

Fund Source Report

1044

ADRF

Alaska Debt Retirement Fund

Year Authorized 1991	Year Repealed	Active? Yes	Mental Health? No	Duplicated? Yes	Fund Group Bonds / Debt Service
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Operating and Capital Appropriations



Legal Authority
AS 37.15.011

Source of Revenue
The fund consists of all money appropriated to it by the legislature.

Restrictions on Use
The fund was established as a "collector" for appropriations intended to pay debt service. The fund may also be used to pay school debt reimbursement and to finance the acquisition of state facilities through lease-purchase agreements. Any surplus balance may be used to finance the design and construction of capital projects.

Description and History
The fund was established in 1991 as a "collector" for appropriations intended to pay debt service. Those appropriations may be from any source. All State general fund supported debt service, as well as self-supporting State debt service (revenue bonds), is tracked by the Treasury Division of the Department of Revenue for the State Bond Committee. The amount necessary to satisfy debt service for the following fiscal year must be certified to the Commissioner of Administration before December 1 of each year. Additionally, the Committee shall report to the Governor before December 1 the current fund balance in the Alaska Debt Retirement Fund. These are two of the three elements required to calculate annual appropriations for debt service. The third element required is the balance of the School Fund.

The Alaska Debt Retirement Fund (AS 37.15.011) is a subfund of the general fund and consists of all money appropriated to it (this tends to be general funds, but other sources are often used). The fund was established by Sec. 2, Chapter 87, SLA 1991 for the following purposes:

- 1) continuing debt service appropriations;
- 2) municipal school debt reimbursement;
- 3) lease-purchase agreements for the acquisition of state facilities; and
- 4) design and construction of capital projects (if an unobligated balance remains after debt service is satisfied).

Prior to the legislation establishing the Alaska Debt Retirement Fund, all but an average of \$3 million dollars of general fund supporting debt service was paid directly from the State's general fund. The average \$3 million dollars (FY 1982-1998 historical) was paid from the School Fund for municipal school debt reimbursement. Beginning in FY 1992, all State general fund supported debt service is paid from the Alaska Debt Retirement Fund and the School Fund. Appropriations for outstanding debt service on revenue bonds - International Airports Revenue Bonds, Alaska Clean

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Water Fund Bonds, and Toll Facilities Revenue Bonds - are made from the funds specified in statute for that purpose.

September 2011

The ADRF was deactivated in FY11 in an effort to simplify and clarify the budget process. Debt service is now typically funded with direct appropriations. Total debt service is tracked via the creation of a pseudo-agency with appropriations/allocations for various types of debt.

December 2016

The ADRF was reactivated in the FY18 Governor's Request. A small balance was identified as available for appropriation by the Division of Finance.