

Change Record Detail with Description (285)
Debt Service

Scenario: FY2014 Supplemental (11324)
Component: General Obligation (AR 0) (792)
RDU: Debt Service (251)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
FY2014 Supplemental												
FY2014 Fund Source Change for Series 2010AB												
(Language)	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		414.6										
1212 Fed ARRA		-414.6										

Federal reimbursement for eligible state bonds has been reduced by 8.7% in FY2014. General obligation bonds series 2010 A was reduced by \$205,688 and series 2010 B was reduced by 208,852 for a total federal reimbursement reduction of \$414,540.

Section 25(h), ch. 14, SLA 2013, page 81 line 31 through page 82, line 22, is amended to read:

- (5) the sum of \$632,200 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2010A, 2010B, and 2010C general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B;
- (6) the sum of \$2,158,541[2,364,229] from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Build America Bond credit payments due on the series 2010A general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B;
- (7) the sum of \$2,191,748 [2,400,600] from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bond interest subsidy payments due on the series 2010B general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B;
- (8) the sum of \$1,040,000 from the Alaska debt retirement fund (AS 37.15.011) for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B;
- (9) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B, after payment made in (5), (6), (7), and (8) of this subsection, estimated to be \$3,136,360 [2,721,820], from the general fund for that purpose.

Projected funding sources for debt service in the FY2015 Governor's budget are based on the most recent information.

FY2014 Series 2013 Federal Reimbursement Eligibility

(Language)	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-430.1										
1212 Fed ARRA		430.1										

General obligation bond series 2013 A is eligible for federal reimbursement, but this funding source was not included in the FY2014 operating budget.

This supplemental also provides for a technical correction to remove reference to 2013D as this general obligation bond series was not issued.

(10) the

(A) amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013A, estimated to be \$430,095, from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bond interest subsidy payments due on the series 2013A general obligation bonds;

(B) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013A, 2013B, and

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										PFT	PPT	NP
<p>2013C, [and 2013D,] after the payment made in (A) of this subsection, estimated to be \$17,269,905[17,700,000], from the general fund for that purpose (11) the amount necessary for payment of trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, 2009A, 2010A, 2010B, 2012A, 2013A, 2013B, and 2013C, [AND 2013D,] estimated to be \$5,300, from the general fund for that purpose;</p> <p>Projected funding sources for debt service in the FY2015 Governor's budget are based on the most recent information.</p>												
Component Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Debt Service

Scenario: FY2014 Supplemental (11324)
Component: International Airport Revenue Bonds (AR 0) (2284)
RDU: Debt Service (251)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
FY2014 Debt Service Fund Source Changes												
(Language)	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-429.8										
1027 Int Airprt		-1,962.6										
1179 PFC		2,000.0										
1212 Fed ARRA		392.4										

The Alaska International Airport System (AIAS) requests fund source changes relating to FY2014 International Airport debt service in order to increase the amount of Passenger Facility Charges (PFC) currently approved, and to change the federal subsidy funding code from federal receipts (1002) to federal stimulus: ARRA 2009 (1212).

As with previous supplemental requests in years' past, this request utilizes amounts deemed by AIAS as surplus and available in order to help minimize the amount of revenue needed to be collected from airport customers while meeting debt service coverage ratios required under the bond resolution rate covenant.

The AIAS proposes increasing the use of PFC previously collected under the provisions of a Federal Aviation Administration PFC application for the payment of FY2014 annual debt service in the amount of an additional \$2.0 million and reducing the international airports revenue fund by the same amount. This change will assist AIAS in meeting anticipated lower traffic levels for the remainder of FY2014 without the necessity of implementing a mid-year rate and fees increase on the airline customers.

The use of these particular funds in lieu of the international airports revenue fund also allows the AIAS to provide debt service payments from funds on hand, net of the additional 25% debt service coverage which would otherwise be required to be collected through current fiscal year operating revenue rate and fee increases to AIAS customers.

This appropriation change will allow AIAS to meet the technical requirements of their bond resolution rate covenant while also minimizing the need for rate and fee changes to customers.

The funding code change from federal receipts to federal stimulus: ARRA 2009 is a technical correction to record federal subsidies for debt service. Similar changes were made in the FY2014 budget for general obligation bonds eligible for federal reimbursement, and should have been applied to AIAS bonds as well. This federal interest subsidy has been reduced by 8.7% (\$37,389) for FY2014. The international airports revenue fund has been increased due to this.

The language in the supplemental bill has been reworded for this subsection to allow for flexibility of funding amounts, such as for changes due to sequestration. This is in-line with how the Debt and Other Obligations section in the FY2015 Governor's budget has been written.

(b) Section 25(i), ch. 14, SLA 2013, is repealed and reenacted to read:

(i) The following amounts are appropriated to the state bond committee from the specified sources, and for the stated purposes, for the fiscal year ending June 30, 2014:

(1) the amount necessary for payment of debt service on outstanding international airports revenue bonds, estimated to be \$7,200,000, from the collection of Federal Aviation Administration approved passenger facility charges at the Alaska International Airports System;

(2) the amount necessary for payment of debt service and trustee fees on outstanding international airports revenue bonds, estimated to be \$392,373, from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Build America Bonds federal interest

