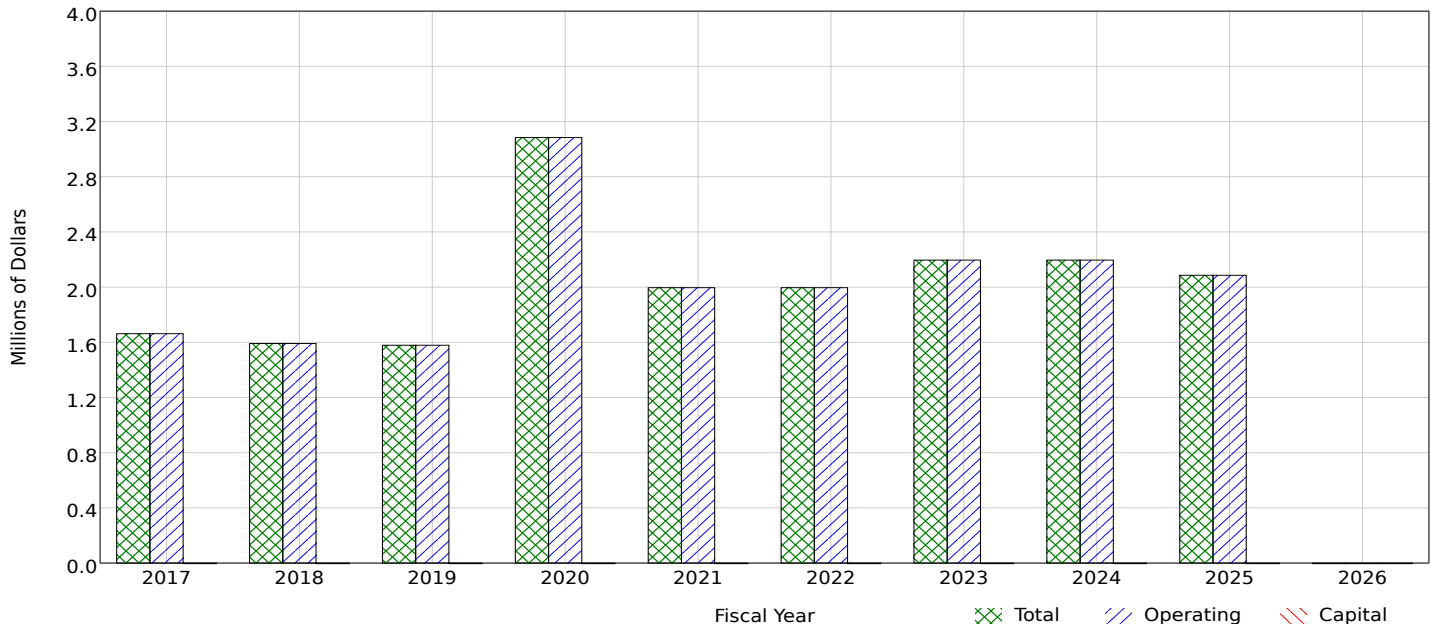


Fund Source Report

1144 CWF Bond Clean Water Fund Bond Receipts

Year Authorized 1987 Year Repealed Active? Yes Mental Health? No Duplicated? Yes Fund Group Bonds / Debt Service

Operating and Capital Appropriations



Legal Authority

AS 46.03.032-.034, AS 37.15.560-.605

Source of Revenue

The fund consists of proceeds from sales of Alaska Clean Water Bonds.

Restrictions on Use

Bonds are secured by the Alaska Clean Water Fund. Bond proceeds are deposited to the Clean Water RLF (1075) to meet match requirements.

Description and History

This budget code is used to differentiate Alaska Clean Water Bond receipts from Alaska Clean Water Loan Fund interest and from appropriations to the Clean Water Loan Fund.

Prior to FY01, the Department of Environmental Conservation (DEC) met the state match requirement by capitalizing the loan fund with general fund appropriations. In FY01, DEC began issuing bonds to take advantage of a provision allowing federal receipts to be used to pay debt service on bonds for eligible projects.

The current funding mechanism is:

1. Alaska issues bonds and deposits the proceeds in the Clean Water Bond Receipt Fund (1144)
2. Bond proceeds are appropriated to the RLF in order to meet the state match requirement
3. Money from the RLF (1075, a federal fund source) is appropriated to debt service to immediately pay off the bonds.

The result is that federal funds are used to meet the state match requirement. This scenario reduces total available funding and increases the proportion of federal funds used to make loans.

July 2010

Prior to FY11, the bonds were classified as unduplicated appropriations. This classification was atypical; most bonds issued by the state are classified as duplicated appropriations because the payment of debt service typically appears as an annual appropriation and only 1) the bonds or 2) debt service on them can be counted as unduplicated appropriations. Bond proceeds go into the Clean Water Fund (CWF) and are then used to pay off the bonds, therefore payments on the bonds are from a duplicated fund source.

Beginning in FY11, the bonds were classified as duplicated. The bonds add no new money to the CWF, therefore both the direct payment of debt

Fund Source Report

service from the RLF (1075) and the bond proceeds are classified as duplicated.

See
1075 Alaska Clean Water Fund