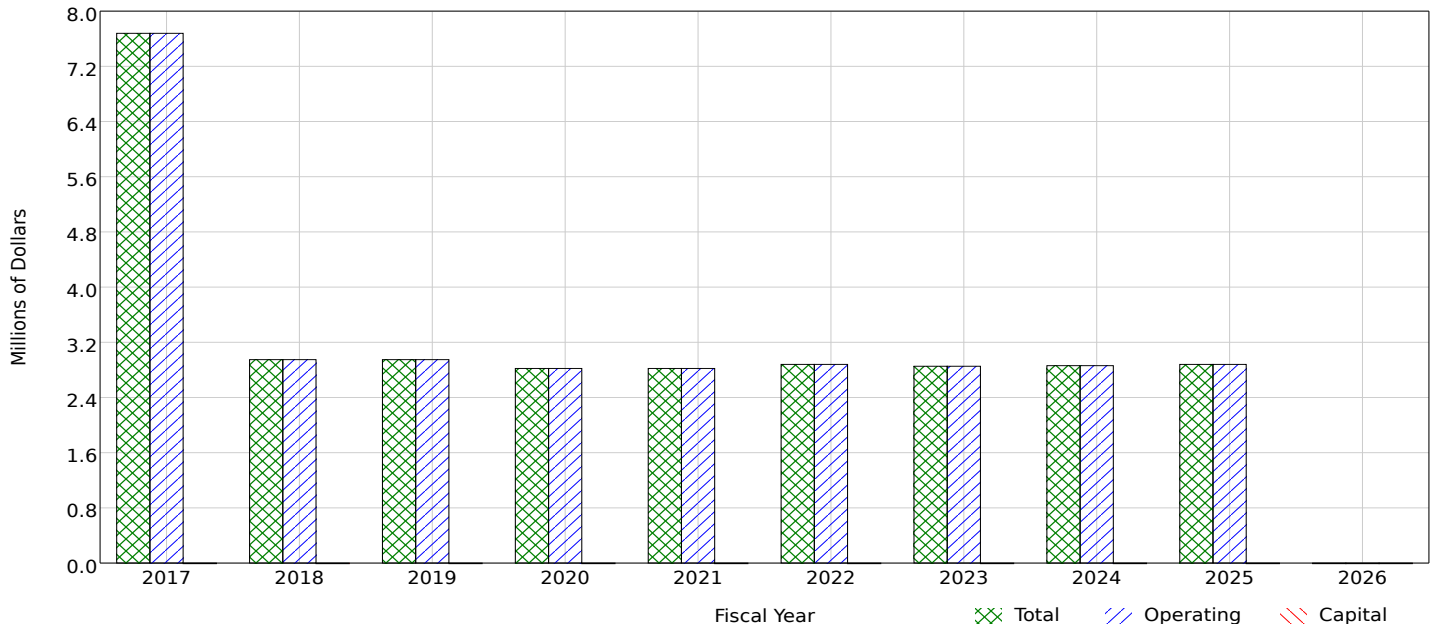


Fund Source Report

1101 AAC Fund Alaska Aerospace Corporation Fund

Year Authorized 1997 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Other Designated

Operating and Capital Appropriations



Legal Authority

AS 26.27.050

Source of Revenue

The fund consists of appropriations made by the legislature, and rents, fees, or other money or assets transferred to the reserve fund by the corporation. Federal grants are also awarded to the corporation.

Restrictions on Use

Money in the fund may be pledged to the payment of bonds of the corporation or expended for the purposes of the corporation.

Description and History

The Alaska Aerospace Development Corporation (AADC) Revolving fund was established in 1991 so that money in the fund could be pledged to the debt service on bonds of the corporation or expended for the purposes of the corporation.

Section 41, Chapter 136, SLA 1992 capitalized the fund with \$1 million from the science and technology endowment. That amount could be spent by the corporation without further appropriation, but additional money flowing into the fund (including interest on the balance, except for federal receipts) requires an appropriation per AS 14.40.866(b)(2). Despite incorporation of "revolving" in the fund name, money other than that appropriated to the fund by the legislature cannot be spent without appropriation.

This fund is spent on the operations costs of the Aerospace Development Corporation. The AADC Revolving Fund includes receipts related to the issuance of bonds for the corporation (AS 14.40.891), separate federal accounts of the corporation (AS 14.40.931), and the AADC reserve fund (AS 14.40.951).

State corporation receipts were budgeted in one fund code called "corporate receipts" until 1998 when a budget fund was created for each of the states corporations to clarify the budget process.

Based on a claim of "cannot wait for the bureaucracy" AADC has for many years had an open-ended appropriation allowing the corporation to spend corporate and federal receipts available to it. In addition, AADC receipts are subject to the RPL process.

February 2012

To conform to statutory changes (AS 14.40.841 was repealed by Executive Order 115, 2011 and became AS 26.27.050), LFD changed the fund name from Alaska Aerospace Development Corporation Revolving Fund to the Alaska Aerospace Corporation Fund. The corporation holds the

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funds. The corporation moved from the Department of Commerce to the Department of Military and Veterans Affairs.