

**State of Alaska**  
**FY2020 Governor's Operating Budget**

**Department of Revenue**  
**AMBBA Operations**  
**RDU/Component Budget Summary**

**RDU/Component: AMBBA Operations**

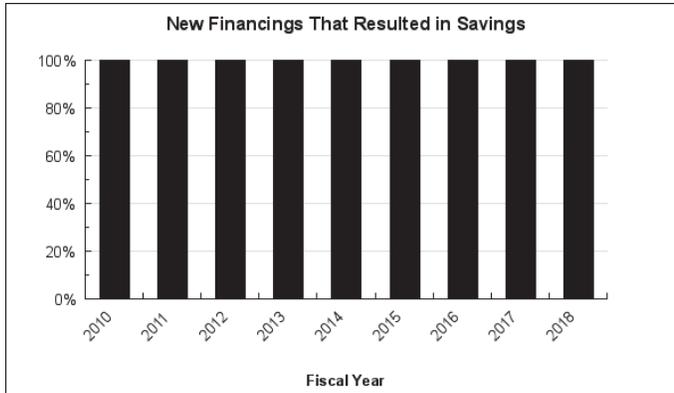
*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)*

**Contribution to Department's Mission**

The mission of the Alaska Municipal Bond Bank is to provide municipalities with financing options for capital projects.

**Results**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



**Core Services**

- Provide lowest cost financing for Alaska municipal governments

**Measures by Core Service**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

**1. Provide lowest cost financing for Alaska municipal governments**

Target: The Bond Bank will finance 100% of the deals done statewide by municipalities with less than A1 ratings.

**Major Component Accomplishments in 2018**

- Expenditures of the Bond Bank were diminished by 21.6% due to the lower activity level and lower professional service expenses. The Bond Bank sold one bond series in FY 2018, to fund a \$31.2 million loan to the Kenai Peninsula Borough for capital improvements to their Central Peninsula Hospital. The Bond Bank loan is estimated to have saved the Borough \$3.4 million.

## Key Component Challenges

- Management of reserve fund securities, cash and surety positions such that earnings rates are adequate to pay for operating costs has been more challenging in the low interest rate environment of recent years.
- Maintaining the Bond Bank's credit ratings. Regular communication and explanation of the Bond Bank's security structure, in combination with updates on the current events at the State of Alaska to the rating analysts are key to meeting this challenge. As of October 26, 2018, Fitch and S&P rate the main program of the Bond Bank at 'AA-' just one notch off the State of Alaska's general obligation bond credit rating. During fiscal year 2018, Moody's upgraded the Bond Bank's credit rating while S&P and Fitch downgraded the Bond Bank. All three ratings agencies revised the Bond Bank's outlook to stable from negative.
- The Board has discussed extricating Bond Bank staff positions from Treasury Division's umbrella to increase flexibility and control of the program. This change would result in an increased budgetary need for the Bond Bank, which could be derived from user fees and increased budgetary need for Treasury Division that would require general fund support.
- The statewide economic slowdown, diminished state capital budget, and moratorium on the school debt reimbursement program slowed activity of the Bond Bank in FY 2018. At the same time, diminished state credit ratings have lowered the Bond Bank's ratings and decreased the economic advantage that the Bond Bank provides to higher rated municipalities. The Bond Bank Board has directed staff to explore additional means of lowering the cost of borrowing in Alaska.
- There has been a great deal of movement on the makeup of the Board of Directors. Recently, two out of three of the public members appointed by the governor had turnover due to term expirations. Additionally, there was a new Commissioner appointment at DCCED during the fiscal year, who joined the Bond Bank Board.

## Significant Changes in Results to be Delivered in FY2020

No changes in results delivered.

## Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information
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AMBBA Operations Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>			
Full-time	1	1	Annual Salaries		138,089
Part-time	0	0	COLA		1,897
Nonpermanent	0	0	Premium Pay		0
			Annual Benefits		66,477
			<i>Less 3.81% Vacancy Factor</i>		(7,863)
			Lump Sum Premium Pay		0
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>Total Personal Services</b>		<b>198,600</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
State Investment Officer	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

**Component Detail All Funds**  
**Department of Revenue**

**Component:** AMBBA Operations (108)  
**RDU:** Alaska Municipal Bond Bank Authority (44)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	194.3	202.6	202.6	195.9	198.6	2.7	1.4%
72000 Travel	13.6	14.5	14.5	14.5	14.5	0.0	0.0%
73000 Services	290.4	785.7	785.7	792.4	792.4	0.0	0.0%
74000 Commodities	0.0	3.8	3.8	3.8	3.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>498.3</b>	<b>1,006.6</b>	<b>1,006.6</b>	<b>1,006.6</b>	<b>1,009.3</b>	<b>2.7</b>	<b>0.3%</b>
<b>Fund Sources:</b>							
1104 MBB Rcpts (Other)	498.3	901.6	901.6	901.6	904.3	2.7	0.3%
1108 Stat Desig (Other)	0.0	105.0	105.0	105.0	105.0	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>498.3</b>	<b>1,006.6</b>	<b>1,006.6</b>	<b>1,006.6</b>	<b>1,009.3</b>	<b>2.7</b>	<b>0.3%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	1	1	1	1	1	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Revenue**

**Component:** AMBBA Operations (108)  
**RDU:** Alaska Municipal Bond Bank Authority (44)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
<b>FY2019 Conference Committee</b>	ConfCom	1,006.6	202.6	14.5	785.7	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		901.6										
1108 Stat Desig		105.0										
<b>Subtotal</b>		<b>1,006.6</b>	<b>202.6</b>	<b>14.5</b>	<b>785.7</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>
***** Changes From FY2019 Authorized To FY2019 Management Plan *****												
<b>Align Authority to Reallocate for Spending Plan</b>	LIT	0.0	-6.7	0.0	6.7	0.0	0.0	0.0	0.0	0	0	0
Transfer authority to align FY2019 authorization with the anticipated budget needs.												
<b>Subtotal</b>		<b>1,006.6</b>	<b>195.9</b>	<b>14.5</b>	<b>792.4</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
<b>FY2020 Salary Adjustments - GGU, CEA, TEAME</b>	SalAdj	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		2.5										
FY2020 Salary Adjustments - GGU, CEA, TEAME: \$2.5												
FY2020 GGU HI from \$1432 to \$1530: \$0.6												
FY2020 GGU 3% COLA: \$1.9												
<b>Reverse Alaska State Employees Association (GGU) 15 Hour Furlough</b>	SalAdj	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		0.2										
The Alaska State Employees Association (representing the general government unit) contractually required 15 hours of furlough for each permanent full-time employee in each year from July 1, 2016, to June 30, 2019. The furlough requirement was removed from the contract in FY2020.												
<b>Totals</b>		<b>1,009.3</b>	<b>198.6</b>	<b>14.5</b>	<b>792.4</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Revenue**

**Scenario:** FY2020 Governor (15610)  
**Component:** AMBBA Operations (108)  
**RDU:** Alaska Municipal Bond Bank Authority (44)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
04-5022	Operations Res Anl I	FT	A	GP	Juneau	205	21J	6.0	*	46,956	1,897	0	25,529	74,382	0
04-5025	State Investment Officer	FT	A	XE	Juneau	N05	22	6.0	**	91,133	0	0	40,948	132,081	0
													<b>Total Salary Costs:</b>	138,089	
													<b>Total COLA:</b>	1,897	
													<b>Total Premium Pay::</b>	0	
													<b>Total Benefits:</b>	66,477	
													<b>Total Pre-Vacancy:</b>	206,463	
													<b>Minus Vacancy Adjustment of 3.81%:</b>	(7,863)	
													<b>Total Post-Vacancy:</b>	198,600	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	198,600	
<b>Total Component Months:</b>		12.0													

<b>PCN Funding Sources:</b>	<b>Pre-Vacancy</b>	<b>Post-Vacancy</b>	<b>Percent</b>
1104 Alaska Municipal Bond Bank Receipts	206,463	198,600	100.00%
<b>Total PCN Funding:</b>	<b>206,463</b>	<b>198,600</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Line Item Detail (1676)**  
**Department of Revenue**  
**Travel**

**Component:** AMBBA Operations (108)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
2000	Travel		13.6	14.5
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
<b>2000 Travel Detail Totals</b>			<b>0.0</b>	<b>14.5</b>
2000	In-State Employee Travel	Employee instate travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.0	6.0
2002	Out of State Employee Travel	Employee out of state travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.0	8.5

**Line Item Detail (1676)**  
**Department of Revenue**  
**Services**

**Component:** AMBBA Operations (108)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
3000	Services		290.4	792.4
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
<b>3000 Services Detail Totals</b>			<b>0.0</b>	<b>792.4</b>
3000	Education Services	Training, conferences, memberships, and employee tuition	0.0	1.1
3001	Financial Services	Accounting, auditing, management/consulting services	0.0	472.3
3003	Information Technology	IT training, consulting, software licensing, software maintenance, and IT equipment leases	0.0	1.0
3004	Telecommunications	Local, long distance, cellular and telecommunications equipment charges; data/network; and television	0.0	1.3
3006	Delivery Services	Delivery and courier services	0.0	0.8
3007	Advertising and Promotions	Advertising of legal notices for regulations and public hearings	0.0	4.8
3010	Equipment/Machinery	Repairs, maintenance, rentals and/or leases of office furniture and equipment	0.0	0.5
3011	Other Services	Admin - Department-wide Professional management and consulting services; printing and copying services; and State Travel Office fees	0.0	0.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide ETS chargeback for computer services (including EPR and MICS charges for mainframe usage)	0.0	1.7
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide ETS chargeback for telecommunications EPR, phone	0.0	2.3

**Line Item Detail (1676)**  
**Department of Revenue**  
**Services**

**Component:** AMBBA Operations (108)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
			<b>3000 Services Detail Totals</b>	<b>0.0</b>	<b>792.4</b>
			lines and service requests		
3021	Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants	0.0	0.6
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	0.0	0.6
3023	Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities	0.0	7.0
3024	Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	0.0	275.0
3026	Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.0	0.1
3027	Inter-Agency Financial	Admin - Department-wide	Division of Finance IRIS and AKPAY	0.0	1.2
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.0	0.1
3036	Inter-Agency Safety	Admin - Department-wide	Parking enforcement at State Office Building located in Juneau	0.0	0.1
3038	Inter-Agency Management/Consulting	Rev - Administrative Services (125)		0.0	20.0
3038	Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)		0.0	1.6

**Line Item Detail (1676)**  
**Department of Revenue**  
**Commodities**

**Component:** AMBBA Operations (108)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
4000	Commodities		0.0	3.8
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
<b>4000 Commodities Detail Totals</b>			<b>0.0</b>	<b>3.8</b>
4000	Business	Business supplies including book and educational equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	0.0	3.8

**Revenue Detail (1681)**  
**Department of Revenue**

**Component:** AMBBA Operations (108)

Revenue Type (OMB Fund Code)			FY2018 Actuals	FY2019 Management Plan
Revenue Source	Component	Comment		
<b>5104 MBB Rcpts (1104 MBB Rcpts)</b>			<b>901.6</b>	<b>901.6</b>
5419 Alaska Municipal Bond Bank Receipts	Rev - AMBBA Operations (108)		901.6	901.6
<b>5108 Stat Desig (1108 Stat Desig)</b>			<b>0.0</b>	<b>105.0</b>
5205 Statutory Dsgntd Prgrm Rcpts			0.0	105.0
Development - Charges for Svcs				

**Inter-Agency Services (1682)**  
**Department of Revenue**

**Component:** AMBBA Operations (108)

	FY2018 Actuals	FY2019 Management Plan
<b>Component Totals</b>	<b>0.0</b>	<b>310.6</b>
With Department of Administration	0.0	14.0
With Department of Law	0.0	275.0
With Department of Revenue	0.0	21.6

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3011 Other Services	Admin - Department-wide	Professional management and consulting services; printing and copying services; and State Travel Office fees	0.0	0.3
3017 Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	ETS chargeback for computer services (including EPR and MICS charges for mainframe usage)	0.0	1.7
3018 Inter-Agency Information Technology Telecommunications	Admin - Department-wide	ETS chargeback for telecommunications EPR, phone lines and service requests	0.0	2.3
3021 Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants	0.0	0.6
3022 Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	0.0	0.6
3023 Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities	0.0	7.0
3024 Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	0.0	275.0
3026 Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.0	0.1
3027 Inter-Agency Financial	Admin - Department-wide	Division of Finance IRIS and AKPAY	0.0	1.2
3028 Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.0	0.1
3036 Inter-Agency Safety	Admin - Department-wide	Parking enforcement at State Office Building located in Juneau	0.0	0.1

**Inter-Agency Services (1682)**  
**Department of Revenue**

**Component:** AMBBA Operations (108)

<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
3038 Inter-Agency Management/Consulting	Rev - Administrative Services (125)		0.0	20.0
3038 Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)		0.0	1.6