

**State of Alaska
FY2015 Governor's Operating Budget**

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

RDU/Component: AMBBA Operations

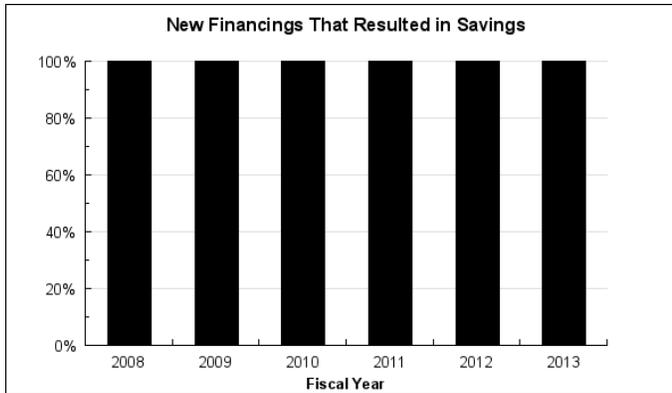
(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

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>.)



Target: 100% of advance refinancing will result in at least 3% savings to the issuer.

Target: 100% of current refinancing will result in at least 2% savings to the issuer.

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 2013

- The Bond Bank sold four series of bonds in FY 2013 for a total of \$153.5 million of bonds. The Bond Bank used these funds to make 17 loans to fund projects or refinance projects in the Haines Borough, the City & Borough of Juneau, the City of Petersburg, the City and Borough of Sitka, the Kenai Peninsula Borough, the Ketchikan Gateway Borough, the Kodiak Island Borough, the City of Sang Point, the City of Homer, the City of Ketchikan, and the Municipality of Skagway. These communities are estimated to have saved over \$19.7 million in reduced issuance costs and lower interest expense in their funding of schools, libraries, harbors, hydroelectric projects, and health care facilities.

Key Component Challenges

- FY2013 was another year of heightened activity level at the Bond Bank. From FY2012 to FY2013 outstanding debt increased by \$56.2 million or 7.64% to an outstanding balance of \$791.8 million on June 30, 2013. Over the prior five fiscal years outstanding debt has increased by \$227.1 million, representing an annual average increase of \$45.4 million. The \$791.8 million in outstanding bonds leaves \$208.2 million that the AMBBA can issue under its statutory limitation of \$1 billion.
- Based on anticipated and potential loan demand in FY 2014 the Bond Bank may potentially reach the \$1 billion statutory borrowing limit. Accordingly the Bond Bank has requested an increase in the borrowing limit of \$250 million.
- The Bond Bank will continue to seek to maintain the diversity of the municipalities in the pool, including attempts to attract stronger municipalities with stronger credit ratings, and a broader array of municipal enterprise credits. Having a portfolio of borrowers that represents a diversity of regions and economic activity helps ensure the Bond Bank maintains its favorable credit rating.

Significant Changes in Results to be Delivered in FY2015

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
Component Financial Summary**

All dollars shown in thousands

	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	154.2	170.3	170.9
72000 Travel	29.2	9.5	9.5
73000 Services	524.9	661.6	661.6
74000 Commodities	14.8	3.8	3.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	723.1	845.2	845.8
Funding Sources:			
1104 Alaska Municipal Bond Bank Receipts	723.1	845.2	845.8
Funding Totals	723.1	845.2	845.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Municipal Bond Bank Receipts	51417	154.2	845.2	845.8
Restricted Total		154.2	845.2	845.8
Total Estimated Revenues		154.2	845.2	845.8

**Summary of Component Budget Changes
From FY2014 Management Plan to FY2015 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2014 Management Plan	0.0	0.0	845.2	0.0	845.2
Adjustments which will continue current level of service:					
-Reverse Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)	0.0	0.0	-0.4	0.0	-0.4
-FY2015 Salary Increases	0.0	0.0	1.5	0.0	1.5
-FY2015 Health Insurance and Working Reserve Rate Reductions	0.0	0.0	-0.5	0.0	-0.5
FY2015 Governor	0.0	0.0	845.8	0.0	845.8

**AMBBA Operations
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2014 Management Plan	FY2015 Governor		
Full-time	1	1	Annual Salaries	117,455
Part-time	0	0	COLA	1,586
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	56,482
			<i>Less 2.63% Vacancy Factor</i>	<i>(4,623)</i>
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	170,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
State Investment Officer II	0	0	1	0	1
Totals	0	0	1	0	1

Component Detail All Funds
Department of Revenue

Component: AMBBA Operations (AR15540) (108)
RDU: Alaska Municipal Bond Bank Authority (44)

	FY2013 Actuals	FY2014 Conference Committee	FY2014 Authorized	FY2014 Management Plan	FY2015 Governor	FY2014 Management Plan vs FY2015 Governor	
71000 Personal Services	154.2	140.0	145.9	170.3	170.9	0.6	0.4%
72000 Travel	29.2	9.5	9.5	9.5	9.5	0.0	0.0%
73000 Services	524.9	686.0	686.0	661.6	661.6	0.0	0.0%
74000 Commodities	14.8	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%
Totals	723.1	839.3	845.2	845.2	845.8	0.6	0.1%
Fund Sources:							
1104MBB Rcpts (Other)	723.1	839.3	845.2	845.2	845.8	0.6	0.1%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	723.1	839.3	845.2	845.2	845.8	0.6	0.1%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
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 FY2014 Conference Committee To FY2014 Authorized *****												
FY2014 Conference Committee												
ConfCom		839.3	140.0	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		839.3										
Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)												
Atrin		0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		0.4										
The Alaska State Employees Association, representing the general government unit, negotiated a lump sum payment of \$755 less mandatory deductions, per employee in pay status on July 1, 2013. The lump sum will be paid in the second pay period of August 2013.												
Compensation of Non-Covered Employees Ch47 SLA2013 (SB95) (Sec2 Ch14 SLA2013 P43 L10 (HB65) and Sec2 Ch15 P8 L10 (HB66))												
FisNot		5.5	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		5.5										
SB95 relates to the compensation, allowances, geographic differentials in pay, and leave of certain public officials, officers, and employees not covered by collective bargaining agreements, and relates to certain petroleum engineers and petroleum geologists employed by the Department of Natural Resources.												
Subtotal		845.2	145.9	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2014 Authorized To FY2014 Management Plan *****												
Align Authority to Reallocate for Spending Plan												
LIT		0.0	24.4	0.0	-24.4	0.0	0.0	0.0	0.0	0	0	0
The Alaska Municipal Bond Bank is transferring \$24.4 from contractual services to personal services to reduce its vacancy factor and cover the costs of the equivalent of one full-time position. Funds are available in contractual services due to less agency expenditures in services than anticipated.												
Subtotal		845.2	170.3	9.5	661.6	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2014 Management Plan To FY2015 Governor *****												
Reverse Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)												
OTI		-0.4	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		-0.4										
Reverse one-time funding for a negotiated lump sum payment to employees in the general government unit, represented by the Alaska State Employees Association, in pay status on July 1, 2013.												
FY2015 Salary Increases												
SalAdj		1.5	1.5	0.0	0.0	0.0	0.0	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	
1104 MBB Rcpts		1.5										
Cost of living allowance for certain bargaining units: \$1.5												
Year two cost of living allowance for non-covered employees - 1%: \$1.0												
Year two cost of living allowance for Alaska State Employees Association/General Government Unit - 1%: \$0.5												
FY2015 Health Insurance and Working Reserve Rate Reductions												
1104 MBB Rcpts	SalAdj	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2015 budget reduction for decrease in the AlaskaCare health insurance premium and working reserve rates: \$-0.5												
Working reserve rate decrease from 3.94% to 3.56%: Leave Cash-In = 2.17%, Terminal Leave = 1.03%, Unemployment Insurance = 0.36% : \$-0.4												
AlaskaCare health benefit decrease from \$1,389 to \$1,371: \$-0.1												
Totals		845.8	170.9	9.5	661.6	3.8	0.0	0.0	0.0	1	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2015 Governor (11059)
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	GF Amount
04-5022	Operations Res Anl I	FT	A	GP	Juneau	205	21D / E	6.0	*	40,662	545	0	22,195	63,402	0
04-5025	State Investment Officer II	FT	A	XE	Juneau	N05	22	6.0	**	76,793	1,041	0	34,287	112,121	0
													Total Salary Costs:	117,455	
													Total COLA:	1,586	
													Total Premium Pay:	0	
													Total Benefits:	56,482	
													Total Pre-Vacancy:	175,523	
													Minus Vacancy Adjustment of 2.63%:	(4,623)	
													Total Post-Vacancy:	170,900	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	170,900	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1104 Alaska Municipal Bond Bank Receipts	175,523	170,900	100.00%
Total PCN Funding:	175,523	170,900	100.00%

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
Department of Revenue
Travel

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

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
72000	Travel		29.2	9.5	9.5
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
72000 Travel Detail Totals			29.2	9.5	9.5
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	11.5	2.5	2.5
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	12.1	6.0	6.0
72420	Nonemployee Travel (Out of state Emp)	Out of state airfare, surface transportation, lodging, meals & incidentals for AMBBA Board of Directors	5.6	1.0	1.0

Line Item Detail
Department of Revenue
Services

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

Line Number	Line Name			FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000	Services			524.9	661.6	661.6
				FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Expenditure Account	Servicing Agency	Explanation		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000 Services Detail Totals				524.9	661.6	661.6
73025	Education Services	Training, conferences, memberships and employee tuition		2.1	1.5	1.5
73050	Financial Services	Accounting, auditing, financial management and consulting services		326.9	633.6	633.6
73150	Information Technlgy	Software Maintenance		3.6	2.0	2.0
73156	Telecommunication	Long distance, cellular phone and data/network charges		2.5	2.5	2.5
73225	Delivery Services	Courier service		0.3	1.0	1.0
73450	Advertising & Promos	Advertising and public notice		0.0	0.1	0.1
73668	Room/Space	Storage Rental		0.1	0.5	0.5
73750	Other Services (Non IA Svcs)	Printing of AMBBA annual report		4.6	6.0	6.0
73805	IT-Non-Telecommunication	Admin	Computer services provided by ETS	0.6	0.6	0.6
73806	IT-Telecommunication	Admin	Telecommunications services provided by ETS	1.8	1.8	1.8
73809	Mail	Admin	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	0.1	0.1	0.1
73810	Human Resources	Admin	Human resource and payroll services provided by the Division of Personnel	0.6	0.8	0.8
73812	Legal	Law	Legal counsel	170.0	0.0	0.0
73814	Insurance	Admin	Risk Management	0.1	0.1	0.1
73815	Financial	Admin	Division of Finance AKSAS/AKPAY	0.1	0.1	0.1
73816	ADA Compliance	Labor	Share of cost for ADA compliance	0.1	0.1	0.1
73819	Commission Sales (IA Svcs)	Admin	State Travel Office fees	0.3	0.1	0.1
73979	Mgmt/Consulting (IA Svcs)	Revenue-CO	Support services provided by the Commissioner's Office	1.3	1.5	1.5
73979	Mgmt/Consulting (IA Svcs)	Revenue-ASD	Administrative services provided by the Administrative Services Division, including IT, fiscal, budget, contract	9.8	9.2	9.2

Line Item Detail
Department of Revenue
Services

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000 Services Detail Totals			524.9	661.6	661.6
management, procurement, and legislative support					

Line Item Detail
Department of Revenue
Commodities

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

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000	Commodities		14.8	3.8	3.8
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000 Commodities Detail Totals			14.8	3.8	3.8
74200	Business	Business supplies including books and educational, equipment and furniture, office supplies, IT equipment less than \$5,000 per item, and subscriptions	14.8	3.8	3.8

Restricted Revenue Detail
Department of Revenue

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

Master Account	Revenue Description				FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
51417	Municipal Bond Bank Receipts				154.2	845.2	845.8
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
51417	Muni Bond Bank Rec		4802000	11100	154.2	845.2	845.8

Inter-Agency Services
Department of Revenue

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014			
				FY2013 Actuals	Management Plan	FY2015 Governor	
73805	IT-Non-Telecommunication	Computer services provided by ETS	Inter-dept	Admin	0.6	0.6	0.6
73805 IT-Non-Telecommunication subtotal:					0.6	0.6	0.6
73806	IT-Telecommunication	Telecommunications services provided by ETS	Inter-dept	Admin	1.8	1.8	1.8
73806 IT-Telecommunication subtotal:					1.8	1.8	1.8
73809	Mail	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	Inter-dept	Admin	0.1	0.1	0.1
73809 Mail subtotal:					0.1	0.1	0.1
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept	Admin	0.6	0.8	0.8
73810 Human Resources subtotal:					0.6	0.8	0.8
73812	Legal	Legal counsel	Inter-dept	Law	170.0	0.0	0.0
73812 Legal subtotal:					170.0	0.0	0.0
73814	Insurance	Risk Management	Inter-dept	Admin	0.1	0.1	0.1
73814 Insurance subtotal:					0.1	0.1	0.1
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept	Admin	0.1	0.1	0.1
73815 Financial subtotal:					0.1	0.1	0.1
73816	ADA Compliance	Share of cost for ADA compliance	Inter-dept	Labor	0.1	0.1	0.1
73816 ADA Compliance subtotal:					0.1	0.1	0.1
73819	Commission Sales (IA Svcs)	State Travel Office fees	Inter-dept	Admin	0.3	0.1	0.1
73819 Commission Sales (IA Svcs) subtotal:					0.3	0.1	0.1
73979	Mgmt/Consulting (IA Svcs)	Support services provided by the Commissioner's Office	Intra-dept	Revenue-CO	1.3	1.5	1.5
73979	Mgmt/Consulting (IA Svcs)	Administrative services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	Intra-dept	Revenue-ASD	9.8	9.2	9.2
73979 Mgmt/Consulting (IA Svcs) subtotal:					11.1	10.7	10.7
AMBBA Operations total:					184.8	14.4	14.4
Grand Total:					184.8	14.4	14.4