3/ 1/ 9	18,120,000.00	4.800000	434,880.00	18,554,880.00	18,989,760.00
	150,000,000.00		39,883,077.00	189,883,077.00	
ACCRUED	150,000,000.00		39,883,077.00	189,883,077.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 877,800.000
Average Coupon 4.543527
Average Life 5.852000
N I C 4.543527 ‡ Using 100.0000000
T I C 4.533615 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:17:21 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			3,877,313.00	3,877,313.00	
3/ 1/ 0	14,400,000.00	4.050000	3,877,313.00	18,277,313.00	22,154,626.00
9/ 1/ 0			3,585,713.00	3,585,713.00	
3/ 1/ 1	14,980,000.00	4.100000	3,585,713.00	18,565,713.00	22,151,426.00
9/ 1/ 1			3,278,623.00	3,278,623.00	
3/ 1/ 2	15,595,000.00	4.200000	3,278,623.00	18,873,623.00	22,152,246.00
9/ 1/ 2			2,951,128.00	2,951,128.00	
3/ 1/ 3	16,250,000.00	4.300000	2,951,128.00	19,201,128.00	22,152,256.00
9/ 1/ 3			2,601,753.00	2,601,753.00	
3/ 1/ 4	16,950,000.00	4.400000	2,601,753.00	19,551,753.00	22,153,506.00
9/ 1/ 4			2,228,853.00	2,228,853.00	
3/ 1/ 5	17,695,000.00	4.450000	2,228,853.00	19,923,853.00	22,152,706.00
9/ 1/ 5			1,835,139.25	1,835,139.25	
3/ 1/ 6	18,480,000.00	4.500000	1,835,139.25	20,315,139.25	22,150,278.50
9/ 1/ 6			1,419,339.25	1,419,339.25	
3/ 1/ 7	19,315,000.00	4.550000	1,419,339.25	20,734,339.25	22,153,678.50
9/ 1/ 7			979,923.00	979,923.00	
3/ 1/ 8	20,195,000.00	4.680000	979,923.00	21,174,923.00	22,154,846.00
9/ 1/ 8			507,360.00	507,360.00	
3/ 1/ 9	21,140,000.00	4.800000	507,360.00	21,647,360.00	22,154,720.00
	175,000,000.00		46,530,289.00	221,530,289.00	
ACCRUED	175,000,000.00		46,530,289.00	221,530,289.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 1,024,100.000
Average Coupon 4.543530
Average Life 5.852000
N I C 4.543530 ‡ Using 100.0000000
T I C 4.533618 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:18:32 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,431,213.75	4,431,213.75	
3/ 1/ 0	16,455,000.00	4.050000	4,431,213.75	20,886,213.75	25,317,427.50
9/ 1/ 0			4,098,000.00	4,098,000.00	
3/ 1/ 1	17,120,000.00	4.100000	4,098,000.00	21,218,000.00	25,316,000.00
9/ 1/ 1			3,747,040.00	3,747,040.00	
3/ 1/ 2	17,825,000.00	4.200000	3,747,040.00	21,572,040.00	25,319,080.00
9/ 1/ 2			3,372,715.00	3,372,715.00	
3/ 1/ 3	18,570,000.00	4.300000	3,372,715.00	21,942,715.00	25,315,430.00
9/ 1/ 3			2,973,460.00	2,973,460.00	
3/ 1/ 4	19,370,000.00	4.400000	2,973,460.00	22,343,460.00	25,316,920.00
9/ 1/ 4			2,547,320.00	2,547,320.00	
3/ 1/ 5	20,225,000.00	4.450000	2,547,320.00	22,772,320.00	25,319,640.00
9/ 1/ 5			2,097,313.75	2,097,313.75	
3/ 1/ 6	21,125,000.00	4.500000	2,097,313.75	23,222,313.75	25,319,627.50
9/ 1/ 6			1,622,001.25	1,622,001.25	
3/ 1/ 7	22,075,000.00	4.550000	1,622,001.25	23,697,001.25	25,319,002.50
9/ 1/ 7			1,119,795.00	1,119,795.00	
3/ 1/ 8	23,075,000.00	4.680000	1,119,795.00	24,194,795.00	25,314,590.00
9/ 1/ 8			579,840.00	579,840.00	
3/ 1/ 9	24,160,000.00	4.800000	579,840.00	24,739,840.00	25,319,680.00
	200,000,000.00		53,177,397.50	253,177,397.50	
ACCRUED	200,000,000.00		53,177,397.50	253,177,397.50	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 1,170,400.000
Average Coupon 4.543523
Average Life 5.852000
M I C 4.543523 ‡ Using 100.0000000
T I C 4.533612 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:20:30 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			1,233,588.25	1,233,588.25	
3/ 1/ 0	4,020,000.00	4.550000	1,233,588.25	5,253,588.25	6,487,176.50
9/ 1/ 0			1,142,133.25	1,142,133.25	
3/ 1/ 1	4,200,000.00	4.600000	1,142,133.25	5,342,133.25	6,484,266.50
9/ 1/ 1			1,045,533.25	1,045,533.25	
3/ 1/ 2	4,395,000.00	4.700000	1,045,533.25	5,440,533.25	6,486,066.50
9/ 1/ 2			942,250.75	942,250.75	
3/ 1/ 3	4,600,000.00	4.800000	942,250.75	5,542,250.75	6,484,501.50
9/ 1/ 3			831,850.75	831,850.75	
3/ 1/ 4	4,825,000.00	4.900000	831,850.75	5,656,850.75	6,488,701.50
9/ 1/ 4			713,638.25	713,638.25	
3/ 1/ 5	5,060,000.00	4.950000	713,638.25	5,773,638.25	6,487,276.50
9/ 1/ 5			588,403.25	588,403.25	
3/ 1/ 6	5,310,000.00	5.000000	588,403.25	5,898,403.25	6,486,806.50
9/ 1/ 6			455,653.25	455,653.25	
3/ 1/ 7	5,575,000.00	5.050000	455,653.25	6,030,653.25	6,486,306.50
9/ 1/ 7			314,884.50	314,884.50	
3/ 1/ 8	5,855,000.00	5.180000	314,884.50	6,169,884.50	6,484,769.00
9/ 1/ 8			163,240.00	163,240.00	
3/ 1/ 9	6,160,000.00	5.300000	163,240.00	6,323,240.00	6,486,480.00
	50,000,000.00		14,862,351.00	64,862,351.00	
ACCRUED	50,000,000.00		14,862,351.00	64,862,351.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 294,555.000
Average Coupon 5.045696
Average Life 5.891100
W I C % 5.045696 % Using 100.0000000
T I C % 5.034822 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:26:58 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			1,850,379.00	1,850,379.00	
3/ 1/ 0	6,030,000.00	4.550000	1,850,379.00	7,880,379.00	9,730,758.00
9/ 1/ 0			1,713,196.50	1,713,196.50	
3/ 1/ 1	6,305,000.00	4.600000	1,713,196.50	8,018,196.50	9,731,393.00
9/ 1/ 1			1,568,181.50	1,568,181.50	
3/ 1/ 2	6,590,000.00	4.700000	1,568,181.50	8,158,181.50	9,726,363.00
9/ 1/ 2			1,413,316.50	1,413,316.50	
3/ 1/ 3	6,900,000.00	4.800000	1,413,316.50	8,313,316.50	9,726,633.00
9/ 1/ 3			1,247,716.50	1,247,716.50	
3/ 1/ 4	7,235,000.00	4.900000	1,247,716.50	8,482,716.50	9,730,433.00
9/ 1/ 4			1,070,459.00	1,070,459.00	
3/ 1/ 5	7,590,000.00	4.950000	1,070,459.00	8,660,459.00	9,730,918.00
9/ 1/ 5			882,606.50	882,606.50	
3/ 1/ 6	7,965,000.00	5.000000	882,606.50	8,847,606.50	9,730,213.00
9/ 1/ 6			683,481.50	683,481.50	
3/ 1/ 7	8,360,000.00	5.050000	683,481.50	9,043,481.50	9,726,963.00
9/ 1/ 7			472,391.50	472,391.50	
3/ 1/ 8	8,785,000.00	5.180000	472,391.50	9,257,391.50	9,729,783.00
9/ 1/ 8			244,860.00	244,860.00	
3/ 1/ 9	9,240,000.00	5.300000	244,860.00	9,484,860.00	9,729,720.00
	75,000,000.00		22,293,177.00	97,293,177.00	
ACCRUED	75,000,000.00		22,293,177.00	97,293,177.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 441,825.000
Average Coupon 5.045703
Average Life 5.891000
M I C ‡ 5.045703 ‡ Using 100.0000000
T I C ‡ 5.034828 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:25:52 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			2,467,165.25	2,467,165.25	
3/ 1/ 0	8,040,000.00	4.550000	2,467,165.25	10,507,165.25	12,974,330.50
9/ 1/ 0			2,284,255.25	2,284,255.25	
3/ 1/ 1	8,405,000.00	4.600000	2,284,255.25	10,689,255.25	12,973,510.50
9/ 1/ 1			2,090,940.25	2,090,940.25	
3/ 1/ 2	8,790,000.00	4.700000	2,090,940.25	10,880,940.25	12,971,880.50
9/ 1/ 2			1,884,375.25	1,884,375.25	
3/ 1/ 3	9,205,000.00	4.800000	1,884,375.25	11,089,375.25	12,973,750.50
9/ 1/ 3			1,663,455.25	1,663,455.25	
3/ 1/ 4	9,645,000.00	4.900000	1,663,455.25	11,308,455.25	12,971,910.50
9/ 1/ 4			1,427,152.75	1,427,152.75	
3/ 1/ 5	10,115,000.00	4.950000	1,427,152.75	11,542,152.75	12,969,305.50
9/ 1/ 5			1,176,806.50	1,176,806.50	
3/ 1/ 6	10,620,000.00	5.000000	1,176,806.50	11,796,806.50	12,973,613.00
9/ 1/ 6			911,306.50	911,306.50	
3/ 1/ 7	11,150,000.00	5.050000	911,306.50	12,061,306.50	12,972,613.00
9/ 1/ 7			629,769.00	629,769.00	
3/ 1/ 8	11,710,000.00	5.180000	629,769.00	12,339,769.00	12,969,538.00
9/ 1/ 8			326,480.00	326,480.00	
3/ 1/ 9	12,320,000.00	5.300000	326,480.00	12,646,480.00	12,972,960.00
	100,000,000.00		29,723,412.00	129,723,412.00	
ACCRUED					
	100,000,000.00		29,723,412.00	129,723,412.00	
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Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 589,085.000
Average Coupon 5.045692
Average Life 5.890850
M I C 5.045692 ‡ Using 100.0000000
T I C 5.034816 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:25:01 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			3,083,958.50	3,083,958.50	
3/ 1/ 0	10,050,000.00	4.550000	3,083,958.50	13,133,958.50	16,217,917.00
9/ 1/ 0			2,855,321.00	2,855,321.00	
3/ 1/ 1	10,505,000.00	4.600000	2,855,321.00	13,360,321.00	16,215,642.00
9/ 1/ 1			2,613,706.00	2,613,706.00	
3/ 1/ 2	10,990,000.00	4.700000	2,613,706.00	13,603,706.00	16,217,412.00
9/ 1/ 2			2,355,441.00	2,355,441.00	
3/ 1/ 3	11,505,000.00	4.800000	2,355,441.00	13,860,441.00	16,215,882.00
9/ 1/ 3			2,079,321.00	2,079,321.00	
3/ 1/ 4	12,055,000.00	4.900000	2,079,321.00	14,134,321.00	16,213,642.00
9/ 1/ 4			1,783,973.50	1,783,973.50	
3/ 1/ 5	12,645,000.00	4.950000	1,783,973.50	14,428,973.50	16,212,947.00
9/ 1/ 5			1,471,009.75	1,471,009.75	
3/ 1/ 6	13,275,000.00	5.000000	1,471,009.75	14,746,009.75	16,217,019.50
9/ 1/ 6			1,139,134.75	1,139,134.75	
3/ 1/ 7	13,935,000.00	5.050000	1,139,134.75	15,074,134.75	16,213,269.50
9/ 1/ 7			787,276.00	787,276.00	
3/ 1/ 8	14,640,000.00	5.180000	787,276.00	15,427,276.00	16,214,552.00
9/ 1/ 8			408,100.00	408,100.00	
3/ 1/ 9	15,400,000.00	5.300000	408,100.00	15,808,100.00	16,216,200.00
	125,000,000.00		37,154,483.00	162,154,483.00	
ACCRUED	125,000,000.00		37,154,483.00	162,154,483.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 736,360.000
Average Coupon 5.045695
Average Life 5.890880
M I C % 5.045695 % Using 100.0000000
T I C % 5.034820 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:23:57 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			3,700,769.25	3,700,769.25	
3/ 1/ 0	12,055,000.00	4.550000	3,700,769.25	15,755,769.25	19,456,538.50
9/ 1/ 0			3,426,518.00	3,426,518.00	
3/ 1/ 1	12,605,000.00	4.600000	3,426,518.00	16,031,518.00	19,458,036.00
9/ 1/ 1			3,136,603.00	3,136,603.00	
3/ 1/ 2	13,185,000.00	4.700000	3,136,603.00	16,321,603.00	19,458,206.00
9/ 1/ 2			2,826,755.50	2,826,755.50	
3/ 1/ 3	13,805,000.00	4.800000	2,826,755.50	16,631,755.50	19,458,511.00
9/ 1/ 3			2,495,435.50	2,495,435.50	
3/ 1/ 4	14,470,000.00	4.900000	2,495,435.50	16,965,435.50	19,460,871.00
9/ 1/ 4			2,140,920.50	2,140,920.50	
3/ 1/ 5	15,175,000.00	4.950000	2,140,920.50	17,315,920.50	19,456,841.00
9/ 1/ 5			1,765,339.25	1,765,339.25	
3/ 1/ 6	15,930,000.00	5.000000	1,765,339.25	17,695,339.25	19,460,678.50
9/ 1/ 6			1,367,089.25	1,367,089.25	
3/ 1/ 7	16,725,000.00	5.050000	1,367,089.25	18,092,089.25	19,459,178.50
9/ 1/ 7			944,783.00	944,783.00	
3/ 1/ 8	17,570,000.00	5.180000	944,783.00	18,514,783.00	19,459,566.00
9/ 1/ 8			489,720.00	489,720.00	
3/ 1/ 9	18,480,000.00	5.300000	489,720.00	18,969,720.00	19,459,440.00
	150,000,000.00		44,587,866.50	194,587,866.50	
ACCRUED	150,000,000.00		44,587,866.50	194,587,866.50	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 883,680.000
Average Coupon 5.045703
Average Life 5.891200
M I C % 5.045703 % Using 100.0000000
T I C % 5.034828 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:22:57 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,317,562.50	4,317,562.50	
3/ 1/ 0	14,065,000.00	4.550000	4,317,562.50	18,382,562.50	22,700,125.00
9/ 1/ 0			3,997,583.75	3,997,583.75	
3/ 1/ 1	14,705,000.00	4.600000	3,997,583.75	18,702,583.75	22,700,167.50
9/ 1/ 1			3,659,368.75	3,659,368.75	
3/ 1/ 2	15,385,000.00	4.700000	3,659,368.75	19,044,368.75	22,703,737.50
9/ 1/ 2			3,297,821.25	3,297,821.25	
3/ 1/ 3	16,105,000.00	4.800000	3,297,821.25	19,402,821.25	22,700,642.50
9/ 1/ 3			2,911,301.25	2,911,301.25	
3/ 1/ 4	16,880,000.00	4.900000	2,911,301.25	19,791,301.25	22,702,602.50
9/ 1/ 4			2,497,741.25	2,497,741.25	
3/ 1/ 5	17,705,000.00	4.950000	2,497,741.25	20,202,741.25	22,700,482.50
9/ 1/ 5			2,059,542.50	2,059,542.50	
3/ 1/ 6	18,585,000.00	5.000000	2,059,542.50	20,644,542.50	22,704,085.00
9/ 1/ 6			1,594,917.50	1,594,917.50	
3/ 1/ 7	19,510,000.00	5.050000	1,594,917.50	21,104,917.50	22,699,835.00
9/ 1/ 7			1,102,290.00	1,102,290.00	
3/ 1/ 8	20,500,000.00	5.180000	1,102,290.00	21,602,290.00	22,704,580.00
9/ 1/ 8			571,340.00	571,340.00	
3/ 1/ 9	21,560,000.00	5.300000	571,340.00	22,131,340.00	22,702,680.00
	175,000,000.00		52,018,937.50	227,018,937.50	
ACCRUED	175,000,000.00		52,018,937.50	227,018,937.50	
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Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 1,030,955.000
Average Coupon 5.045704
Average Life 5.891171
N I C % 5.045704 % Using 100.0000000
T I C % 5.034829 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:22:03 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +50 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,943,629.75	4,943,629.75	
3/ 1/ 0	14,985,000.00	4.550000	4,943,629.75	19,928,629.75	24,872,259.50
9/ 1/ 0			4,602,721.00	4,602,721.00	
3/ 1/ 1	15,890,000.00	4.600000	4,602,721.00	20,492,721.00	25,095,442.00
9/ 1/ 1			4,237,251.00	4,237,251.00	
3/ 1/ 2	16,860,000.00	4.700000	4,237,251.00	21,097,251.00	25,334,502.00
9/ 1/ 2			3,841,041.00	3,841,041.00	
3/ 1/ 3	17,905,000.00	4.800000	3,841,041.00	21,746,041.00	25,587,082.00
9/ 1/ 3			3,411,321.00	3,411,321.00	
3/ 1/ 4	19,035,000.00	4.900000	3,411,321.00	22,446,321.00	25,857,642.00
9/ 1/ 4			2,944,963.50	2,944,963.50	
3/ 1/ 5	20,250,000.00	4.950000	2,944,963.50	23,194,963.50	26,139,927.00
9/ 1/ 5			2,443,776.00	2,443,776.00	
3/ 1/ 6	21,555,000.00	5.000000	2,443,776.00	23,998,776.00	26,442,552.00
9/ 1/ 6			1,904,901.00	1,904,901.00	
3/ 1/ 7	22,960,000.00	5.050000	1,904,901.00	24,864,901.00	26,769,802.00
9/ 1/ 7			1,325,161.00	1,325,161.00	
3/ 1/ 8	24,465,000.00	5.180000	1,325,161.00	25,790,161.00	27,115,322.00
9/ 1/ 8			691,517.50	691,517.50	
3/ 1/ 9	26,095,000.00	5.300000	691,517.50	26,786,517.50	27,478,035.00
	200,000,000.00		60,692,565.50	260,692,565.50	
ACCRUED	200,000,000.00		60,692,565.50	260,692,565.50	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 1,201,340.000
Average Coupon 5.052072
Average Life 6.006700
M I C 5.052072 % Using 100.0000000
T I C 5.041415 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:20:17 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +100 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			1,359,369.25	1,359,369.25	
3/ 1/ 0	3,925,000.00	5.050000	1,359,369.25	5,284,369.25	6,643,738.50
9/ 1/ 0			1,260,263.00	1,260,263.00	
3/ 1/ 1	4,125,000.00	5.100000	1,260,263.00	5,385,263.00	6,645,526.00
9/ 1/ 1			1,155,075.50	1,155,075.50	
3/ 1/ 2	4,335,000.00	5.200000	1,155,075.50	5,490,075.50	6,645,151.00
9/ 1/ 2			1,042,365.50	1,042,365.50	
3/ 1/ 3	4,560,000.00	5.300000	1,042,365.50	5,602,365.50	6,644,731.00
9/ 1/ 3			921,525.50	921,525.50	
3/ 1/ 4	4,800,000.00	5.400000	921,525.50	5,721,525.50	6,643,051.00
9/ 1/ 4			791,925.50	791,925.50	
3/ 1/ 5	5,060,000.00	5.450000	791,925.50	5,851,925.50	6,643,851.00
9/ 1/ 5			654,040.50	654,040.50	
3/ 1/ 6	5,340,000.00	5.500000	654,040.50	5,994,040.50	6,648,081.00
9/ 1/ 6			507,190.50	507,190.50	
3/ 1/ 7	5,630,000.00	5.550000	507,190.50	6,137,190.50	6,644,381.00
9/ 1/ 7			350,958.00	350,958.00	
3/ 1/ 8	5,945,000.00	5.680000	350,958.00	6,295,958.00	6,646,916.00
9/ 1/ 8			182,120.00	182,120.00	
3/ 1/ 9	6,280,000.00	5.800000	182,120.00	6,462,120.00	6,644,240.00
	50,000,000.00		16,449,666.50	66,449,666.50	
ACCRUED	50,000,000.00		16,449,666.50	66,449,666.50	
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Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 296,505.000
Average Coupon 5.547855
Average Life 5.930100
N I C : 5.547855 : Using 100.0000000
T I C : 5.536043 : From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:04:11 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +100 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			2,039,044.75	2,039,044.75	
3/ 1/ 0	5,890,000.00	5.050000	2,039,044.75	7,929,044.75	9,968,089.50
9/ 1/ 0			1,890,322.25	1,890,322.25	
3/ 1/ 1	6,185,000.00	5.100000	1,890,322.25	8,075,322.25	9,965,644.50
9/ 1/ 1			1,732,604.75	1,732,604.75	
3/ 1/ 2	6,505,000.00	5.200000	1,732,604.75	8,237,604.75	9,970,209.50
9/ 1/ 2			1,563,474.75	1,563,474.75	
3/ 1/ 3	6,840,000.00	5.300000	1,563,474.75	8,403,474.75	9,966,949.50
9/ 1/ 3			1,382,214.75	1,382,214.75	
3/ 1/ 4	7,205,000.00	5.400000	1,382,214.75	8,587,214.75	9,969,429.50
9/ 1/ 4			1,187,679.75	1,187,679.75	
3/ 1/ 5	7,590,000.00	5.450000	1,187,679.75	8,777,679.75	9,965,359.50
9/ 1/ 5			980,852.25	980,852.25	
3/ 1/ 6	8,005,000.00	5.500000	980,852.25	8,985,852.25	9,966,704.50
9/ 1/ 6			760,714.75	760,714.75	
3/ 1/ 7	8,445,000.00	5.550000	760,714.75	9,205,714.75	9,966,429.50
9/ 1/ 7			526,366.00	526,366.00	
3/ 1/ 8	8,915,000.00	5.680000	526,366.00	9,441,366.00	9,967,732.00
9/ 1/ 8			273,180.00	273,180.00	
3/ 1/ 9	9,420,000.00	5.800000	273,180.00	9,693,180.00	9,966,360.00
	75,000,000.00		24,672,908.00	99,672,908.00	
ACCRUED	75,000,000.00		24,672,908.00	99,672,908.00	
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Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 444,730.000
Average Coupon 5.547840
Average Life 5.929733
N I C % 5.547840 % Using 100.0000000
T I C % 5.536027 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:02:02 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +100 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			2,718,730.25	2,718,730.25	
3/ 1/ 0	7,850,000.00	5.050000	2,718,730.25	10,568,730.25	13,287,460.50
9/ 1/ 0			2,520,517.75	2,520,517.75	
3/ 1/ 1	8,250,000.00	5.100000	2,520,517.75	10,770,517.75	13,291,035.50
9/ 1/ 1			2,310,142.75	2,310,142.75	
3/ 1/ 2	8,670,000.00	5.200000	2,310,142.75	10,980,142.75	13,290,285.50
9/ 1/ 2			2,084,722.75	2,084,722.75	
3/ 1/ 3	9,120,000.00	5.300000	2,084,722.75	11,204,722.75	13,289,445.50
9/ 1/ 3			1,843,042.75	1,843,042.75	
3/ 1/ 4	9,605,000.00	5.400000	1,843,042.75	11,448,042.75	13,291,085.50
9/ 1/ 4			1,583,707.75	1,583,707.75	
3/ 1/ 5	10,125,000.00	5.450000	1,583,707.75	11,708,707.75	13,292,415.50
9/ 1/ 5			1,307,801.50	1,307,801.50	
3/ 1/ 6	10,675,000.00	5.500000	1,307,801.50	11,982,801.50	13,290,603.00
9/ 1/ 6			1,014,239.00	1,014,239.00	
3/ 1/ 7	11,260,000.00	5.550000	1,014,239.00	12,274,239.00	13,288,478.00
9/ 1/ 7			701,774.00	701,774.00	
3/ 1/ 8	11,885,000.00	5.680000	701,774.00	12,586,774.00	13,288,548.00
9/ 1/ 8			364,240.00	364,240.00	
3/ 1/ 9	12,560,000.00	5.800000	364,240.00	12,924,240.00	13,288,480.00
	100,000,000.00		32,897,837.00	132,897,837.00	
ACCRUED	100,000,000.00		32,897,837.00	132,897,837.00	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 592,985.000
Average Coupon 5.547836
Average Life 5.929850
M I C % 5.547836 % Using 100.0000000
T I C % 5.536024 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:03:05 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +100 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			3,398,420.25	3,398,420.25	
3/ 1/ 0	9,815,000.00	5.050000	3,398,420.25	13,213,420.25	16,611,840.50
9/ 1/ 0			3,150,591.50	3,150,591.50	
3/ 1/ 1	10,310,000.00	5.100000	3,150,591.50	13,460,591.50	16,611,183.00
9/ 1/ 1			2,887,686.50	2,887,686.50	
3/ 1/ 2	10,835,000.00	5.200000	2,887,686.50	13,722,686.50	16,610,373.00
9/ 1/ 2			2,605,976.50	2,605,976.50	
3/ 1/ 3	11,400,000.00	5.300000	2,605,976.50	14,005,976.50	16,611,953.00
9/ 1/ 3			2,303,876.50	2,303,876.50	
3/ 1/ 4	12,005,000.00	5.400000	2,303,876.50	14,308,876.50	16,612,753.00
9/ 1/ 4			1,979,741.50	1,979,741.50	
3/ 1/ 5	12,655,000.00	5.450000	1,979,741.50	14,634,741.50	16,614,483.00
9/ 1/ 5			1,634,892.75	1,634,892.75	
3/ 1/ 6	13,345,000.00	5.500000	1,634,892.75	14,979,892.75	16,614,785.50
9/ 1/ 6			1,267,905.25	1,267,905.25	
3/ 1/ 7	14,075,000.00	5.550000	1,267,905.25	15,342,905.25	16,610,810.50
9/ 1/ 7			877,324.00	877,324.00	
3/ 1/ 8	14,860,000.00	5.680000	877,324.00	15,737,324.00	16,614,648.00
9/ 1/ 8			455,300.00	455,300.00	
3/ 1/ 9	15,700,000.00	5.800000	455,300.00	16,155,300.00	16,610,600.00
	125,000,000.00		41,123,429.50	166,123,429.50	
ACCRUED	125,000,000.00		41,123,429.50	166,123,429.50	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 741,250.000
Average Coupon 5.547849
Average Life 5.930000
N I C % 5.547849 % Using 100.0000000
T I C % 5.536037 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:59:17 Filename: DAVE Key: DAVE1

State of Alaska
 AA General Obligation Bonds
 Current Interest Rates +100 bps As Of 10/7/1997
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 Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,078,088.25	4,078,088.25	
3/ 1/ 0	11,780,000.00	5.050000	4,078,088.25	15,858,088.25	19,936,176.50
9/ 1/ 0			3,780,643.25	3,780,643.25	
3/ 1/ 1	12,375,000.00	5.100000	3,780,643.25	16,155,643.25	19,936,286.50
9/ 1/ 1			3,465,080.75	3,465,080.75	
3/ 1/ 2	13,005,000.00	5.200000	3,465,080.75	16,470,080.75	19,935,161.50
9/ 1/ 2			3,126,950.75	3,126,950.75	
3/ 1/ 3	13,680,000.00	5.300000	3,126,950.75	16,806,950.75	19,933,901.50
9/ 1/ 3			2,764,430.75	2,764,430.75	
3/ 1/ 4	14,405,000.00	5.400000	2,764,430.75	17,169,430.75	19,933,861.50
9/ 1/ 4			2,375,495.75	2,375,495.75	
3/ 1/ 5	15,185,000.00	5.450000	2,375,495.75	17,560,495.75	19,935,991.50
9/ 1/ 5			1,961,704.50	1,961,704.50	
3/ 1/ 6	16,010,000.00	5.500000	1,961,704.50	17,971,704.50	19,933,409.00
9/ 1/ 6			1,521,429.50	1,521,429.50	
3/ 1/ 7	16,890,000.00	5.550000	1,521,429.50	18,411,429.50	19,932,859.00
9/ 1/ 7			1,052,732.00	1,052,732.00	
3/ 1/ 8	17,830,000.00	5.680000	1,052,732.00	18,882,732.00	19,935,464.00
9/ 1/ 8			546,360.00	546,360.00	
3/ 1/ 9	18,840,000.00	5.800000	546,360.00	19,386,360.00	19,932,720.00
	150,000,000.00		49,345,831.00	199,345,831.00	
ACCRUED	150,000,000.00		49,345,831.00	199,345,831.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99
 Bond Years 889,460.000
 Average Coupon 5.547841
 Average Life 5.929733
 N I C % 5.547841 % Using 100.0000000
 T I C % 5.536029 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:35:03 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +100 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,757,793.75	4,757,793.75	
3/ 1/ 0	13,740,000.00	5.050000	4,757,793.75	18,497,793.75	23,255,587.50
9/ 1/ 0			4,410,858.75	4,410,858.75	
3/ 1/ 1	14,435,000.00	5.100000	4,410,858.75	18,845,858.75	23,256,717.50
9/ 1/ 1			4,042,766.25	4,042,766.25	
3/ 1/ 2	15,170,000.00	5.200000	4,042,766.25	19,212,766.25	23,255,532.50
9/ 1/ 2			3,648,346.25	3,648,346.25	
3/ 1/ 3	15,960,000.00	5.300000	3,648,346.25	19,608,346.25	23,256,692.50
9/ 1/ 3			3,225,406.25	3,225,406.25	
3/ 1/ 4	16,805,000.00	5.400000	3,225,406.25	20,030,406.25	23,255,812.50
9/ 1/ 4			2,771,671.25	2,771,671.25	
3/ 1/ 5	17,715,000.00	5.450000	2,771,671.25	20,486,671.25	23,258,342.50
9/ 1/ 5			2,288,937.50	2,288,937.50	
3/ 1/ 6	18,680,000.00	5.500000	2,288,937.50	20,968,937.50	23,257,875.00
9/ 1/ 6			1,775,237.50	1,775,237.50	
3/ 1/ 7	19,710,000.00	5.550000	1,775,237.50	21,485,237.50	23,260,475.00
9/ 1/ 7			1,228,285.00	1,228,285.00	
3/ 1/ 8	20,800,000.00	5.680000	1,228,285.00	22,028,285.00	23,256,570.00
9/ 1/ 8			637,565.00	637,565.00	
3/ 1/ 9	21,985,000.00	5.800000	637,565.00	22,622,565.00	23,260,130.00
	175,000,000.00		57,573,735.00	232,573,735.00	
ACCRUED	175,000,000.00		57,573,735.00	232,573,735.00	
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Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 1,037,765.000
Average Coupon 5.547859
Average Life 5.930086
M I C : 5.547859 : Using 100.0000000
T I C : 5.536046 : From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:33:56 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +100 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			5,431,213.75	5,431,213.75	
3/ 1/ 0	16,455,000.00	5.050000	5,431,213.75	21,886,213.75	27,317,427.50
9/ 1/ 0			5,015,725.00	5,015,725.00	
3/ 1/ 1	17,120,000.00	5.100000	5,015,725.00	22,135,725.00	27,151,450.00
9/ 1/ 1			4,579,165.00	4,579,165.00	
3/ 1/ 2	17,825,000.00	5.200000	4,579,165.00	22,404,165.00	26,983,330.00
9/ 1/ 2			4,115,715.00	4,115,715.00	
3/ 1/ 3	18,570,000.00	5.300000	4,115,715.00	22,685,715.00	26,801,430.00
9/ 1/ 3			3,623,610.00	3,623,610.00	
3/ 1/ 4	19,370,000.00	5.400000	3,623,610.00	22,993,610.00	26,617,220.00
9/ 1/ 4			3,100,620.00	3,100,620.00	
3/ 1/ 5	20,225,000.00	5.450000	3,100,620.00	23,325,620.00	26,426,240.00
9/ 1/ 5			2,549,488.75	2,549,488.75	
3/ 1/ 6	21,125,000.00	5.500000	2,549,488.75	23,674,488.75	26,223,977.50
9/ 1/ 6			1,968,551.25	1,968,551.25	
3/ 1/ 7	22,075,000.00	5.550000	1,968,551.25	24,043,551.25	26,012,102.50
9/ 1/ 7			1,355,970.00	1,355,970.00	
3/ 1/ 8	23,075,000.00	5.680000	1,355,970.00	24,430,970.00	25,786,940.00
9/ 1/ 8			700,640.00	700,640.00	
3/ 1/ 9	24,160,000.00	5.800000	700,640.00	24,860,640.00	25,561,280.00
	200,000,000.00		64,881,397.50	264,881,397.50	
ACCRUED	200,000,000.00		64,881,397.50	264,881,397.50	
			=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 1,170,400.000
Average Coupon 5.543523
Average Life 5.852000
M I C : 5.543523 : Using 100.0000000
T I C : 5.531552 : From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 10:31:52 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997
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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			1,609,369.25	1,609,369.25	
3/ 1/ 0	3,925,000.00	6.050000	1,609,369.25	5,534,369.25	7,143,738.50
9/ 1/ 0			1,490,638.00	1,490,638.00	
3/ 1/ 1	4,125,000.00	6.100000	1,490,638.00	5,615,638.00	7,106,276.00
9/ 1/ 1			1,364,825.50	1,364,825.50	
3/ 1/ 2	4,335,000.00	6.200000	1,364,825.50	5,699,825.50	7,064,651.00
9/ 1/ 2			1,230,440.50	1,230,440.50	
3/ 1/ 3	4,560,000.00	6.300000	1,230,440.50	5,790,440.50	7,020,881.00
9/ 1/ 3			1,086,800.50	1,086,800.50	
3/ 1/ 4	4,800,000.00	6.400000	1,086,800.50	5,886,800.50	6,973,601.00
9/ 1/ 4			933,200.50	933,200.50	
3/ 1/ 5	5,060,000.00	6.450000	933,200.50	5,993,200.50	6,926,401.00
9/ 1/ 5			770,015.50	770,015.50	
3/ 1/ 6	5,340,000.00	6.500000	770,015.50	6,110,015.50	6,880,031.00
9/ 1/ 6			596,465.50	596,465.50	
3/ 1/ 7	5,630,000.00	6.550000	596,465.50	6,226,465.50	6,822,931.00
9/ 1/ 7			412,083.00	412,083.00	
3/ 1/ 8	5,945,000.00	6.680000	412,083.00	6,357,083.00	6,769,166.00
9/ 1/ 8			213,520.00	213,520.00	
3/ 1/ 9	6,280,000.00	6.800000	213,520.00	6,493,520.00	6,707,040.00
	50,000,000.00		19,414,716.50	69,414,716.50	
ACCRUED	50,000,000.00		19,414,716.50	69,414,716.50	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 296,505.000
Average Coupon 6.547855
Average Life 5.930100
N I C % 6.547855 % Using 100.0000000
T I C % 6.534055 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:07:22 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99					
3/ 1/ 0	5,620,000.00	6.050000	2,416,361.25	2,416,361.25	
9/ 1/ 0			2,416,361.25	8,036,361.25	10,452,722.50
3/ 1/ 1	5,960,000.00	6.100000	2,246,356.25	2,246,356.25	
9/ 1/ 1			2,246,356.25	8,206,356.25	10,452,712.50
			2,064,576.25	2,064,576.25	
3/ 1/ 2	6,320,000.00	6.200000	2,064,576.25	8,384,576.25	10,449,152.50
9/ 1/ 2			1,868,656.25	1,868,656.25	
3/ 1/ 3	6,715,000.00	6.300000	1,868,656.25	8,583,656.25	10,452,312.50
9/ 1/ 3			1,657,133.75	1,657,133.75	
3/ 1/ 4	7,135,000.00	6.400000	1,657,133.75	8,792,133.75	10,449,267.50
9/ 1/ 4			1,428,813.75	1,428,813.75	
3/ 1/ 5	7,595,000.00	6.450000	1,428,813.75	9,023,813.75	10,452,627.50
9/ 1/ 5			1,183,875.00	1,183,875.00	
3/ 1/ 6	8,085,000.00	6.500000	1,183,875.00	9,268,875.00	10,452,750.00
9/ 1/ 6			921,112.50	921,112.50	
3/ 1/ 7	8,610,000.00	6.550000	921,112.50	9,531,112.50	10,452,225.00
9/ 1/ 7			639,135.00	639,135.00	
3/ 1/ 8	9,175,000.00	6.680000	639,135.00	9,814,135.00	10,453,270.00
9/ 1/ 8			332,690.00	332,690.00	
3/ 1/ 9	9,785,000.00	6.800000	332,690.00	10,117,690.00	10,450,380.00
	75,000,000.00		29,517,420.00	104,517,420.00	
ACCRUED	75,000,000.00		29,517,420.00	104,517,420.00	
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Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 450,505.000

Average Coupon 6.552074

Average Life 6.006733

N I C % 6.552074 % Using 100.0000000

T I C % 6.538462 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:10:45 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			3,221,820.75	3,221,820.75	
3/ 1/ 0	7,490,000.00	6.050000	3,221,820.75	10,711,820.75	13,933,641.50
9/ 1/ 0			2,995,248.25	2,995,248.25	
3/ 1/ 1	7,945,000.00	6.100000	2,995,248.25	10,940,248.25	13,935,496.50
9/ 1/ 1			2,752,925.75	2,752,925.75	
3/ 1/ 2	8,430,000.00	6.200000	2,752,925.75	11,182,925.75	13,935,851.50
9/ 1/ 2			2,491,595.75	2,491,595.75	
3/ 1/ 3	8,955,000.00	6.300000	2,491,595.75	11,446,595.75	13,938,191.50
9/ 1/ 3			2,209,513.25	2,209,513.25	
3/ 1/ 4	9,515,000.00	6.400000	2,209,513.25	11,724,513.25	13,934,026.50
9/ 1/ 4			1,905,033.25	1,905,033.25	
3/ 1/ 5	10,125,000.00	6.450000	1,905,033.25	12,030,033.25	13,935,066.50
9/ 1/ 5			1,578,502.00	1,578,502.00	
3/ 1/ 6	10,780,000.00	6.500000	1,578,502.00	12,358,502.00	13,937,004.00
9/ 1/ 6			1,228,152.00	1,228,152.00	
3/ 1/ 7	11,480,000.00	6.550000	1,228,152.00	12,708,152.00	13,936,304.00
9/ 1/ 7			852,182.00	852,182.00	
3/ 1/ 8	12,230,000.00	6.680000	852,182.00	13,082,182.00	13,934,364.00
9/ 1/ 8			443,700.00	443,700.00	
3/ 1/ 9	13,050,000.00	6.800000	443,700.00	13,493,700.00	13,937,400.00
	100,000,000.00		39,357,346.00	139,357,346.00	
ACCRUED	100,000,000.00		39,357,346.00	139,357,346.00	
	*****		*****	*****	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 600,685.000
Average Coupon 6.552077
Average Life 6.006850
N I C % 6.552077 % Using 100.0000000
T I C % 6.538465 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:12:05 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,027,271.00	4,027,271.00	
3/ 1/ 0	9,365,000.00	6.050000	4,027,271.00	13,392,271.00	17,419,542.00
9/ 1/ 0			3,743,979.75	3,743,979.75	
3/ 1/ 1	9,930,000.00	6.100000	3,743,979.75	13,673,979.75	17,417,959.50
9/ 1/ 1			3,441,114.75	3,441,114.75	
3/ 1/ 2	10,540,000.00	6.200000	3,441,114.75	13,981,114.75	17,422,229.50
9/ 1/ 2			3,114,374.75	3,114,374.75	
3/ 1/ 3	11,190,000.00	6.300000	3,114,374.75	14,304,374.75	17,418,749.50
9/ 1/ 3			2,761,889.75	2,761,889.75	
3/ 1/ 4	11,895,000.00	6.400000	2,761,889.75	14,656,889.75	17,418,779.50
9/ 1/ 4			2,381,249.75	2,381,249.75	
3/ 1/ 5	12,655,000.00	6.450000	2,381,249.75	15,036,249.75	17,417,499.50
9/ 1/ 5			1,973,126.00	1,973,126.00	
3/ 1/ 6	13,475,000.00	6.500000	1,973,126.00	15,448,126.00	17,421,252.00
9/ 1/ 6			1,535,188.50	1,535,188.50	
3/ 1/ 7	14,350,000.00	6.550000	1,535,188.50	15,885,188.50	17,420,377.00
9/ 1/ 7			1,065,226.00	1,065,226.00	
3/ 1/ 8	15,290,000.00	6.680000	1,065,226.00	16,355,226.00	17,420,452.00
9/ 1/ 8			554,540.00	554,540.00	
3/ 1/ 9	16,310,000.00	6.800000	554,540.00	16,864,540.00	17,419,080.00
	125,000,000.00		49,195,920.50	174,195,920.50	
ACCRUED	125,000,000.00		49,195,920.50	174,195,920.50	
	=====		=====	=====	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 750,845.000

Average Coupon 6.552074

Average Life 6.006760

W I C % 6.552074 % Using 100.0000000

T I C % 6.538462 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:13:05 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997

=====

Debt Service Schedule

=====

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			4,832,718.00	4,832,718.00	
3/ 1/ 0	11,240,000.00	6.050000	4,832,718.00	16,072,718.00	20,905,436.00
9/ 1/ 0			4,492,708.00	4,492,708.00	
3/ 1/ 1	11,915,000.00	6.100000	4,492,708.00	16,407,708.00	20,900,416.00
9/ 1/ 1			4,129,300.50	4,129,300.50	
3/ 1/ 2	12,645,000.00	6.200000	4,129,300.50	16,774,300.50	20,903,601.00
9/ 1/ 2			3,737,305.50	3,737,305.50	
3/ 1/ 3	13,430,000.00	6.300000	3,737,305.50	17,167,305.50	20,904,611.00
9/ 1/ 3			3,314,260.50	3,314,260.50	
3/ 1/ 4	14,275,000.00	6.400000	3,314,260.50	17,589,260.50	20,903,521.00
9/ 1/ 4			2,857,460.50	2,857,460.50	
3/ 1/ 5	15,190,000.00	6.450000	2,857,460.50	18,047,460.50	20,904,921.00
9/ 1/ 5			2,367,583.00	2,367,583.00	
3/ 1/ 6	16,170,000.00	6.500000	2,367,583.00	18,537,583.00	20,905,166.00
9/ 1/ 6			1,842,058.00	1,842,058.00	
3/ 1/ 7	17,220,000.00	6.550000	1,842,058.00	19,062,058.00	20,904,116.00
9/ 1/ 7			1,278,103.00	1,278,103.00	
3/ 1/ 8	18,345,000.00	6.680000	1,278,103.00	19,623,103.00	20,901,206.00
9/ 1/ 8			665,380.00	665,380.00	
3/ 1/ 9	19,570,000.00	6.800000	665,380.00	20,235,380.00	20,900,760.00
	150,000,000.00		59,033,754.00	209,033,754.00	
ACCRUED	150,000,000.00		59,033,754.00	209,033,754.00	

Dated 3/ 1/99 with Delivery of 3/ 1/99
Bond Years 900,995.000
Average Coupon 6.552062
Average Life 6.006633
M I C 6.552062 % Using 100.0000000
T I C 6.538451 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:14:40 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			5,638,184.50	5,638,184.50	
3/ 1/ 0	13,110,000.00	6.050000	5,638,184.50	18,748,184.50	24,386,369.00
9/ 1/ 0			5,241,607.00	5,241,607.00	
3/ 1/ 1	13,905,000.00	6.100000	5,241,607.00	19,146,607.00	24,388,214.00
9/ 1/ 1			4,817,504.50	4,817,504.50	
3/ 1/ 2	14,750,000.00	6.200000	4,817,504.50	19,567,504.50	24,385,009.00
9/ 1/ 2			4,360,254.50	4,360,254.50	
3/ 1/ 3	15,665,000.00	6.300000	4,360,254.50	20,025,254.50	24,385,509.00
9/ 1/ 3			3,866,807.00	3,866,807.00	
3/ 1/ 4	16,655,000.00	6.400000	3,866,807.00	20,521,807.00	24,388,614.00
9/ 1/ 4			3,333,847.00	3,333,847.00	
3/ 1/ 5	17,720,000.00	6.450000	3,333,847.00	21,053,847.00	24,387,694.00
9/ 1/ 5			2,762,377.00	2,762,377.00	
3/ 1/ 6	18,865,000.00	6.500000	2,762,377.00	21,627,377.00	24,389,754.00
9/ 1/ 6			2,149,264.50	2,149,264.50	
3/ 1/ 7	20,090,000.00	6.550000	2,149,264.50	22,239,264.50	24,388,529.00
9/ 1/ 7			1,491,317.00	1,491,317.00	
3/ 1/ 8	21,405,000.00	6.680000	1,491,317.00	22,896,317.00	24,387,634.00
9/ 1/ 8			776,390.00	776,390.00	
3/ 1/ 9	22,835,000.00	6.800000	776,390.00	23,611,390.00	24,387,780.00
	175,000,000.00		68,875,106.00	243,875,106.00	
ACCRUED	175,000,000.00		68,875,106.00	243,875,106.00	
	*****		*****	*****	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 1,051,195.000
Average Coupon 6.552077
Average Life 6.006829
M I C ‡ 6.552077 ‡ Using 100.0000000
T I C ‡ 6.538465 ‡ From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:15:46 Filename: DAVE Key: DAVE1

State of Alaska
AA General Obligation Bonds
Current Interest Rates +200 bps As Of 10/7/1997

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/99			6,443,629.75	6,443,629.75	
3/ 1/ 0	14,985,000.00	6.050000	6,443,629.75	21,428,629.75	27,872,259.50
9/ 1/ 0			5,990,333.50	5,990,333.50	
3/ 1/ 1	15,890,000.00	6.100000	5,990,333.50	21,880,333.50	27,870,667.00
9/ 1/ 1			5,505,688.50	5,505,688.50	
3/ 1/ 2	16,860,000.00	6.200000	5,505,688.50	22,365,688.50	27,871,377.00
9/ 1/ 2			4,983,028.50	4,983,028.50	
3/ 1/ 3	17,905,000.00	6.300000	4,983,028.50	22,888,028.50	27,871,057.00
9/ 1/ 3			4,419,021.00	4,419,021.00	
3/ 1/ 4	19,035,000.00	6.400000	4,419,021.00	23,454,021.00	27,873,042.00
9/ 1/ 4			3,809,901.00	3,809,901.00	
3/ 1/ 5	20,250,000.00	6.450000	3,809,901.00	24,059,901.00	27,869,802.00
9/ 1/ 5			3,156,838.50	3,156,838.50	
3/ 1/ 6	21,555,000.00	6.500000	3,156,838.50	24,711,838.50	27,868,677.00
9/ 1/ 6			2,456,301.00	2,456,301.00	
3/ 1/ 7	22,960,000.00	6.550000	2,456,301.00	25,416,301.00	27,872,602.00
9/ 1/ 7			1,704,361.00	1,704,361.00	
3/ 1/ 8	24,465,000.00	6.680000	1,704,361.00	26,169,361.00	27,873,722.00
9/ 1/ 8			887,230.00	887,230.00	
3/ 1/ 9	26,095,000.00	6.800000	887,230.00	26,982,230.00	27,869,460.00
	200,000,000.00		78,712,665.50	278,712,665.50	
ACCRUED	200,000,000.00		78,712,665.50	278,712,665.50	

Dated 3/ 1/99 with Delivery of 3/ 1/99

Bond Years 1,201,340.000

Average Coupon 6.552072

Average Life 6.006700

M I C % 6.552072 % Using 100.0000000

T I C % 6.538460 % From Delivery Date

Micro-Muni Sizing Date: 10-07-1997 @ 11:17:05 Filename: DAVE Key: DAVE1



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS

(in millions)

as of June 30, 1996

GROWTH OF FUND PRINCIPAL

FY	FY Begin Balance	Appropriations	Dedicated State Revenue ⁽¹⁾	Inflation-Proofing	FY End Balance	Inflation-Proofing Shortfall
78						
79						
80	4,838	2,700	2,424	617	5,741	
81	5,741		323	216	6,281	
82	6,281	1,264 ⁽²⁾	170	148	7,864	
83	7,054		418	303	8,585	
84	8,585		228	360	9,173	
85	9,173		257	454	9,884	
86	9,884		435	559	10,888	
87	10,888		338	477	11,703	
88	11,703	5 ⁽²⁾	315	362	12,385	
89	12,385	6	210	372	12,973	
90	12,973	8	318	348	13,645	
91	13,645	1,860 ⁽³⁾	264	407	16,176	
92	16,176	9	218	490	16,891	
93	16,891	10	217	544	17,663	
94	17,663	11	229	569	18,472	
95	18,472	12	231	595	19,309	
96	19,309	13	233	622	20,177	
97	20,177	13	239	650	21,080	
98	21,080	14	238	678	22,011	
99	22,011	16	237	708	22,972	
00	22,972	17	229	738	23,955	
01	23,955	18	218	769	24,960	
02	24,960	19	209	801	25,990	
03	25,990	21	203	834	27,048	
04	27,048	22	202	867	28,139	
05	28,139	24	198	902	29,262	
06	29,262	25	195	938	30,420	
07	30,420	27	191	974	31,613	
08	31,613	29	184	1,012	32,838	
09	32,838	32	178	1,051	34,098	
10	34,098	34	169	1,091	35,392	
Cumulative Totals Projected For FY 1996 - 2015:						
		4,280	15,241			

USE OF FUND INCOME

Net Income	Distributions			Reserves		FY
	Dividends	Inflation-Proofing	General Fund	Add (Delete)	FY End Balance	
2,219	653	617	186	763	763	78
1,021	303	216		501	1,264	79
1,069	391	148		529	529	80
789	424	303		62	591	81
868	460	360	4	44	635	82
916	487	454	4	(30)	605	83
1,030	489	559	4	(24)	581	84
1,028	488	477	5	64	645	85
1,226	532	362	5	320	965	86
1,098	556	372	11	151	1,117	87
1,013	565	348	8	86	1,203	88
1,814	643	407	1	(1,250)	100	89
1,217	659	490		59	159	90
1,310	668	544		68	246	91
1,376	695	569		101	347	92
1,448	739	595		100	447	93
1,518	711	622		172	619	94
1,597	750	650		184	803	95
1,680	788	678		199	1,002	96
1,767	828	708		215	1,217	97
1,856	870	738		231	1,448	98
1,949	915	769		247	1,695	99
2,044	961	801		263	1,958	00
2,143	1,008	834		280	2,239	01
2,245	1,057	867		299	2,537	02
2,351	1,108	902		318	2,855	03
2,461	1,160	938		338	3,194	04
2,576	1,214	974		360	3,553	05
2,694	1,271	1,012		382	3,935	06
2,817	1,329	1,051		408	4,341	07
2,944	1,389	1,091		430	4,771	08
39,804	18,762	15,241	1			15

REALIZED RATE OF RETURN ASSUMPTIONS:

	Nominal	Inflation	Real
FY 98:	11.00%	2.82%	8.18%
FY 97: ⁽⁴⁾	7.15%	2.99%	4.16%
FY 96 - 2015: ⁽⁵⁾	7.31%	3.18%	4.16%

⁽¹⁾ Department of Revenue Fall 1995 Mid-Case Revenue Forecast.

⁽²⁾ Earnings reserve appropriated to principal July 1, 1987 and 1995.

⁽³⁾ Transferred to principal from earnings reserve account per AS 37.13.145(d).

⁽⁴⁾ Based on 1995 Callan capital market assumptions.

STATUS QUO

Meeting Alaska's Collective Needs

Proposal for an Alaska Community Dividend Program

- A community dividend would be paid annually, just like the Permanent Fund's individual dividend, to local governments based on population, to buy, build or maintain schools and colleges, roads, health clinics, fire and police equipment and other facilities.
- To get started, income from the Permanent Fund, after that set-aside for inflation-proofing, would be split between the current dividend (which would stay at today's level until the community dividend catches up) and the community dividend paid to local governments.
- The Permanent Fund has a principal value today of over \$22 billion. It will continue to grow from additional deposits from state revenues. Over \$720 million in Permanent Fund income will be paid out this year to individuals.
- Between 1982, when the individual dividend started, and 1996, over six billion dollars has been paid out in dividends. Projections show that at least three times that amount -- or \$19 billion -- will be available for distribution between now and 2015. If the Fund keeps its current earnings level, more than twice that amount would be available.
- When Permanent Fund payments are made to individuals, the payments are taxed by the federal government. When payments are made to local governments, the payments are not taxed. This proposal will redirect hundreds of millions of dollars yearly from federal taxes to meet Alaska's collective needs.
- Besides the existing Permanent Fund dividend and inflation proofing, Permanent Fund income is used for no other purpose today than increasing the size of the Fund itself. **We should not touch the corpus of the Fund.** We should encourage its growth with additional resource revenues.
- Alaska's Permanent Fund comes from resource assets that were given to Alaska at the time of statehood. **Congress believed Alaska could not meet its collective needs with taxes alone.** The community dividend program will use income from a collective asset, the Permanent Fund, to meet collective needs.

October 7, 1997



State of Alaska

Bond Briefing Presentation



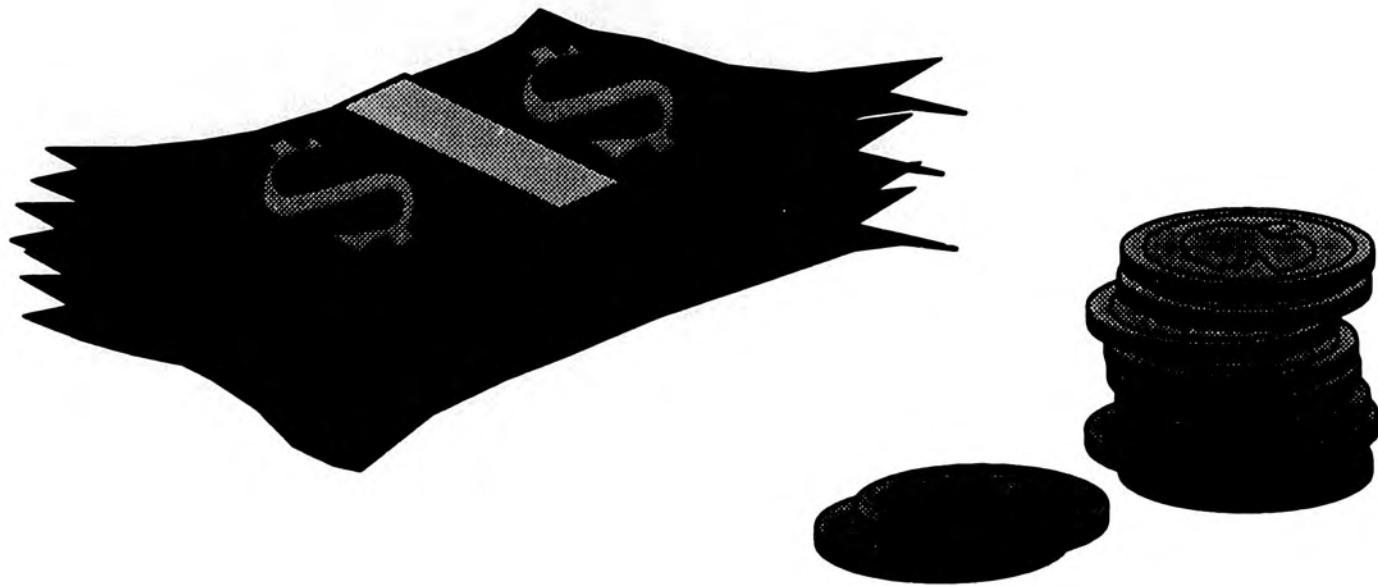
October 20, 1997



Agenda

- Alaska Public Debt
- Bonding 101
- Bond Ratings
- State Debt Capacity
- Possible Financing Master Plan

Alaska Public Debt



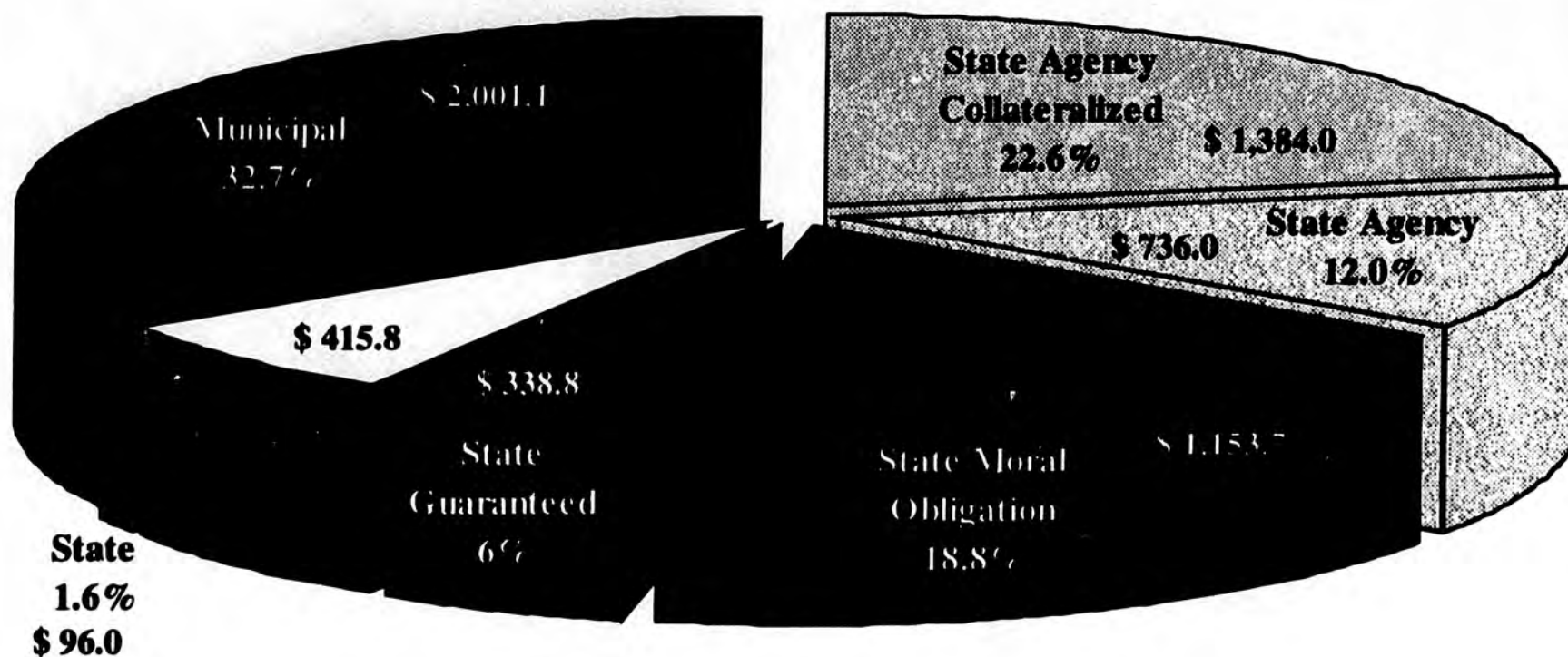
Types of Alaska Public Debt

- State Debt
- State Moral Obligation Debt
- State Supported Debt
- State Guaranteed Debt
- State and University Revenue Debt
- State Agency Debt
- State Agency Collateralized Debt
- Municipal Debt
- Industrial Development Bonds



Alaska Public Debt by Type

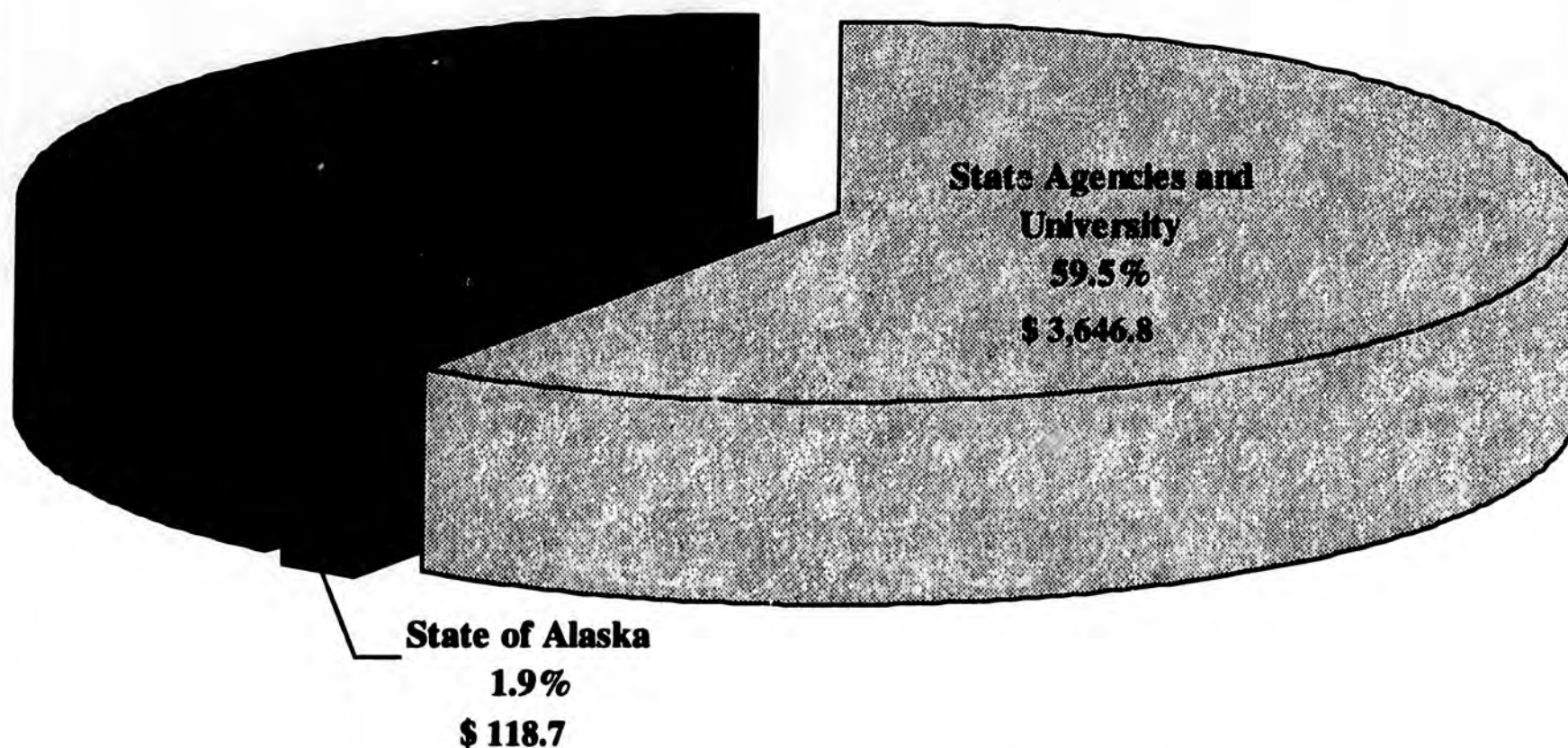
\$ (millions)



Total Alaska Public Debt: Approximately \$6.1 Billion

Alaska Public Debt by Issuer

\$ (millions)



Total Alaska Public Debt: Approximately \$6.1 Billion



Bonding 101

**(What you always wanted to know
about bonds but were afraid to ask!)**



General Obligation vs. Revenue Bonds

General Obligation

- Backed by general credit and taxing powers of the state
- More diverse credit structure
- Requires voter approval
- Least cost, most flexibility



Revenue

- Backed by specific revenue stream
- Matches sources of payment for bonds to the project financed
- Users pay cost of project and financing
- Variety of revenues could be pledged to pay debt service
- Covenants could limit bonding capacity

What is Arbitrage?



- Profits from buying money in one market and selling money in another market
- Issuing tax-exempt bonds and investing in higher yielding taxable securities
- Tax-exempt bonds are subject to U.S. Treasury regulations; arbitrage profits may have to be rebated to U.S. Treasury or fund investments may have to be yield-restricted

Annual Cost per \$ Million of Bonds

(\$ thousands)

Term

Interest Rate

5%

5.5%

6%

10 years

\$ 129.4

\$ 132.6

\$ 135.7

15 years

96.3

99.6

102.9

20 years

\$ 80.2

\$ 83.6

\$ 87.1

For example, \$99.6 thousand is the annual debt service on \$1 million of 15 year bonds at 5.5% interest.

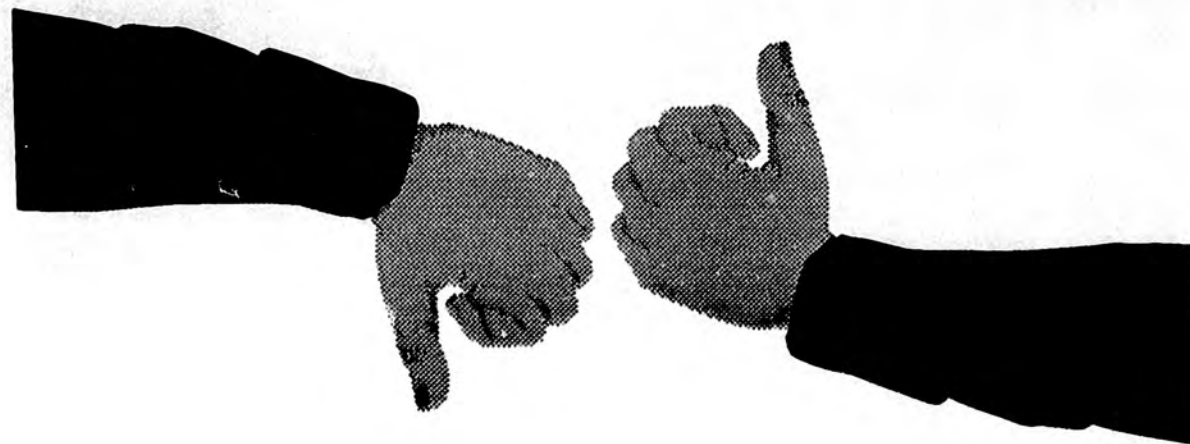
Bond Proceeds per \$ Million of Annual Cost

(\$ millions)

<u>Term</u>	<u>Interest Rate</u>		
	<u>5%</u>	<u>5.5%</u>	<u>6%</u>
10 years	\$ 7.7	\$ 7.5	\$ 7.4
15 years	10.4	10.0	9.7
20 years	\$ 12.5	\$ 12.0	\$ 11.5

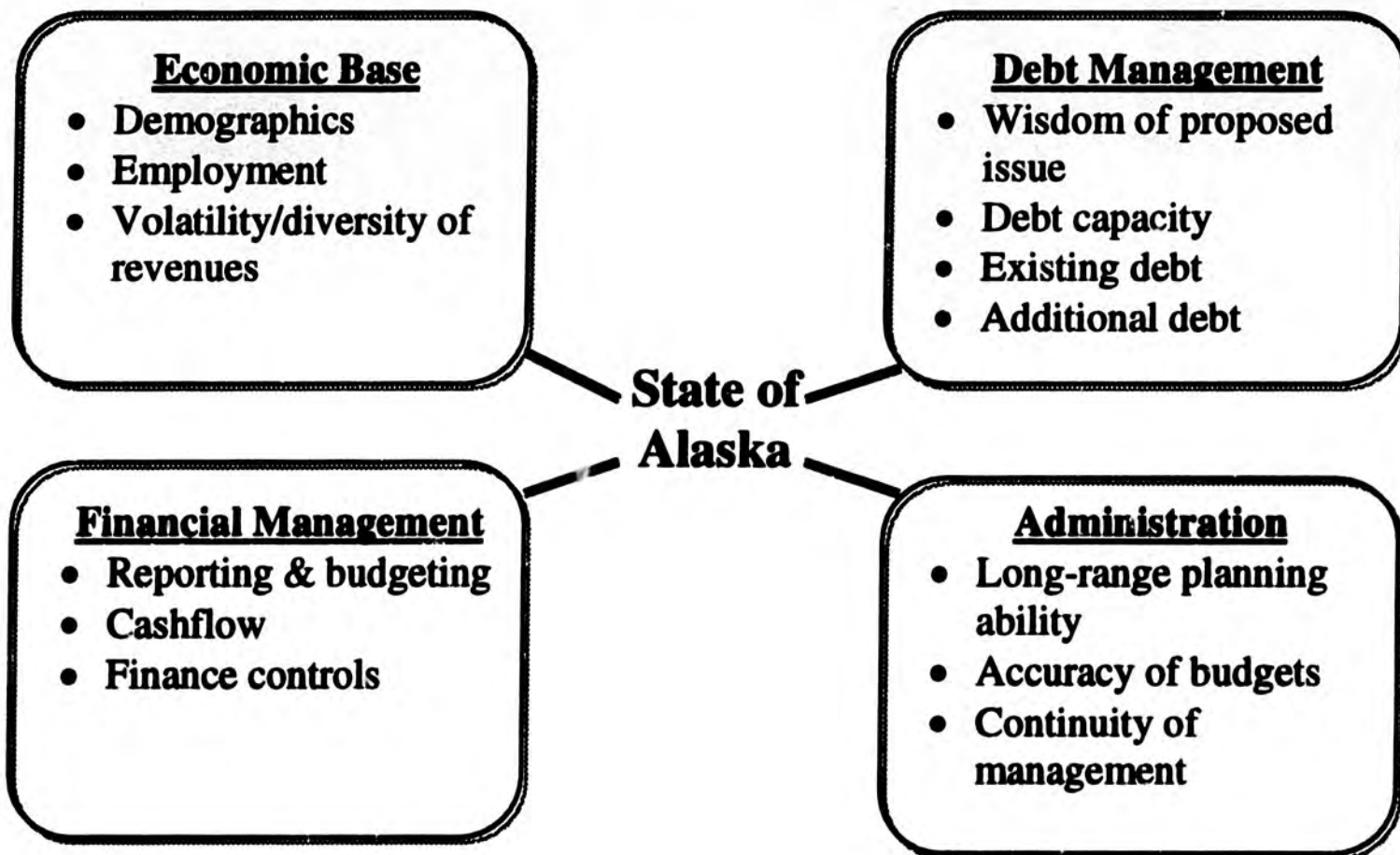
For example, \$1 million per year is the annual debt service on \$10.0 million of 15 year bonds at 5.5% interest.

Bond Ratings



Market and Rating Criteria

(assessing ability and willingness to pay)



State General Obligation Bond Rating History



	<u>Moody's</u>	<u>S & P</u>
1961	BAA	
1969	BAA1	
1971		A
1974	A1	
1975		A+
1980	AA	AA-
1992		AA
1997	AA	AA

G.O. Bond Ratings

All States

(Moody's)

Above AA

12 States

AA

**21 States
(Including Alaska)**

Below AA

8 States

Not Rated

**9 States
(No G.O. Debt)**

State Debt Capacity



State Debt Capacity Observations



- Projected fiscal gap is limiting factor
- 80% of revenues from oil is a limiting factor
- Permanent Fund is a positive factor
- Constitutional Budget Reserve is a positive factor

State Debt Capacity Guidelines

- Debt per capita
- Debt per \$1,000 of personal income
- Debt to full property value
- Ratio of debt service to revenues



Debt Service to Revenues

- Include debt service on state and state supported debt
- Applied to unrestricted General Fund revenues
- 5% Guideline for AA rating



State Debt Capacity

\$ (millions)

Debt Service/Revenues *

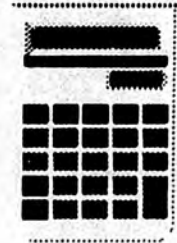
<u>Fiscal Year</u>	<u>5%</u>	<u>8%</u>
1999	\$124.0	\$ 713.3
2000	114.4	88.5
2001	156.1	164.2
2002	94.4	77.5
2003	8.4	(5.0)
2004	\$ 1.5	\$(16.9)

* Based on DOR Fall 1996/Spring 1997 Revenue Sources Book.

Summary

State Debt Capacity

(Current “AA” Bond Rating)



- Assume the current projection of unrestricted General Fund revenues
- Assume issuance of 15 year bonds at 5.5% interest
- Then \$700-\$800 million of State debt could be issued over the next five years

Possible State Financing Program

