

Change Record Detail With Description
Debt Service

Scenario: FY2013 Supplemental (10508)
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
FY2013 Supplemental												
Fund Source Change for FY2013 Series 2003A and 2012A Debt Service Payments												
(Language)	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1,040.0										
1044 Debt Ret		1,040.0										
The unobligated balance of the Alaska debt retirement fund will be used for general obligation bond debt retirement for the fiscal year ending June 30, 2013 in place of part of the amort originally appropriated from the general fund.												
Sec. 13. DEBT AND OTHER OBLIGATIONS. (a) Section 23(h)(2), ch. 15, SLA 2012, page 83, lines 29-31 and page 84, line 1, is amended to read:												
(2) The sum of \$1,040,000 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011(a)) for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2003A and 2012A;												
(3)[(2)] The amount necessary, estimated to be \$25,841,200 [\$26,881,200] for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2003A and 2012A, after the payments made in (1) and (2) of this subsection from the general fund for that purpose;												
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: FY2013 Supplemental (10508)
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
Fund Source Change for FY2013 Alaska International Airport System Debt Service Payments												
(Language)	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		-10,000.0										
1112 IntAptCons		10,000.0										

The Alaska International Airport System (AIAS) requests a funding source change for use of International Airport System Construction Fund surplus for FY2013 debt service payments. This request is needed to conform to the state's bond counsel's recommendations regarding minimizing 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 has issued bonds over the last 13 years to finance capital projects at the Anchorage and Fairbanks airports. AIAS pays debt service from revenue collected from airlines for use of airport facilities and from passenger facility charges in accordance with applications made and approved under the provisions of 14 CFR Part 158. AIAS has recently performed its annual mid-year rate recalculation in conformance with its AIAS Passenger Terminal Lease and Operating Agreement (Operating Agreement). The Operating Agreement is the contract AIAS employs to establish the rates and charges for use of AIAS airport facilities by almost all of the passenger and cargo airlines providing service at the airports pursuant to AS 02.15.090(a).

In performing its recent mid-year rate recalculation, AIAS determined it is experiencing significant temporary traffic declines associated with global economic conditions and projects continuation of this situation through FY2013 resulting in reduced revenues to AIAS.

In the face of continuing decreases in airline activity levels, to avoid raising rates and fees further in FY2013 to cover operating costs and debt service, the AIAS is proposing the use of available construction funds on hand to pay portions of debt service payments. AIAS views these steps as necessary in continuing to preserve its financial condition, competitive trans-Pacific air cargo market share, and strong bond ratings.

This fund source change will allow AIAS to meet the technical requirements of its bond resolution rate covenant while also reducing the amount of revenue otherwise needed from rates and fees.

Projected funding sources for debt service in the FY2014 Governor's budget are based on the most recent information. Amounts by fund sources may be adjusted based on the annual rate calculation which is done in March, or based on the mid-year rate calculation which is done during October-December.

The third funding source for FY2013 AIAS debt service requires a technical correction in its title:
AIAS 2010[2] Build America Bonds federal interest subsidy

* Sec. 10. DEBT AND OTHER OBLIGATIONS. Section 23(i), ch. 15, SLA2012, is amended to read:

(i) The sum of \$41,208,341 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2013, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund (AS 37.15.430(a))	\$22,078,578

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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
				[\$32,078,578]								
International Airports Construction Fund (AS 37.15.420(a))			10,000,000									
Passenger facility charge				8,700,000								
AIAS [2012D] 2010D Build America Bonds federal interest subsidy			429,763									
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: FY2013 Supplemental (10508)
Component: School Debt Reimbursement (AR 17635) (153)
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
FY2013 State Aid for Costs of School Construction												
(Language)	Suppl	-5,000.0	0.0	0.0	0.0	0.0	0.0	-5,000.0	0.0	0	0	0
1004 Gen Fund		-5,000.0										
Sec. 13. DEBT AND OTHER OBLIGATIONS. (a) Section 23(k), ch. 15, SLA 2012, page 86, lines 2-6, is amended to read: (k) The sum of \$115,386,300 [\$120,386,300] is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 for the fiscal year ending June 30, 2013, from the following sources:												
General fund		\$93,586,300										
		[\$98,586,300]										
School Fund (AS 43.50.140)		21,800,000										
Based on recent projections, the amount of state aid required for costs of school construction under AS 14.11.100 for the fiscal year ending June 30, 2013 is estimated to be \$5,000,000 less than appropriated in SLA 2012.												
Component Totals		-5,000.0	0.0	0.0	0.0	0.0	0.0	-5,000.0	0.0	0	0	0