STATE OF ALASKA

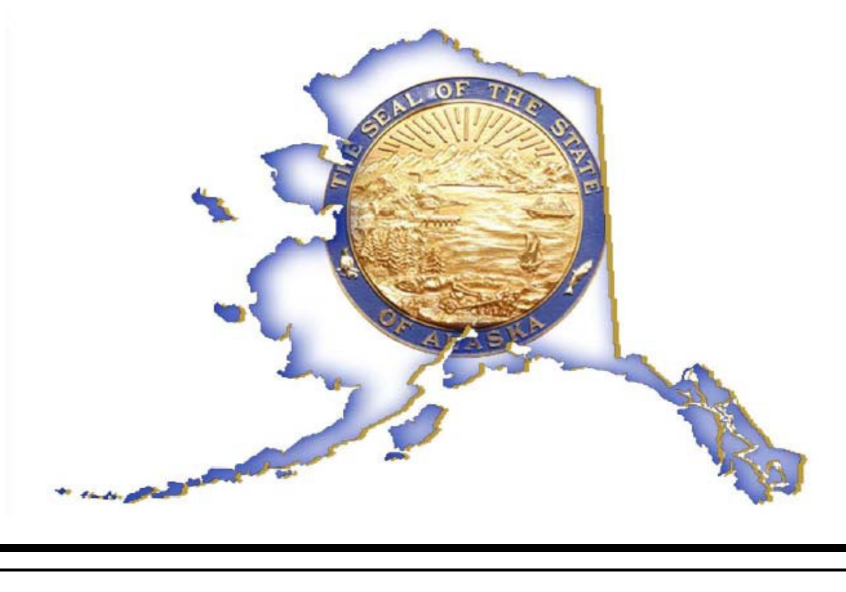
STATE BOND COMMITTEE

TO BE HELD AT:
TELEPHONIC MEETING
For Participation: 1-800-315-6338
Code: 907100#

Juneau, Alaska 99811

June 25, 2020

1:30 PM ADT



STATE BOND COMMITTEE
AGENDA FOR MEETING

Meeting Place:
TELEPHONIC MEETING
For participation: 1-800-315-6338
Code: 907100#

June 25, 2020 at 1:30 P.M. ADT

I. Call to Order

II. Roll Call

III. Public Meeting Notice

IV. Approval of Agenda

V. Minutes of the October 16, 2019 State Bond Committee Meeting

VI. Public Participation and Comment

VII. New Business

- A. Resolution 2020-01 – SBC Resolution providing for the issuance and sale of General Obligation Bonds, Series 2020A of the State of Alaska (Balance of the 2012 Transportation Bond Act)
- B. Resolution 2020-02 – Alaska International Airport System CARES-Act revenue

VIII. Debt Manager's Report

IX. Committee Member Comments

X. Schedule Next Meeting

XI. Adjournment

STATUS: **Active**

NOTICE OF MEETING - State of Alaska - State Bond Committee

NOTICE OF MEETING: STATE OF ALASKA - STATE BOND COMMITTEE

Notice is hereby given that the State of Alaska - State Bond Committee will hold a meeting on June 25, 2020, at 1:30 p.m. ADT. This will be a telephonic meeting, with participation at 1-800-315-6338, and code 907100#.

The public is invited to attend and will be given the opportunity for public comment and participation. The State Bond Committee complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. Individuals who may need special modifications to participate should call (907) 465-2893 prior to the meeting.

AGENDA FOR STATE BOND COMMITTEE MEETING ('SBC'):

I. Call to Order
II. Roll Call
III. Public Meeting Notice
IV. Approval of Agenda
V. Minutes of the October 16, 2019, SBC Meeting
VI. Public Participation and Comment
VII. New Business:
A. Resolution 2020-01: SBC Resolution providing for the issuance and sale of General Obligation Bonds, Series 2020A of the State of Alaska (Balance of the 2012 Transportation Bond Act)
B. Resolution 2020-02: Alaska International Airport System CARES-Act revenue
VIII. Debt Manager's Report
IX. Committee Member Comments
X. Schedule Next Meeting
XI. Adjournment

Dated June 16, 2020
(907) 465-2893

Attachments, History, Details

Attachments

SBC Agenda 6-25-2020.pdf

Revision History

Created 6/16/2020 12:27:14 PM by rswilliams

Details

Department:	Revenue
Category:	Public Notices
Sub-Category:	
Location(s):	Statewide
Project/Regulation #:	
Publish Date:	6/16/2020
Archive Date:	6/26/2020
Events/Deadlines:	

MINUTES of the STATE BOND COMMITTEE October 16, 2019

A meeting of the State Bond Committee (SBC) was held at 9:00 a.m. ASDT on October 16, 2019, at the Department of Revenue, Commissioner's Conference Room, Juneau, Alaska (333 Willoughby Avenue, State Office Building, 11th Floor, Juneau, Alaska 99811), and telephonically.

SBC Members present were:

Greg Samorajski, Deputy Commissioner, Department of Revenue
Dave Donley, Deputy Commissioner, Department of Administration
John Springsteen, Deputy Commissioner, Department of Commerce, Community, and Economic Development

Also present were:

Deven Mitchell, Debt Manager, Department of Revenue
Ryan Williams, Operations Research Analyst, Department of Revenue
Gerard Deta, Senior Finance Officer, AHFC
Doug Goe, Partner, Orrick, Herrington, & Sutcliffe, LLP
Greg Blonde, Orrick, Herrington, & Sutcliffe, LLP
Les Krusen, Orrick, Herrington & Sutcliffe, LLP
John Stanley, Orrick, Herrington & Sutcliffe, LLP
Scott Schickli, Orrick, Herrington & Sutcliffe, LLP
Pete Nissen, Acacia Financial Group, Inc.

I. Call to Order

Mr. Springsteen called the meeting to order at 9:00 a.m. ASDT on October 16, 2019.

II. Roll Call

Mr. Mitchell took roll call. Mr. Samorajski, Mr. Donley, and Mr. Springsteen were present. There was a quorum.

III. Public Meeting Notice

A copy of the Affidavit of Publication concerning the date, location, and purpose of the meeting was reviewed and made a part of the minutes of the meeting. Mr. Mitchell noted the meeting was properly noticed, advertised in the State's Online Public Notice site. The notice was officially published on October 2, 2019, for the October 16, 2019 meeting date.

IV. Approval of Agenda

The Agenda was reviewed by the committee. The agenda was approved as written with no modifications and no objections. The agenda was adopted by the committee by unanimous consent.

V. Minutes of the January 30, 2019 SBC Meeting

The Minutes of the January 30, 2019 SBC Meeting were reviewed by the committee. The Minutes needed no modifications. Mr. Samorajski moved to adopt the January 30, 2019 minutes as written, and approval was seconded by Mr. Springsteen. There were no objections. Mr. Mitchell called the vote and there were three 'yes' votes and the January 30, 2019 minutes were approved unanimously by committee members.

VI. Public Comment

Mr. Springsteen asked for public participation and comment. There was none. The Public Comment period was closed.

VII. New Business

Resolution 2019-03 – Alaska Clean Water Fund, 2019 Series A, and Alaska Drinking Water Fund, 2019 Series B, Revenue Bond Anticipation Notes

Mr. Mitchell noted that Resolution 2019-03 relates to the issuance and sale of two series of notes to be designated as the Alaska Clean Water Fund Revenue Bond Anticipation Note, 2019 Series A, in the aggregate principal amount of up to $1,926,200, and Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2019 Series B, in the aggregate principal amount of up to $2,225,800. Mr. Mitchell noted that the Clean Water and Drinking Water funds are revolving loan funds administered by DEC, and both funds are authorized to issue debt through the State Bond Committee. Federal regulations allow interest earnings within the funds to be used for the retirement of debts of the funds. In an effort to reduce general fund exposure in obtaining federal match, the proposed borrowing is secured by interest earnings in those revolving loan funds, and the borrowing is repaid immediately as an overnight borrowing. Mr. Mitchell mentioned that the note transaction has been purchased by KeyBank for the past several years, and has agreed to participate in the transaction again this year. Mr. Springsteen recommended a motion on the floor to discuss Resolution 2019-03. Mr. Samorajski moved to adopt Resolution 2019-03, and Mr. Donley seconded. Mr. Krusen, Orrick, walked through Resolution 2019-03, setting out the general parameters for aggregate principal amounts of $1,926,200 for the Clean Water Notes, and $2,225,800 for the Drinking Water notes, maximum interest of $12,000 for the transaction, and the date of issuance and final maturity date shall occur no later than December 31, 2019. Mr. Mitchell, Debt Manager for the Department of Revenue will act as the Designated Representative for the transaction. Mr. Mitchell mentioned that upon approval of the resolution, DOR staff shall work with a group comprised of DEC, DOA, Cash Management, and KeyBank to complete the transaction, and the transaction is expected to be completed before the end of calendar year 2019. Mr. Mitchell called the vote and there were three 'yes' votes and Resolution 2019-03 authorizing the issuance of Alaska Clean Water and Drinking Water Notes, 2019 Series A, and 2019 Series B, was approved unanimously by committee members.

Resolution No. 2019-04 – SBC Allocation of Private Activity Bond Volume Limit of the State of Alaska for Calendar Year 2019

Mr. Mitchell noted that Resolution 2019-04 relates to the State of Alaska's allocation of the Private Activity Bond Volume Limit for calendar year 2019. Mr. Mitchell stated that under requirements related to issuance of tax-exempt private activity bonds, some private activity bonds need to obtain volume cap under Section 146 of the IRS Code. Mr. Mitchell noted that the code limits the amount of private activity bonds that may be issued, and every year Alaska, through the State Bond Committee, allocates the limit of volume cap among issuers in the State. AHFC has been the main issuer, and over the last several years there has been less competitiveness for this allocation. The State of Alaska's calendar year 2019 volume cap available is $316,745,000. Resolution 2019-04 before the committee would allocate the entire amount of the Private Activity Bond Volume Limit of the State of Alaska for calendar year 2019 to AHFC. Mr. Mitchell mentioned that AHFC has been the primary user of volume cap in the State. AIDEA has seen allocations in the past, but was contacted regarding the 2019 volume cap, and opted out due to not having a specific project to identify at this time. Mr. Mitchell mentioned that volume cap is available for use through the end of the calendar year in which it arises and then may be carried forward for an additional period of three years if carryforward forms are filed with the IRS no later than February 15th of the following year (carryforward date - by February 15, 2020). AHFC would have to independently identify the specific use of cap when carrying forward, and they have been the primary user of the PABVC for either residential or multi-family housing. Mr. Springsteen recommended a motion on the floor to discuss Resolution 2019-04. Mr. Samorajski moved to adopt Resolution 2019-04, and Mr. Donley seconded. Mr. Springsteen opened Resolution 2019-04 for discussion. Mr. Springsteen asked representatives from AHFC to comment on historical uses, and projected uses of the volume cap going forward. Mr. Deta, AHFC, noted that AHFC has actively used volume cap and their policy is to always use the oldest allocated cap first to preserve volume cap on an ongoing basis. During 2018 AHFC used approximately $111 million of prior year volume cap for their first-time homebuyer program, and approximately $13 for a multi-family affordable housing project. This month, they have approximately $80 million in first-time homebuyer single family volume cap for an upcoming general mortgage revenue bond issuance, and used a prior year cap allocation that was rolled forward. The discussion period was closed, and Mr. Springsteen called for a vote. Mr. Mitchell called the vote and there were three 'yes' votes and Resolution 2019-04 authorizing the allocation of Private Activity Bond Volume Limit of the State of Alaska for Calendar Year 2019 in the amount of $316,745,000 to AHFC was approved unanimously by committee members.

VIII. Debt Manager's Report

Mr. Mitchell gave a verbal report, and welcomed Mr. Springsteen and Mr. Donley to the committee. Mr. Mitchell mentioned that the interior gas utility (IGU) has a statutory authorization to issue moral obligation bonds of the State of Alaska in the amount of up to $150 million, which was initially authorized during times high energy costs and home heating costs in Fairbanks. They are looking to issue a portion of the $150 million in the near-term. If an issuance proceeded, there would need to be a meeting of the SBC to authorize a resolution and certain disclosure requirements would have to be met. To this point, public corporations of the State are the only issuers of moral obligation debt of the State. Mr. Springsteen commented that in a loan from AIDEA to IGU there are provisions that the utility operate as an investment grade credit.

Mr. Mitchell mentioned that the IRS is auditing the Mat-Su Borough Goose Creek correctional facility bonds, which is a lease revenue bond issue of the Mat-Su, secured only by the State's semi-annual payments. The State will own the facility at the term of the lease. So far, the audit process has gone smoothly, and some coordination has occurred between Mat-Su Borough staff and the Department of Corrections to provide information the auditors requested. Mr. Springsteen asked for a report and/or information directly from the Mat-Su Borough upon conclusion.

Mr. Mitchell reviewed the State of Alaska's credit ratings for the committee, which is currently Aa3 from Moody's, AA- from Fitch (adjusted in September 2019), and AA from S&P. The Moody's rating has a negative outlook, while the Fitch and S&P rating have a stable outlook.

IX. Committee Member Comments

Mr. Samorajski, Mr. Donely, and Mr. Springsteen had no additional comments.

X. Schedule Next Meeting

The next meeting shall occur at the call of the Chair.

XI. Adjournment

Adjournment of the meeting was moved by Mr. Samorajski, and seconded by Mr. Donely. The meeting was adjourned at 9:34 AM ASDT.

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Kelly Tshibaka, Commissioner, Department
Of Administration

ATTEST:

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Lucinda Mahoney, Commissioner, Department of Revenue

STATE BOND COMMITTEE
OF THE STATE OF ALASKA

GENERAL OBLIGATION BONDS, SERIES 2020A

RESOLUTION NO. 2020-01

A Resolution of the State Bond Committee of the State of Alaska, providing for the issuance and sale of general obligation bonds of the State in the aggregate principal amount of not to exceed $110,345,000; approving the sale of such bonds; and authorizing the Designated Representative to approve the interest rates, maturity dates, redemption provisions and principal amounts for the bonds under the terms and conditions set forth herein.

ADOPTED ON JUNE 25, 2020

PREPARED BY:
Orrick, Herrington & Sutcliffe LLP

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EXHIBIT A: Official Notice of Sale and Bidding Instructions

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*This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 2020-01

A Resolution of the State Bond Committee of the State of Alaska, providing for the issuance and sale of general obligation bonds of the State in the aggregate principal amount of not to exceed $110,345,000; approving the sale of such bonds; and authorizing the Designated Representative to approve the interest rates, maturity dates, redemption provisions and principal amounts for the bonds under the terms and conditions set forth herein.

WHEREAS, Sections 1, 3, 4 and 5 of Chapter 18, SLA 2012 (HB 286) (the "State Transportation Bond Act") authorized the issuance of general obligation bonds of the State of Alaska (the "State") in the principal amount of not more than $453,499,200 for the purpose of paying the costs of design and construction of state transportation projects (as more fully set forth in the State Transportation Bond Act); and

WHEREAS, pursuant to the State Transportation Bond Act, the question of whether such bonds should be issued was submitted to the qualified voters of the State at the general election held on November 6, 2012, and said authorization was ratified by a majority of the qualified voters of the State who voted on the question; and

WHEREAS, it is deemed necessary and advisable and in the best interest of the State and its inhabitants that the State now issue and sell general obligation bonds in the aggregate principal amount of not exceeding $110,345,000 to provide funds, together with available funds in the 2012 State Transportation Project Fund, to pay or to make grants to pay additional costs of the projects authorized by the State Transportation Bond Act; and

WHEREAS, the Committee has determined to delegate authority to the State Debt Manager or his designee (the "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, interest payment dates, redemption provisions and principal amounts under the terms and conditions approved by this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOND COMMITTEE OF THE STATE OF ALASKA:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

“Approved Bid” means the winning bid submitted for the Bonds.

“Beneficial Owner” means the beneficial owner of all or a portion of a Bond while such Bond is in fully immobilized form.

“Bond Register” means the registration books maintained by the Bond Registrar setting forth the names and addresses of owners of the Bonds.

“Bond Registrar” means U.S. Bank National Association, Seattle, Washington, as authenticating agent, paying agent and registrar with the duties and powers herein provided, including its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Section 3.

“Bonds” means the State of Alaska General Obligation Bonds, Series 2020A, to be issued pursuant to this resolution in the aggregate principal amount of not to exceed $110,345,000.

“Bond Year” means each one-year period that ends on the date selected by the State. The first and last Bond Years may be short periods. If no date is selected by the Designated Representative before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

“Code” means the federal Internal Revenue Code of 1986 and the applicable regulations thereunder.

“Commission” means the United States Securities and Exchange Commission.

“Competitive Sale” means the process by which the Bonds are sold through the public solicitation of bids from underwriting firms.

"Debt Manager" means the State Debt Manager.

"Debt Service Fund" means the Alaska debt retirement fund of the State.

"Designated Representative" means the Debt Manager or his designee.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 3 hereof.

"Governmental Person" means a state or local governmental unit or any instrumentality thereof. It does not include the United States or any agency or instrumentality thereof.

"Letter of Representations" means a blanket issuer letter of representations from the State to DTC.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions.

"Net Proceeds" when used with reference to the Bonds, means the principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

"Nongovernmental Person" means any Person other than a Governmental Person.

"Official Notice of Sale" means the Official Notice of Sale and bidding instructions authorized to be given in Section 10 of this resolution.

"Person" means an individual, a trust, estate, partnership, association, company, corporation or governmental unit.

"Private Business Use" means the use of property in a trade or business by a Nongovernmental Person if such use is other than as a member of the general public. Private Business Use will arise from ownership of the property by a Nongovernmental Person. Private

Business Use may also arise from other arrangements that transfer to the Nongovernmental Person the actual or beneficial use of the property (such as certain leases and management contracts). Use of property as a member of the general public includes attendance by the Nongovernmental Person at municipal meetings. Use of property by nonprofit community groups or community recreational groups is not treated as Private Business Use if the property is made available for such use by all such community groups on an equal basis and the term of such use does not exceed 50 days.

"Registered Owner" means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

"Rule" means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" means the State of Alaska.

"State Bond Committee" means the duly constituted State Bond Committee established pursuant to AS 37.15.110.

"Term Bonds" means the portion of the Bonds, if any, designated as "Term Bonds" in the Approved Bid for the Bonds.

"2012 State Transportation Bond Act" means Chapter 18, SLA 2012 (HB 286).

"Underwriter" means the initial purchaser or representative of the purchasers (if more than one firm acts collectively with one or more additional underwriting firms) of the Bonds.

Interpretation of Terms. In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein, "hereunder" and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bonds. The State hereby authorizes the issuance and sale of not to exceed $110,345,000 aggregate principal amount of Bonds, representing a portion of the general obligation bonds authorized by the qualified electors of the State at a special election held on November 6, 2012 for the purposes provided in Sections 1, 3, 4 and 5 of the State Transportation Bond Act. The Committee hereby finds that the sale of the Bonds in the manner and on the terms set forth in this resolution is for the best interests of the State and its inhabitants. The Bonds shall be dated as of their date of delivery; shall be fully registered as to both principal and interest; shall be in the denomination of $5,000 each or any integral multiple thereof, provided that no Bond shall represent more than one maturity and interest rate; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control; and shall bear interest, payable semiannually on the first day of each February and August, commencing February 1, 2021 (or on such other semiannual payment dates as may be approved by the Designated Representative) at the rates; and subject to prior redemption, shall mature in the principal amounts and on the dates, all as set forth in the Approved Bid and as approved by the Designated Representative in accordance with Section 10. The Bonds of any of the maturities may be combined and issued as Term Bonds, subject to mandatory redemption as provided in the Approved Bid and approved by the Designated Representative.

Section 3. Registration.

(a) Bond Registrar; Bond Register. The State Bond Committee hereby selects U.S. Bank National Association, Seattle, Washington, as the Bond Registrar, for the safeguarding and disbursement of the money for the payment of debt service on the Bonds and for the duties herein set forth with respect to the authentication, delivery and registration of the Bonds. The Bonds shall be issued only in registered form as to both principal and interest. The Bond Registrar may resign at any time upon 30 days' prior written notice to the State Bond Committee and may be removed at any time at the option of the State Bond Committee upon prior notice to the Bond Registrar and appointment of a successor Bond Registrar. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. If a successor Bond Registrar has not been appointed within 30 days after the giving of such notice of resignation or removal, the retiring Bond Registrar may petition a court of competent jurisdiction for the appointment of a successor.

The Bond Registrar shall keep, or cause to be kept, at its corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the State (the “Bond Register”). The Bond Registrar is authorized, on behalf of the State, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this resolution and to carry out all of the Bond Registrar's powers and duties under this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) Registered Ownership. The State and the Bond Registrar shall deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 12 of this resolution), and neither the State nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3(h) hereof, but such Bond may be transferred as hereinafter provided. All such payments made as described in Section 3(h) shall be valid and shall satisfy and discharge the liability of the State upon such Bond to the extent of the amount or amounts so paid.

(c) DTC Acceptance/Letter of Representations. To induce DTC to accept the Bonds as eligible for deposit at DTC, the State has executed and delivered to DTC a Letter of Representations.

Neither the State nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant; the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds; any notice that is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the State to the Bond Registrar or to DTC or to any successor depository); or any consent given or other action taken by DTC (or by any successor depository) as the Registered Owner. Except as provided in Section 12 in connection with the Rule, for so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) Use of Depository.

(1) The Bonds shall be registered initially in the name of "CEDE & Co.", as nominee of DTC, with one Bond of each interest rate, maturing on each of the maturity dates for the Bonds, and in a denomination corresponding to the total principal amount bearing interest at

the same rate and designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the State Bond Committee or the Designated Representative pursuant to subsection (2) below or to such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the State Bond Committee or the Designated Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the State Bond Committee or the Designated Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the State Bond Committee or the Designated Representative, issue a single new Bond for each maturity and interest rate then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the State Bond Committee or the Designated Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the State Bond Committee or the Designated Representative determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The State Bond Committee or the Designated Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds,

together with a written request on behalf of the State Bond Committee or the Designated Representative to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer or exchange of any such Bond shall be valid unless such Bond is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent or attorney in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding the date any such Bond is to be redeemed.

(f) Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) Registration Covenant. The State covenants that, until all Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149(a) of the Code.

(h) Place and Medium of Payment. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as the Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar; provided, however, that if so requested in writing by the Registered Owner of at least $1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States.

If any Bond shall be duly presented for payment and funds have not been duly provided by the State on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until such Bond is paid.

Section 4. Redemption and Purchase of Bonds.

(a) Optional Redemption. The Bonds may be subject to optional redemption as set forth in the Approved Bid and approved by the Designated Representative, and unless otherwise set forth in the Official Notice of Sale and Approved Bid, the Bonds to be redeemed shall be selected from the maturities selected by the Designated Representative and by lot within a maturity and interest rate.

(b) Mandatory Redemption. Bonds that are designated in the Approved Bid as Term Bonds shall be subject to mandatory redemption as set forth in the Approved Bid and as approved by the Designated Representative pursuant to Section 10 of this resolution.

(c) Purchase of Bonds. The State reserves the right to purchase any of the Bonds offered to the State at any time at a price deemed reasonable by the Designated Representative and in the case of Term Bonds purchased for cancellation, to credit the principal amount of Term Bonds so purchased against an equal amount of mandatory sinking fund installments in the year or years selected by the Designated Representative.

(d) Notice of Redemption.

(1) Official Notice. Unless waived by any owner of Bonds to be redeemed, official notice of any redemption, which notice in the case of optional redemption may be a conditional notice, shall be given by the Bond Registrar on behalf of the State by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(A) the date fixed for redemption;

(B) the redemption price;

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity and interest rate (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;

(D) that on the date fixed for redemption (unless the notice of optional redemption is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the date fixed for redemption if and to the extent that funds have been provided to the Bond Registrar for the redemption of Bonds), the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

(2) Effect of Notice; Bonds Due. Unless the State has revoked a notice of optional redemption (or unless the State provided a conditional notice of optional redemption and the conditions for redemption set forth therein are not satisfied), then on or prior to any redemption date, the State shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds to be redeemed on that date; and official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the date fixed for redemption (unless in the case of a conditional notice of optional redemption, the condition is not satisfied or funds sufficient to pay the redemption price are not on deposit with the Bond Registrar), become due and payable at the redemption price therein specified, and from and after such date (unless the State shall not have paid the redemption price), such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice (except as described above in the case of a notice of optional redemption), such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the date fixed for redemption shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity and interest rate in the amount of the unpaid principal. All Bonds that have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice of redemption, further notice shall be given by the State as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive

information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 15 days before the date fixed for redemption to each party entitled to receive notice pursuant to Section 12, and to the senior managing Underwriter for the Bonds or to its business successor, if any, and to such persons and with such additional information as the Designated Representative shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) CUSIP Numbers. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue, interest rate and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. ____ $________________

STATE OF ALASKA

GENERAL OBLIGATION BOND, SERIES 2020A

INTEREST RATE: MATURITY DATE: CUSIP NO.:

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The STATE OF ALASKA (the "State"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from, _________ 2020, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on the first day of each __________ and _________, commencing on _____ 1, 2021. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the State to DTC. U.S. Bank National Association has been appointed to act as registrar, paying agent and authenticating agent for the Bonds (the "Bond Registrar").

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of $________ (the "Bonds"), and is issued pursuant to Resolution No. 2020-01 (the "Bond Resolution") adopted by the State Bond Committee on June 25, 2020 to provide funds to pay costs of certain transportation projects approved by the qualified electors of the State at the general election on November 6, 2012. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Resolution.

The bonds of this issue are subject to optional [and mandatory] redemption prior to their scheduled maturities as provided in the Notice of Sale.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Alaska and resolutions duly adopted by the State Bond Committee, including the Bond Resolution.

The bonds of this issue are not "private activity bonds" as such term is defined in the Internal Revenue Code of 1986 (the "Code"). The bonds of this issue are not "qualified tax-exempt obligations” under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

The bonds of this issue are general obligations of the State. The full faith, credit and resources of the State are hereby irrevocably pledged for the prompt payment of the principal and interest on the bonds of this issue.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska to exist and to have happened and been done and performed precedent to and in the issuance of this bond do exist and have happened and been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the State may incur.

IN WITNESS WHEREOF, the State of Alaska has caused this bond to be executed by the manual or facsimile signatures of the Governor and Lieutenant Governor of the State of Alaska, and the seal of the State to be impressed, imprinted or otherwise reproduced hereon, as of this day of ________, 2020.

STATE OF ALASKA

By ___/s/ facsimile________________
Governor of the State of Alaska

ATTEST

By ___/s/ facsimile________________
Lieutenant Governor of
the State of Alaska

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the State of Alaska, General Obligation Bonds, Series 2020A, of the State,

dated ________, 2020.

U.S. BANK NATIONAL ASSOCIATION, as Bond Registrar

By
Authorized Signer

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the State with the manual or facsimile signatures of the Governor and Lieutenant Governor of the State of Alaska, and the corporate seal of the State shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers who have executed the Bonds shall cease to be officer or officers of the State before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the State, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the State as though those who signed the same had continued to be such officers of the State. Any Bond may also be signed and attested on behalf of the State by such persons who are at the actual date of delivery of such Bond the proper officers of the State although at the original date of such Bond any such person shall not have been such officer of the State.

Section 7. Pledge. The Bonds are general obligations of the State. The full faith, credit and resources of the State are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds.

Before December 1 of each year after the Bonds are issued, this Committee shall certify to the Commissioner of Administration of the State the amount needed for the following calendar year to meet principal, interest and reserve requirements on all general obligation bonds of the

State then outstanding, including the Bonds. The Commissioner of Administration shall set aside these amounts or make the necessary provisions for the setting aside of these amounts so that there will be sufficient money to pay the principal and interest on the due dates.

Pursuant to AS 37.15.012, the amounts required annually to pay the principal, interest, and redemption premium on the Bonds are appropriated each fiscal year from the Debt Service Fund to the State Bond Committee to make all required payments of principal of and interest and redemption premium, if any, on the Bonds. If the balance in the Debt Service Fund is insufficient to fully pay these amounts, the necessary additional amounts are appropriated from the general fund of the State to the State Bond Committee to make all required payments of principal of and interest and redemption premium, if any, on the Bonds.

Section 8. Defeasance. In the event that money and/or government obligations, which are noncallable direct obligations of the United States or obligations unconditionally guaranteed by the United States, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, as evidenced by a report of an independent accountant or verification agent (which report shall be required only if the defeasance is not a full cash defeasance (i.e., such report shall only be required if government obligations constitute all or part of the deposit from which payments to effect the defeasance will be made)), are set aside in a special account of the State to effect such redemption and retirement, and such moneys and the principal of and interest on such government obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund of the State for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

The Bond Registrar shall provide notice of defeasance of Bonds to registered owners and to each party entitled to receive notice pursuant to Section 12.

Section 9. Tax Covenants. The following covenants are made in order to issue the Bonds as obligations the interest on which is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. The State shall at all times do and perform all acts and things permitted by law and this resolution which are necessary or desirable to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the State agrees to comply with the provisions of any tax certificate (the "Tax Certificate") entered into at the time the Bonds are issued, covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the State that may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code that will cause the Bonds to be "arbitrage bonds" within the meaning of said section, and covenants that for so long as the Bonds are outstanding, it will not permit any uses of the assets financed by the Bonds that would result in the Bonds being private activity bonds within the meaning of Section 141(a) of the Code. These covenants shall survive defeasance or refunding of the Bonds to the extent necessary to maintain the tax-exempt status of the Bonds. Notwithstanding any provisions of this Section, if the State shall receive an opinion of nationally recognized bond counsel that any specific action required under this Section or under the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, the State may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 10. Sale of Bonds. The Bonds shall be sold by Competitive Sale to the Underwriter pursuant to the terms of the Official Notice of Sale and Approved Bid.

(a) Bids will be received by the Designated Representative or the competitive sale will be undertaken by electronic means, in the manner and on such date and time as the Designated Representative hereafter shall determine. The Designated Representative will approve the bid offering to purchase the Bonds at the lowest true interest cost to the State at such price as shall be determined by the Designated Representative at the time of sale, plus accrued interest, if any, to the date of delivery, all on the terms and conditions set out in the applicable Official Notice of Sale.

All bids submitted for the purchase of the Bonds shall be as set forth in the Official Notice of Sale or otherwise as established by the Designated Representative which will be furnished upon request made to the Designated Representative. Such bids shall be accompanied by surety bond or a cashier's or certified check, as a good faith deposit, made payable to the order of the State, in an amount, if any, determined by the State's municipal advisor. The good faith deposit of the successful bidder shall be security for the performance of its bid and shall be held as liquidated damages in case the successful bidder fails to take up and pay for the Bonds within 45 days if tendered for delivery. All bids submitted shall be opened (but not read publicly) by the State. The State reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

(b) The Designated Representative is authorized to negotiate terms for the purchase of the Bonds and to approve and accept an Approved Bid, with such terms as are approved by the Designated Representative pursuant to this section and consistent with this resolution. The State Bond Committee has determined that it would be in the best interest of the State to delegate to the Designated Representative for a limited time the authority to approve and accept an Approved Bid with such terms as are approved by the Designated Representative and to determine and approve the final interest rates, maturity dates, aggregate principal amount, terms of redemption and redemption rights and principal amounts of the Bonds of each maturity. The Designated Representative is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights for the Bonds in the manner provided hereafter and in the Official Notice of Sale so long as (i) the aggregate principal amount of the Bonds does not exceed $110,345,000, (ii) the last maturity date is not later than 20 years after the date the Bonds are issued, (iii) the true interest cost of the Bonds does not exceed 5.0% and (iv) the total debt service payment for fiscal year 2021 does not exceed $5,000,000.

In approving the Official Notice of Sale and accepting and determining the Approved Bid and the final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights, the Designated Representative, in consultation with State staff and the State's municipal advisor, shall take into account those factors that, in his judgment, will generate the most advantageous results for the State, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds. Subject to the terms and conditions set forth in this Section 10, the Designated Representative is hereby authorized to approve the final form of the Official Notice of Sale and to accept the Approved Bid upon the Designated Representative's approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights, set forth therein (or to reject all bids). Following the acceptance of the Approved Bid (or a rejection of all bids), the Designated Representative shall provide a report to the State Bond Committee, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this Section 10 shall expire on Saturday, December 31, 2020. If an Approved Bid for the Bonds has not been accepted by December 31, 2020, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless the Bonds shall have been re-authorized by resolution of the State Bond Committee. The resolution re-authorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Bonds not issued) or may be in the form of an amendatory resolution approving a purchase contract or establishing terms and conditions for the authority delegated under this Section 10.

(c) Upon the adoption of this resolution, the proper officials of the State including the Designated Representative, are authorized and directed to undertake all other actions necessary for the prompt sale, execution and delivery of the Bonds and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Official Notice of Sale and the Approved Bid.

The Designated Representative is authorized to approve and “deem final” for purposes of the Rule a preliminary official statement and any amendments thereto prior to the date of the official statement and is authorized to ratify and to approve for purposes of the Rule, and to execute on behalf of the State, the official statement relating to the issuance and sale of the

Bonds and to ratify and approve the distribution of such preliminary official statement and official statement pursuant thereto with such changes, if any, as may be deemed by him to be appropriate.

Section 11. Application of Bond Proceeds. The money derived from the sale of the Bonds shall be allocated and expended as described in this Section.

(a) A portion of the Bond proceeds shall be used for the payment of the costs of issuance of the Bonds.

(b) The remaining proceeds derived from the Bonds shall be allocated among the authorizations contained in Sections 3, 4 and 5 of the State Transportation Bond Act. The amount withdrawn from the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital improvements to be financed by the Bonds shall be reimbursed to the fund from Bond proceeds. Proceeds allocable to the State Transportation Bond Act shall be deposited in the 2012 State Transportation Project Fund. Proceeds of the Bonds may be invested by the Debt Manager at the direction of the State in any legal investment for funds of the State, and the interest earnings shall be credited to the 2012 State Transportation Project Fund. Any unexpended and unobligated balances allocated for the projects described in Sections 3, 4 and 5 of the State Transportation Bond Act lapse under AS 37.25.020 and are appropriated by Section 6 of the State Transportation Bond Act to pay and redeem Bonds.

Section 12. Undertaking to Provide Ongoing Disclosure. The State Bond Committee hereby authorizes the Designated Representative to enter into an agreement for ongoing disclosure, substantially in the form attached to the Preliminary Official Statement for the Bonds for the benefit of the Beneficial Owners of the Bonds and to assist the Underwriter in complying with Section (b)(5) of the Rule.

Section 13. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the State shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 14. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the 25th day of June 2020.

STATE OF ALASKA
STATE BOND COMMITTEE

____
Julie Anderson
Commissioner, Department of Commerce
Community and Economic Development
Chair and Member
Alaska State Bond Committee

____
Kelly Tshibaka
Commissioner, Department of Administration
Member
Alaska State Bond Committee

____
Lucinda Mahoney
Commissioner, Department of Revenue
Secretary and Member
Alaska State Bond Committee

Approved as to form:

____
Alaska Department of Law
State of Alaska

EXHIBIT A

Official Notice of Sale and Bidding Instructions

OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS

STATE OF ALASKA

$[ ]*

General Obligation Bonds
Series 2020A

Electronic Bids, as Described Herein
Will Be Accepted Until
____ A.M. ____ Time**
July __, 2020**

OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS

* Preliminary, subject to change both before and after award as provided for in this Official Notice of Sale.

** Preliminary, subject to change before the sale date and time as provided for in this Official Notice of Sale.

OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS

STATE OF ALASKA
$[   ]*
GENERAL OBLIGATION BONDS
SERIES 2020A

THE SALE

NOTICE IS HEREBY GIVEN that electronic bids will be received at the place, on the date and until the time specified below for the purchase of all, but not less than all, of $[   ]* aggregate principal amount of General Obligation Bonds, Series 2020 (the "Bonds") to be issued by the State of Alaska (the "State").

DATE: July __, 2020***

TIME: __________ A.M _____Time**

ELECTRONIC BIDS: Must be submitted in their entirety via BiDCOMP™/Parity® as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Registration to Bid. All prospective bidders must be contracted customers of BiDCOMP™/Parity® Competitive Bidding System ("BIDCOMP/Parity"). If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to become a customer. No other provider of electronic bidding services and no other means of delivery (i.e. telephone, telefax, telegraph, personal delivery, etc.) of bids will be accepted. **If any provision of this Notice of Sale conflicts with information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Notice of Sale shall control.** Further information about submitting a bid using BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5023.

By submitting a bid for the Bonds, a prospective bidder represents and warrants to the State that such bidder's bid for the purchase of the Bonds (if a bid is submitted) is submitted for and on behalf of such prospective bidder by an officer or agent who is authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to

* Preliminary, subject to change before and after award as provided in this Notice of Sale.

** Preliminary, subject to change before the sale date and time, as provided in this Notice of Sale.

make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the State nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the State nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The State is using BiDCOMP/Parity as a communication mechanism, and not as the State's agent, to conduct electronic bidding for the Bonds. The State is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bidding Procedures" described below. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the State is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify the State by email to deven.mitchell@alaska.gov or facsimile at (907) 465-2902 and to Pete Nissen, of Acacia Financial Group, Inc., the State's municipal advisor (the "Municipal Advisor"), by email to pnissen@acaciafin.com or facsimile at (856) 234-6697.

Bidding Procedures. Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Bid Forms via BiDCOMP/Parity by 11:00 A.M. Eastern Time on ___________, July __, 2020, unless postponed as described below. See "Postponement." Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the State, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the State, as described below under "Basis of Award."

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time specified above for receiving such bids.

Award of the Bonds. The State will award the Bonds (or all bids will be rejected) by 1:00 p.m. Eastern Time on _________, July __, 2020.*

Basis of Award. The Bonds will be awarded to the bidder (the "Successful Bidder") whose proposal conforms to the terms of this offering and produces the lowest true interest cost to the State. The true interest cost will be the annual interest rate that, when compounded

* Preliminary, subject to change before the sale date and time as provided below. See "Postponement."

semiannually and used to discount all payments of principal and interest payable on the Bonds under such proposal to the date of delivery, results in an amount equal to the purchase price for the Bonds. No proposal for the purchase of less than all of the Bonds will be considered. If two or more bids provide the same lowest true interest cost, the State shall determine, in its sole discretion, which bid will be accepted, and such determination will be final. See "Interest Rates and Bid Price."

Modifications. The State reserves the right to modify any term of this Notice of Sale and/or the Preliminary Official Statement for any reason by notice on the Amendments Page of the BiDCOMP/Parity website no later than 5:00 p.m., _______ Eastern Time, on July __, 2020* (or, in the event of a postponement in accordance herewith, the day prior to the reset bid date).

Postponement. The State also reserves the right to postpone the sale and to set a new time for the sale either separately or at one time. Postponement may be effected by 8:00 a.m. _________ Time on July __, 2020,* by a Statement of Postponement carried on the Amendments page of the BiDCOMP/Parity website (the "Statement of Postponement"). At the same time or within 48 hours following the Statement of Postponement, the State may reset a new time for the sale. The reset sale notice may state different terms and conditions of sale and may refer to this notice for any or all terms of sale. All bidders will be deemed to have assented to the above conditions by submitting a bid, and lack of actual notice of the postponement or of the reset terms of sale will not be considered.

Right of Rejection. The State reserves the right to reject any and all bids, to waive any irregularity or informality in any bid, to take any actions adjourning or postponing the sale of the Bonds or to take any other action that the State deems to be in its best interest. In the event the State rejects all bids, notice of a new sale date, if any, will be carried on the Amendments page of the BiDCOMP/Parity website.

THE BONDS

Bond Details. The Bonds will be dated the date of delivery and will bear interest from their dated date, payable semiannually on each _________ 1* and __________ 1* of each year, commencing on ________ 1, 2020.* Interest will be computed upon the basis of a 360-day year of twelve 30-day months. Except as described below, the Bonds will be stated to mature on ______1* in the following years and in the following principal amounts:

* Preliminary, subject to change before the sale date and time as provided below.

State of Alaska
General Obligation Bonds, Series 2020A*

Year	Principal Amount*	Year	Principal Amount*
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	

Adjustment of Maturities. The State reserves the right after the Award of the Bonds to adjust the principal amount of each maturity, in increments of $5,000, and to increase or decrease the total principal amount of the Bonds by up to 10%. Notice of any adjustment will be provided within two hours after the time at which bids are opened through BiDCOMP/Parity. When adjusting maturities, the State will attempt to maintain the Underwriter's compensation as a percentage of the final principal amount of the Bonds. The Successful Bidder may not withdraw its bid or change the interest rates bid or the initial reoffering prices as a result of any changes made within these limits to the revised amounts.

Optional Designations of Term Bonds and Mandatory Sinking Fund Redemption. Bidders have the option of specifying in their bid proposal that all of the principal amount of Bonds scheduled to mature in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise one or more maturities of the Bonds (the "Term Bonds") scheduled to mature in the latest year of each such combination. The Term Bonds so specified by the bidder then will be subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount thereof, in the principal amount in each year during the combined period of such Term Bonds that otherwise would have been scheduled to mature in such years. If no Term Bonds are designated in the successful bid, the Bonds will mature serially without Term Bonds.

In the case of any Term Bonds, if the State purchases Term Bonds for cancellation or redeems Term Bonds pursuant to the optional redemption provisions described below, the principal amount of Term Bonds so purchased or redeemed may be credited against the mandatory sinking fund redemption requirements for the Term Bonds of the same maturity in the order selected by the State.

Immobilization of the Bonds. The Bonds are being issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, and immobilized in the custody of DTC, which will act as securities depository for the Bonds. A book-entry system will be employed by DTC evidencing ownership of the Bonds in principal amount of $5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to

* Preliminary, subject to change. See "Adjustment of Maturities."

rules and procedures established by DTC.

The principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfers of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and persons acting through such participants (the “Participants”), and other nominees of beneficial owners. The State will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, the payment by DTC or by Participants of principal of or interest on the Bonds, any notice to bondholders or any consent given or other action taken by DTC as the registered owner of the Bonds.

Optional Redemption. The Bonds maturing on or after _____ 1, 20__, are subject to redemption at the option of the State in whole or in part on any date on or after _______ 1, 20___, at a redemption price of 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

Security for the Bonds. The Bonds will be general obligations of the State, and the full faith, credit and resources of the State will be pledged to the payment of the principal of and interest on the Bonds. The Bonds represent a portion of the $453,499,200 of general obligation bonds approved by a majority of the voters voting in an election on November 6, 2012.

The security for the Bonds is described in the Preliminary Official Statement and in Resolution No. 2020-_ (the “Resolution”) adopted by the State Bond Committee on _______, 2020, and those documents should be consulted for a more detailed description of the security for the Bonds.

Bond Insurance At Bidder’s Option And Expense. Bidders may elect to insure the Bonds at the bidders’ risk and expense. The State will only enter into agreements to comply with the administrative requirements of the bond insurer; **the State will not amend the Resolution**. The State will pay the fee for ratings from Standard & Poor’s Ratings Services and Fitch Ratings, regardless of whether the Bonds are insured.

The State is not seeking and has not requested or obtained a commitment for any credit enhancement, including a policy to insure payment of scheduled debt service on the Bonds. If the State selects a bid that is based on providing insurance on the Bonds, then the Official Statement and closing certificates will be amended accordingly. No additional security beyond that described in the Preliminary Official Statement will be permitted, however. **Failure of a bond insurer to deliver a policy of insurance for the Bonds will not release the Successful Bidder from its obligation to purchase the Bonds.**

Interest Rates and Bid Price. The Bonds will be sold in one block on an “all or none” basis, and **at a price of not less than one hundred percent (100%) of the aggregate principal amount of the Bonds**. **No serial or term bond maturity may bear a price of less than ninety-seven percent (97%).** Bidders must specify the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be a multiple of one-eighth (1/8) of one percent (1%) or one-twentieth (1/20) of one percent (1%). The highest interest rate bid may not exceed 5.00%. No limitation is imposed upon bidders as to the number of rates which may be used, except that all Bonds of one maturity must bear one and the same interest rate. **The bidding is permitted either with or without bond insurance at the discretion of the bidder. In either event, the winning bid will be selected on the basis of the true interest cost to the State, and in all cases the insurance premium will be paid by the bidder. See "Bond Insurance at Bidder's Option and Expense."**

Good Faith Deposit. The Successful Bidder will be required to provide a good faith deposit in the amount of **___________** Dollars ($**__________)** (the "Good Faith Deposit") in immediately available funds wired to U.S. Bank National Association, as paying agent not later than 2:00 p.m. (Pacific Standard Time) on **______ __**, 2020* (the "Deposit Deadline"). Wire information will be provided to the Successful Bidder by the Municipal Advisor upon bid award. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds may be cancelled by the State in its discretion without any financial liability to the bidder or any limitation whatsoever on the State's right to sell the Bonds to a different purchaser upon such terms and conditions as the State deems appropriate.

The good faith deposit will be held by the State to ensure the Successful Bidder's compliance with the terms of its bid and this Notice of Sale and Bidding Instructions and will be applied to the purchase price on the date of delivery of the Bonds. Pending delivery of the Bonds, the Good Faith Deposit may be invested for the sole benefit of the State. In the event the Successful Bidder fails or refuses to pay for the Bonds in accordance with its bid, the amount of the Good Faith Deposit and any investment earnings thereon shall be accepted by the State as full and complete liquidated damages.

Establishment of Issue Price and Certificate of Winning Bidder. The winning bidder will be required to provide the State within one-half (1/2) hour after the verbal award of the Bonds the initial offering price/yields of the Bonds resold to the public.

(a) The winning bidder shall assist the State in establishing the issue price of the Bonds and shall execute and deliver to the State at the closing date of the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the State and Bond Counsel (as defined herein). All actions to be taken by the State under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the State by the State's municipal advisor identified herein and any notice or report to be provided to the State may be provided to the State's municipal advisor.

(b) The State intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements"):

(1) the State shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the State may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the State anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the State shall so advise the winning bidder. The State may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the State if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The State shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the State promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the Competitive Sale Requirements are not satisfied, then, until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the

State the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date for the Bonds has occurred, until either (i) all Securities of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the winning bidder's reporting obligation after the closing date for the bonds may be at reasonable periodic intervals or otherwise upon request of the State or Bond Counsel.

(f) The State acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The State further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds:

(g) By submitting a bid, each bidder confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date of the Bonds has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date for the Bonds may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires;

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date for the Bonds has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date for the Bonds may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party to an underwriter,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the State to the winning bidder.

Delivery. It is expected that the Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about _________ __, 2020* and that closing will take place on the same date in Seattle, Washington or at another location specified by the State. The successful bidder will be required to provide to the State, by 1:00 p.m. Eastern Daylight Time on July [__], 2020,* information as to the initial offering price of the Bonds to the public (excluding bond houses, brokers and similar persons acting as underwriters or wholesalers) at which a substantial amount of the Bonds were sold and the insurance premium (if purchased by the bidder). Such information must be confirmed with a certificate, dated the date of closing of the Bonds and substantially in the form attached to this Notice of Sale as Exhibit A and satisfactory to Bond Counsel.

There will be furnished to the Successful Bidder without cost, the executed Bonds to be delivered to DTC or its agent and the usual closing documents dated as of the date of delivery of and payment for the Bonds, including a certificate that there is no litigation pending or threatened affecting the validity of the Bonds.

The State will confirm to the Successful Bidder, by a certificate signed on its behalf by the Executive Director or Chair of the State Bond Committee and delivered at the closing, that at the time of the acceptance of the bid, and at the time of the closing, insofar as the State and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Payment. The Successful Bidder shall make full payment of the purchase price of the Bonds to the State at the time of delivery in federal funds or other immediately available funds without cost to the State.

Tax-Exempt Status. The opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the State Bond Committee ("Bond Counsel"), will state that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance by the State with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is not a specific preference item for purposes of the federal alternative minimum tax. For further information, please refer to "TAX MATTERS" in the Preliminary Official Statement.

Legal Opinion. The opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State Bond Committee, approving the validity of the Bonds, will be furnished upon delivery of the Bonds. The proposed form of Bond Counsel's opinion is included in the Preliminary Official Statement as an appendix.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bonds nor any error with respect thereto shall constitute cause for the Successful Bidder to fail or to refuse to accept delivery of and to pay for the Bonds.

No liability shall attach to the State or to any director, officer, employee or agent thereof, including any paying agent or registrar for the Bonds, by reason of such number or by reason of any inaccuracy, error, or omission with respect thereto.

Continuing Disclosure Undertaking. The State covenants and agrees to execute and deliver on or before the date of delivery of the Bonds a continuing disclosure certificate constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the State for the benefit of the beneficial owners of the Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. In the Undertaking, the State will undertake to provide certain annual financial information and to provide notices of certain events with respect to the Bonds. The proposed form of the State's Undertaking is set forth in the Preliminary Official Statement and will be set forth in the final Official Statement.

The State is Represented by an Independent Registered Municipal Advisor. The State Bond Committee has engaged, is represented by and will rely upon the advice of the Municipal Advisor, an independent registered municipal advisor, to advise it on the issuance of the Bonds offered for sale in this Notice of Sale, and other aspects of the financing for which the Bonds are being issued. The State intends that (i) this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi)(B) and (ii) by publicly making this written statement in this Notice of Sale, all prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi).

Additional Information. A Preliminary Official Statement relating to the Bonds and an Official Bid Form for the Bonds may be obtained from Pete Nissen, Acacia Financial Group, Inc., 601 Route 73 North, Suite 206, Marlton, New Jersey 08053, (856) 234-2266 or from Deven J. Mitchell, Debt Manager of the State of Alaska, 333 Willoughby Avenue, State Office Building, 11th Floor, Juneau, Alaska 99811, (907) 465-3750.

The Preliminary Official Statement, referred to above, has been "deemed final" by the State for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion including by the final Official Statement.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a bid, the State agrees that within seven (7) business days after the date of such award the State will provide the senior managing underwriter of the successful syndicate with copies of a final Official Statement. The senior managing underwriter of the successful syndicate will be supplied with final Official Statements in a quantity sufficient to meet its request. Up to 200 copies of the final Official Statement will be furnished without cost.

The State designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the final Official Statement to each participating underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the State (i) it will accept such designation, (ii) it will enter into a contractual relationship with all participating underwriters of the Bonds for purposes of assuring the receipt by each such participating underwriter of the final Official Statement, and (iii) within one business day following the receipt from the State, it will file, or cause to be filed, with the Municipal Securities Rulemaking Board the final Official Statement.

DATED: __________, 2020

State Bond Committee of the State of Alaska

By________________________________
DEVEN J. MITCHELL
Debt Manager

EXHIBIT A

FORM OF CERTIFICATE OF THE UNDERWRITER

STATE OF ALASKA
$__________
GENERAL OBLIGATION BONDS
SERIES 2020A

______________, as purchaser (the "Purchaser"), of the $[amount1] aggregate principal amount of State of Alaska General Obligation Bonds, Series 2020A (the "Bonds"), certifies the following facts for purpose of determining the issue price of the Bonds:

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

[AT LEAST 3 BIDS RECEIVED]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed on Schedule 1 (the "Initial Offering Prices"). The Initial Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule 2 is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

[LESS THAN 3 BIDS RECEIVED, HOLD-THE-OFFERING-PRICE APPLIES]

1. As of [SALE DATE] (the "Sale Date"), all of the Bonds were the subject of an offering to the Public at the initial offering prices or yields of the Bonds to the Public by the Purchaser are the prices or yields listed on Schedule 1 (the "Initial Offering Prices").

2. As of the date hereof, other than the Bonds listed on Schedule 1 hereto as undersold maturities (the "Undersold Maturities"), the first price or yield at which at least 10% of each Maturity of the Bonds was sold to the Public was the respective [Initial Offering Price **OR IF ACTUAL SALES AT OTHER THAN IOP** price set forth on Schedule 1 hereto]. Attached hereto as Schedule [2] is a copy of the final pricing wire for each Undersold Maturity or an equivalent communication. With respect to the Undersold Maturities, as set forth in the Official Notice of Sale and bid award, the Purchaser has agreed in writing that, for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the respective Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price or (b) the close of the fifth business day following the Sale Date (the "Holding Period"), (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"),

and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. Defined Terms.

(a) *Issuer* means the State of Alaska.

(b) *Maturity* means principal payment dates with the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(d) *Related Party* means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is __________, 2020.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: ________, 2020

[Name of Purchaser]

By :________________________

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SOURCES AND USES OF FUNDS

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Dated Date	08/12/2020
Delivery Date	08/12/2020

Sources:	
Bond Proceeds:	
Par Amount	88,925,000.00
Premium	21,713,811.05
	110,638,811.05

Uses:	
Project Fund Deposits:	
Project Fund	110,348,242.00
Delivery Date Expenses:	
Underwriter's Discount	289,006.25
Other Uses of Funds:	
Additional Proceeds	1,562.80
	110,638,811.05

BOND SUMMARY STATISTICS

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Dated Date	08/12/2020
Delivery Date	08/12/2020
Last Maturity	08/01/2040
Arbitrage Yield	1.505229%
True Interest Cost (TIC)	2.347905%
Net Interest Cost (NIC)	2.745039%
All-In TIC	2.347905%
Average Coupon	4.765803%
Average Life (years)	11.923
Weighted Average Maturity (years)	12.241
Duration of Issue (years)	9.637
Par Amount	88,925,000.00
Bond Proceeds	110,638,811.05
Total Interest	50,528,612.64
Net Interest	29,103,807.84
Total Debt Service	139,453,612.64
Maximum Annual Debt Service	6,882,875.00
Average Annual Debt Service	6,983,349.64
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	3.250000
Total Underwriter's Discount	3.250000
Bid Price	124.093118

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	88,925,000.00	124.418	4.766%	11.923	78,960.45
	88,925,000.00			11.923	78,960.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	88,925,000.00	88,925,000.00	88,925,000.00
+ Accrued Interest			
+ Premium (Discount)	21,713,811.05	21,713,811.05	21,713,811.05
- Underwriter's Discount	-289,006.25	-289,006.25	
- Cost of Issuance Expense			
- Other Amounts			
Target Value	110,349,804.80	110,349,804.80	110,638,811.05
Target Date	08/12/2020	08/12/2020	08/12/2020
Yield	2.347905%	2.347905%	1.505229%

BOND PRICING

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	08/01/2021	2,985,000	3.000%	0.420%	102.493					74,416.05
	08/01/2022	3,075,000	3.000%	0.440%	105.014					154,180.50
	08/01/2023	3,170,000	3.000%	0.450%	107.513					238,162.10
	08/01/2024	3,265,000	3.000%	0.550%	109.606					313,635.90
	08/01/2025	3,365,000	3.000%	0.640%	111.525					387,816.25
	08/01/2026	3,485,000	4.000%	0.820%	118.488					644,306.80
	08/01/2027	3,630,000	4.000%	0.930%	120.670					750,321.00
	08/01/2028	3,775,000	4.000%	1.010%	122.839					862,172.25
	08/01/2029	3,930,000	4.000%	1.080%	124.897					978,452.10
	08/01/2030	4,090,000	4.000%	1.210%	126.127					1,068,594.30
	08/01/2031	4,280,000	5.000%	1.290%	134.602	C	1.556%	08/01/2030	100.000	1,480,965.60
	08/01/2032	4,500,000	5.000%	1.430%	133.059	C	1.899%	08/01/2030	100.000	1,487,655.00
	08/01/2033	4,730,000	5.000%	1.520%	132.079	C	2.152%	08/01/2030	100.000	1,517,336.70
	08/01/2034	4,975,000	5.000%	1.610%	131.107	C	2.371%	08/01/2030	100.000	1,547,573.25
	08/01/2035	5,230,000	5.000%	1.660%	130.571	C	2.533%	08/01/2030	100.000	1,598,863.30
	08/01/2036	5,495,000	5.000%	1.750%	129.612	C	2.704%	08/01/2030	100.000	1,627,179.40
	08/01/2037	5,775,000	5.000%	1.790%	129.189	C	2.823%	08/01/2030	100.000	1,685,664.75
	08/01/2038	6,075,000	5.000%	1.880%	128.242	C	2.962%	08/01/2030	100.000	1,715,701.50
	08/01/2039	6,385,000	5.000%	1.920%	127.824	C	3.056%	08/01/2030	100.000	1,776,562.40
	08/01/2040	6,710,000	5.000%	2.010%	126.889	C	3.172%	08/01/2030	100.000	1,804,251.90
		88,925,000								21,713,811.05

Dated Date	08/12/2020	
Delivery Date	08/12/2020	
First Coupon	02/01/2021	
Par Amount	88,925,000.00	
Premium	21,713,811.05	
Production	110,638,811.05	124.418118%
Underwriter's Discount	-289,006.25	-0.325000%
Purchase Price	110,349,804.80	124.093118%
Accrued Interest		
Net Proceeds	110,349,804.80	

BOND DEBT SERVICE

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021			1,849,587.64	1,849,587.64	
06/30/2021					1,849,587.64
08/01/2021	2,985,000	3.000%	1,969,975.00	4,954,975.00	
02/01/2022			1,925,200.00	1,925,200.00	
06/30/2022					6,880,175.00
08/01/2022	3,075,000	3.000%	1,925,200.00	5,000,200.00	
02/01/2023			1,879,075.00	1,879,075.00	
06/30/2023					6,879,275.00
08/01/2023	3,170,000	3.000%	1,879,075.00	5,049,075.00	
02/01/2024			1,831,525.00	1,831,525.00	
06/30/2024					6,880,600.00
08/01/2024	3,265,000	3.000%	1,831,525.00	5,096,525.00	
02/01/2025			1,782,550.00	1,782,550.00	
06/30/2025					6,879,075.00
08/01/2025	3,365,000	3.000%	1,782,550.00	5,147,550.00	
02/01/2026			1,732,075.00	1,732,075.00	
06/30/2026					6,879,625.00
08/01/2026	3,485,000	4.000%	1,732,075.00	5,217,075.00	
02/01/2027			1,662,375.00	1,662,375.00	
06/30/2027					6,879,450.00
08/01/2027	3,630,000	4.000%	1,662,375.00	5,292,375.00	
02/01/2028			1,589,775.00	1,589,775.00	
06/30/2028					6,882,150.00
08/01/2028	3,775,000	4.000%	1,589,775.00	5,364,775.00	
02/01/2029			1,514,275.00	1,514,275.00	
06/30/2029					6,879,050.00
08/01/2029	3,930,000	4.000%	1,514,275.00	5,444,275.00	
02/01/2030			1,435,675.00	1,435,675.00	
06/30/2030					6,879,950.00
08/01/2030	4,090,000	4.000%	1,435,675.00	5,525,675.00	
02/01/2031			1,353,875.00	1,353,875.00	
06/30/2031					6,879,550.00
08/01/2031	4,280,000	5.000%	1,353,875.00	5,633,875.00	
02/01/2032			1,246,875.00	1,246,875.00	
06/30/2032					6,880,750.00
08/01/2032	4,500,000	5.000%	1,246,875.00	5,746,875.00	
02/01/2033			1,134,375.00	1,134,375.00	
06/30/2033					6,881,250.00
08/01/2033	4,730,000	5.000%	1,134,375.00	5,864,375.00	
02/01/2034			1,016,125.00	1,016,125.00	
06/30/2034					6,880,500.00
08/01/2034	4,975,000	5.000%	1,016,125.00	5,991,125.00	
02/01/2035			891,750.00	891,750.00	
06/30/2035					6,882,875.00
08/01/2035	5,230,000	5.000%	891,750.00	6,121,750.00	
02/01/2036			761,000.00	761,000.00	
06/30/2036					6,882,750.00
08/01/2036	5,495,000	5.000%	761,000.00	6,256,000.00	
02/01/2037			623,625.00	623,625.00	
06/30/2037					6,879,625.00
08/01/2037	5,775,000	5.000%	623,625.00	6,398,625.00	
02/01/2038			479,250.00	479,250.00	
06/30/2038					6,877,875.00
08/01/2038	6,075,000	5.000%	479,250.00	6,554,250.00	
02/01/2039			327,375.00	327,375.00	
06/30/2039					6,881,625.00
08/01/2039	6,385,000	5.000%	327,375.00	6,712,375.00	
02/01/2040			167,750.00	167,750.00	
06/30/2040					6,880,125.00
08/01/2040	6,710,000	5.000%	167,750.00	6,877,750.00	
06/30/2041					6,877,750.00
	88,925,000		50,528,612.64	139,453,612.64	139,453,612.64

BOND DEBT SERVICE

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2021			1,849,587.64	1,849,587.64
06/30/2022	2,985,000	3.000%	3,895,175.00	6,880,175.00
06/30/2023	3,075,000	3.000%	3,804,275.00	6,879,275.00
06/30/2024	3,170,000	3.000%	3,710,600.00	6,880,600.00
06/30/2025	3,265,000	3.000%	3,614,075.00	6,879,075.00
06/30/2026	3,365,000	3.000%	3,514,625.00	6,879,625.00
06/30/2027	3,485,000	4.000%	3,394,450.00	6,879,450.00
06/30/2028	3,630,000	4.000%	3,252,150.00	6,882,150.00
06/30/2029	3,775,000	4.000%	3,104,050.00	6,879,050.00
06/30/2030	3,930,000	4.000%	2,949,950.00	6,879,950.00
06/30/2031	4,090,000	4.000%	2,789,550.00	6,879,550.00
06/30/2032	4,280,000	5.000%	2,600,750.00	6,880,750.00
06/30/2033	4,500,000	5.000%	2,381,250.00	6,881,250.00
06/30/2034	4,730,000	5.000%	2,150,500.00	6,880,500.00
06/30/2035	4,975,000	5.000%	1,907,875.00	6,882,875.00
06/30/2036	5,230,000	5.000%	1,652,750.00	6,882,750.00
06/30/2037	5,495,000	5.000%	1,384,625.00	6,879,625.00
06/30/2038	5,775,000	5.000%	1,102,875.00	6,877,875.00
06/30/2039	6,075,000	5.000%	806,625.00	6,881,625.00
06/30/2040	6,385,000	5.000%	495,125.00	6,880,125.00
06/30/2041	6,710,000	5.000%	167,750.00	6,877,750.00
	88,925,000		50,528,612.64	139,453,612.64

FORM 8038 STATISTICS

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Dated Date 08/12/2020
Delivery Date 08/12/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	08/01/2021	2,985,000.00	3.000%	102.493	3,059,416.05	2,985,000.00
	08/01/2022	3,075,000.00	3.000%	105.014	3,229,180.50	3,075,000.00
	08/01/2023	3,170,000.00	3.000%	107.513	3,408,162.10	3,170,000.00
	08/01/2024	3,265,000.00	3.000%	109.606	3,578,635.90	3,265,000.00
	08/01/2025	3,365,000.00	3.000%	111.525	3,752,816.25	3,365,000.00
	08/01/2026	3,485,000.00	4.000%	118.488	4,129,306.80	3,485,000.00
	08/01/2027	3,630,000.00	4.000%	120.670	4,380,321.00	3,630,000.00
	08/01/2028	3,775,000.00	4.000%	122.839	4,637,172.25	3,775,000.00
	08/01/2029	3,930,000.00	4.000%	124.897	4,908,452.10	3,930,000.00
	08/01/2030	4,090,000.00	4.000%	126.127	5,158,594.30	4,090,000.00
	08/01/2031	4,280,000.00	5.000%	134.602	5,760,965.60	4,280,000.00
	08/01/2032	4,500,000.00	5.000%	133.059	5,987,655.00	4,500,000.00
	08/01/2033	4,730,000.00	5.000%	132.079	6,247,336.70	4,730,000.00
	08/01/2034	4,975,000.00	5.000%	131.107	6,522,573.25	4,975,000.00
	08/01/2035	5,230,000.00	5.000%	130.571	6,828,863.30	5,230,000.00
	08/01/2036	5,495,000.00	5.000%	129.612	7,122,179.40	5,495,000.00
	08/01/2037	5,775,000.00	5.000%	129.189	7,460,664.75	5,775,000.00
	08/01/2038	6,075,000.00	5.000%	128.242	7,790,701.50	6,075,000.00
	08/01/2039	6,385,000.00	5.000%	127.824	8,161,562.40	6,385,000.00
	08/01/2040	6,710,000.00	5.000%	126.889	8,514,251.90	6,710,000.00
		88,925,000.00			110,638,811.05	88,925,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	08/01/2040	5.000%	8,514,251.90	6,710,000.00		
Entire Issue			110,638,811.05	88,925,000.00	12.2407	1.5052%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	289,006.25
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

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State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

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SOURCES AND USES OF FUNDS

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Dated Date	08/12/2020
Delivery Date	08/12/2020

Sources:	
Bond Proceeds:	
Par Amount	94,075,000.00
Premium	16,582,684.25
	110,657,684.25

Uses:	
Project Fund Deposits:	
Project Fund	110,348,242.00
Delivery Date Expenses:	
Underwriter's Discount	305,743.75
Other Uses of Funds:	
Additional Proceeds	3,698.50
	110,657,684.25

BOND SUMMARY STATISTICS

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Dated Date	08/12/2020
Delivery Date	08/12/2020
Last Maturity	08/01/2040
Arbitrage Yield	1.626248%
True Interest Cost (TIC)	2.218248%
Net Interest Cost (NIC)	2.479089%
All-In TIC	2.218248%
Average Coupon	3.952455%
Average Life (years)	11.743
Weighted Average Maturity (years)	11.858
Duration of Issue (years)	9.680
Par Amount	94,075,000.00
Bond Proceeds	110,657,684.25
Total Interest	43,664,566.25
Net Interest	27,387,625.75
Total Debt Service	137,739,566.25
Maximum Annual Debt Service	6,804,900.00
Average Annual Debt Service	6,897,516.18
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	3.250000
Total Underwriter's Discount	3.250000
Bid Price	117.302089

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	94,075,000.00	117.627	3.952%	11.743	79,196.50
	94,075,000.00			11.743	79,196.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	94,075,000.00	94,075,000.00	94,075,000.00
+ Accrued Interest			
+ Premium (Discount)	16,582,684.25	16,582,684.25	16,582,684.25
- Underwriter's Discount	-305,743.75	-305,743.75	
- Cost of Issuance Expense			
- Other Amounts			
Target Value	110,351,940.50	110,351,940.50	110,657,684.25
Target Date	08/12/2020	08/12/2020	08/12/2020
Yield	2.218248%	2.218248%	1.626248%

BOND PRICING

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	08/01/2021	3,260,000	3.000%	0.420%	102.493					81,271.80
	08/01/2022	3,360,000	3.000%	0.440%	105.014					168,470.40
	08/01/2023	3,465,000	3.000%	0.450%	107.513					260,325.45
	08/01/2024	3,570,000	3.000%	0.550%	109.606					342,934.20
	08/01/2025	3,680,000	3.000%	0.640%	111.525					424,120.00
	08/01/2026	3,810,000	4.000%	0.820%	118.488					704,392.80
	08/01/2027	3,965,000	4.000%	0.930%	120.670					819,565.50
	08/01/2028	4,125,000	4.000%	1.010%	122.839					942,108.75
	08/01/2029	4,295,000	4.000%	1.080%	124.897					1,069,326.15
	08/01/2030	4,470,000	4.000%	1.210%	126.127					1,167,876.90
	08/01/2031	4,655,000	4.000%	1.490%	123.173	C	1.678%	08/01/2030	100.000	1,078,703.15
	08/01/2032	4,845,000	4.000%	1.630%	121.725	C	1.955%	08/01/2030	100.000	1,052,576.25
	08/01/2033	5,040,000	4.000%	1.720%	120.805	C	2.153%	08/01/2030	100.000	1,048,572.00
	08/01/2034	5,245,000	4.000%	1.810%	119.894	C	2.324%	08/01/2030	100.000	1,043,440.30
	08/01/2035	5,460,000	4.000%	1.860%	119.390	C	2.445%	08/01/2030	100.000	1,058,694.00
	08/01/2036	5,685,000	4.000%	1.950%	118.491	C	2.580%	08/01/2030	100.000	1,051,213.35
	08/01/2037	5,915,000	4.000%	1.990%	118.094	C	2.667%	08/01/2030	100.000	1,070,260.10
	08/01/2038	6,155,000	4.000%	2.080%	117.206	C	2.777%	08/01/2030	100.000	1,059,029.30
	08/01/2039	6,405,000	4.000%	2.120%	116.813	C	2.847%	08/01/2030	100.000	1,076,872.65
	08/01/2040	6,670,000	4.000%	2.210%	115.936	C	2.939%	08/01/2030	100.000	1,062,931.20
		94,075,000								16,582,684.25

Dated Date	08/12/2020	
Delivery Date	08/12/2020	
First Coupon	02/01/2021	
Par Amount	94,075,000.00	
Premium	16,582,684.25	
Production	110,657,684.25	117.627089%
Underwriter's Discount	-305,743.75	-0.325000%
Purchase Price	110,351,940.50	117.302089%
Accrued Interest		
Net Proceeds	110,351,940.50	

BOND DEBT SERVICE

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021			1,685,141.25	1,685,141.25	
06/30/2021					1,685,141.25
08/01/2021	3,260,000	3.000%	1,794,825.00	5,054,825.00	
02/01/2022			1,745,925.00	1,745,925.00	
06/30/2022					6,800,750.00
08/01/2022	3,360,000	3.000%	1,745,925.00	5,105,925.00	
02/01/2023			1,695,525.00	1,695,525.00	
06/30/2023					6,801,450.00
08/01/2023	3,465,000	3.000%	1,695,525.00	5,160,525.00	
02/01/2024			1,643,550.00	1,643,550.00	
06/30/2024					6,804,075.00
08/01/2024	3,570,000	3.000%	1,643,550.00	5,213,550.00	
02/01/2025			1,590,000.00	1,590,000.00	
06/30/2025					6,803,550.00
08/01/2025	3,680,000	3.000%	1,590,000.00	5,270,000.00	
02/01/2026			1,534,800.00	1,534,800.00	
06/30/2026					6,804,800.00
08/01/2026	3,810,000	4.000%	1,534,800.00	5,344,800.00	
02/01/2027			1,458,600.00	1,458,600.00	
06/30/2027					6,803,400.00
08/01/2027	3,965,000	4.000%	1,458,600.00	5,423,600.00	
02/01/2028			1,379,300.00	1,379,300.00	
06/30/2028					6,802,900.00
08/01/2028	4,125,000	4.000%	1,379,300.00	5,504,300.00	
02/01/2029			1,296,800.00	1,296,800.00	
06/30/2029					6,801,100.00
08/01/2029	4,295,000	4.000%	1,296,800.00	5,591,800.00	
02/01/2030			1,210,900.00	1,210,900.00	
06/30/2030					6,802,700.00
08/01/2030	4,470,000	4.000%	1,210,900.00	5,680,900.00	
02/01/2031			1,121,500.00	1,121,500.00	
06/30/2031					6,802,400.00
08/01/2031	4,655,000	4.000%	1,121,500.00	5,776,500.00	
02/01/2032			1,028,400.00	1,028,400.00	
06/30/2032					6,804,900.00
08/01/2032	4,845,000	4.000%	1,028,400.00	5,873,400.00	
02/01/2033			931,500.00	931,500.00	
06/30/2033					6,804,900.00
08/01/2033	5,040,000	4.000%	931,500.00	5,971,500.00	
02/01/2034			830,700.00	830,700.00	
06/30/2034					6,802,200.00
08/01/2034	5,245,000	4.000%	830,700.00	6,075,700.00	
02/01/2035			725,800.00	725,800.00	
06/30/2035					6,801,500.00
08/01/2035	5,460,000	4.000%	725,800.00	6,185,800.00	
02/01/2036			616,600.00	616,600.00	
06/30/2036					6,802,400.00
08/01/2036	5,685,000	4.000%	616,600.00	6,301,600.00	
02/01/2037			502,900.00	502,900.00	
06/30/2037					6,804,500.00
08/01/2037	5,915,000	4.000%	502,900.00	6,417,900.00	
02/01/2038			384,600.00	384,600.00	
06/30/2038					6,802,500.00
08/01/2038	6,155,000	4.000%	384,600.00	6,539,600.00	
02/01/2039			261,500.00	261,500.00	
06/30/2039					6,801,100.00
08/01/2039	6,405,000	4.000%	261,500.00	6,666,500.00	
02/01/2040			133,400.00	133,400.00	
06/30/2040					6,799,900.00
08/01/2040	6,670,000	4.000%	133,400.00	6,803,400.00	
06/30/2041					6,803,400.00
	94,075,000		43,664,566.25	137,739,566.25	137,739,566.25

BOND DEBT SERVICE

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2021			1,685,141.25	1,685,141.25
06/30/2022	3,260,000	3.000%	3,540,750.00	6,800,750.00
06/30/2023	3,360,000	3.000%	3,441,450.00	6,801,450.00
06/30/2024	3,465,000	3.000%	3,339,075.00	6,804,075.00
06/30/2025	3,570,000	3.000%	3,233,550.00	6,803,550.00
06/30/2026	3,680,000	3.000%	3,124,800.00	6,804,800.00
06/30/2027	3,810,000	4.000%	2,993,400.00	6,803,400.00
06/30/2028	3,965,000	4.000%	2,837,900.00	6,802,900.00
06/30/2029	4,125,000	4.000%	2,676,100.00	6,801,100.00
06/30/2030	4,295,000	4.000%	2,507,700.00	6,802,700.00
06/30/2031	4,470,000	4.000%	2,332,400.00	6,802,400.00
06/30/2032	4,655,000	4.000%	2,149,900.00	6,804,900.00
06/30/2033	4,845,000	4.000%	1,959,900.00	6,804,900.00
06/30/2034	5,040,000	4.000%	1,762,200.00	6,802,200.00
06/30/2035	5,245,000	4.000%	1,556,500.00	6,801,500.00
06/30/2036	5,460,000	4.000%	1,342,400.00	6,802,400.00
06/30/2037	5,685,000	4.000%	1,119,500.00	6,804,500.00
06/30/2038	5,915,000	4.000%	887,500.00	6,802,500.00
06/30/2039	6,155,000	4.000%	646,100.00	6,801,100.00
06/30/2040	6,405,000	4.000%	394,900.00	6,799,900.00
06/30/2041	6,670,000	4.000%	133,400.00	6,803,400.00
	94,075,000		43,664,566.25	137,739,566.25

FORM 8038 STATISTICS

State of Alaska
Proposed General Obligation Bonds, Series 2020
Preliminary, Subject to Change

Dated Date 08/12/2020
Delivery Date 08/12/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	08/01/2021	3,260,000.00	3.000%	102.493	3,341,271.80	3,260,000.00
	08/01/2022	3,360,000.00	3.000%	105.014	3,528,470.40	3,360,000.00
	08/01/2023	3,465,000.00	3.000%	107.513	3,725,325.45	3,465,000.00
	08/01/2024	3,570,000.00	3.000%	109.606	3,912,934.20	3,570,000.00
	08/01/2025	3,680,000.00	3.000%	111.525	4,104,120.00	3,680,000.00
	08/01/2026	3,810,000.00	4.000%	118.488	4,514,392.80	3,810,000.00
	08/01/2027	3,965,000.00	4.000%	120.670	4,784,565.50	3,965,000.00
	08/01/2028	4,125,000.00	4.000%	122.839	5,067,108.75	4,125,000.00
	08/01/2029	4,295,000.00	4.000%	124.897	5,364,326.15	4,295,000.00
	08/01/2030	4,470,000.00	4.000%	126.127	5,637,876.90	4,470,000.00
	08/01/2031	4,655,000.00	4.000%	123.173	5,733,703.15	4,655,000.00
	08/01/2032	4,845,000.00	4.000%	121.725	5,897,576.25	4,845,000.00
	08/01/2033	5,040,000.00	4.000%	120.805	6,088,572.00	5,040,000.00
	08/01/2034	5,245,000.00	4.000%	119.894	6,288,440.30	5,245,000.00
	08/01/2035	5,460,000.00	4.000%	119.390	6,518,694.00	5,460,000.00
	08/01/2036	5,685,000.00	4.000%	118.491	6,736,213.35	5,685,000.00
	08/01/2037	5,915,000.00	4.000%	118.094	6,985,260.10	5,915,000.00
	08/01/2038	6,155,000.00	4.000%	117.206	7,214,029.30	6,155,000.00
	08/01/2039	6,405,000.00	4.000%	116.813	7,481,872.65	6,405,000.00
	08/01/2040	6,670,000.00	4.000%	115.936	7,732,931.20	6,670,000.00
		94,075,000.00			110,657,684.25	94,075,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	08/01/2040	4.000%	7,732,931.20	6,670,000.00		
Entire Issue			110,657,684.25	94,075,000.00	11.8577	1.6262%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	305,743.75
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

State of Alaska
General Obligation Bonds, Series 2020
Financing Schedule (as of June 12, 2020)

June - 2020						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July - 2020						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August – 2020						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Date	Event	Responsibility
Week of May 18th	– Kick off conference call – Circulate first draft of the Prelim. Official Statement & Notice of Sale (“POS”) (“NOS”) – Circulate first draft of the Resolution	WG FA, BC BC
Week of May 25th	–	
Week of June 1st	– Working Group Call (6/5)	WG
Week of June 8th	– Update POS	FA, AK
Week of June 15th	– Circulate second draft of the POS and NOS – Finalize SBC Resolution – Working Group Call to discuss POS/NOS (6/15 11am AK, 12pm PT, 3pm ET)	FA BC WG
Week of June 22nd	– **State Bond Committee Mtg (6/25 1^{30}pm AK, 2^{30}pm PT, 5^{30}pm ET)**	WG
Week of June 29th	– Call to discuss POS/NOS – Send documents to rating agencies	WG FA
Week of July 6th	– Call to discuss POS/NOS – Credit Rating conference Calls (TBD)	WG WG
Week of July 13th	– Call to finalize POS/NOS	WG
Week of July 20th	– Receive Ratings (7/21) – **Post POS/NOS (7/22)**	AK, FA AK, FA
Week of July 27th	– **Competitive Sale / Award (7/29)** – Circulate draft of final Official Statement (“OS”) – Print OS	WG BC, FA WG
Week of Aug. 3rd	–	
Week of Aug. 10th	– Pre-closing (8/11) – Closing (8/12)	WG WG

AK – State of Alaska   BC – Orrick, Herrington & Sutcliffe LLP   FA – Acacia
WG – AK, BC, FA

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2020

NEW ISSUE – BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Bonds is not included in taxable income for purposes of the Alaska income tax imposed on corporations. Interest on the Bonds may be indirectly subject to the Alaska alternative minimum tax imposed on corporations to the extent that interest on the Bonds is subject to the federal alternative minimum tax on corporations. See "TAX MATTERS."

$______,000[1]
STATE OF ALASKA
General Obligation Bonds
Series 2020

Dates, Interest Rates, Prices and Yields Are Shown on the Inside Cover Page

The State of Alaska (the "State") is issuing $______,000[1] aggregate principal amount of General Obligation Bonds, Series 2020 (the "Bonds").

The Bonds will be general obligations of the State and the full faith, credit and resources of the State will be pledged to the payment of principal of and interest on the Bonds. See "THE BONDS – Security for the Bonds" herein.

The Bonds will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds will be payable on [February 1, 2021] and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption. Interest will be calculated on the basis of a 360-day year of twelve 30-day months at the annual rates set forth on the inside front cover. The Bonds will be subject to redemption as described herein.

The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of Bonds will not receive physical certificates representing their interest in the Bonds purchased. DTC will act as securities depository for the Bonds. Individual purchases of interests in the Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. The principal of and interest on the Bonds will be payable directly to DTC by U.S. Bank National Association, Seattle, Washington as authenticating agent, paying agent and registrar for the Bonds (the "Bond Registrar"). Upon receipt of payments of principal and interest, DTC is to remit such principal and interest to the Direct Participants (defined in Appendix E) for subsequent disbursement to the purchasers of beneficial interests in the Bonds, as described herein.

The Bonds are being issued pursuant to the Alaska Constitution, Alaska Statutes 37.15.010 through 37.15.380 (the "Bond Act"), Sections 1, 3, 4 and 5 of Chapter 18, SLA 2012 (HB 286) (the "State Transportation Bond Act") and a resolution of the State Bond Committee to pay or to fund grants for the payment of costs of transportation projects approved by the voters as described herein. See "THE BONDS – Application of Bond Proceeds."

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

The Bonds are offered when, as and if issued, subject to receipt of an approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State Bond Committee. Acacia Financial Group, Inc. is serving as Financial Advisor to the State. It is expected that the Bonds in book-entry form will be available for delivery by Fast Automated Securities Transfer, through the facilities of DTC, on or about ___ __, 2016*.

ELECTRONIC SUBMISSIONS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. EASTERN DAYLIGHT TIME ON JULY __, 2020. FOR MORE INFORMATION VIEW THE NOTICE OF SALE WHICH IS INCLUDED AS APPENDIX F OF THIS PRELIMINARY OFFICIAL STATEMENT.

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[1] **Preliminary, subject to change**

The date of this Official Statement is June __, 2020

$______,000[1]

STATE OF ALASKA

GENERAL OBLIGATION BONDS
SERIES 2020

Dated: Date of Delivery

Due: August 1, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES, CUSIPS

Maturity August 1[1]	Principal Amount[1]	Interest Rate	Yield	Price	CUSIP[2]
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

[1] Preliminary, subject to change

[2] Copyright 2020, CUSIP Global Services. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® data herein is provided by CGS. This data is not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided in this Official Statement for convenience of reference only. CUSIP numbers are subject to change. Neither the State of Alaska nor the Underwriter nor their agents or advisors takes any responsibility for the accuracy of such CUSIP® numbers

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Mike Dunleavy, Governor
Kevin Meyer, Lt. Governor
P.O. Box 110001
Juneau, Alaska 99811
http://www.alaska.gov[1]

STATE BOND COMMITTEE

Julie Anderson, Chair
Commissioner
Department of Commerce, Community and Economic Development

Lucinda Mahoney, Secretary
Commissioner
Department of Revenue

Kelly Tshibaka, Member
Commissioner
Department of Administration

John Springsteen, Designee for Department of Commerce, Community and Economic Development
Deputy Commissioner of the Department of Commerce, Community and Economic Development

Mike Barnhill, Designee for Department of Revenue
Deputy Commissioner of the Department of Revenue

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Acacia Financial Group, Inc.
Anchorage, Alaska

BOND COUNSEL
Orrick, Herrington & Sutcliffe LLP
Seattle, Washington

BOND REGISTRAR
U.S. Bank National Association
Seattle, Washington

[1] The reference to the State's website is not a hyperlink and the State's website, by this reference, is not incorporated herein.

The information contained in this Official Statement has been obtained from sources the State deems reliable. The information concerning DTC and its book-entry system has been obtained from DTC, and no representation is made by the State as to the completeness or accuracy of such information.

No dealer, broker, salesperson or other person has been authorized by the State or by the State Bond Committee (the "Committee") to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such other information or representations must not be relied upon as having been authorized by the State or by the Committee.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sales made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State or DTC since the date hereof. This Official Statement does not constitute a contract between the State and any one or more of the purchasers or registered owners of the Bonds.

Certain statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." The words "estimate," "project," "anticipate," "expect," "intend," "believe," "plan," "budget," "forecast," "assume," and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based upon underlying assumptions, many of which in turn are based upon further assumptions. No assurance can be given that the future results or plans discussed herein will be achieved and actual results may differ, perhaps materially, from the plans, budgets, assumptions, forecasts and projections described herein. Except for the historical information included in the continuing disclosure undertaking of the State, the State does not plan to issue any updates or revisions to those forward-looking statements.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICIATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

Relating to

$______,000*
STATE OF ALASKA
General Obligation Bonds,
Series 2020

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the Appendices, is to provide certain information concerning the State of Alaska (the "State") and the issuance of $_______,000* aggregate principal amount of the State of Alaska General Obligation Bonds, Series 2020 (the "Bonds"). The Bonds will be issued pursuant to Resolution No. 2020-__ (the "Resolution"), adopted by the State Bond Committee (the "Committee") on June __, 2020. See "THE BONDS" herein for a description of the Bonds and the security therefor.

The Bonds will be general obligations of the State and the full faith, credit and resources of the State will be pledged to the payment of the principal of and interest on the Bonds. See "THE BONDS – Security for the Bonds" herein.

The Bonds are being issued to pay or to make grants to pay the costs of design and construction of state transportation projects, as more fully described under the caption "THE BONDS – Application of Bond Proceeds" herein.

The proposed form of the opinion of Bond Counsel is included in Appendix C.

The proposed form of the Continuing Disclosure Undertaking is included in Appendix D.

The historical financial information included in this Official Statement is derived primarily from the State's audited financial statements and from the State's unaudited financial documents and records. All of the historical information about the State's financial condition and about its economy and resources and all summaries of resolutions, statutes, agreements, reports and other documents are subject to and are qualified in their entirety by reference to such financial statements, records, resolutions, statutes, agreements, reports and other documents. A copy of the State's audited financial statements for the FY ended June 30, 2019 is included in this Official Statement as Appendix B.

In addition to historical information, this Official Statement includes information about the State's long-term plans and proposed budgets and forecast information about the State's resources, economy and revenues and expenditures. Forecast information is derived from a number of sources and is based upon a variety of assumptions, many of which themselves are based upon other forecasts and assumptions and most of which are not within the State's control. Actual budgets, plans and results may differ materially from the plans, budgets and results described herein.

As described herein, with recent decreases in oil prices and production, the State's 2020 and forecast unrestricted revenue available for General Fund appropriation also has declined. Although petroleum-related revenue remains the largest source of unrestricted revenue for the State's General Fund,

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* Preliminary, subject to change

increased use of currently restricted revenues, which are significantly greater than unrestricted petroleum-related revenue, together with potential sources of new revenues and potential expenditure reductions, are being considered. See "Government Budgets and Appropriations" and "Fiscal Year 2021 10-Year Plan". Certain information regarding the economy of the State is included in this Official Statement as Appendix A.

THE BONDS

Authority for Issuance and Purpose of the Bonds

The Bonds are being issued pursuant to the Alaska Constitution, AS 37.15.010 through 37.15.380 (the "Bond Act"), Sections 1, 3, 4 and 5 of Chapter 18, SLA 2012 (HB 286) (the "State Transportation Bond Act") and the Resolution to pay or to make grants for payment of costs of transportation project authorized pursuant to the State Transportation Bond Act. The State Transportation Bond Act provides for the issuance of up to $453,499,200 of general obligation bonds, and on November 6, 2012, the general obligation bond authorization was ratified by a majority of the qualified voters in the State who voted in the election. The proceeds deposited in the 2012 State Transportation Project Fund, are expected to be applied to pay or to make grants to pay costs of transportation projects. Transportation projects authorized by the State Transportation Bond Act approved by the voters include the following projects:

Department of Commerce	
Port of Anchorage Expansion	$50,000,000
Bethel Harbor Dredging	4,000,000
Port of Bristol Bay Expansion and Pile Dock Replacement	7,000,000
Emmonak Port Improvements	3,000,000
Haines Borough Boat Harbor Upgrades	15,000,000
Hooper Bay Small Boat Harbor	1,000,000
Kodiak Pier III Replacement	15,000,000
Kotzebue Cape Blossom Road and Deep Water Port	10,000,000
Matanuska-Susitna Borough Bogard Road Extension East	13,500,000
Matanuska-Susitna Borough Port MacKenzie Rail Extension	30,000,000
Nenana Totchaket Resource Development Corridor Access	6,500,000
Newtok Traditional Council Mertarvik Evacuation	4,100,000
Nome Port Design and Construction	10,000,000
Sand Point Road Rehabilitation	2,500,000
Seward Marine Industrial Center Expansion	10,000,000
Sitka Sawmill Cove Industrial Park Dock	7,500,000
St. George Harbor Reconstruction	3,000,000
Togiak Waterfront Transit Facility	3,300,000
Department of Transportation	
Glenn Highway, Hiland Road to Artillery Road Reconstruction	$35,000,000
Glenn Highway/Muldoon Road Interchange Reconstruction	15,000,000
New Seward Highway MP 75-90 Bridge Repairs	26,000,000
New Seward Highway/36th Avenue Reconstruction	10,000,000
O'Malley Road Reconstruction	15,000,000
Elliott Highway MP 108-120 Reconstruction	6,500,000
Old Steese Highway to McGrath Road Reconstruction and Extension	24,000,000
Wendell Street Bridge Replacement	14,400,000
Glacier Highway MP 4-6 Road Improvements	5,500,000
Mendenhall Loop Road Improvements	6,000,000

Kenai Spur Road Rehabilitation	$20,000,000
Ketchikan - Shelter Cover Road Construction and Improvements	19,000,000
Matanuska-Susitna - Fairview Loop Road Reconstruction	10,000,000
Matanuska-Susitna - Knik Goosebay Road Reconstruction	15,000,000
North Pole - Plack Road Improvement	5,000,000
Platinum Airport Runway Extension	3,100,000
Richardson Highway - Ruby Creek Bridge Replacement	11,000,000
Sitka - Katlian Bay Road Construction	14,000,000

Security for the Bonds

When issued, the Bonds will be general obligations of the State, and the full faith, credit and resources of the State will be pledged to the payment of the principal of and interest on the Bonds. Pursuant to the Bond Act, the amounts required annually to pay the principal of and interest and redemption premium on all issued and outstanding general obligations bonds of the State are appropriated to the Committee to make all required payments of principal, interest and redemption premium. AS 37.15.012 provides that, if such appropriation is insufficient to fully pay these amounts, the necessary additional amounts are appropriated from the General Fund to the Committee to make all required payments of principal, interest and redemption premium.

For the payment of principal of and interest on general obligation indebtedness, including the Bonds, the State has the power to levy taxes, including taxes on all taxable property and income in the State, without limitation as to rate or amount. For a description of the State's current taxes and other sources of revenues, see "INFORMATION CONCERNING THE STATE OF ALASKA – State Revenues" and "INFORMATION CONCERNING THE STATE OF ALASKA – Public Debt and Other Obligations of the State" herein.

General Description of the Bonds

The Bonds are issuable solely as fully registered Bonds without coupons (initially in the book-entry only system) in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated as of their date of original issuance and delivery and will bear interest at the rates and subject to prior redemption, will mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on February 1 and August 1 of each year, commencing on February 1, 2021, computed on the basis of a 360-day year (consisting of 12 months of 30 days each).

When issued, the Bonds will be registered in the name of Cede & Co. as the partnership nominee of the Depository Trust Company, New York, New York ("DTC"). So long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC), is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer by the Bond Registrar to DTC, which, in turn, is obligated to remit such principal and interest to the Direct Participants for subsequent disbursement to the Beneficial Owners (as defined in Appendix E) of the Bonds. See "Book-Entry-System" below and "INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY" in Appendix E.

In the event that DTC or its successor (or substitute securities depository or its successor) resigns and no substitute securities depository can be obtained, or in the event the State determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, new Bonds are required to be issued and registered.

Application of Bond Proceeds

Proceeds of the Bonds are to be used to pay or to make grants to pay costs of one or more of the projects described above and to pay underwriter's discount.

Sources and Uses Table

The State expects to apply proceeds of the Bonds as shown below.

Sources of Funds:	
Principal Amount of Bonds	$______________
Original Issue Premium/(Discount)	______________
Total	$______________
Uses of Funds:	
Transportation Projects	$______________
Costs of Issuance*	______________
Total	$______________

* Costs of issuance include underwriting discount. Other costs of issuance including legal fees, printing costs, financial advisory fees, rating agency fees and similar costs are being paid from a State appropriation.

Redemption of the Bonds

Optional Redemption. The Bonds that are stated to mature on or before August 1, 203_, are not subject to optional redemption prior to their stated maturity. The Bonds maturing on or after August 1, 203_, are subject to redemption at the option of the State, in whole or in part (and if in part, from the maturities selected by the State and by lot within a maturity and interest rate), on any date on or after August 1, 203_, at a redemption price equal to 100% of the principal amount thereof, plus interest to the date fixed for redemption.

Selection of Bonds for Redemption

The Resolution provides that if the State elects to redeem less than all of the Bonds for optional redemption, the State will select the amount and the maturities to be redeemed.

So long as the Bonds are registered to DTC or its nominee, selection of a portion of Bonds to be redeemed within a maturity is to be made by DTC in accordance with its operational arrangements then in effect. If the Bonds are no longer held in book-entry form and if fewer than all of the Outstanding Bonds of a maturity are to be redeemed, the Bond Registrar is to select the Bonds to be redeemed by lot; provided, that the portion of any Bond to be redeemed in part is in the principal amount of $5,000 or any integral multiple thereof. See "-Book-Entry System" below and "INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY" in Appendix E.

Notice of Redemption

The Resolution provides that unless waived by the Registered Owner of Bonds to be redeemed (DTC so long as the Bonds are held by DTC or by a nominee of DTC), official notice of any redemption, which notice in the case of an optional redemption may be a conditional notice, is to be given by the Bond Registrar on behalf of the State at least 20 days and not more than 60 days prior to the date fixed for redemption. If the Bonds cease to be in book-entry form, notice of redemption is to be given by registered mail to the Registered Owner of the Bond or Bonds to be redeemed. Failure to give any required notice of redemption as to any particular Bond or any defect therein will not affect the validity of the notice for redemption of any Bonds in respect of which no such failure or defect has occurred. The Resolution provides that a notice given will be effective when sent and will be conclusively presumed to have been given whether or not actually received by any Registered Owner.

Conditional Notice of Optional Redemption

Redemption notices in connection with optional redemption of any Bonds may be conditional notices and may provide that unless a stated condition has been satisfied before the date fixed for redemption or unless money sufficient to pay the principal of and premium, if any, and interest on such Bond has been received by the Bond Registrar prior to the giving of such notice of redemption, such redemption shall be conditional upon the satisfaction of such condition or the receipt of such money by the Bond Registrar on or prior to the date fixed for redemption.

Effect of Redemption

The Resolution provides that unless the State has revoked a notice of optional redemption (or unless the State provided a conditional notice of optional redemption and the conditions for redemption set forth therein are not satisfied), the Bonds or portions of Bonds to be redeemed shall on the date fixed for redemption (unless in the case of a conditional notice of optional redemption, the condition is not satisfied or funds sufficient to pay the redemption price are not on deposit with the Bond Registrar), become due and payable at the redemption price therein specified and that from and after such date (unless the State has not paid the redemption price), such Bonds or portions thereof shall cease to bear interest.

Purchase of the Bonds

The State has reserved the right to purchase any of the Bonds offered to the State at any time at a price deemed reasonable by the State.

Defeasance

The Resolution provides that in the event that money and/or noncallable direct obligations of the United States or obligations unconditionally guaranteed by the United States, (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the State to effect such redemption and retirement and are pledged for such purpose, then no further payments need be made for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of the Resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed to be no longer outstanding under the Resolution.

Book-Entry System

When issued, the Bonds will be registered in the name of Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as nominee of DTC. DTC will act as securities depository for the Bonds. Unless the State elects to substitute another depository or determines that Beneficial Owners of the Bonds obtain Bond certificates, individual purchases will be made only in book-entry form through DTC, and purchasers will not receive physical certificates representing their interests in the Bonds purchased. Except as provided in the Resolution so long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to Owners, Registered Owners or holders mean Cede & Co. (or such other name) and not the Beneficial Owners of the Bonds. For information about DTC and its book-entry system, see "INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY" in Appendix E.

INFORMATION CONCERNING THE STATE OF ALASKA

General

Alaska is a sovereign state of the United States of America, located in the far northwest of North America to the west of Canada, with its southeastern border approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State's population increased approximately 7.7 percent between fiscal year 2008 and fiscal year 2016; however, since 2016 the population has contracted by approximately 1.2 percent with a population estimate as of June 30, 2019 of 731,007 (Alaska Department of Labor and Workforce Development, Research & Analysis Section).

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State's revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and investment income on securities in funds owned by the State.

State Government

Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the "Statehood Act"). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

Alaska government has three branches: legislative, executive, and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the "Legislature"). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court, and the courts established by the Legislature. The jurisdiction of courts and judicial districts is prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements, and general administrative services.

There are 19 organized boroughs in Alaska and 145 cities, 49 of which are located within an organized borough and 96 of which are located within the unorganized borough. Of these, 15 boroughs and 21 cities impose property taxes and 9 boroughs and 94 cities impose general sales taxes.

State Bond Committee

The Legislature, by AS 37.15.110, has created the Committee. The Committee is comprised of the Commissioner of the Department of Commerce, Community & Economic Development ("DCCED"), as chairperson, the Commissioner of the Department of Revenue ("DOR"), as secretary, and the Commissioner of the Department of Administration ("DOA"), or their designees. The Committee adopts resolutions and generally oversees the proceedings relating to the issuance of bonds by the State.

Infectious Disease Outbreak – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States (and the

State of Alaska), has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce, and financial markets globally.

On March 11, 2020, Governor Dunleavy declared a public health disaster emergency under State law as a result of COVID-19. On March 13, 2020, President Trump declared a national emergency due to the COVID-19 outbreak, and on April 9, 2020, President Trump declared that a major disaster exists in the State of Alaska and ordered federal assistance to supplement State, tribal, and local recovery efforts in the areas affected by COVID-19.

The Governor issued a series of health mandates, including: (1) suspending and limiting visitation to various State facilities; (2) closing State libraries and museums; (3) sending students home from residential school programs; (4) postponing or canceling elective procedures at surgical centers and hospitals and by oral health care providers; (5) closing all public and private schools through the end of the school year, subject to each school district's individual plan to provide distance-delivered educational services to students; (6) requiring all people arriving in the State (residents, workers, and visitors) to self-quarantine for 14 days; (7) effective March 28, 2020, mandating all persons in Alaska except for those engaged in essential health services, public government services, and essential business activities, to remain at their place of residence and to practice social distancing, and closing all non-essential businesses; and (8) prohibiting in-State travel between communities except to support critical infrastructure or for critical personal needs.

The Legislature extended all tax returns and payments (other than for oil and gas taxes) that would otherwise be due March 31, 2020, until July 15, 2020. The State will not assess penalties or interest if taxpayers comply with filing and payment requirements by July 15, 2020.

Effective April 24, 2020, the Governor issued a health mandate entitled the "Reopen Alaska Responsibly Plan," modifying a number of previous health mandates and permitting the resumption of certain activities under specified conditions and guidance. This and other health mandates were subsequently rescinded, and as of the date of this Official Statement, only a limited number of health mandates remain in effect, including: (1) permitting people arriving in the State to demonstrate that they have tested negative for COVID-19 within 72 hours of arrival in lieu of self-quarantine; (2) providing shelter for first responders, healthcare workers, and homeless families and individuals who require quarantine and isolation; (3) providing guidance for services provided by certain health care providers; (4) providing protective measures for independent commercial fishing vessels; and (5) increasing the ability of individuals within the State to travel.

The COVID-19 outbreak and the associated responses by governments, businesses, and individuals are rapidly evolving. The State cannot predict if any of the health mandates will be further modified or extended, or if the Governor will issue additional proclamations that may adversely impact the finances or operations of the State or of Governmental Units.

The United States government and the Federal Reserve Board are taking legislative and regulatory actions and implementing measures to mitigate the broad disruptive effects of the COVID-19 outbreak. As described below, the State has received and expects to receive additional funds through federal legislation, which among other things, provides relief for a portion of the costs incurred by the State in response to COVID-19.

The CARES Act established a $150 billion Coronavirus Relief Fund to, among other things, provide financial assistance to states. The State has received its approximately $[_____] allocation from the Coronavirus Relief Fund, which can be used to cover COVID-19 related medical expenses, public health expenses, including among other things public safety measures taken in response to COVID-19, payroll expenses for public safety, public health, healthcare, human services, and similar employees dedicated to the COVID-19 public health emergency, economic support, and other emergency response costs. The

CARES Act limits the State's use of funds from the Coronavirus Relief Fund to COVID-19 expense reimbursement rather than to offset anticipated state tax revenue losses.

[Other funds received by the State from federal programs in response to COVID-19]

Although the federal government is considering additional legislation that may provide additional assistance to the State, Governmental Units, and businesses, including economic stimulus packages and other financial assistance, passage of any such further legislation is uncertain.

The continued spread of COVID-19 and the continued impact on social interaction, travel, economies, and financial markets may adversely impact State and Governmental Unit finances and operations and may: (1) continue to adversely affect the ability of the State and Governmental Units to conduct their operations and adversely affect the cost of operations, (2) adversely affect financial markets and consequently adversely affect the returns on and value of the State's investments, including the Alaska Permanent Fund, and (3) adversely affect the secondary market for and value of the 2020 Series One Bonds. The full impact of COVID-19 and the scope of any adverse impact on State finances and operations cannot be fully determined at this time.

State Revenues

The State does not currently impose personal income taxes and has never imposed statewide general sales taxes. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in fiscal year 2019. Grants, contributions, and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 24.2 percent of the State's total nonfarm employment is derived from government (including federal, state, and local). Other major industries in Alaska include the education and health services industry, and trade, transportation, and utilities, making up 15.4 percent and 19.6 percent of total nonfarm employment, respectively. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals (Alaska Department of Labor and Workforce Development, Research & Analysis, Employment Statistics; 2019 Annual Average).

The Department of Revenue – Tax Division (the "Tax Division") produces a semi-annual revenue sources book. The revenue sources book published each fall is the comprehensive annual forecast released in December, and the revenue forecast published in the spring is an annual, partial update of the revenue sources book published in the preceding fall. The most recent revenue forecast comes from the Revenue Sources Book Spring 2020 Revenue Forecast (the "Spring 2020 Revenue Forecast"), released by the Tax Division on April 6, 2020. The next comprehensive annual forecast, the Revenue Sources Book Fall 2020, is anticipated to be released in the last quarter of calendar year 2020.

Historically, petroleum-related revenue has been the largest source of unrestricted revenue for the General Fund. In fiscal year 2018 approximately 80% of total unrestricted General Fund revenue was generated from oil production. In 2018, the Legislature enacted Senate Bill 26 ("SB 26"), which directs the State to appropriate amounts from the earnings reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted revenue that petroleum-related revenue represents. As a result of this change, in fiscal year 2019 only 38 percent of total unrestricted General Fund revenue was generated from petroleum,. .

The Alaska Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation-proofing. The principal portion of the Permanent Fund, approximately $45.4 billion as of April 30, 2020, unaudited, may not be spent without amending the State Constitution. The earnings reserve, approximately $17.1 billion as of April 30, 2020, unaudited (subsequent to June 30, 2019, and with enacted legislation in the fiscal year 2021 budget, this amount includes approximately $3.1 billion committed to the General Fund for fiscal year 2021 and approximately $4.8 billion committed to the principal of the Permanent Fund for current and future fiscal year inflation proofing), may be appropriated by a majority vote of the Legislature. See "Government Funds – The Alaska Permanent Fund" below.

In fiscal year 2019, pursuant to SB 26, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue. SB 26 adjusted the transfer from the Permanent Fund Earnings Reserve to an amount determined by taking 5.25 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfer from the Permanent Fund Earnings Reserve is reduced to 5.00 percent of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in "Government Funds – The Alaska Permanent Fund," this calculation does not include the principal attributable to the settlement of *State v. Amerada Hess*. The Alaska Permanent Fund Corporation ("APFC"), which manages the Permanent Fund, projects this annual transfer of unrestricted General Fund revenue to the General Fund in their monthly history and projections report, as reflected in Table 2. For fiscal year 2020, SB 26 resulted in a transfer of approximately $2.9 billion from the Permanent Fund Earnings Reserve to unrestricted General Fund revenue. For fiscal year 2021, SB 26 will result in a transfer of approximately $3.1 billion from the Earnings Reserve to unrestricted General Fund revenue. The Permanent Fund Dividend may be paid out of this transfer, and any residual revenue is available for other appropriation. In fiscal year 2019, the Permanent Fund Dividend appropriation was approximately $1,015 million. The 2019 Permanent Fund Dividend amount was $1,606 per qualified resident.

In the Spring 2020 Revenue Forecast, the general purpose unrestricted revenue forecast for fiscal year 2020 was an estimated $4,522.3 million and an estimated $4,244.3 million for fiscal year 2021. This compares to $5,349.8 million for fiscal year 2019 and $2,413.5 million for fiscal year 2018. The primary reason for this reduction was a decrease in petroleum revenue from $2,043.8 million in fiscal year 2019 to an estimated $1,098.8 million in fiscal year 2020, and an estimated $716.6 million in fiscal year 2021.

The Spring 2020 Revenue Forecast estimates that Alaska North Slope ("ANS") oil prices in fiscal year 2020 will average an estimated $51.65 compared to actual prices of $69.46 in fiscal year 2019 and $63.61 in fiscal year 2018. The estimate for ANS production in fiscal year 2020 is approximately 486.4 thousand barrels of oil per day compared to 496.9 thousand barrels of oil per day in 2019 and 518.4 thousand barrels of oil per day in fiscal year 2018. The Spring 2020 Revenue Forecast includes the State's forecast for ANS oil prices and for general purpose unrestricted revenue through fiscal year 2029.

Forecast information is derived from a number of sources and is based upon a variety of assumptions, many of which themselves are based upon other forecasts and assumptions and most of which are not within the State's control. Actual budgets, plans, and results may differ materially from the plans, budgets, and results described herein. The forecast information has not been updated to reflect economic impacts of the COVID-19 pandemic, which may materially adversely impact the forecast. The World Health Organization has classified COVID-19 as a pandemic. Although the effects of COVID-19 cannot be predicted with certainty, COVID-19 and related social distancing measures in response to COVID-19 are expected to have an adverse effect on economic activity within the State, economic markets, and the oil and gas sector. The State cannot predict the duration or extent of the COVID-19 epidemic, or the scope of the adverse impact on economic activity

within the State and operations within the State.

Oil and Gas Revenues. The State's unrestricted General Fund revenues have historically been generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from five sources: oil and gas property taxes, oil and gas production taxes, bonuses and rents, oil and gas royalties, and corporate income taxes.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are the Trans-Alaska Pipeline System, including the terminal at Valdez ("TAPS") and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was approximately $28.5 billion as of January 1, 2019, $28.2 billion as of January 1, 2018, $28.4 billion as of January 1, 2017, $27.7 billion as of January 1, 2016, and $28.6 billion as of January 1, 2015.

Property taxes on exploration property are based upon estimated market value of the property. For property taxes on production property, values are based upon replacement cost, less depreciation based on the economic life of the proven reserves (or the economic limit in the case of taxes on offshore platforms or onshore facilities). The amount collected from property taxes on existing production property is expected to decrease in the future. For property taxes on pipeline transportation property (primarily TAPS property), values are determined based upon the economic value, taking into account the estimated life of the proven reserves of gas or unrefined oil expected to be transported by the pipeline and replacement cost, less depreciation based on the economic life of the reserves.

Local governments may also levy a property tax on oil and gas properties at individual mill rates up to 20 mills using the assessed values determined by the State. Taxpayers receive a credit against the State oil and gas property tax for property taxes paid to municipalities on such property up to the amount of State tax that would otherwise be due. See "Government Budgets and Appropriations – General Appropriations" below. Of the $569.5 million of gross tax collected in fiscal year 2019 on oil and gas property in the State, the State's share was approximately $119.5 million. In the Spring 2020 Revenue Forecast, the State forecasts the State's share of income from the oil and gas property tax to be approximately $123.2 million in fiscal year 2020 and $116.7 million in fiscal year 2021.

Revenue from oil and gas property taxes is deposited in the General Fund; however, the State Constitution requires that settlement payments received by the State after a property tax assessment dispute be deposited in the Constitutional Budget Reserve Fund (the "CBRF"). In fiscal year 2018, $121.3 million in total settlements were deposited into the CBRF, $181.2 million for fiscal year 2019, and in the Spring 2020 Revenue Forecast, the State forecasts settlements to be $235 million for fiscal year 2020 and $75 million for fiscal year 2021. See "Government Funds – The Constitutional Budget Reserve Fund" below.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on sales of all onshore oil and gas production, except for federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax can be a significant source of revenue and in many past years has been the State's single largest source of revenue. The production tax is levied differently based upon the type of production (oil versus gas) and the geographical location (North Slope versus Cook Inlet, the State's two producing petroleum basins).

For North Slope oil and export gas, the tax uses the concept of "Production Tax Value" ("PTV"), which is the gross value at the point of production minus lease expenditures. PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to a depreciation schedule. The production tax rate is 35 percent of PTV with an alternative minimum tax of 0 percent to 4 percent of gross value, with the 4 percent minimum tax applying when average ANS oil prices for the year exceed $25 per barrel.

Several tax credits and other mechanisms are available for North Slope oil production to provide incentives for additional investment. A per-taxable-barrel credit is available, which is reduced progressively from $8 per barrel to $0 as wellhead value increases from $80 per barrel to $150 per barrel. A company that chooses to take this credit may not use any other credits to reduce tax paid to below the gross minimum tax. An additional incentive applies for qualifying new production areas on the North Slope. The so-called "Gross Value Reduction" ("GVR") allows a company to exclude 20 percent or 30 percent of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools. Oil that qualifies for this GVR receives a flat $5 per-taxable-barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this $5 per-taxable-barrel credit can be applied to reduce tax liability below the minimum tax. The GVR is available only for the first seven years of production and ends early if ANS prices exceed $70 per barrel for any three years.

Effective January 1, 2022, for North Slope export gas, the tax rate will be 13 percent of gross value at the point of production. Currently, only a very small amount of gas is technically export gas, which is sold for field operations in federal offshore leases. However, this tax rate would apply to a major gas export project.

For the North Slope, a Net Operating Loss ("NOL") credit in the amount of 35 percent of losses was available until December 31, 2017. It allowed a credit to be carried forward to offset a future tax liability or, in some cases, to be transferred or repurchased by the State. Effective January 1, 2018, the NOL credit was replaced with a new carried-forward annual loss provision. In lieu of credits, a company may carry forward 100 percent of lease expenditures not applied against the tax and may apply all or part of lease expenditures in a future year. A carried-forward annual loss may not reduce tax below the minimum tax and may only be used after the start of regular production from the area in which the expenditures were incurred. An unused carried-forward annual loss declines in value by one-tenth each year beginning in the eighth or eleventh year after it is earned, depending on whether the carried-forward annual loss was earned from a producing or non-producing area.

Cook Inlet oil production is officially subject to the same tax rate of 35 percent of PTV. However, the tax is limited by statute to a maximum of $1 per barrel.

For Cook Inlet gas production, the tax rate is 35 percent of PTV, and the tax is limited to a maximum value averaging 17.7 cents per thousand cubic feet. This rate also applies to North Slope gas used for qualifying in-State uses, commonly referred to as "non-export gas."

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to "true up" any tax liabilities or overpayments made during the year. From fiscal year 2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund of the value of most of the credits, subject to appropriation. In fiscal year 2016, the State credited for potential purchase $498 million from companies claiming such credits. For fiscal year 2017, the State appropriated the minimum provided for in the statutorily based formula of \$32.7 million for payments of such credits. In fiscal year 2018, the State purchased \$75 million in tax credits through the Oil and Gas Tax Credit Fund and purchased an additional \$103 million in fiscal year 2019. In the Spring 2020 Revenue Forecast, the State forecasts the statutory appropriation to the Oil and Gas Tax Credit Fund for Credit repurchases to be \$1 in fiscal year 2020 due to uncertainty about timing and resolution of outstanding litigation. For fiscal year 2021, an estimated \$738 million in tax credits are projected to be available for State repurchase, with the majority of those being credits earned in prior years. Payments of these credits are subject to future fiscal year appropriation.

In 2017, HB 111 was enacted, making multiple changes to the State's oil and gas production tax and tax credit statutes. Following passage of HB 111, new credits will no longer be eligible for cash repurchase. Instead, companies will retain their credits until such time as they owe a tax liability to the State, at which time the credits could be used to offset the company's oil and gas production taxes.

All unrestricted revenue generated by the oil and gas production taxes (\$0.4 billion in fiscal year 2015, \$0.2 billion in fiscal year 2016, \$0.1 billion in fiscal year 2017, \$0.7 billion in fiscal year 2018, \$0.6 billion in 2019, and forecasted in the Spring 2020 Revenue Forecast to be \$0.27 billion in fiscal year 2020) is deposited in the General Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the CBRF. See Table 1.

Oil and Gas Royalties, Rents and Bonuses. In fiscal year 2019, approximately 97 percent of all current oil production in the State, including the reserves at Prudhoe Bay, was from State land leased for exploration and development. As the land owner, through the Department of Natural Resources ("DNR"), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land historically has been leased largely based on a competitive bonus bid system. Under this system, the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of 16.67 percent and some also include a net profit-share or sliding scale component. Under all lease contracts the State has ever written, the State reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a formula based upon the contract prices received by the producers, net of transportation charges). When the State elects to take its royalty share in-kind, the State becomes responsible for selling and transporting that royalty share, which means establishing complex contracts to accomplish these tasks. The State regularly negotiates these contracts and has historically sold roughly 95 percent of North Slope oil royalties in this way. State royalty revenue from production on State land that is not obligated to the Permanent Fund or Public School Trust Fund is unrestricted revenue that is available for general appropriations.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve Alaska (the "NPR-A"). The State is required to deposit its entire share of lease bonuses, rents, and royalties from oil activity in the NPR-A in the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations. The State also receives a portion of revenues from federal royalties and bonuses on all other federal lands located within State borders and from certain federal waters.

Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2010 through 2019.

Table 1

Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2010 – 2019

($ millions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Oil Revenue to the General Fund										
Property Tax	$ 118.8	$ 110.6	$ 111.2	$ 99.3	$ 128.1	$ 125.2	$ 111.7	$ 120.4	$ 121.6	$ 119.5
Corporate Income Tax (1) .	446.1	542.1	568.8	434.6	307.6	94.8	(58.8)	(59.4)	66.4	217.7
Production Tax..	2,871.0	4,552.9	6,146.1	4,050.3	2,614.7	389.7	186.0	134.4	749.9	595.5
Royalties (including bonuses, rents and interest) (2)(3)	1,477.0	1,843.3	2,031.7	1,767.8	1,712.4	1,078.2	870.6	681.5	1,002.3	1,111.1
Subtotal	$4,912.9	$7,048.9	$8,857.8	$6,352.0	$4,762.8	$1,687.9	$1,109.5	$ 877.0	$ 1,940.2	$ 2,043.8
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund (2)(3)	$ 707.2	$ 870.9	$ 919.6	$ 855.9	$ 786.2	$ 518.3	$ 396.9	$ 340.0	$ 363.1	$ 382.3
Tax settlements to CBRF	552.7	167.3	102.8	357.4	177.4	149.9	119.1	481.9	121.3	181.2
NPR-A royalties, rents and bonuses (4)	21.3	3.0	4.8	3.6	6.8	3.2	1.8	1.4	23.7	12.3
Subtotal	1,281.2	1,041.2	1,027.2	1,216.9	970.4	671.4	517.8	823.3	508.1	575.8
Total Oil Revenue	$6,194.1	$8,090.1	$9,885.0	$7,568.9	$5,733.2	$2,359.3	$1,627.3	$1,700.3	$2,448.3	$2,619.6

(1) Corporate income tax collections for fiscal years 2016 and 2017 were negative due to large refunds of prior-year estimated taxes and low estimated taxes for fiscal year 2016 and 2017.

(2) Net of deposits in the Permanent Fund and the CBRF. The State Constitution requires the State to deposit at least 25 percent in the Permanent Fund, and between 1980 and 2003, State statutes required the State to deposit at least 50 percent in the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. In fiscal year 2018 and fiscal year 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. See "Government Funds – The Alaska Permanent Fund" below.

(3) Includes proceeds of royalties taken in-kind.

(4) By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.

Source: 2009 through 2019 Revenue Sources Books and Spring 2020 Revenue Forecast, Tax Division.

Corporate Income Tax. The State levies a corporate income tax on Alaska taxable net income of corporations doing business in Alaska (other than certain qualified small businesses and income received by certain corporations from the sale of salmon or salmon eggs). Corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. Taxable income generally is calculated using the provisions of the federal Internal Revenue Code, and the calculation of Alaska taxable income varies, depending upon whether the corporation does business solely in Alaska, does business both inside and outside Alaska, or is part of a group of corporations that operate as a unit in the conduct of a single business (a "unitary" or "combined" group). Oil and gas companies are combined on a world-wide basis, although for other industries only the companies doing business in the United States are combined. Taxpayers may claim all federal incentive credits, but federal credits that refund other federal taxes are not allowed as credits against State corporate income taxes. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive, and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited in the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited in the CBRF.

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco/marijuana excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, mining license taxes, and miscellaneous revenues. See "Government Budgets and Appropriations – General Appropriations" below. A number of these non-oil tax, license, and fee revenues (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2019, unrestricted revenues unrelated to petroleum production (excluding investment income and federal revenues) was $490.1 million, and in the Spring 2020 Revenue Forecast, the State forecasts the fiscal year 2020 value to be $454.2 million and the fiscal year 2021 value to be $411.5 million. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties. For additional information, see "Government Budgets and Appropriations – General Appropriations" below.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, in connection with its military bases and as a result of procurement contracts, grants, and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately $2.5 billion in fiscal year 2015, $2.6 billion in fiscal year 2016, $3.2 billion in fiscal year 2017, $3.1 billion in fiscal year 2018, and $3.4 billion in fiscal year 2019. In the Spring 2020 Revenue Forecast, the State forecasts restricted federal revenue to be approximately $4.3 billion in fiscal year 2020 and $4.3 billion in fiscal year 2021. The forecasts represent total budgeted spending authority for federal receipts, and actual federal receipts are subject to change. The federal funds are used primarily for road and airport improvements, aid to schools, and Medicaid payments, all of which are restricted by legislative appropriation to specific uses. Federal funds are most often transferred to the State on a reimbursement basis, and all transfers are subject to federal and State audit. Most federal funding requires State matching. The unrestricted general fund State match for federal spending in fiscal year 2019 was approximately $793 million for the operating budget and $37.5 million for the capital budget.

Investment Revenues. The State earns unrestricted and restricted by custom investment earnings from a number of internal funds. Two primary sources of investment income for the State are the two constitutionally-mandated funds, the Permanent Fund and the CBRF. The Permanent Fund had a fund balance (principal and earnings reserve) of approximately $66.3 billion as of June 30, 2019, which includes the value of the fiscal year 2020 General Fund transfer commitment of $2.9 billion and approximately $4.8 billion committed to the principal of the Permanent Fund for inflation proofing. The Permanent Fund had a fund balance of $64.9 billion as of June 30, 2018, $59.8 billion as of June 30, 2017, $52.8 billion as of June 30, 2016, $52.8 billion as of June 30, 2015 and $51.2 billion as of June 30, 2014. The CBRF had an asset balance of approximately $1.8 billion as of June 30, 2019. The CBRF had an asset balance of approximately $2.4 billion as of June 30, 2018, $3.9 billion as of June 30, 2017, $7.3 billion as of June 30, 2016, $10.1 billion as of June 30, 2015 and $12.8 billion as of June 30, 2014. Restricted investment revenue from the CBRF was approximately $74.8 million in fiscal year 2019. In the Spring 2020 Revenue Forecast, the State forecasts restricted investment revenue from the CBRF to be $33.1 million in fiscal year 2020. The next comprehensive annual forecast, the Fall 2020 Revenue Sources Book, is anticipated to be released in the last quarter of calendar year 2020. The Permanent Fund Earnings Reserve balance is available for appropriation with a majority vote of the Legislature, while appropriation of the Permanent Fund's principal balance requires amendment of the State Constitution. The balance of the CBRF is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State has historically borrowed from the CBRF when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the fiscal year.

As previously described, Senate Bill 26 ("SB 26"), relating to the earnings of the Permanent Fund, was enacted in 2018. The Alaska Permanent Fund Corporation ("APFC") projects this annual transfer of unrestricted General Fund revenue to the General Fund in their monthly history and projections report, as reflected in Table 2. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the Fall 2018 Revenue Sources Book forecast and subsequent Revenue Forecasts of Fall 2019 and Spring 2020.

Table 2

State of Alaska
Transfer from the Permanent Fund Earnings Reserve
to the General Fund for the Fiscal Year Ending June 30, 2020
APFC FORECAST for Fiscal Years Ending June 30, 2021 – 2029

($ millions)

Fiscal Year	Transfer Amount
2020	$2,933
Projected (1)	
2021	3,091
2022	3,094
2023	3,260
2024	3,372
2025	3,450
2026	3,530
2027	3,612
2028	3,695
2029	3,780

(1) APFC transfer projections as of the unaudited April 30, 2020 report, and subject to change.

General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values for fiscal year 2019 stated above are asset values. See "Government Funds – The Constitutional Budget Reserve Fund" and "– The Alaska Permanent Fund" below.

In the past, the State has also received earnings on the Statutory Budget Reserve Fund (the "SBRF"). Earnings on the SBRF are considered General Fund unrestricted revenue unless otherwise appropriated back to the SBRF. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. The available fund balance of the SBRF had diminished to zero by June 30, 2016, where it has remained since. See "Government Funds – The Statutory Budget Reserve Fund" below.

In addition to investment income from the above-described funds, the State receives investment income (including interest paid) from investment of other unrestricted funds ($93.3 million in fiscal year 2019, $16.3 million in fiscal year 2018, $17.3 million in fiscal year 2017, $22.5 million in fiscal year 2016, and $47.9 million in fiscal year 2015). In the Spring 2020 Revenue Forecast, the State forecasts investment revenue of other unrestricted funds to be approximately $36.3 million in fiscal year 2020 and $24.8 million in fiscal year 2021. See "Government Funds" below.

Major Components of State Revenues. Table 3 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years 2014 through 2019, with a forecast for fiscal years 2020 and 2021 from the Spring 2020 Revenue Forecast.

Table 3

Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2014 – 2019
FORECAST for Fiscal Years Ended and Ending June 30, 2020 – 2021

($ millions)

	2014	2015	2016	2017	2018	2019	2020 (2)	2021 (2)
Revenue Source								
Unrestricted								
Oil Revenue	$ 4,762.8	$ 1,687.9	$ 1,109.5	$ 877.0	$ 1,940.2	$ 2,043.8	$ 1,098.8	$ 716.6
Non-Oil Revenue	497.1	520.5	400.7	460.3	457.0	490.1	454.2	411.5
Investment Earnings	130.2	47.9	22.5	17.3	16.3	2,815.9	2,969.4	3,116.3
Subtotal	$ 5,390.1	$ 2,256.3	$ 1,532.7	$ 1,354.6	$ 2,413.5	$ 5,349.8	$ 4,522.4	$ 4,244.4
Restricted								
Oil Revenue (1)	$ 934.4	$ 670.5	$ 517.8	$ 823.8	$ 508.1	$ 575.8	$ 562.8	$ 294.3
Non-Oil Revenue	473.5	491.2	647.5	656.3	697.4	631.2	633.3	614.3
Investment Earnings (3)	7,927.7	2,603.4	556.0	6,832.2	5,616.4	1,188.0	3,448.4	1,112.0
Federal Revenue	2,511.9	2,512.7	2,640.1	3,198.2	3,124.6	3,434.5	4,304.8	4,304.8
Subtotal	11,847.5	6,277.8	4,361.4	11,510.5	9,446.5	5,829.5	2,052.5	6,325.4
Total	$ 17,237.6	$ 8,534.1	$ 5,894.1	$ 12,865.1	$ 12,360.0	$ 11,179.3	$ 6,574.9	$ 10,569.8

Totals may not foot due to rounding.

(1) "Restricted Oil Revenue" includes oil revenue for the State's share of rents, royalties, and bonuses from the NPR–A, shared by the federal government.

(2) Forecasts for fiscal years 2020 and 2021 include a projection for the transfer from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26. All values for fiscal year 2020 and 2021 are based on projections as of the release of the Spring 2020 Revenue Forecast and are subject to change.

(3) A portion of the Restricted investment earnings starting in fiscal year 2019 consist of Permanent Fund unrealized gains and realized gains, less the transfer to the General Fund classified as unrestricted pursuant to SB 26.

Source: 2014 through 2019 Revenue Sources Books and Spring 2020 Revenue Forecast, Tax Division.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by federal law, the State Constitution and statutes, and by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature. The Legislature has a 90-day statutory time limit, and a constitutional time limit of 120 days with an allowance for up to an additional 10 days, to approve a budget. If the Legislature fails to approve a budget, or if other limited purpose legislation needs to be considered, the Governor or Legislature may call a special session to consider such matters. See “General Appropriations” below.

Budgets. The State’s fiscal year begins on July 1 and ends on the following June 30, and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor is required by AS 37.07.020(a) to prepare: (1) a statutorily conforming budget for the succeeding fiscal year, including capital, operating, and mental health budgets, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices, and agencies of the State; (2) a general appropriation bill to authorize proposed expenditures; and (3) in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. In accordance with AS 37.07.020(b), the Governor is also required to prepare a six-year capital budget covering the succeeding six fiscal years and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills, and fiscal plans, the Tax Division prepares forecasts of annual revenues in December and March or April of each year. See “State Revenues” above and “General Appropriations,” Table 4, “Government Funds,” and “Revenue Forecasts” below.

The State Constitution prohibits the withdrawal from the treasury of nearly all funds, regardless of source, without an appropriation. As a consequence, the Governor’s proposed budget and the Legislature’s appropriation bills include federal and other funds as well as funds from the State and, by practice, funds that may be available for withdrawal without an appropriation. The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation.

General Appropriations. The Governor is required by State law to submit the three budgets—an operating budget, a mental health budget, and a capital budget—by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session. These three budgets then to go the House Finance Committee and are voted upon by the House of Representatives. The three budgets then go to the Senate Finance Committee, are voted upon by the full Senate, and may go to a conference committee to work out differences between the House and Senate versions (and then be submitted to both houses for final votes). Bills passed by both houses are delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a “line-item veto”) or may sign the bill or permit the bill to become law without a signature or veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each house of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each house in the case of other bills). Either the Governor or the Legislature may initiate supplemental appropriations during the fiscal year to deal with new or changed revenue receipts, to correct errors, or for any other reason. An appropriation is an authorization to spend, not a requirement to spend. Enacted budget appropriations may be expended beginning July 1.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services, and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring and compensation freezes, lay-offs and furloughs, and restrictions on non-core operating expenses. As described below, unrestricted General Fund revenue began declining after the end of fiscal year 2012, increased in both fiscal years 2018 and 2019, is projected to decrease in both fiscal years 2020 and 2021, and is forecasted to increase over the remaining forecast period from fiscal years 2022 through 2029. See Tables 4 and 5 below. Operating and capital expenditures have generally declined over the same time-period through, among other actions, use of administrative restrictions on spending. See “Public Debt and Other Obligations of the State” below.

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstituting a State personal income tax, or imposing other broad-based statewide taxes, such as a sales tax. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

Governor Michael J. Dunleavy was elected in November 2018 and took office in December 2018. In the 2019 Legislative session the Governor attempted to make significant downward adjustments to the State's fiscal year 2020 budget to allow for a full statutory Permanent Fund Dividend distribution to State residents. While reductions to spending were made, general public resistance and the Legislature's reluctance to diminish spending resulted in more moderate spending decreases. In the 2020 Legislative session the Governor proposed an approximately level budget for fiscal year 2021, but with a full statutory Permanent Fund Dividend. For fiscal year 2021 the statutory Permanent Fund Dividend calculation would have resulted in approximately $2.0 billion being appropriated for this purpose. The Legislature ultimately approved a budget that diminished unrestricted general fund spending by approximately $279.9 million and only appropriated approximately $680 million for the fiscal year 2021 Permanent Fund Dividend.

The State's enacted budget for fiscal year 2021 diminished total spending from fiscal year 2020 from $10.62 billion to $10.03 billion, a reduction of approximately $595.8 million, of which approximately $389 million is reduced State fund spending.

In January 2019, Governor Dunleavy introduced legislation for three constitutional amendments: one to add the requirement for a statutory Permanent Fund Dividend distribution from the Permanent Fund, one to add a requirement for voter approval for new or increased taxes, and one to place a cap on annual growth in State expenditures and prioritize the deposit of any fiscal year's unappropriated State General Fund surplus to the Permanent Fund. These proposals will be considered independently, and to be implemented, must receive a two-thirds vote of approval from both the House of Representatives and the Senate followed by approval in a statewide election. These bills were not approved by the Legislature, and at the end of the 31st Legislature (2019 and 2020),_all unapproved legislation is extinguished and must be re-introduced.

Appropriations for Debt and Appropriations for Subject-to-Appropriation Obligations. The Governor's appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State's outstanding voter-approved general obligation bonds and bond anticipation notes and for revenue anticipation notes to which the State's full faith and credit are pledged, money is appropriated from the General Fund and, if necessary, to the General Fund from other funds, including the Permanent Fund, to the State Bond Committee to make all required payments of principal, interest, and redemption premium. For these full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

The Governor's appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, such as outstanding capital leases and lease-purchase financings authorized by law, and for State "moral obligation" debt, appropriations to replenish debt service reserves in the event of a deficiency. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund money available in other funds such as the CBRF, the Power Cost Equalization Fund, unencumbered funds of the State's public corporations, and the Permanent Fund Earnings Reserve.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund Dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds, or appropriations of funds received in trust from a non-State source for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds. In general, under the State Constitution, appropriations that do not qualify for an exception may not exceed $2.5 billion by more than the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For fiscal year 2020, the Office of Management and Budget estimated the limit to be approximately $10.6 billion. The enacted fiscal year 2021 budget includes approximately $3.6 billion in unrestricted General Fund revenue net of the appropriated dividend distribution.

As shown in Table 4, unrestricted General Fund revenue increased to $2.41 billion in fiscal year 2018 and increased to $2.63 billion in 2019 (each not including any Permanent Fund transfer). The General Fund revenue was approximately $5.35 billion in fiscal year 2019 inclusive of the $2.72 billion Permanent Fund transfer. In fiscal year 2019, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue, which significantly diminishes the percentage of unrestricted revenue that petroleum-related revenue represents. The enacted fiscal year 2021 budget includes approximately $3.1 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the State's revenue projections in Table 4.

Table 4

State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2010 – 2019 and
Forecast for Fiscal Years Ending June 30, 2020 – 2029

Fiscal Year	**Total Unrestricted General Fund Revenue** ($ millions)	**ANS West Coast Oil Price** ($/barrel)	**ANS Oil Production** (thousands of barrels per day)
2010	$ 5,513	$ 74.90	642.6
2011	7,673	94.49	599.9
2012	9,485	112.65	579.3
2013	6,929	107.57	531.6
2014	5,390	107.57	530.4
2015	2,257	72.58	501.0
2016	1,533	43.18	514.7
2017	1,355	49.43	526.4
2018	2,414	63.61	518.5
2019	5,350	69.46	496.9
Projected [(1)]			
2020	4,522	51.65	486.4
2021	4,244	37.00	486.5
2022	4,330	41.00	458.0
2023	4,560	44.00	438.2
2024	4,687	46.00	433.2
2025	4,751	48.00	448.9
2026	4,801	49.00	457.0
2027	4,904	50.00	466.2
2028	5,089	51.00	479.0
2029	5,266	53.00	491.0

(1) The values for fiscal years 2020 through 2029 use the projections included in the Spring 2020 Revenue Forecast, and are subject to change. Fiscal year 2019 includes $2.7 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. Forecast period includes a projection for the transfer from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26.

Source: 2010 through 2019 Revenue Sources Books and Spring 2020 Revenue Forecast, Tax Division.

The State has historically provided fiscal stability by forward funding or endowing programs, including the method used by the State to fund K-12 education. The State's constitutionally based obligation for K-12 education has been one of the largest single recurring budget line items in the State's budget. See "Public Debt and Other Obligations of the State – State-Supported Debt – State-Supported Municipal Debt Eligible for State Reimbursement" below.

The enacted fiscal year 2021 budget includes approximately $3.6 billion in unrestricted General Fund revenue net of the permanent fund dividend distribution and approximately $4.5 billion in total unrestricted General Fund operating and capital budget appropriations. The enacted fiscal year 2021 budget includes approximately $3.1 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. Of the $3.1 billion in transfers for fiscal year 2021, approximately $680 million has been appropriated for the Permanent Fund Dividend transfer, and approximately $2.4 billion has been appropriated for governmental use. In fiscal year 2020, including the use of Permanent Fund earnings authorized in SB 26, the deficit is projected to be approximately $1.1 billion (based on information available as of the Spring 2020 Revenue Forecast; Source: Office of Management and Budget, Enacted FY2021 Fiscal Summary, revised April 28, 2020). The unrestricted General Fund capital budget in the enacted fiscal year 2021 budget is approximately $120.5 million and the total capital budget is approximately $1.2 billion.

Fiscal year 2021 will be the sixth consecutive fiscal year that unrestricted General Fund capital budget appropriations have been under $200 million, compared to $608 million in fiscal year 2015. The State's fiscal year 2021 unrestricted General Fund capital budget is approximately $120.5 million, with a total capital budget of approximately $1.2 billion (Source: Office of Management and Budget, Enacted FY2021 Fiscal Summary, revised April 28, 2020).

Government Funds

Because the State is dependent upon taxes, royalties, fees, and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses "shall not be dedicated to any special purpose." The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood, and when provided by the State Constitution, such as restricted for savings in the Permanent Fund or the CBRF.

Current State funding options available on a statutory basis include General Fund unrestricted revenue (which pursuant to SB 26 includes an annual transfer from the Permanent Fund Earnings Reserve), use of the earnings or the principal balance of the SBRF, borrowing restricted earnings revenue or principal balance from the CBRF, use of the statutorily restricted oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, following various protocols. The CBRF may be accessed with a majority vote of the Legislature following a year-over-year total decline in total revenue available for appropriation, or in any year by a three-quarters vote of both houses of the Legislature. A majority vote of the Legislature is needed to appropriate from the SBRF and from the Permanent Fund Earnings Reserve.

The General Fund. Unrestricted State revenue is annually deposited in the General Fund, which serves as the State's primary operating fund and accounts for most of the State's unrestricted financial resources. The State has, however, created more than approximately 55 subfunds and "cash pools" within the General Fund to account for funds allocated to particular purposes or reserves, including the CBRF, the SBRF, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the CBRF and the SBRF (subfunds within the General Fund) have been of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas and mineral dispute-related revenue be deposited in the CBRF. The State Constitution provides that other than money required to be deposited in the Permanent Fund and the Public School Trust Fund, all money received by the State after July 1, 1990 as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, are required to be deposited in the CBRF. Money in the CBRF may be appropriated (i) for any public purpose, upon the affirmative vote of three-fourths of each house of the Legislature; or (ii) by majority vote if the amount available to the State for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year. The State Constitution also provides that until the amount appropriated from the CBRF is repaid, excess money in the General Fund at the end of each fiscal year must be deposited in the CBRF.

The State historically has borrowed from the CBRF as part of its cash management plan to address timing mismatches between revenues and disbursements within a fiscal year and also to balance the budget when necessary at the end of the fiscal year. Prior to draws in fiscal years 2015, 2016, 2017, and 2018, the Legislature last appropriated funds from the CBRF in fiscal year 2005. All borrowing from the CBRF was completely repaid in fiscal year 2010 and no borrowing activity from the CBRF occurred during fiscal years 2011, 2012, 2013, or 2014. The $3 billion transfer from the CBRF to PERS and TRS in fiscal year 2015 resulted in a liability of the General Fund. Additional amounts were appropriated from the CBRF to the General Fund during fiscal years 2016, 2017, and 2018, to fund shortfalls between State revenue and General Fund appropriations. The total net amount appropriated from the CBRF since fiscal year 2015 as of June 30, 2019 was $9.1 billion. The amount due to be repaid to the CBRF was diminished by $1.17 billion in the State's fiscal year 2018 Comprehensive Annual Financial Report ("CAFR") due to a legal determination that revenues resulting from Federal Energy Regulatory Commission disputes were erroneously deposited into the CBRF as they do not qualify as litigation involving production tax or royalty. Pursuant to the State's fiscal year 2019 CAFR, the June 30, 2019, unassigned fund balance of the CBRF was approximately $4.2 billion.

The Office of Management and Budget Fiscal Summary for fiscal year 2021 reflects that the State's enacted fiscal year 2021 unrestricted General Fund budget contains appropriations from the CBRF in an amount necessary to balance revenue and general fund appropriations during the fiscal year estimated at approximately $960.4 million. This estimated draw amount is projected to leave a balance in the CBRF at the end of fiscal year 2021 of approximately $80.5 million..

The asset balance in the CBRF as of June 30, 2019, was approximately $1.8 billion, including earnings of approximately $74.8 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. As of June 30, 2018, the asset balance was approximately $2.4 billion, with earnings of approximately $47.2 million; as of June 30, 2017, the asset balance was approximately $3.9 billion, with earnings of approximately $94.2 million; as of June 30, 2016, the asset balance was approximately $7.3 billion, with earnings of approximately $138.3 million; and as of June 30, 2015, the asset balance was approximately $10.1 billion, with earnings of approximately $197.7 million.

The Statutory Budget Reserve Fund. The SBRF has existed in the State's accounting structure since 1986. When funded, the SBRF is available for use for legal purposes by majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in the fiscal year was insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund was appropriated from the SBRF to the General Fund. For fiscal year 2015, this resulted in a year-end transfer from the SBRF to the General Fund of approximately $2.5 billion. As of June 30, 2015, the SBRF held approximately $288 million. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. For fiscal year 2016, this resulted in a year-end sweep from the SBRF to the General Fund for transfer to the CBRF in the amount of $288 million. The available fund balance of the SBRF, as of June 30, 2019, was zero. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. The amendment provides that "at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments" and that "all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law."

In 1980, legislation was enacted that provided for the management of the Permanent Fund by the APFC, a public corporation within the DOR managed by a board of trustees. The same legislation modified the contribution rate to the Permanent Fund from 25 percent (the minimum constitutionally mandated contribution) to 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments, and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. The statutory contribution rate was changed back to 25 percent by legislation as of July 1, 2003 but then returned to 50 percent as of October 1, 2008. In fiscal year 2018 and 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. For fiscal year 2019, State oil and mineral revenues deposited in the Permanent Fund were \$385 million, compared to \$353 million in fiscal year 2018, \$365 million in fiscal year 2017, \$284 million in fiscal year 2016, and \$600 million in fiscal year 2015. In addition to these constitutionally and statutorily mandated transfers to the Permanent Fund, the Legislature has made special appropriations from the General Fund to the Permanent Fund several times, totaling in the aggregate approximately \$2.7 billion as of June 30, 2019.

The Permanent Fund tracks earnings on a basis compliant with statements pronounced by the Governmental Accounting Standards Board ("GASB") in the compilation of the financial statements of the Permanent Fund. Fund balance consists of two parts: (1) principal, which is non-spendable, and (2) earnings reserve, which is spendable with an appropriation by the Legislature. By statute, only realized gains are deposited in the earnings reserve. Unrealized gains and losses associated with principal remain allocated to principal. Because realized gains deposited in the earnings reserve are invested alongside the principal, however, the unrealized gains and losses associated with the earnings reserve are spendable with an appropriation of the Legislature.

Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation-proofing. Between 1982 and 2019, \$25.7 billion of dividends were paid to Alaska residents and \$17.2 billion of Permanent Fund income has been added to principal for inflation-proofing purposes; for fiscal year 2015, the inflation-proofing transfer was \$624 million. For fiscal year 2016, 2017, and 2018, there were no appropriations and therefore no transfers from the earnings reserve to principal for inflation-proofing. The amount calculated under statute for fiscal year 2019 inflation-proofing, \$989 million, provided for in the enacted fiscal year 2019 operating budget, was appropriated from the earnings reserve to the principal of the Permanent Fund to offset the effect of inflation on the principal for fiscal year 2019. The State's fiscal year 2020 budget included an appropriation of approximately \$4.8 billion from the earnings reserve to the principal of the Permanent Fund. The 2018 dividend paid in fiscal year 2019 was \$1,606 per qualified resident and the 2019 dividend to be paid in 2020 is \$992. In addition to the statutorily directed inflation-proofing transfers, the Legislature has made special appropriations from the earnings reserve to principal totaling approximately \$9 billion as of June 30, 2020.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund Earnings Reserve as undistributed income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful purpose. The principal portion of the Permanent Fund, approximately $47.8 billion as of June 30, 2019, up from approximately $46.0 billion as of June 30, 2018, may not be spent without amending the State Constitution. The earnings reserve, approximately $18.5 billion as of June 30, 2019 (subsequent to June 30, 2019, with enacted legislation in the fiscal year 2020 budget, this amount includes approximately $2.9 billion committed to the General Fund and approximately $4.9 billion committed to the principal of the Permanent Fund for inflation proofing), down from approximately $18.9 billion as of June 30, 2018, may be appropriated by a majority vote of the Legislature.

During fiscal years 1990 through 1999, the Permanent Fund received dedicated State revenues from settlements of a number of North Slope royalty cases (known collectively as *State v. Amerada Hess*). The total of the settlements and retained income thereon, as of June 30, 2019, was approximately $424.4 million. Earnings on the settlements are excluded from the dividend calculation and are not subject to inflation proofing in accordance with State law, and beginning in 2005, the settlement earnings have been appropriated to the Alaska Capital Income Fund, a subfund within the General Fund. The Alaska Capital Income Fund realized earnings on settlement principal of approximately $22.3 million as of June 30, 2019, down from approximately $43.4 million as of June 30, 2018.

As previously discussed, SB 26 created a percent of market value to provide a sustainable draw on the earnings reserve for transfer to the General Fund as unrestricted revenue.

Table 5

State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2009 – 2019

Fiscal Year	**General Purpose Unrestricted Revenue** ($ mil)	**Recurring & Discretionary General Fund Expenditures** ($ mil)	**Unrestricted Revenue Surplus/ (Deficit)** ($ mil)	**Ending SBRF Reserves Available Balance** ($ mil)	**Ending CBRF Reserves Available Balance** ($ mil) (1)	**Permanent Fund Earnings Reserve Balance** ($ mil)	**Oil Price** ($/barrel)	**ANS Oil Production** (thousands of barrels per day)
2009	$ 5,831	$ 6,000	$ (169)	$1,000	$ 7,114	$ 4,401	$ 68.34	692.8
2010	5,515	4,995	520	1,000	8,664	1,210	74.90	642.6
2011	7,673	6,355	1,318	1,248	10,330	2,308	94.49	599.9
2012	9,485	7,252	2,233	2,683	10,642	2,081	112.65	579.3
2013	6,929	7,455	(526)	4,711 (2)	11,564	4,054	107.57	531.6
2014	5,394	7,314	(1,920)	2,791 (2)	12,780	6,211	107.57	531.1
2015	2,257	4,760	(2,503) (3)	288 (2)	10,101	7,162	72.58	501.5
2016	1,533	5,213	(3,680) (3)	– (2)	7,331	8,570	43.18	514.9
2017	1,354	4,498	(3,144) (3)	– (2)	3,896	12,816	49.43	526.5
2018	2,414	4,489	(2,075) (3)	– (2)	2,360	18,864 (4)	63.61	518.5
2019	5,350 (5)	4,889	461 (3)	– (2)	1,832	18,481 (4)	69.46	496.9

(1) The CBRF available balance represents the historical asset values.

(2) Includes available balance through net transfer from the SBRF to the General Fund reconciled at the release of the State CAFR for fiscal years 2013 through 2019.

(3) The SBRF was used to balance the fiscal year 2015 deficit, with $288 million remaining as of June 30, 2015. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. The available fund balance of the SBRF as of June 30, 2019, was zero.

(4) Includes amount committed for the fiscal years 2019 and 2020 General Fund transfer pursuant to SB 26, as well as appropriation commitments for inflation proofing.

(5) Includes Permanent Fund transfer.

Source: State of Alaska Department of Revenue

Revenue Forecasts

In addition to internal daily tracking of revenue generation activity, the State's Department of Revenue, Tax Division prepares semi-annual public revenue forecasts for planning and budgetary purposes. Of necessity, such forecasts include assumptions about events that are not within the State's control. The forecast oil production volumes include only production expected from projects currently under development or evaluation. The forecast does not include any revenues that could be received if a natural gas pipeline is constructed. In making its forecasts, the State makes assumptions about, among other things, the demand for oil and national and international economic factors and assumes that the Legislature will not amend current laws to change materially the sources and uses of State revenue and that no major calamities such as earthquakes or catastrophic damage to TAPS will occur. Portions of TAPS are located in areas that have experienced and may in the future again experience major earthquakes. Actual revenues and expenditures will vary, perhaps materially, from year to year, particularly if any one or more of the assumptions upon which the State's forecasts are based proves to be incorrect or if other unexpected events occur. The State's most recent forecast is set forth in the Spring 2020 Revenue Forecast. The State will next update its forecast in the Fall 2020 Revenue Sources Book, updating the prior forecasts, which is anticipated to be released in December of 2020. The State has provided certain estimates for fiscal year 2020 and 2021 based on information available as of the Spring 2020 Revenue Forecast, as well as certain audited results for fiscal year 2019 for the CBRF and the APFC. See "Government Funds" above for a description of some of the actions the State can take when revenues prove to be lower than expected.

The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 6 provides a summary of the State's most recent forecast for revenues subject to appropriation in fiscal years 2020 through 2025.

Table 6

State of Alaska Revenues Subject to Appropriation
FORECAST Summary for Fiscal Years 2020 through 2025 (1)
(millions)

	2020	2021	2022	2023	2024	2025
Petroleum Revenue						
Unrestricted General Fund (3)	$1,098.8	$ 716.6	$ 805.4	$ 897.0	$ 941.5	$ 971.7
Royalties to Alaska Permanent Fund beyond 25% dedication (2)	62.9	43.7	45.4	45.7	49.0	56.3
Tax and Royalty Settlements to CBRF	235.0	75.0	50.0	50.0	50.0	50.0
Subtotal Petroleum Revenue	**$1,396.7**	**$ 835.3**	**$ 900.8**	**$ 992.7**	**$1,040.5**	**$1,078.0**
Non-Petroleum Revenue						
Unrestricted General Fund (3)	$ 454.2	$ 411.5	$ 442.6	$ 456.3	$ 469.9	$ 472.7
Designated General Fund	416.4	413.4	432.8	434.9	437.1	439.0
Royalties to Alaska Permanent Fund beyond 25% dedication (2)	3.2	3.8	3.8	3.8	3.8	3.9
Tax and Royalty Settlements to CBRF	–	–	–	–	–	–
Subtotal Non-Petroleum Revenue	**$ 873.8**	**$ 828.7**	**$ 879.2**	**$ 895.0**	**$ 910.8**	**$ 915.6**
Investment Revenue						
Unrestricted General Fund	$2,969.4	$3,116.3	$3,082.2	$3,206.9	$3,275.6	$3,306.3
Designated General Fund	(42.4)	38.2	38.9	39.6	40.3	41.0
Constitutional Budget Reserve Fund	33.1	9.5	5.4	7.5	9.6	11.6
Subtotal Investment Revenue	**$2,960.1**	**$3,164.0**	**$3,126.5**	**$3,254.0**	**$3,325.5**	**$3,358.9**
Total Revenue Subject to Appropriation	**$5,230.6**	**$4,828.0**	**$4,906.5**	**$5,141.7**	**$5,276.8**	**$5,352.5**

(1) This table presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the State accounting system would likely reveal additional revenues subject to appropriation beyond those identified here.

(2) Estimated based on deposit in Permanent Fund minus 25 percent of total royalties. In fiscal year 2018 and 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund.

Source: Spring 2020 Revenue Forecast, Tax Division.

General Fund Expenditure Trends

From the fiscal year 2013 peak through the budgeted fiscal yearY 2021, recurring Unrestricted General Fund expenditures have diminished from approximately $7.9 billion to $4.5 billion. A significant portion of the expenditures during this time frame were funded from prior year excess revenue held in the Constitutional Budget Reserve Fund, the Statutory Budget Reserve Fund or in the form of forward funding future fiscal year appropriations. Following fiscal year 2021 the balances of the Constitutional Budget Reserve Fund is projected at $80.5 million, the Statutory Budget Reserve Fund is zero, and the fiscal year

2021 budget did not include any forward funding appropriations for the fiscal year 2022 budget. **Fiscal Year 2021 10-Year Plan and General Fund Forecast**

The Executive branch is obligated by Alaska Statute 37.07.020 (b) to provide a 10-year plan on an annual basis. The Office of the Governor, Office of Management and Budget annually in December submits a 10-year projection of revenues based on the Department of Revenue, Tax Division's Fall Revenue Sources Book and expenditures as projected by their staff. The expenditure projections contained in the document are intended to be used as a planning tool. They do not represent a commitment by the Executive Branch to require spending at a particular level any future year.

The Fiscal Year 2021 Budget Overview and 10-Year Plan ('FY 2021 10-Year Plan') was released by Governor Dunleavy's administration and the Office of Management and Budget on December 11, 2019. The FY 2021 10-Year Plan is provided in complete form on the State of Alaska, Office of the Governor, Office of Management and Budget's website. The 2019 plan included recognition of the State of Alaska's diminishing reserves and need for a shift in future year's budgets, as reflected in the "Budget Baseline" in Table 7.

Table 7

Fiscal Year 2021 Budget Overview and 10-Year Plan – Budget Baseline

	FY2021-FY2030 Budget Baseline						
Sources of Funding	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	
Unrestricted General Fund Revenue per RSB	$ 1,967.5	$ 1,976.4	$ 1,944.9	$ 1,957.5	$ 2,021.0	$ 2,043.0	$ 2,11
Gross Percent of Market Value ("POMV") Transfer	*$ 3,091.5*	*$ 3,095.0*	*$ 3,262.0*	*$ 3,378.0*	*$ 3,460.0*	*$ 3,545.0*	*$ 3,6*
Less Payments of Permanent Fund Dividends	*$ (2,005.1)*	*$ (2,247.7)*	*$ (2,396.2)*	*$ (2,231.3)*	*$ (2,396.2)*	*$ (2,495.5)*	*$ (2,56*
Net POMV Transfer	$ 1,086.4	$ 847.3	$ 865.8	$ 1,146.7	$ 1,063.8	$ 1,049.5	$ 1,07
CBR Transfers	$ 1,547.5	$ 542.4	$ -	$ -	$ -	$ -	
Remaining Deficit	$ -	$ 1,169.5	$ 1,730.6	$ 1,438.1	$ 1,454.9	$ 1,449.7	$ 1,35
Total Available General Funds	**$ 4,601.3**	**$ 4,535.7**	**$ 4,541.3**	**$ 4,542.3**	**$ 4,539.7**	**$ 4,542.2**	**$ 4,54**
Uses of Funds	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2**
Agency Operations	$ 3,897.5	$ 3,897.5	$ 3,897.5	$ 3,897.5	$ 3,897.5	$ 3,897.5	$ 3,89
Debt Service Payments	$ 135.0	$ 132.2	$ 136.3	$ 133.5	$ 126.9	$ 124.1	$ 12
PERS/TRS Contributions	$ 345.6	$ 324.0	$ 325.6	$ 329.3	$ 333.2	$ 338.6	$ 34
Fund Capitalizations/Transfers	$ 87.6	$ 32.0	$ 32.0	$ 32.0	$ 32.0	$ 32.0	$ 3
Capital	$ 135.6	$ 150.0	$ 150.0	$ 150.0	$ 150.0	$ 150.0	$ 15
Total General Fund Appropriations	**$ 4,601.3**	**$ 4,535.7**	**$ 4,541.3**	**$ 4,542.3**	**$ 4,539.7**	**$ 4,542.2**	**$ 4,54**

The 2019 plan outlines five primary scenarios for fiscal reform as shown in Table 8. These scenarios represent the general options recognized as available to the State of Alaska given the projections of future year's revenues and expenditure needs. There is no guarantee any of these options will be implemented or if assumptions about future revenues or expenditures will be accurate.

Table 8

Fiscal Year 2021 Budget Overview and 10-Year Plan – Summary of Scenarios

Scenario	Action Taken in Scenario	Budget Growth	Use of Savings	PFD Assumption	Unstruc (Beyond
Scenario 1: Balancing the Budget Through Reductions	Reductions are taken in order to avoid draining savings	Inflation only at 2.25% calculated after reductions take place. Increases above this level must be funded through further reductions	Use CBR as a glide-path to reduce $1.4 billion over 2 years	The statutory PFD is fully funded	None
Scenario 2: Big Taxes, Big Government	Implement taxes to avoid draining savings	Historic growth rate of 4.4% for agencies and capital. Statewide items such as Debt hold steady as known projections	None	The statutory PFD is fully funded	None
Scenario 3: The "Excess" PFD, Taxes After Savings Run Dry	Reduce PFDs to avoid draining savings; implement taxes after PFD drops to zero	Historic growth rate of 4.4% for agencies and capital. Statewide items such as Debt hold steady as known projections	None	PFD is paid with available revenue after Government is fully funded	None
Scenario 4a: Continue to Balance the Budget Through Use of Savings, Then Taxes	Draw from savings (CBR, SBR, other smaller accounts), implement taxes after savings are depleted	Inflation only at 2.25%	Fully Depleted Savings	The statutory PFD is fully funded	None
Scenario 4b: Continue to Balance the Budget Through Use of Savings, Then Ad-hoc Draws	Draw from savings (CBR, SBR, other smaller accounts), make unstructured Permanent Fund draws when savings are depleted	Inflation only at 2.25%	Fully Depleted Savings	The statutory PFD is fully funded	Yes - Af depleted billion lo the fund
Scenario 5: Balanced Approach	New PFD formula (50/50 POMV), modest taxes, and modest reductions	Reductions in year one and two then Inflation only at 2.25%	Partial Draw on Savings to allow time for budget to come into balance	New PFD formula, over longer periods of time PFD is approximately the same	None

In the 2019 Legislature there was debate and effort to implement components of the fiscal reform options presented in the December 2019 10-Year Plan. In addition members of the Legislature introduced legislation to both change how the State utilizes revenue historically restricted by custom and generate new revenue through taxation. The legislative leadership also publicly declared their focus on diminishing the level of State spending prior to considering increasing revenue measures. Fiscal reform efforts in the 2020 Legislature were pre-empted and overwhelmed by the COVID-19 pandemic and related health and economic impacts.

The Fiscal Year 2021 budget was approved by the Legislature on March 28, 2020, and on April 6, 2020, Governor Dunleavy signed into law the Fiscal Year 2021 budget. The next 10-Year Plan is expected to be released in December of 2020. The December, 2019 10-Year Plan does not include certain information or updated forecasts contained in the Spring 2020 Revenue Sources Book.

Other Funds Maintained by the State

The State maintains other types of funds, such as Enterprise Funds, Trust and Agency Funds, Capital Projects Funds and Special Revenue Funds.

Enterprise Funds are operated by the State for "self-supported" activities that provide goods and/or services to the public on a charged payment basis. The International Airports Revenue Fund and a number of State loan program funds are Enterprise Funds.

Trust and Agency Funds are maintained to account for assets held by the State acting in the capacity of custodian or fiduciary agent. In addition to the Permanent Fund and the retirement systems funds, major funds in this category include the Public School Trust Fund, the Mental Health Trust Fund, the Power Cost Equalization Endowment and the University of Alaska Endowment.

Capital Projects Funds account for the use of the proceeds of general obligation bond issues and matching federal funds for capital outlays. In general, all capital outlay projects are accounted for through Capital Projects Funds except capital projects being financed by the General Fund through direct appropriations and capital projects financed with moneys in the International Airports Revenue Fund.

Special Revenue Funds are maintained in connection with the State's issuance of revenue bonds, such as revenue bonds issued by the Alaska International Airports System and the Sport Fishing Revenue Bonds.

State Ownership of Land and Natural Resources

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state in the United States, roughly equivalent in size to one-fifth of all of the other 49 states combined. Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners.

In 1959, when Alaska became a state, 99.8 percent of the land was owned by the federal government. The Statehood Act, as modified by the Alaska Land Transfer Acceleration Act of 2004, gave the State the right to select and acquire approximately 105.5 million of the nearly 365 million acres of federal lands in Alaska. As of December 31, 2015, close to 95 percent, or approximately 100 million acres, of this grant has been conveyed to the State. In addition, the State owns approximately 65 million acres of submerged and tide lands, some of which overlie areas with the potential for natural resource production.

Land ownership in Alaska is also shaped by the Alaska Native Claims Settlement Act ("ANCSA") enacted by Congress in 1971. Under ANCSA, 13 regional corporations and more than 200 village corporations were established with Alaska Natives as their shareholders and beneficiaries. These corporations were authorized to select approximately 44 million acres of federal lands and the associated subsurface and surface rights for transfer into their ownership.

In summary, Alaska Natives and ANCSA corporations own approximately 13 percent of Alaska lands, the State owns approximately 26 percent, and the federal government owns approximately 60 percent, with less than one percent of Alaska lands owned by private, non-Native owners. As described below, the State obtains significant revenues from companies that lease State-owned lands for extraction of oil, natural gas, coal, gold, silver, zinc, copper and other minerals and shares with the federal government revenues from oil, natural gas and other assets extracted from federal lands leased by private companies. Additionally, the State receives indirect benefits and tax revenues from development and activity on ANCSA corporation-owned lands.

For State land, Article 8, Section 1 of the State Constitution provides that, "it is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." The DNR is the State entity entrusted with executing this objective on the approximately 165 million acre upland and tideland portfolio. Consequently DNR has a stewardship and public trust responsibility for all State-owned land, water and resources in addition to regulatory responsibilities on private lands.

As part of this work, DNR manages the State's mineral, coal, oil and gas, geothermal, timber, material and water resources, provides land use authorizations for surface activities on State land, receives title from the federal government in accordance with the Statehood Act and the Alaska Land Transfer Acceleration Act and conveys land to private purchasers. DNR manages and distributes a large volume of technical data, public records, land records and geospatial information.

Oil and Gas Reserves. The majority of the State's annual revenues have been generated from oil exploration and production since 1968, when the first large oil and gas reservoir on the Arctic Coast was discovered. To enable the production of this resource, the TAPS, an 800-mile, 48-inch crude oil pipeline from the State's Arctic Coast to Valdez in south-central Alaska was constructed in the 1970s and came online in 1977. This nationally important piece of infrastructure has transmitted approximately 17.7 billion barrels of crude oil from the North Slope of Alaska to market through calendar year 2015.

At peak production levels in 1988, over 2 million barrels per day were flowing through TAPS from the Prudhoe Bay field, the Kuparuk field (the State's second largest oil-producing area), as well as from the Endicott and Lisburne satellite fields.

The Alaska North Slope continues to see new oil being produced from reworking existing fields, as well as new developments that will bring future production. This new production on the North Slope has helped to offset some of the volume decline since the 1988 peak. The DOR Spring 2016 forecast for North Slope crude oil production is 520,200 barrels per day in FY 2016 and 507,100 in FY 2017.

In the DOR Spring 2016 Revenue Sources Book, the State forecasted that crude oil production on the North Slope will continue to decline over the 10 year forecast period to 302,100 barrels per day by FY 2025.

In 2012, the DOR began reporting future production as a risk-weighted value in order to account for the risk involved in bringing new projects online as an appropriate measure to prepare the State's budget. In 2013, the DOR further reduced forecast production due to the increase in natural gas liquids re-injection, more extensive maintenance projections, and reduced oil well performance and recovery response expectation. While this ensures conservative financial planning further into the future, the DOR projected high production case indicates that production could be as high as 377,000 barrels of oil per day in 2035 under the right economic conditions. Production could also be higher with technological breakthroughs or major changes in current conditions. The State does not include any potential production from the Arctic National Wildlife Refuge ("ANWR") or other fields yet to be discovered in its forecasts. In January 2015, the Obama Administration proposed designating 12 million acres of the ANWR as a protected wilderness area, thereby permanently precluding oil extraction. Only Congress can authorize such designation. No statement is made as to the outcome of this proposal.

FY 2015 capital expenditures on the North Slope of about $4 billion were the highest in at least a decade. Capital expenditure on the North Slope is forecast to decrease by 8-9% per year in FY 2016 and FY 2017. For most companies, at least some development drilling, exploration or other projects are being deferred until oil prices improve. However, at the same time, companies have proceeded with major projects that were currently in progress, such as development of the Point Thomson field, CD-5 (Alpine West), Mustang, and Moose's Tooth. Development drilling also continues in most major currently producing area.

Oil production from the smaller fields within the Cook Inlet Basin, in south-central Alaska, has increased for the last five years as new participants enter the Alaska market. Some of these fields have now been in production for over 60 years, but new discoveries in the basin continue to be made. Cook Inlet production has grown from 8,900 barrels per day in 2010 to 18,000 barrels in 2015. The State does not attempt to forecast projects under development or under evaluation for Cook Inlet at this time. Currently producing areas are forecasted to decline down to 9,000 in 2025 although it is highly likely that new projects will continue to trend upward and that 2025 production will be much higher.

Alaska also features immense potential for future production from known (discovered but undeveloped) and unknown (undiscovered) hydrocarbon resources on the North Slope. To highlight the potential of Alaska's North Slope it is often compared to the State of Wyoming. The North Slope is approximately the same size as the State of Wyoming, but while Wyoming has had approximately 19,000 exploratory wells drilled, the North Slope has had fewer than 600. In August 2007, the U.S. Department of Energy ("DOE") released "Alaska North Slope Oil and Gas: A Promising Future or an Area in Decline?" – a report that assessed the potential for Alaska to remain a major producer of oil and gas under various development scenarios. The report examined near-term potential (2007-2015) and long-term potential (2015-2050). According to the report, the North Slope is a relatively underexplored petroleum province that may provide oil and increasingly, natural gas, for years to come.

The 2007 U.S. DOE report evaluated geologic and commercial viability of future oil and gas production from five areas or provinces: 1) the State-owned area between the Colville and Canning Rivers (and adjacent State waters), 2) the "1002" area of the Arctic National Wildlife Refuge, 3) the National Petroleum Reserve in Alaska ("NPR-A"), 4) the Beaufort Sea Outer Continental Shelf ("OCS"), and 5) the Chukchi Sea OCS.

Under the most optimistic scenario, DOE reported mean technically recoverable oil resources of 38.2 billion barrels and mean technically recoverable gas resources of 186.5 trillion cubic feet ("TCF") from these five areas. The State benefits from the production of federal oil within the State (especially in the NPR-A, where the State is entitled to 50 percent of all royalties, bonuses and rents) and benefits to some extent from the production of federal oil from non-State lands shipped through TAPS. These estimates are not included in the DOR's projections of oil production from the North Slope.

In the next ten years, the State anticipates new developments on State and federal lands, both of which benefit the State. Many of the opportunities to add production from State lands are from expanded heavy and viscous oil development, shale oil, continued satellite development at Alpine, and continued developments at Oooguruk and Nikaitchuq.

The Point Thomson field, 20 miles east of the existing Badami development, together with three known satellite fields, is estimated to hold more than eight TCF of gas reserves and more than 500 million barrels of liquid hydrocarbons. Production at Point Thomson began in FY 2016 with daily production of approximately 10,000 barrels per day. Another new field that may begin production is Umiat, first discovered in 1946 by the U.S. Navy. It is estimated to have one billion barrels of oil in place with approximately 200 million recoverable barrels. It has not been developed due to its remoteness, but production at the Umiat field could provide significant production volumes going forward.

The State continues to see strong interest in bidding on leases of State land for oil and gas exploration and production on the North Slope and Cook Inlet. On November 18, 2015, the State received 134 valid bids for North Slope leases from 3 different bidding groups, resulting in 131 tracts sold encompassing 186,400 acres. Bidders included major international producers and established independent companies. Winning bids totaled more than $9.5 million.

In 2015, no bids were placed in the Alaska Peninsular, Beaufort Sea, and North Slope Foothills areas. In May 2015, the State received 8 bids and sold 7 tracts comprising 20,839 acres in Cook Inlet for $671 thousand.

Natural Gas Pipeline Developments. Natural gas development on the Alaska North Slope has been limited because a pipeline to transport recovered natural gas to market outside Alaska has never been constructed. As a result, natural gas produced in conjunction with oil production on the North Slope is not yet sold commercially in significant volumes. Most of the produced gas is re-injected into the North Slope oil fields for use in enhanced oil recovery projects at the Prudhoe Bay field or at the Kuparuk field while some is used on site or is sold to the TAPS and used to heat field camps, run electrical generators or power the TAPS pump stations. Although there are currently an estimated 35 TCF of known contingent gas resources on the North Slope, mostly in the Prudhoe Bay and Point Thomson fields, geologic estimates for the greater Alaska region by the U.S. Geological Survey (onshore and state waters) and the Bureau of Ocean Energy Management (Outer Continental Shelf waters) place the amount of undiscovered technically recoverable resources at more than 200 TCF.

The State's production tax and royalty provisions apply to natural gas products as well as to oil, and the State's long-term financial planning is based in part on efforts to develop natural gas resources as oil production declines. See "State Revenues—Oil and Gas Revenues" herein.

To spur commercialization of Alaska natural gas, the Legislature enacted the Alaska Gasline Inducement Act ("AGIA") in 2007. In August 2008, following an extensive application and evaluation process, the Legislature authorized the State to award an AGIA license to TransCanada Alaska, a wholly-owned subsidiary of the TransCanada Corporation ("TransCanada"). TransCanada partnered with ExxonMobil, one of the three major North Slope producers.

Pursuant to the AGIA license, TransCanada committed to initiate pre-development activities and to obtain necessary permits to build a 1,715-mile natural gas pipeline from a natural gas treatment plant at Prudhoe Bay to the Alberta Hub in Canada. Under AGIA, the State had agreed to provide matching funds of up to $500 million to reimburse TransCanada for a portion of the development costs of the proposed pipeline. The AGIA license obligated TransCanada to complete certain predevelopment and regulator steps but did not require them to proceed with construction. The project conducted its initial open season in 2010, receiving multiple bids from potential shippers. In 2012, TransCanada, ExxonMobil, ConocoPhillips and BP formally agreed on a work plan under the AGIA framework and pertinent milestones to explore and develop a concept for a liquefied natural gas project and associated pipeline to Southcentral Alaska.

In January of 2014, a Heads of Agreement ("HOA") was signed by the Commissioners of the DNR and DOR with ExxonMobil, BP, and ConocoPhillips, expressing an agreement to advance a proposed Alaska LNG ("AKLNG") project, which would transport natural gas from the North Slope to provide gas to Alaskans and then to tidewater in Cook Inlet where it would be liquefied and be one of the largest export projects of its kind in the world. Under the HOA, the State would assume a 20%-25% equity share in the Alaska LNG Project commensurate with its royalty and production tax interest in North Slope natural gas production from the Prudhoe Bay and Point Thomson fields. The HOA served as a guidance document to the Legislature during its review of legislation proposed during the 2014 Legislative session. The HOA provided that if acceptable enabling legislation was passed, the Alaska LNG Project would ramp up the Pre-Front End Engineering Design (Pre-FEED) stage and establish a framework for negotiating multiple project-enabling agreements. Those agreements include, but are not limited to contracts for the disposition of the State gas share, individually developed joint marketing agreements for the State's share of LNG, a proposed tailored regulatory framework for the project, and expansion terms that will allow third-party access to all of the project components, including possible construction of a new LNG train at the liquefaction plant.

In 2014, the Legislature approved Senate Bill ("SB") 138, which provides the authorization for DNR to modify leases, allows the State to enter into certain commercial agreements, revises the production tax for natural gas from leases that are contributing to a North Slope gas commercialization project to allow the State to have an approximate 25% equity share in the project, authorizes a subsidiary of the Alaska

Gasline Development Corporation (AGDC) to participate in in the project on behalf of the State, and makes other changes to enable progress on a large-scale, integrated LNG project. Considered enabling legislation by the HOA parties, SB 138 allowed the parties to align commercially in a Joint Venture Agreement ("JVA") signed in July 2014 and ramp up the Pre-FEED stage for the Alaska LNG project. Activities to date have included the formal filing of an application with the U.S. Department of Energy to export LNG to both free trade and non-free trade countries, key summer field season activities, additional engineering and design work, and filing of initial resource reports to the Federal Energy Regulatory Commission ("FERC"). Concurrently with the development of the AKLNG project, AGDC has progressed an alternative, smaller scale project designed to meet domestic gas demand should the larger project falter. AGDC has aligned its schedule to match the AKLNG project and new spending on the AKLNG project has been curtailed until a front end engineering and design ("FEED") decision is made on AKLNG.

In June 2014, the Department of Natural Resources and TransCanada Alaska Midstream LP signed the Precedent Agreement, which authorized TransCanada to pay upfront capital costs and hold the State's 25 percent share of ownership in AKLNG's midstream components including the gas treatment plant and pipeline.

On September 24, 2015, Governor Walker issued an executive proclamation calling the Legislature into special session. The subjects of the special session were to consider an act to monetize certain natural gas reserves through the levy of a gas reserves tax and an act making supplemental appropriations to fund the state's activities related to the development of the state's natural gas including appropriation to exercise the states option to acquire TransCanada's interest in the Alaska Liquefied Natural Gas Project. On October 23, 2015 the Governor withdrew the act to monetize certain natural gas reserves through the levy of a gas reserves tax from the call to special session. On November 4, 2015 the Legislature approved SB 3001 an act making supplemental appropriations to fund the state's activities related to the development of the state's natural gas including appropriation to exercise the states option to acquire TransCanada's interest in the Alaska Liquefied Natural Gas Project, and on November 20, 2015 Governor Walker signed the bill into law. On November 24, 2015 the state paid approximately $68.5 million to terminate the Precedent Agreement removing the direct participation of TransCanada Alaska Midstream LP from the AKLNG project.

The State is currently responsible for 25% (twenty-five percent) of the Pre-FEED costs of the AKLNG Project. If a decision to move into the FEED phase is made by the parties, the State will be responsible for 25% (twenty-five percent) of the FEED costs. If a decision to move to the construction phase is made by the parties, the State will be responsible for its royalty and gas share of the construction costs, currently anticipated at approximately 25% (twenty-five percent). The State may elect to finance all or a portion of its share of the costs of the AKLNG Project through existing State reserve funds or the issuance of debt. The current estimate of the total FEED and construction costs for the AKLNG project is $55-60 billion, and the State's share of that estimated cost would be $13.75-15 billion.

As of January 2016, the AKLNG Project team updated the legislature on the progress of the Pre-FEED stage activities. The legislature was informed that the initial design scope was 85% complete and that the team was finalizing project design/execution bases for cost and schedule estimating. The 2016 priorities included targeting a final pipeline size decision by April 2016, continuing additional field work to support FERC resource reports finalization, preparing contract strategy development and market engagement to ensure the project is globally competitive and maximizes opportunities for Alaskans. Finally, the team anticipated completing the Pre-FEED work and providing the project participants information necessary to make a FEED decision anticipated during FY 2017. During the Pre-FEED stage, the project participants are also continuing to negotiate the commercial agreements necessary to move forward with a project.

On February 17, 2016 Governor Walker and AKLNG partners ExxonMobil, BP and ConocoPhillips announced a commitment to continue to work together to explore options to advance the AKLNG project. The technical work associated with the work plan is on track to have the pre-FEED work completed in the fall of 2016. The partners acknowledged the difficult business environment that is currently being experienced.

Mineral Resources. According to USGS the State contains large amounts of the world's mineral resources including 17% of the coal, 8% of the gold, 5% of the Zinc, 4% of the copper, 3% of the lead, & 2% of the silver. Six large mines that produce zinc, gold, lead, silver, and coal are currently in operation and several other large mines are under development or exploration. There are also more than 400 smaller scale placer gold, and sand and gravel mining operations.

The six major Alaska mines are:

- Red Dog Mine, a surface mine and mill that produces zinc, lead and silver in concentrates in the Northwest Arctic Borough. It is a joint venture between Teck and an Alaska Native Corporation ("NANA Regional Corporation"). Red Dog is one of the largest zinc mines in the world, both in terms of production and reserves.
- Fort Knox Mine, owned by Kinross, has been the largest gold producer in Alaska since production began in 1996 and is located 25 miles northeast of Fairbanks.
- Pogo Mine is an underground gold mining operation that began producing gold in 2006, operated by Sumitomo Metal Mining.
- Usibelli Coal Mine, located outside Healy, in the interior of the State, is the only operating coal mine in Alaska and was established in 1943.
- Greens Creek Mine, located on Admiralty Island, in southeast Alaska near Juneau, is an underground polymetallic mine producing silver, gold, zinc and lead since 1989. It is owned by Hecla and is one of the world's top 10 silver producers.
- Kensington Gold Mine, located on the east side of Lynn Canal about 45 miles north-northwest of Juneau, is owned by Coeur Alaska. It began production in 2010.

Mining claims and prospecting sites covered approximately 3.6 million acres of Alaska in 2014, with 6,003 active Federal and 40,729 active state mining claims. State 40- and 160-acre claim staking decreased by almost 50 percent in 2014, while staking of state prospecting sites decreased by 32 percent. More than 75 percent fewer Federal claims were staked in 2014.

The total reported value of Alaska's mineral industry decreased in 2014 to $3.66 billion, more than 7% lower than its $3.95 billion value in 2013. The total value is a composite of the year's expenditures on exploration and development plus the estimated first market value of the commodities produced. Alaska's mineral production sector remained strong despite slowdowns in exploration and development spending. Zinc was the top metal produced in 2014, according to its production value of almost 44 percent of total Alaska metal production. Gold followed at 37.5 percent, along with silver at 9.5 percent, and lead at 9.2 percent. The decreased mineral production value in 2014 compared with 2013 resulted primarily from lower metal prices. The average 2014 price for gold dropped 10.3 percent from the previous year's average, while the price of zinc rose 12.6 percent.

In calendar year 2014, the value of Alaska's large mine gross mineral production was $3.28 billion, down 4 percent compared to $3.42 billion in 2013, and $3.44 billion in 2012. Exploration expenditures in 2014 totaled $96.2 million, compared with $176 million in 2013, and $335 million in 2012. Total value spent on exploration since 1981 is estimated at $3.3 billion. The industry spent an estimated $282 million on mine construction and other capital investment in 2014, down 21.5% compared to $359 million in 2013, and $342 million in 2012. Alaska's mining industry also provided an estimated 4,400 direct mining industry jobs in Alaska in 2014, with 8,700 total direct and indirect jobs, and $620 million in total direct and indirect payroll.*

Mining companies are among the largest taxpayers in the City and Borough of Juneau, the Fairbanks North Star Borough, the Denali Borough and the Northwest Arctic Borough. In 2012, the estimated value of gold production in Alaska for both domestic and international markets (more than $1.5 billion) overtook the zinc production value for the first time since 1989 (when Red Dog Mine began commercial production of zinc). Even so, zinc and lead produced by Red Dog Mine accounted for approximately 41 percent of the entire value of Alaska's mineral production in 2013. Minerals are the State's second largest non-oil export commodity, behind seafood, and accounted for export value of $1.75 billion, or 34 percent of the State's non-oil export total in 2014.

Advanced exploration or development stage mineral projects in Alaska include:

- The Donlin Gold Project in southwest Alaska, a large open-pit gold deposit.
- The Chuitna Coal Project, located in the Beluga Coal Field of south-central Alaska.
- Bornite, Ambler and Lik projects in northwest Alaska, all base-metal sulfide deposits.
- The Pebble Project, an initiative to develop a copper, gold and molybdenum deposit in the Bristol Bay region of southwest Alaska.
- The Livengood gold project north of Fairbanks, which completed a feasibility study in 2013.
- The Niblack and Palmer projects in southeast Alaska, for the production of gold, silver, copper, lead and zinc.
- The Bokan Mountain project, a rare earth minerals deposit in southeast Alaska, on Price of Wales Island.
- The Graphite Creek graphite project on the Seward Peninsula north of Nome.
- The high-grade gold veins at the Terra project in the western Alaska Range.

As described below, the State's revenues from mining are derived primarily from mining license taxes, corporate income taxes, annual rentals and production royalties. Production may end over the next decade at several of the mines that currently contribute most of the State's mining-related revenue. In most cases, as is common in the industry, new resource areas are being explored for expansions and extensions of the mine life. In addition, several projects are in advanced exploration or the permitting phase. Overall, in calendar 2014, over $102.2 million of reported and estimated revenues were paid to the State and municipalities by Alaska's mineral industry, with a state total of $83.7 million, and an estimated municipality total of $18.5 million. Additional revenues went to the Mental Health Trust, and native corporations. There was an estimated $144 million in payments to Alaska Native corporations in 2014.* See "State Revenues – Non-Oil Revenues."

Alaska has a number of deposits of rare earth elements, which are used in magnets, batteries, refining and other metallurgical applications. Finished products in which they are critical include smart phones, hybrid cars, military hardware, advanced consumer electronics, fiber optics and windmills. Bokan Mountain, which is located in Southeast Alaska, on Prince of Wales Island near Ketchikan, has inferred resources of between 1.0 and 6.7 million metric tons. There are three other known deposits of rare earth elements located on Prince of Wales Island, as well as near Nome and Fairbanks that are currently under evaluation. The Alaska Division of Geological & Geophysical Surveys is currently engaged in a major project to detail Alaska's potential to develop rare earth elements and other strategic and critical minerals.

In 2014, SB 99 was approved providing authorization for the Alaska Industrial Development and Export Authority (AIDEA) to issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth element project, and the Niblack project. The principal amount of the bonds

* McDowell Group, Inc. January 2015 – The Economic Benefits of Alaska's Mining Industry, 2014 Estimated

provided by AIDEA for the Bokan-Dotson Ridge rare earth element project may not exceed $145 million. The principal amount of the bonds provided by AIDEA for the Niblack project may not exceed $125 million.

Other Major Resources. Fish and game have long been important resources in Alaska, and taxes on fish landings and processing represent a share of the State's non-petroleum revenues. With increased air and cruise services to Alaska in the last 10 years, tourism is now another important source of revenue for the State. Although passenger fee revenues are restricted revenue and not available for general appropriations, the large commercial passenger cruise vessels are subject to the State corporate income tax, the proceeds of which are unrestricted. See "State Revenues—Other Non-Oil and Non-Mineral Revenues" below.

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease-purchase financings and revenue bonds. The State also provides guarantees and other support for certain debt and operates the SDRP and the Transportation and Infrastructure Debt Service Reimbursement Program (the "TIDSRP"). Other than the Veterans' Mortgage Program, these programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for certain bonds of local governments and obligations of State agencies.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the State Bond Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit, and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose. Approximately $670.1 million of general obligation bonds were outstanding as of June 30, 2019. See "Summary of Outstanding Debt" and Tables 7 and 8 below.

In November 2012, voters approved $453,499,200 in general obligation bonds for the purpose of design and construction of State transportation projects. To date, the State has obtained $343,150,958 in funding under the $453,499,200 authorization, leaving $110,348,242 of unissued authority. The State anticipates utilizing all or a portion of the remaining authority during fiscal year 2021.

The following other debt and debt programs of the State were outstanding as of June 30, 2019, except as otherwise noted.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation ("AHFC") for the purpose of purchasing mortgage loans made for residences of qualifying veterans. These bonds are also general obligation bonds of the State, and they must be authorized by law, ratified by the voters, and approved by the State Bond Committee. In November 2010, voters approved $600 million of State guaranteed veterans' mortgage bonds, and the total unissued authorization was $584.6 million as of June 30, 2019. As of June 30, 2019, approximately $106.8 million of State guaranteed debt was outstanding.

State-Supported Debt. State-supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-supported debt, but another public issuer may have pledged its full faith and credit to it. State-supported debt is not considered "debt" under the State Constitution, because the State's payments on this debt are subject to annual appropriation by the Legislature. Voter approval of such debt is not required. State-supported debt includes lease-purchase financing obligations (structured as certificates of participation ("COPs")) and capital leases the State has entered into with respect to the Linny Pacillo Parking Garage (with AHFC) and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough). Approximately $215.2 million of State-supported debt was outstanding as of June 30, 2019.

State-Supported Unfunded Actuarially Assumed Liability (UAAL). In 2008, Senate Bill 125 became law, requiring that the State fund any actuarially determined employer contribution rate above 22 percent for the Public Employees' Retirement System ("PERS") or 12.56 percent for the Teachers' Retirement System ("TRS") out of the General Fund, to the extent the actuarially determined employer contribution rate exceeds payment of (i) the employer normal cost and (ii) required employer contributions for retiree major medical insurance, health reimbursement arrangement plans, and occupational death and disability benefits. This change was designed to address stress municipal employers were experiencing due to high actuarially determined percentage of payroll amounts to pay for actuarially assumed unfunded liabilities of the retirement systems. In 2015, GASB Statement No. 68 ("GASB 68") was enacted, updating reporting and disclosure requirements related to pension-related liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system's unfunded actuarially assumed liability ("UAAL") on behalf of another entity to record the liability as a debt of the government making the payment. As a result of GASB 68, $5.8 billion of long-term debt was reflected in the State's CAFR for fiscal year 2015 for a total of $6.0 billion of UAAL.

This liability will be paid through fiscal year 2039 with annual payments determined based on a variety of actuarial assumptions, and the evolving experience as it occurs. Both the current balance of liabilities as well as the magnitude in change in liability from future outcomes highlight the impact that PERS and TRS funding needs have on the State. Effective January 11, 2019, the Alaska Retirement Management Board voted to change the actuarially assumed rate of investment return to 7.38 percent from 8.00 percent, along with several other actuarial assumptions. According to the PERS and TRS CAFR, as of June 30, 2019, if the earnings rate experience is actually 6.38 percent, the one percent reduction in the rate of return on investments increases the net PERS pension and OPEB liability by approximately $2.8 billion and the TRS pension and OPEB liability by approximately $1.1 billion. The decrease in the actuarially assumed rate of investment return from 8.00 percent to 7.38 percent will increase the liability assumptions for PERS and TRS.

As long as the Senate Bill 125 statutory framework is in place, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rates for PERS employers above 22 percent and TRS employers above 12.56 percent (subject to the exceptions described above). This payment is subject to annual appropriation. The UAAL for PERS and TRS as of June 30, 2018, was approximately $6.7 billion, based on the most recent June 30, 2018, actuarial valuation reports for PERS and TRS.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the SDRP and the TIDSRP. These programs provide for State reimbursement of annual debt service on general obligation bonds of municipalities for the SDRP and a combination of general obligation and revenue bonds of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole. In fiscal year 2017, the SDRP was funded at 75 percent of the authorized amount and the SDRP was funded at 100 percent of the authorized amount for fiscal year 2018 and fiscal year 2019. The State's fiscal year 2020 budget reduced funding by 50 percent of the authorized SDRP amount, and the enacted fiscal year 2021 budget reduced amounts by 100%. The Governor indicated that funding from the CARES Act would be made available to municipalities to pay for COVID-19 impacts and mute the impact of this reduction. The Governor has proposed distribution of $562.5 million of CARES Act funding to Alaska's municipalities.

DEED administers the SDRP, which was created by law in 1970. The SDRP allows municipalities to apply, and if structured correctly, be eligible for reimbursement on up to 100 percent of the debt service on general obligation bonds issued for school construction. All municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment. The SDRP has been partially funded in a number of years. Access to the SDRP was restricted during the 1990s due to State budgetary pressure. Beginning in the early 2000s, and through 2014, the program was generally available for any qualified municipal project at reimbursement rates of 60 to 70 percent of debt service. In 2015, the Legislature passed a moratorium on the SDRP and eliminated DEED's authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In addition, in June 2016, the Governor signed the fiscal year 2017 budgets transmitted by the Legislature and exercised his line-item veto authority to reduce fiscal year 2017 appropriations by approximately $1.29 billion, including a 25 percent reduction in the SDRP. The State's enacted fiscal year 2020 budget reduced funding to 50 percent of the authorized SDRP amount. The State's enacted fiscal year 2021 budget reduced funding to the SDRP by 100 percent. As of June 30, 2019, State-supported SDRP debt was $704.8 million.

The Department of Transportation and Public Facilities and the Alaska Energy Authority administer TIDSRP. The program currently includes University of Alaska revenue bonds, seven municipalities' general obligation bonds, and two electric associations' revenue bonds. There are no additional authorized participants in TIDSRP and no efforts have been made to add to the program since creation in 2002. The State's enacted fiscal year 2020 budget eliminates all funding for the TIDSRP. The State's enacted fiscal year 2021 budget eliminates all funding for the TIDSRP. As of June 30, 2019, State-supported TIDSRP debt was approximately $22.1 million.

State-Supported Toll Revenue Bonds. In 2014, the Legislature authorized funding of the proposed Knik Arm Crossing with a combination of (i) up to $300 million of State-supported toll revenue bonds subordinated to a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan, (ii) a maximized loan under TIFIA of not less than $300 million and estimated to be approximately $350 million, and (iii) up to $300 million of appropriations of additional Federal Highway Administration funds to the project. The State expected to pay debt service on the State toll revenue bonds using a combination of annual State appropriations and toll collections that exceeded the TIFIA loan payment. As of July 2016, all spending on the Knik Arm Crossing was discontinued.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund benefited by a discretionary replenishment provision that permits, but does not legally obligate, the Legislature to appropriate to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). State moral obligation debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue State moral obligation debt are: Alaska Aerospace Development Corporation ("AADC"), which has not issued any debt; Alaska Energy Authority ("AEA"); AHFC; Alaska Industrial Development and Export Authority ("AIDEA"); Alaska Municipal Bond Bank Authority ("AMBBA"); and Alaska Student Loan Corporation ("ASLC"). Approximately $1,229.5 million of State moral obligation debt was outstanding as of June 30, 2019.

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue debt is not a general obligation of the State or of the University and does not require voter approval. Such debt is authorized by law and issued by the State Bond Committee or the University of Alaska for projects approved by the Commissioner of Transportation and Public Facilities or by the University of Alaska. This type of debt includes Sportfish Revenue Bonds, International Airports Revenue Bonds, various University

Revenue Bonds, Notes, and Contracts, Clean Water and Drinking Water Fund Bonds, and Toll Facilities Revenue Bonds. As of June 30, 2019, there was $647.8 million of State and University revenue debt outstanding, consisting of $287.4 million of University of Alaska Revenue Bonds, Notes, and Contracts, $13.9 million of Sportfish Revenue Bonds, and $346.5 million of Alaska International Airport System Revenue Bonds.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees, or moral obligation pledges. As of June 30, 2019, there was $440.4 million aggregate principal amount of State agency debt outstanding, consisting of $49.6 million of AHFC obligations, $9.9 million of Bond Bank Coastal Energy Impact Program Bonds payable to the National Oceanic and Atmospheric Administration, $78.7 million of Alaska Railroad Notes, and $302.2 million of obligations of the Northern Tobacco Securitization Corporation.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt. As of June 30, 2019, the total principal amount outstanding of State agency collateralized or insured debt was approximately $2,382.6 million, consisting of approximately $2,285.7 million issued by AHFC and $96.9 million issued by AIDEA.

Potential State-Supported Pension Obligation Bonds. Through the Alaska Pension Obligation Bond Corporation (the "Corporation"), a public corporation created in 2008 within the DOR, the State initially authorized the issuance of up to $5.0 billion of bonds and/or entry into contracts with governmental employers to finance the payment by governmental employers of their shares of the unfunded accrued actuarial liabilities of the State retirement systems. The State is required by Senate Bill 125, enacted in 2008, to make supplemental contributions to the State retirement system defined benefit plans to reduce the plans' unfunded accrued actuarial liabilities. In 2016, the Board of Directors of the Corporation authorized the Corporation to issue up to $3.5 billion of pension obligation bonds to finance for the State a portion of its statutorily required contributions to PERS and TRS. The Corporation has not issued bonds, and there is no current plan to issue bonds at this time. In 2018, the Legislature reduced the authorization to $1.5 billion. If the Corporation were to issue pension obligation bonds, such bonds would be payable from payments to be made by the State, acting by and through the Department of Administration, which would be subject to annual appropriation by the Legislature.

Potential State-Supported Tax Credit Certificate Bonds. In 2018, AS 37.18.010 was enacted creating the Alaska Tax Credit Certificate Bond Corporation (the "ATCCBC") for the purpose of selling bonds for up to $1 billion to provide for the purchase of certain State tax credits. The ATCCBC bonds would be considered State-supported debt as they would be secured by agreements entered into by other State agencies that are subject to annual appropriation. The legislation authorizing the ATCCBC is subject to a legal challenge related to the legal authority for ATCCBC to issue its bonds, which will need to be satisfactorily resolved prior to any bond issuance by the ATCCBC. The ATCCBC has not issued any bonds.

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Summary of Outstanding Debt. Table 9 lists, by type, the outstanding State-related debt as of June 30, 2019, except as otherwise noted.

Table 9

State of Alaska Debt and State-Related Debt by Type as of June 30, 2019
($ millions)

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Debt			
State of Alaska General Obligation Bonds	$ 670.1	$ 278.5	$ 948.6
State Guaranteed Debt			
Alaska Housing Finance Corporation State Guaranteed Bonds (Veterans' Mortgage Program)	106.8	54.9	161.7
State Supported Debt			
Certificates of Participation	22.4	6.5	28.9
Lease Revenue Bonds with State Credit Pledge and Payment	192.8	73.6	266.4
Total State Supported Debt	215.2	80.1	295.3
State Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	704.8	201.4	906.2
State Reimbursement of Capital Projects	22.5	9.7	32.2
Total State Supported Municipal Debt	727.3	211.1	938.4
Pension System Unfunded Actuarial Accrued Liability (UAAL) (3)			
Public Employees' Retirement System UAAL	5,147.0	N/A	5,147.0
Teachers' Retirement System UAAL	1,520.0	N/A	1,520.0
Total UAAL	6,667.0	N/A	6,667.0
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005, 2010, & 2016 General Resolution General Obligation Bonds	1,111.1	539.4	1650.5
Alaska Energy Authority:			
Power Revenue Bonds #1 through #8	74.7	32.4	107.1
Alaska Student Loan Corporation			
Education Loan Backed Notes	43.7	2.9	46.6
Total State Moral Obligation Debt	1,229.5	574.7	1,804.2
State Revenue Debt			
Sportfish Revenue Bonds	13.9	1.8	15.7
International Airports Revenue Bonds	346.5	160.0	506.5
University of Alaska Debt			
University of Alaska Revenue Bonds	271.3	144.4	415.7
University Lease Liability and Notes Payable	15.4	3.7	19.1
Installment Contracts	0.7	0.1	0.8
Total University of Alaska Debt	287.4	148.2	435.6
Total State Revenue and University Debt	647.8	310.0	957.8

[Table 7 continues on next page]

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	$ 49.6	N/A	$ 49.6
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.9	$ 2.1	12.0
Alaska Railroad	78.7	10.2	88.9
Northern Tobacco Securitization Corporation			
2006 Tobacco Settlement Asset-Backed Bonds (1)	302.2	387.2	689.4
Total State Agency Debt	440.4	399.5	839.9
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Collateralized Home Mortgage Revenue Bonds & Mortgage Revenue Bonds:			
2002 Through 2011 (First Time Homebuyer Program)	694.1	312.6	1,006.7
General Mortgage Revenue Bonds II -2012 & 2016	346.4	164.3	510.7
Government Purpose Bonds 1997 & 2001	105.2	22.0	127.2
State Capital Project Bonds, 2002-2011 (2)	27.7	2.3	30.0
State Capital Project Bonds, II 2012-2018 (2)	1,112.3	451.0	1,563.3
Alaska Industrial Development and Export Authority:			
Revolving Fund Bonds	39.7	11.1	50.8
Power Revenue Bonds, 2015 Series (Snettisham Hydro Project)	57.2	24.7	81.9
Total State Agency Collateralized or Insured Debt	2,382.6	988.0	3,370.6
Total State and State Agency Debt	13,086.7		
Municipal Debt			
School G.O. Debt	1,052.1	N/A	N/A
Other G.O. Debt (4)	1,394.2	N/A	N/A
Revenue Debt (4)	872.5	N/A	N/A
Total Municipal Debt	3,318.8		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases	(215.3)		
Less: State Reimbursable Municipal School G.O. Debt	(704.8)		
Less: Alaska Municipal Bond Bank debt included in University debt	(84.5)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt	(893.7)		
Total Deductions Due to Reporting in More than One Category	(1,898.3)		
Total Alaska Public Debt	**14,507.2**		

(1) "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of $125.2 million.

(2) Does not include defeased bonds.

(3) From most recent June 30, 2018 actuarial valuation.

(4) "Other G.O. & Revenue Debt" derived from information available as of January 31, 2020.

Source: 2019 – 2020 Alaska Public Debt Book, State of Alaska.

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding public debt. General obligation bonds are unconditionally supported, and COPs and capital leases are subject-to-appropriation commitments with associated obligations. The SDRP and TIDSRP provide discretionary annual payments to municipal issuers for qualified bonds of the municipalities that are eligible by statute to participate in the programs. Table 10 sets forth existing debt service on outstanding State-supported debt the State has provided from the General Fund for these outstanding obligations and the forecast support required to retire the outstanding obligations into the future. With the State's fiscal year 2020 budget, the "Capital Project Reimbursements" column was reduced to zero.

Table 10

State of Alaska
Payments on General Fund Paid Debt as of June 30, 2019
($ millions)

Fiscal Year	State G.O.*	Lease / Purchase	Capital Leases (1)	School Debt Reimburse-ment (2)	Capital Project Reimbursement	Statutory Debt Payment to PERS/TRS (3)	Total Debt Service
2019	$ 89.3	$ 2.9	$ 19.7	$ 105.0	$ 4.5	$ 263.4	$ 484.8
2020	77.8	2.9	19.7	97.6	4.5	300.2	502.7
2021	77.0	2.9	19.5	95.4	3.6	338.6	537.0
2022	66.5	2.9	19.5	82.6	3.6	317.1	492.1
2023	66.4	2.9	19.5	83.0	3.6	318.7	494.1
2024	66.2	2.9	19.5	67.6	3.6	322.4	482.2
2025	61.3	2.9	19.5	57.9	3.6	326.3	471.6
2026	61.1	2.9	19.5	48.0	2.8	331.7	466.0
2027	60.6	2.9	20.9	43.3	2.6	337.2	467.5
2028	59.7	2.9	20.9	40.6	2.2	344.8	471.1
2029	58.8	2.9	17.6	35.8	0.9	352.4	468.4
2030	58.1	–	17.6	33.2	0.9	361.0	470.7
2031	45.8	–	17.6	30.8	0.4	370.1	464.6
2032	45.4	–	17.6	27.5	–	380.1	470.6
2033	45.0	–	17.6	20.6	–	390.5	473.7
2034	44.5	–	–	18.1	–	401.9	464.5
2035	20.9	–	–	13.0	–	414.2	448.1
2036	20.9	–	–	5.6	–	426.8	453.3
2037	0.5	–	–	0.5	–	439.8	440.8
2038	12.2	–	–	0.3	–	453.9	466.5
2039	–	–	–	–	–	468.4	468.4
2040	–	–	–	–	–	–	–

(1) A prison and a parking garage have been financed with capital leases.

(2) Fiscal year 2020-2038 payments are based on actual bond repayment schedules on file with DEED as of June 30, 2019.

(3) Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2018.

(*) State G.O. debt service is net of federal subsidies on interest expense through 2038.

Source: 2019 – 2020 Alaska Public Debt Book, State of Alaska.

Payment History. The State has never defaulted on its general obligation bond obligations nor has it ever failed to appropriate funds for any State-supported outstanding securitized lease obligations.

State Debt Capacity. The State has historically used the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State's relatively small population and high per capita revenue due to oil resource-generated revenue. Historically the State's policy has been that debt service should not exceed five percent of unrestricted revenue when considering only general obligation bonds and COPs that are State-supported. More recently, the State has included more discretionary General Fund supported obligations and programs, including the SDRP, TIDSRP, and certain capital leases. With the more inclusive funding, the State's policy allows the annual payments on these items to range up to seven percent of unrestricted revenue.

Table 11

State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1996 – 2019
FORECAST FOR Fiscal Years Ending June 30, 2020 – 2029

Fiscal Year	Unrestricted Revenues ($ millions)	State G.O. Debt Service (%)	State Supported Debt Service (%)	Total State Debt Service (%)	School Debt Reimburse-ments (%)	Statutory Payment to PERS/TRS (%)	Total Payments to Revenues (%)
1996	$2,133.3	1.0%	0.5%	1.4%	3.7%	–	5.2%
1997	2,494.9	0.7	0.4	1.0	2.5	–	3.5
1998	1,825.5	0.8	0.6	1.3	3.4	–	4.7
1999	1,348.4	0.7	1.1	1.8	4.6	–	6.3
2000	2,081.7	0.1	0.9	1.0	3.1	–	4.1
2001	2,281.9	0.0	0.7	0.7	2.3	–	3.0
2002	1,660.3	0.0	1.3	1.3	3.3	–	4.5
2003	1,947.6	0.0	1.1	1.1	2.7	–	3.7
2004	2,345.6	0.8	0.9	1.7	2.6	–	4.3
2005	3,188.8	1.5	0.7	2.2	2.2	–	4.4
2006	4,200.4	1.1	0.6	1.7	1.9	–	3.6
2007	5,158.6	0.9	0.5	1.4	1.7	–	3.1
2008	10,728.2	0.4	0.3	0.6	0.8	–	1.4
2009	5,838.0	0.8	0.6	1.3	1.6	–	2.9
2010	5,512.7	0.9	0.8	1.7	1.7	–	3.4
2011	7,673.0	0.7	0.6	1.3	1.3	–	2.6
2012	9,485.2	0.8	0.4	1.3	1.1	–	2.3
2013	6,928.5	1.1	0.6	1.7	1.6	–	3.3
2014	5,390.0	1.4	0.7	2.1	2.0	–	4.1
2015	2,256.0	3.3	1.6	4.9	5.2	–	10.1
2016	1,533.0	4.0	2.3	6.3	7.6	–	13.9
2017	1,355.0	6.1	2.3	8.3	6.7	–	15.0
2018	2,413.5	3.7	1.1	4.8	4.6	–	9.5
2019	5,354.6	1.7	0.4	2.1	2.0	–	4.2
projected							
2020	5,049.4	1.5	0.4	2.0	2.0	5.9	10.0
2021	5,059.0	1.5	0.4	2.0	2.0	6.7	10.6
2022	5,071.4	1.3	0.4	1.8	1.7	6.3	9.7
2023	5,206.9	1.3	0.4	1.7	1.7	6.1	9.5
2024	5,335.5	1.2	0.4	1.7	1.3	6.0	9.0
2025	5,481.0	1.1	0.4	1.5	1.1	6.0	8.6
2026	5,588.0	1.1	0.4	1.5	0.9	5.9	8.3
2027	5,749.0	1.1	0.4	1.5	0.8	5.9	8.1
2028	5,893.4	1.0	0.4	1.4	0.7	5.9	8.0
2029	6,071.7	1.0	0.3	1.3	0.6	5.8	7.7

Source: 2019 – 2020 Alaska Public Debt Book, State of Alaska.

STATE PENSION AND OTHER POST-EMPLOYMENT BENEFIT RESPONSIBILITIES

General

The State, through the Department of Administration ("DOA"), administers five retirement systems, a healthcare trust, a deferred compensation plan and a supplemental annuity plan. The two largest retirement systems are the Public Employees' Retirement System ("PERS") and the Teachers' Retirement System ("TRS"). Smaller systems are the Alaska National Guard and Naval Militia Retirement System ("NGNMRS") and the Judicial Retirement System ("JRS"). The fifth system, the smallest, is the Elected Public Officers Retirement System ("EPORS"), which provides benefits to elected officials who served in 1976.

PERS and TRS each had funding ratios in excess of 100 percent (i.e., were "overfunded") as recently as 2001. Since that time, as a result of investment losses, recalibration of other post-employment benefit ("OPEB") liabilities and changes in actuarial assumptions and valuation methodologies, PERS and TRS each has had an unfunded accrued actuarial liability (a "UAAL") and increasing actuarially determined employer contribution rates. The NGNMRS and JRS, although much smaller systems, also had UAALs until May 2008, when the Legislature made additional contributions in amounts calculated to eliminate the entire UAAL of both the NGNMRS and JRS as of June 30, 2006. The NGNMRS has been fully funded or close to fully funded since June 30, 2010. Despite the additional funding in 2008, the JRS system has continued to have a UAAL through June 30, 2019, primarily on the pension benefits. The State maintains EPORS as a cash-funded, pay-as-you go arrangement and pays benefits each year as they arise. No assets are set aside to pay EPORS benefit costs.

In December 2019, the State's consulting actuary provided draft June 30, 2019 valuation reports for PERS and TRS defined benefits pension and OPEB, and defined contribution OPEB. The valuations have not yet been adopted by the ARM Board, but is scheduled to be on June 18, 2020. The draft valuation produces a PERS defined benefit pension funding level of 64.6% and Other Post-Employment Benefits funding level of 100.4%, and a total funding level of 76.9%. The 2018 valuation report shows a TRS defined benefit pension funding level of 76.2% and Other Post-Employment Benefits funding level of 108.0%, and a total funding level of 84.7% as reflected in Table 12.

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Table 12

Actuarial Valuation Report(1)
As of June 30, 2019

Funded Status as of June 30 ($'s in 000's)				
Defined Benefit ("DB") – Pension				
a. Actuarial Accrued Liability	$15,039,180	$14,606,033	$7,388,020	$7,276,290
b. Valuation Assets	9,576,693	9,430,192	5,563,931	5,541,600
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	63.7%	64.6%	75.3%	76.2%
DB – Healthcare				
a. Actuarial Accrued Liability	$7,151,694	$7,658,104	$2,518,644	$2,684,150
b. Valuation Assets	7,810,491	7,686,509	2,947,562	2,898,709
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	109.2%	100.4%	117.0%	108.0%
DB – Total				
a. Actuarial Accrued Liability	**$22,190,874**	**$22,264,137**	**$9,906,664**	**$9,960,440**
b. Valuation Assets	**17,387,184**	**17,116,701**	**8,851,493**	**8,440,309**
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	**78.4%**	**76.9%**	**85.9%**	**84.7%**
Defined Contribution Retirement ("DCR") – Pension				
a. Actuarial Accrued Liability	$9,774	$7,713	$240	$30
b. Valuation Assets	36,701	30,961	4,359	3,845
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	375.5%	401.4%	1,816.3%	12,816.7%
DCR – Healthcare				
a. Actuarial Accrued Liability	$124,946	$118,598	$32,981	$32,429
b. Valuation Assets	118,783	100,097	42,307	36,776
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	95.1%	84.4%	128.3%	113.4%
DCR – Total				
a. Actuarial Accrued Liability	**$134,720**	**$126,311**	**$33,221**	**$32,459**
b. Valuation Assets	**155,484**	**131,058**	**46,666**	**40,621**
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	**115.4%**	**103.8%**	**140.5%**	**125.1%**

(1) The fiscal year 2019 actuarial valuation report was adopted by the ARM Board on June 18, 2020.
Source: Actuarial Valuation Report as of June 30, 2019.

The ARM Board

The Alaska Retirement Management ("ARM") Board is the fiduciary for funds of three of the retirement systems: PERS, TRS and the NGNMRS and has investment oversight of all of the systems. The ARM Board's mission is to serve as the trustee of the assets of the State's retirement systems, the supplemental annuity plan, the deferred compensation program for State employees and the Retiree Healthcare Trusts (for the PERS, TRS, JRS, and the Retiree Health Fund).

Administration of the Systems

The Commissioner of the DOA or the Commissioner's designee is the administrator, and the Attorney General is the legal counsel, for each of the State's retirement systems. The Treasury Division of the DOR provides investment and cash management services, together with 55 external money managers and consultants, for the ARM Board and for each of the retirement systems and healthcare trusts.

Valuation Reports

PERS and TRS are funded by a combination of mandatory employee contributions at rates that are determined by statute, investment income, and employer contributions at rates adopted by the ARM Board based upon recommendations of the consulting actuary in its valuation reports. State law limits PERS and TRS contribution rates, and statutes provide that the State contribute additional amounts up to the actuarially determined contribution rate. State law requires that actuarial valuation reports be prepared annually for PERS and TRS and that the work of the actuary be reviewed by a second, independent actuary. State law requires in addition that every four years a different independent actuary be retained to conduct a separate, complete valuation for comparison purposes.

Employer Contribution Rates. Employer contribution rates are adopted by the ARM Board and are based upon State law, administrative regulations and the actuarial determined employer contribution rates based upon results of the actuary's valuations. Employer rates represent a percentage of payroll based upon (i) the normal cost (a uniform rate for all employers within a specific pension program (e.g., PERS and TRS) calculated to reflect the cost of benefits accruing in the applicable FY, less the value of the employees' contributions during that year, plus (ii) the past service cost (amortization of the UAAL over the remaining amortization period). The PERS employer contribution rate is set by law at 22.0 percent; the TRS contribution employer rate is set by law at 12.56 percent. Compensation used to determine required employer contribution rates is total compensation to all active members, including those who are not members of the defined benefit plans. If the actuarially determined employer contribution rate adopted by the ARM Board to fund the plans exceeds these statutorily established rates, the State is required to consider annually appropriating an amount that, when combined with the total employer contributions, will be sufficient to pay the plans' past service liability for that FY.

Employee Contributions. Employee contributions are established by statute and vary for each program and for tiers within a program. If statutorily permitted, employees may also make additional, voluntary contributions, which are accounted for separately.

The Public Employees' Retirement System

General. PERS, formed in 1961, is the largest of the State's retirement systems with 154 employers comprising three State entities, 74 municipalities, 52 school districts and 25 other public entities. The three State entities represent approximately 50 percent of active PERS members. PERS is a cost-sharing, multiple employer plan composed of both a defined benefit ("DB") plan and a defined contribution ("DC") plan. Membership in either plan is dependent upon the participant date of hire. The PERS DB plan was closed to all new members effective July 1, 2006.

At June 30, 2019, the PERS DB membership consisted of 12,316 active members and 36,059 retirees, and beneficiaries and the PERS DC membership consisted of 22,395 total active members. PERS provides pension and other post-employment benefits, death and disability benefits prior to retirement and death benefits and survivor benefits after retirement, in a combination of defined benefit (Tiers 1, 2 and 3) and defined contribution (Tier 4) plans. PERS also provides a voluntary savings plan for the DB tiers and beginning in FY 2007 is funding costs of healthcare benefits through the separate Retiree Healthcare Trust within PERS. Membership in PERS is mandatory for all full- and part-time (15-30 hours per week) employees of the State and of the other participating governmental employers (other than employees exempted by statute or employer participation agreements or who belong to another of the State's retirement systems).

Participants first hired before July 1, 1986 are Tier 1 participants of PERS and are eligible for retirement and for health insurance premiums paid by PERS earlier than members hired after June 30, 1986 (Tier 2). Members first hired after June 30, 1996 (Tier 3) have a 10-year requirement for system-paid premiums, and members who are not peace officer/firefighter members have a different final average earnings calculation than members from Tiers 1 and 2.

Shift to Defined Contribution Plan. In 2005, the Legislature closed the PERS DB plan to members first hired on or after July 1, 2006 and created for Tier 4 employees a DC retirement plan, which is composed of a participant-directed investment account, retiree major medical benefits, a health reimbursement arrangement, and occupational disability and death benefits.

The PERS DC participant account is funded with employee contributions of 8 percent and an employer match of 5 percent. Each participant designates how both employee and employer contributions (regardless of vesting status) are to be allocated among various investment options. Participants are 100 percent vested in their employee contribution and related earnings. Employer contributions to the participant account, plus any earnings they generate are vested as shown in the following Table 13:

Table 13

PERS DC Vesting Schedule

Years of Service	Vested Percentage of Employer Contributions
1 year	0%
2 years	25%
3 years	50%
4 years	75%
5 years	100%

Source: State of Alaska, Division of Retirement & Benefits

Employee Contributions. The PERS DB member contribution rates are 7.5 percent for peace officers and firefighters, 9.6 percent for certain school district employees, and 6.75 percent for general members, as required by statute. The DB member contributions earn interest at the rate of 4.5 percent per annum, compounded semiannually.

The PERS DC Plan member contribution rate is 8.0 percent, as required by statute.

Employer Contributions. The employer contribution rate is determined by the consulting actuary and adopted by the ARM Board annually. AS 39.35.255(a) sets the employer contribution rate at 22.0 percent. The employer contribution rate is paid based on all eligible salaries of the employer without regard to the participant's tier status. The difference between the actuarially determined contribution rate and the statutory employer effective rate is paid by the State as a direct appropriation, also known as the "Additional State Contribution" set out in AS 39.35.280.

Employer contributions made on behalf of DC members also include funding of the DC Retiree Major Medical Plan, Occupational Death and Disability Plan, and the Health Reimbursement Arrangement. DC employer contribution rates are determined by the ARM Board and are based upon State law, administrative regulations, and the actuary's recommended employer contribution rates based upon results of the actuary's valuations. Table 14 provides a seven-year history of the employer contribution rates.

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Table 14

PERS Employer Contribution Rates

FY	ARM Board Adopted Rate	DB Employer Effective Rate	DC Employer Match	DC Retiree Medical Plan	DC Occupational Death and Disability - Police/Fire	DC Occupational Death and Disability – All Others	DC Health Reimbursement Arrangement [1]
2013	35.84%	22.00%	5.00%	0.48%	0.99%	0.14%	$ 1,848.43
2014	35.68%	22.00%	5.00%	0.48%	1.14%	0.20%	$ 1,896.60
2015[2]	44.03%	22.00%	5.00%	1.66%	1.06%	0.22%	$ 1,960.53
2016	27.19%	22.00%	5.00%	1.68%	1.05%	0.22%	$ 2,004.52
2017	26.14%	22.00%	5.00%	1.18%	0.49%	0.17%	$ 2,049.36
2018	25.01%	22.00%	5.00%	1.03%	0.43%	0.16%	$ 2,084.16
2019	27.58%	22.00%	5.00%	0.94%	0.76%	0.26%	$ 2,102.88
2020	28.62%	22.00%	5.00%	1.32%	0.72%	0.26%	$ 2,121.60
2021	30.85%	22.00%	5.00%	1.27%	0.70%	0.31%	$ 2,159.04

(1) The employer contribution to the Health Reimbursement Arrangement is expressed as a dollar amount that must be paid in full on an annual basis for each year of service.
(2) Table 14 shows the ARMB adopted rate for FY 2015 based on a level percentage of payroll. The actual contribution for FY 2015 was the one-time transfer of $3 billion from the Constitutional Budget Reserve Fund ($1 billion to PERS and $2 billion to TRS) described under "Recent Pension Reforms."
Source: State of Alaska Division of Retirement and Benefits.

Contributions from the State of Alaska. AS 39.35.280 provides that the State is obligated to annually consider appropriating to contribute each July 1 or, as soon after July 1 as funds become available, an amount for the ensuing FY that, when combined with the total employer contribution rate of 22.0 percent, is sufficient to pay the PERS DB past service liability at the consolidated actuarially determined contribution rate ("ADC") adopted by the ARM Board for the FY. Table 15 provides a seven-year history of the additional PERS contributions from the State under AS 39.35.280. For FY 2015, the State total contribution to PERS was a one-time payment of $1 billion. Due to the one-time contributions, additional legislative and actuarial adjustments in analyzing the pension systems, employer contributions have diminished from levels shown in Table 15. For FY 2021, the Alaska Retirement Management Board has recommended a PERS contribution rate attributable to participating employers at 30.85%. This results in estimated employer contributions of $369,903,000 and an additional estimated State contribution under AS 39.35.280 of approximately $203,585,000.

Table 15

Additional PERS Contribution from the State (under AS 39.35.280)

FY	Legislative Bill	Amount Provided by State under AS 39.35.280 ($000s)	Total Employer Contributions to PERS DB ($000s)	% of Contributions made by State (1)
2014	House Bill 65			
2015	Senate Bill 119 (2)			
2016	House Bill 2001			
2017	House Bill 256			
2018	House Bill 57			
2019	House Bill 286			
2020	House Bill 39			
2021	House Bill 205			

(1) Percent of Contributions made by State under AS 39.35.280.
(2) One-time transfer of $3 billion from the Constitutional Budget Reserve Fund ($1 billion to PERS) described under "Recent Pension Reforms."
Source: State of Alaska Division of Retirement and Benefits.

Pension Benefits. PERS DB members are eligible for normal retirement at age 55 or early retirement at age 50 (Tier 1) or normal retirement at age 60 and early retirement at age 55 (for Tiers 2 and 3), in each case with at least five years of paid-up PERS service or other qualifying service. Members may retire at any age when they have at least 30 years of paid-up service.

PERS DC members are immediately and fully vested in member contributions and related earnings (losses). A member is fully vested in the employer contributions made on that member's behalf, and related earnings (losses), after five years of service. See Table 13 for vesting percentages.

Other Post-Employment Benefits. PERS pays provider major medical healthcare benefits for all Tier 1 retirees, for Tier 2 retirees who are at least 60, and for Tier 3 retirees with ten years of credited service without premium cost to the member. Retirees in Tiers 1, 2, and 3 with 30 years of service (20 years for Tier 1 peace officers and firefighters and 25 years for other peace officers and firefighters) receive benefits with premiums paid by PERS regardless of their age or Tier. For Tier 4 retirees who are eligible for Medicare, PERS pays a portion (70-90 percent of the cost, depending upon length of service) of health insurance premiums.

PERS DC members are eligible for major medical benefits through the retiree medical plan after certain requirements have been met. In addition, PERS DC members have access to a health reimbursement arrangement plan and Occupational Death and Disability Benefits.

Actuarial Valuation – PERS DB. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

The FY 2014 contribution requirements were determined as a percentage of total payroll, and reflect the cost of benefits accruing and a fixed 25-year amortization as a level percentage of payroll of the initial unfunded accrued liability and subsequent gains/losses and other changes. The payroll used to determine the contribution rates is the total payroll of all active members in the system, including those hired after July 1, 2006 who are in the DC plan. The amortization period is set by the ARM Board. Contribution rates are recommended by the consulting actuary and adopted by the ARM Board each year.

The Legislature has discretion to deviate from the rates recommended by the ARM Board; however, they have not historically done so.

The most recent funding objective of the plan, as adopted by the ARM Board for FY 2015, is to set an employer contribution rate that will pay the normal cost and amortize the initial UAAL and each subsequent annual change in the UAAL over a closed 25-year period as a level percentage of payroll amortization. After the ARM Board's adoption of the contribution rate for FY 2015, the Legislature provided for one-time deposits of $1 billion to PERS and $2 billion to TRS in the FY 2015 capital budget, and amended statutes to require a level percentage of payroll method for determining contributions in the future.

Table 16 presents a summary of the funding status of PERS as a whole, including pension and post-employment healthcare benefits combined, as of June 30, 2003 through 2018. The information presented in Table 16 is derived from the 2014 PERS Valuation Report and differs from the information about PERS prepared for accounting purposes.

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Table 16

PERS Funding Status (1)
(as of June 30)

Actuarial Valuation Year	Aggregate Accrued Liability (000s)	Valuation of Assets (000s)	Unfunded Liability (000s)	Funded Ratio (%)
2003	$ 10,561,653	$ 7,687,281	$ 2,874,372	72.8%
2004 (2)	11,443,916	8,030,414	3,413,502	70.2
2005	12,844,841	8,442,919	4,401,922	65.7
2006	14,388,413	9,040,908	5,347,505	62.8
2007 (3)	14,570,933	9,900,960	4,669,973	68.0
2008	15,888,141	11,040,106	4,848,035	69.5
2009	16,579,371	10,242,978	6,336,393	61.8
2010	18,132,492	11,157,464	6,975,028	61.5
2011	18,740,550	11,813,774	6,926,776	63.0
2012	19,292,361	11,832,030	7,460,331	61.3
2013	19,992,759	12,162,626	7,830,133	60.8
2014	20,897,372	14,644,598	6,252,774	70.1
2015	20,648,663	16,173,459	4,475,204	78.3
2016	21,369,490	16,467,992	4,901,498	77.1
2017	21,881,395	16,786,771	5,094,624	76.7
2018	22,264,137	17,116,701	5,147,436	76.9
2019	22,190,874	17,387,184	4,803,690	78.4

See Recent Pension Reform section for actuarial projection as of June 30, 2019.

(1) For PERS Tiers I-III and pension and other post-employment benefits combined.
(2) Change in valuation assumptions (particularly the healthcare cost assumptions) and change in methods.
(3) Tier 4, the PERS defined contribution plan, became effective for employees first hired after June 30, 2006 when the defined benefit plans were closed. Change in healthcare cost assumptions.

Source: 2019 PERS Actuarial Valuation Report, Section 1.7.

Table 17 presents the Schedule of Contributions from Employers and the State. This schedule shows the dollar amount of the annual required contribution and the percent of the ADC contributed by employers and by the State (under AS 39.35.280).

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Table 17

PERS Schedule of Contributions from Employers and the State
(as of June 30)

		Annual required contribution			Pension percentage contributed			Postemployment healthcare percentage contributed		
Year Ended June 30	Actuarial Valuation year ended June 30 (1)	Pension (000s)	Postemployment healthcare (000s)	Total (000s)	By employer	By State	Total Percentage contributed	By employer	By State	Total Percentage contributed
2005	2002	$ 234,361	$ 142,393	$ 376,754	47.3%	—%	47.3%	47.3%	—%	47.3%
2006	2003	249,488	166,749	416,237	61.0	4.4	65.4	61.0	4.4	65.4
2007	2004	268,742	189,495	458,237	73.2	4.1	77.3	73.2	4.1	77.3
2008	2005	140,729	370,456	511,185	71.2	36.2	107.4	71.2	36.2	107.4
2009	2006	166,016	391,321	557,337	68.1	48.0	116.1	68.1	41.4	109.5
2010 (2)	2007	217,080	790,793	1,007,873	65.5	20.5	86.0	31.6	54.8	86.4
2011	2008	220,419	525,075	745,494	63.1	29.6	92.7	49.8	21.6	71.4
2012	2009	351,674	498,433	850,107	52.0	37.2	89.2	44.8	28.8	73.6
2013	2010	382,889	612,792	995,681	47.0	42.9	89.9	37.5	25.1	62.6

(1) Actuarial valuation related to annual required contribution for FY.
(2) Beginning in the year ended June 30, 2010, the postemployment healthcare annual required contribution and percentage contributed includes the Medicare Part D subsidy.
Source: PERS Financial Statement as of June 30, 2014.

With implementation of GASB 67, information as presented in Table 17 is no longer provided in the PERS financial statements. The annual actuarially determined contribution (ADC) for pension for FY 2013 was $382,889,000, FY 2014 was $358,718,000 and for FY 2015 was $529,264,000. The contributions in relation to the ADC for FY 2013 was $344,063,000 FY 2014 was $382,998,000, and FY 2015 was $1,226,136,000, $38,826,000 less than the ADC in FY 2013 and $24,280,000 and $696,872,000 more than the ADC in FY 2014 and 2015 respectively. Postemployment healthcare contributions in FY 2014 for the actuarial valuation year ended June 30, 2011 were $783,827,000 of which 26.1% was paid by employers and 19.5% was paid by the State for a total percentage contributed of 45.6%.

Projections of benefits for financial report purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows.

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Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Level Percentage of Pay normal cost basis for Pension Level Dollar normal cost basis for Healthcare
Amortization Method	Level percentage of pay, closed
Equivalent Single Amortization Period	25 years
Asset Valuation Method	5-year smoothed fair value, reinitialized to fair value as of June 30, 2014
Actuarial Assumptions: Investment rate of return* Projected salary increases	 7.38% for pension and for healthcare. Peace Officer/Firefighter: Merit – 2.75% per year for the first 4 years of employment, grading down to 0.5% at 7 years and thereafter. Productivity – 0.5% per year. Others: Merit – 6.00% per year grading down to 2.00% after 5 years; for more than 6 years of service, 1.50% grading down to 0%. Productivity – 0.5% per year.
*Includes price inflation at	2.50%
Cost-of-living adjustment	Post-retirement Pension Adjustment.

Changes in Actuarial Assumptions Since the Prior Valuation. The ARM Board contracted for an experience analysis to be performed of the actuarial assumptions underlying the PERS actuarial valuation. The experience analysis covered the timeframe of July 1, 2013 to June 30, 2017, and were first used in the June 30, 2018 actuarial valuation reports. As a result of the experience analysis the following changes were made as of June 30, 2018 actuarial valuation. There have been no changes in methodology since the June 30, 2018 valuation.

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Defined benefit pension and postemployment healthcare benefit plan:

	June 30, 2013	June 30, 2014
Salary Scale	Based on actual experience from 2005 to 2009.	Rates adjusted on actual experience from 2010-2013. Increased most rates.
Pre-termination Mortality	Peace Officer/Firefighter: 1994 GAM table, sex-district, 1994 base year without margin projected to 2013 using projection scale AA, 80% of the male table for males and 60% of the female table for females. Others: 1994 GAM table, sex-district, 1994 base year without margin projected to 2013 using projection scale AA, 75% of the male table for males and 55% of the female table for females.	Based upon 2010-2013 actual mortality experience. 60% of male rates and 65% of female rates of the post termination mortality rates
Post-termination Mortality	1994 GAM Table, sex-district, 1994 base year without margin projected to 2013 using projection scale AA for males with a one year set-forward for females.	96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.
Disability Mortality	RP-2000 Disabled Retiree Mortality Table.	RP-2000 Disabled retiree table, 2000 base year projected to 2018 with projection scale BB.
Turnover	Rates adjusted based on actual experience from 2005-2009.	Based upon the 2010-2013 actual withdrawal experience.
Disability	Peace Officer/Firefighter: No change except to stop rates at earliest retirement age. Others: Male/Female rates decreased based on actual experience from 2005 to 2009 and stop rates at earliest retirement age.	Incidence rates based on 2010-2013 actual experience. Peace officer/firefighter: Decreased rates by 5%. Others: Decreased rates by 30%.
Retirement	Rates were adjusted based on actual experience from 2005 to 2009.	Retirement rates based upon the actual 2010-2013 experience.
Deferred vested commencement date	Peace officer/firefighter: Tier 1 age 53 Tier 2 and 3 age 57 Others: Earliest unreduced age	Peace officer/firefighter: Tier 1 age 55 Tier 2 and 3 age 60 Others: Earliest unreduced age
COLA	Of those benefit recipients who are eligible for the COLA, 70% are assumed to remain in Alaska and receive the COLA.	Of those benefit recipients who are eligible for the COLA, 70% of others and 65% of peace officer/firefighters are assumed to remain in Alaska and receive the COLA.
Occupational Death and Disability	Others: 55% Peace officer/firefighters: 75%	Others: 50% Peace officer/firefighters: 70%

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Defined contribution occupational death and disability and retiree medical benefits plan:

	June 30, 2013	June 30, 2014
Salary Scale	Based on actual experience from 2005-2009. Peace officer/firefighter: rates are increased for the first four years. Decreased at year five. Others: Based on actual experience from 2005-2009. Increased most rates.	Inflation – 3.12% per year Productivity – 0.50% per year
Pre-termination Mortality	Peace Officer/Firefighter: 80% of the male rates and 60% of the female rates of the 1994 GAM table, 1994 base year without margin projected to 2013 using projection scale AA. Others: 75% of the male rates and 55% of the female rates of the 1994 GAM table, 1994 base year without margin projected to 2013 using projection scale AA.	Based upon 2010-2013 actual mortality experience. 60% of male rates and 65% of female rates of the post termination mortality rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others.
Post-termination Mortality	1994 GAM Table, 1994 base year without margin projected to 2013 using projection scale AA for males with a one year set-forward for females.	96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.
Disability	RP-2000 disabled retiree mortality table.	Incidence rates based on 2010-2013 actual experience. Post termination disabled mortality in accordance with RP-2000 disabled retiree mortality table, 2000 base year projected to 2018 with projection scale BB. Disabilities are assumed to be occupational 70% of the time for peace officer/firefighters, 50% of the time for others.
Turnover	Rates adjusted based on actual PERS DB Plan experience from 2005-2009. Ultimate rates are equal to PERS DB Plan rates loaded by 10%.	Based upon the 2010-2013 actual withdrawal experience.
Occupational Death and Disability	Others: 55% Peace officer/firefighters: 75%	Others: 50% Peace officer/firefighters: 70%

Teachers' Retirement System

General. TRS was established in 1955 to provide pension and other post-employment benefits to teachers and other eligible participants. TRS includes 58 employers (including the 53 school districts). TRS is a cost-sharing, multiple employer plan composed of both a defined benefit ("DB") plan and a defined contribution ("DC") plan. Membership in either plan is dependent upon the participant date of hire. The TRS DB plan is closed to all new members effective July 1, 2006.

At June 30, 2019, the TRS DB membership consisted of 4,087 active members and 13,239 retirees and beneficiaries and the TRS DC membership consisted of 5,218 active members. TRS provides pension and other post-employment benefits, death and disability benefits prior to retirement and death benefits and survivor benefits after retirement, in a combination of defined benefit (Tiers 1 and 2) and defined contribution (Tier 3) plans. TRS also funds costs of healthcare benefits through the separate Retiree Healthcare Trust within TRS. Membership in TRS is mandatory for all full- and part-time employees, including employees who are certificated elementary and secondary teachers, school nurses and certificated employees in positions requiring teaching certificates, employees in Department of Education and Early Development and Department of Labor and Workforce Development positions that require teaching certificates, University of Alaska full- and part-time teachers and with the approval of the TRS administrator, full-time administrative employees in positions requiring academic standing and certain full-time or part-time teachers of Alaska Native language or culture who elect to be covered under TRS.

Participants first hired before July 1, 1990 are Tier 1 participants of TRS and are eligible for retirement and for health insurance premiums paid by TRS earlier than members hired after July 1, 1990 (Tier 2).

Shift to Defined Contribution Plan. In 2005, the Legislature closed the TRS DB plan to members first hired on or after July 1, 2006 and created for Tier 3 employees a DC retirement plan, which is composed of a participant-directed investment account, medical benefits, a health reimbursement arrangement, and occupational disability and death benefits.

The TRS DC participant account is funded with employee contributions of 8 percent and an employer match of 7 percent. Each participant designates how contributions are to be allocated among various investment options. Participants are 100 percent vested in their employee contribution and related earnings. Employer contributions to the participant account, plus any earnings they generate are vested as shown in the following Table 18:

Table 18

TRS DC Vesting Schedule

Years of Service	Vested Percentage of Employer Contributions
1 year	0%
2 years	25%
3 years	50%
4 years	75%
5 years	100%

Source: State of Alaska, Division of Retirement & Benefits

Employee Contributions. The TRS DB member contribution rates are 8.65 percent as required by statute. Eligible TRS DB members contribute an additional 1.00 percent of their salary under a supplemental contribution provision. The DB member contributions earn interest at the rate of 7.0 percent per annum, compounded annually on June 30.

The TRS DC member contribution rate is 8.0 percent, as required by statute.

Employer Contributions. The employer contribution rate is determined by the consulting actuary and adopted by the ARM Board annually. AS 14.25.070(a) sets the employer contribution rate at 12.56 percent. The employer contribution rate is paid based on all eligible salaries of the employer without regard to the participant's tier status. The difference between the actuarially determined contribution rate and the statutory employer effective rate is paid by the State as a direct appropriation, also known as the "Additional State Contribution" under AS 14.25.085.

Employer contributions made on behalf of DC members also include funding of the DC Retiree Major Medical Plan, Occupational Death and Disability Plan, and the Health Reimbursement Arrangement. DC employer contribution rates are determined by the ARM Board and are based upon State law, administrative regulations, and the actuary's recommended employer contribution rates based upon results of the actuary's valuations.

Table 19 provides a history of the employer contribution rates from FY 2008 through FY 2021.

Table 19 TRS Employer Contribution Rates

FY	ARM Board Adopted Rate	Employer Effective Rate	DC Employer Match	DC Retiree Medical Plan	DC Occupational Death and Disability	DC Health Reimbursement Arrangement [(1)]
2013	52.67%	12.56%	7.00%	0.49%	0.00%	$ 1,848.43
2014	53.62%	12.56%	7.00%	0.47%	0.00%	$ 1,896.60
2015 [(2)]	70.75%	12.56%	7.00%	2.04%	0.00%	$ 1,960.53
2016	29.27%	12.56%	7.00%	2.04%	0.00%	$ 2,004.52
2017	28.02%	12.56%	7.00%	1.05%	0.00%	$ 2,049.36
2018	26.78%	12.56%	7.00%	0.91%	0.00%	$ 2,084.16
2019	28.90%	12.56%	7.00%	0.79%	0.08%	$ 2,102.88
2020	30.47%	12.56%	7.00%	1.09%	0.08%	$ 2,121.60
2021	30.47%	12.56%	7.00%	0.93%	0.08%	$ 2,159.04

(1) The employer contribution to the Health Reimbursement Arrangement is expressed as a dollar amount that must be paid in full on an annual basis for each year of service.
(2) Table 19 shows the ARMB adopted rate for FY 2015 based on a level percentage of payroll. The actual contribution for FY 2015 was the one-time transfer of $3 billion from the Constitutional Budget Reserve Fund ($1 Billion to PERS and $2 Billion to TRS) discussed in "Recent Pension Reforms."
Source: State of Alaska Division of Retirement and Benefits.

Contributions from the State of Alaska. AS 14.25.085 provides that the State is obligated to annually consider appropriating to contribute each July 1 or, as soon after July 1 as funds become available, an amount for the ensuing FY that, when combined with the total employer contribution rate of 12.56 percent, is sufficient to pay the DB past service liability at the consolidated ADC adopted by the ARM Board for the FY.

Table 20 provides a history of the TRS contributions from the State under AS 14.25.085 from FY 2014 through FY 2020. For FY 2015, the State total contribution to TRS was a one-time payment of $2 billion. For FY 2021, the ARM Board has adopted a TRS contribution rate attributable to participating employers at 30.47%. This results in employer contributions of $48,459,000 and an additional State contribution under AS 14.25.085 of $134,976,000.

Table 20

TRS Contribution from the State (under AS 14.25.085)

FY	Legislative Bill	Amount Provided by State under AS 14.25.085 ($000s)	Total Employer Contributions to TRS DB Plan ($000s)	% of Contributions made by State (1)
2014	House Bill 65			
2015	Senate Bill 119 (2)			
2016	House Bill 2001			
2017	House Bill 256			
2018	House Bill 57			
2019	House Bill 286			
2020	House Bill 39			
2021	House Bill 205			

(1) Percent of Contributions made by State under AS 14.25.085.
Source: State of Alaska Division of Retirement and Benefits.

Pension Benefits. Tier 1 members were hired before July 1, 1990 and are eligible for normal retirement at age 55 or for early retirement at age 50, and Tier 2 members were hired after June 30, 1990 and before July 1, 2006 and are eligible for normal retirement at age 60 and for early retirement at 55, and generally with at least eight years of paid-up membership service or other qualifying service. Members may retire at any age when they have at least 20 years of paid-up membership service or 20-25 years of a combination of paid-up membership service and other types of service. TRS members are also eligible for normal retirement if they have, for each of 20 school years, at least one-half year of membership service as a part-time teacher.

Tier 3 employees were hired after June 30, 2006 and are 100 percent vested in their own contributions from the beginning and vest in their employers' seven-percent contributions over five years: 25 percent after two years of service, 50 percent after three years of service, 75 percent after four years of service and 100 percent after five years of service. Tier 3 pension payments (the account balance plus investment income) are payable in a lump sum or over time at the employee's option.

Other Post-employment Benefits. TRS provides major medical healthcare benefits for all Tier 1 members who are at least 50 or who are any age with at least 20 years of paid-up service receive healthcare benefits and Tier 2 members who are 60 or older or who have 25 years of paid-up membership service or are disabled also receive healthcare benefits. Tier 2 members may receive coverage prior to age 60 if they pay the premiums. Medical benefits are supplemental to Medicare. For both Tier 1 and Tier 2, coverage includes coverage for eligible dependents.

For Tier 3, the TRS healthcare plan is a coinsurance major medical and prescription drug plan intended to maintain over time coinsurance levels at approximately 80 percent by the plan and 20 percent by the participant, with a maximum annual coinsurance payable by the participant of $2,500 per person and a maximum lifetime benefit payable by the plan, less any amounts paid by Medicare.

Actuarial Valuation – TRS DB. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

The FY 2014 contribution requirements are determined as a percentage of payroll, and reflect the cost of benefits accruing and a fixed 25-year amortization as a level percentage of payroll of the initial unfunded accrued liability and subsequent assumption changes and gains/losses. The payroll used to determine the contribution rates is the total payroll of all active members in the System, including those hired after July 1, 2006 who are in the Defined Contribution Retirement Plan. The amortization period is set by the ARM Board. Contribution levels are recommended by the consulting actuary and adopted by the ARM Board each year.

The Legislature has discretion to deviate from the rates recommended by the ARM Board, however, have not historically done so.

The most recent funding objective of the plan, as adopted by the ARM Board for FY 2015, was to set an employer contribution rate that will pay the normal cost and amortize the initial UAAL and each subsequent annual change in the UAAL over a closed 25-year period as a level percentage of payroll amortization.

The information about TRS funding status included in Table 21 reflects the status of TRS as of June 30, 2014. Information about TRS assets and liabilities allocable to State employers alone is not shown because most non-State TRS employers make these contributions primarily from funds provided by the State.

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Table 21

TRS Funding Status (1)
(as of June 30)

Actuarial Valuation Year	Aggregate Accrued Liability (000s)	Valuation Assets (000s)	Unfunded Accrued Liability (000s)	Funded Ratio (%)
2003	$ 5,835,609	$ 3,752,285	$ 2,083,324	64.3%
2004 (2)	6,123,600	3,845,370	2,278,230	62.8
2005	6,498,556	3,958,939	2,539,617	60.9
2006	7,229,851	4,141,700	3,088,151	57.3
2007	7,189,403	4,424,399	2,765,004	61.5
2008	7,619,178	4,936,976	2,682,202	64.8
2009	7,847,514	4,472,958	3,374,556	57.0
2010	8,847,788	4,739,128	4,108,660	53.6
2011	9,128,795	4,937,937	4,190,858	54.1
2012	9,346,444	4,869,154	4,477,290	52.1
2013	9,592,107	4,974,076	4,618,031	51.9
2014	9,841,032	6,019,274	3,821,758	61.2
2015	9,729,117	8,108,923	1,620,194	83.3
2016	9,907,624	8,200,391	1,707,233	82.8
2017	10,144,618	8,313,637	1,830,981	82.0
2018	9,960,440	8,440,309	1,520,131	84.7
2019	9,906,664	8,511,493	1,395,171	85.9

See Recent Pension Reform section for actuarial projection as of June 30, 2018

(1) Includes pension benefits and other post-employment benefits.
(2) Change in asset valuation method.

Source: 2019 TRS Actuarial Valuation Report, Section 1.7.

Table 22 presents the schedule of contributions from employers and the State. This schedule shows the dollar amount of the annual required contribution and the percent of the ARC contributed by employers and by the State (under AS 14.25.085).

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Table 22

TRS Schedule of Contributions from Employers and the State

(as of June 30)

		Annual required contribution			Pension percentage contributed			Postemployment healthcare percentage contributed		
Year Ended June 30	Actuarial Valuation year ended June 30 (1)	Pension (000s)	Postemployment healthcare (000s)	Total (000s)	By employer	By State	Total Percentage contributed	By employer	By State	Total Percentage contributed
2005	2002	$ 152,168	$55,783	$207,951	45.0%	0.0%	45.0%	45.0%	0.0%	45.0%
2006	2003	170,019	66,719	236,738	54.1	0.0	54.1	54.1	0.0	54.1
2007	2004	169,974	76,879	246,853	62.2	0.0	62.2	62.2	0.0	62.2
2008	2005	134,544	185,271	319,815	23.3	82.7	106.0	23.6	85.7	109.3
2009	2006	94,388	164,171	258,559	28.7	110.6	139.3	28.7	62.1	90.8
2010 (2)	2007	170,788	312,922	483,710	19.8	58.8	78.6	13.6	38.8	52.4
2011	2008	167,978	167,686	335,664	19.5	65.1	84.6	25.8	51.5	77.3
2012	2009	229,509	192,700	422,209	16.6	68.6	85.2	18.8	46.6	65.4
2013	2010	259,786	330,411	590,197	14.5	80.4	94.9	10.7	33.3	44.0

(1) Actuarial valuation related to annual required contribution for FY.
(2) Beginning in the year ended June 30, 2010, the postemployment healthcare annual required contribution and percentage contributed includes the Medicare Part D subsidy.
Source: TRS Financial Statement as of June 30, 2013.

With implementation of GASB 67, information as presented in Table 21 is no longer provided in the PERS financial statements. The annual actuarially determined contribution (ADC) for pension for FY 2013 was $259,786,000, FY 2014 was $240,366,000 and for FY 2015 was $321,971,000. The contributions in relation to the ADC for FY 2013 was $234,317,000 FY 2014 was $246,461,000, and FY 2015 was $1,699,074,000, $25,469,000 less than the ADC in FY 2013 and $6,095,000 and $1,377,103,000 more than the ADC in FY 2014 and 2015 respectively. Postemployment healthcare contributions in FY 2014 for the actuarial valuation year ended June 30, 2011 were $320,797,000 of which 10.0% was paid by employers and 35.6% was paid by the State for a total percentage contributed of 45.6%.

Projections of benefits for financial report purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows.

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Valuation Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal Level Percentage of Pay normal cost basis for pension and healthcare
Amortization Method	Level percentage of pay, closed
Equivalent Single Amortization Period	25 years
Asset Valuation Method	5-year smoothed fair value, reinitialized to fair value as of June 30, 2014
Actuarial Assumptions: Investment rate of return* Projected salary increases	 8.00% for pension, 5.08% for healthcare 6.11% for first 5 years of service grading down to 3.62% after 20 years
*Includes inflation at	3.12%
Cost-of-living adjustment	Post-retirement Pension Adjustment.

Changes in Actuarial Assumptions Since the Prior Valuation. The ARM Board contracted for an experience analysis to be performed of the actuarial assumptions underlying the TRS actuarial valuation. As a result of the experience analysis the following changes were made as of June 30, 2013 actuarial valuation. There have been no changes in actuarial method since June 20, 2013.

	June 30, 2013	**June 30, 2014**
Salary Scale	Based on actual experience from 2005 to 2009.	Rates adjusted on actual experience from 2010 to 2013.
Pre-termination Mortality	The 1994 GAM Sex-distinct Table, 1994 Base Year projected to 2013 using Projection Scale AA, adjusted 45% for males, and 55% for females.	68% of male rates and 60% of female rates of RP-2000, 2000 Base Year projected to 2018 with Projection Scale BB. Deaths are assumed to result from non-occupational causes 85% of the time.
Post-termination Mortality	The 1994 GAM Sex-distinct Table, 1994 Base Year projected to 2013 using Projection Scale AA, setback 3 years for females and 4-year setback for males	94% of male rates and 97% of female rates of RP-2000, 2000 Base Year projected to 2018 with Projection Scale BB, with a three year setback for males and a four year setback for females.
Disability Mortality	RP-2000 Disabled Retiree Mortality Table.	RP-2000 Disabled Retiree Mortality Table, 2000 Base Year projected to 2018 with Projection Scale BB.
Turnover	Rates adjusted based on actual experience from 2005 to 2009.	Select and ultimate rates based upon the 2010-2013 actual withdrawal experience.
Disability	Based on actual experience from 2005 to 2009.	Retirement rates based on 2010-2013 experience. Male/female rates increased and changed to Unisex rates. Disabilities are assumed to result from occupational causes 15% of the time.
Retirement	Based on actual experience from 2005 to 2009.	Retirement rats based on 2010-2013 experience.
Part-time Service	0.60 years of credited service per year.	Part-time employees are assumed to earn 0.75 years of credited service per year.

Recent Pension Reforms

In the past several years, to mitigate expected pension costs and rising employer contribution rates, the Legislature enacted a range of statutory changes to the retirement systems and to the State's approach to managing pension and OPEB costs. In 2005, the Legislature closed the PERS and TRS DB plans and to establish DC plans, each with a healthcare component, for new employees.

In 2007, the Legislature enacted Senate Bill 123, which created the Alaska Retiree Health Care Trusts (the "Retiree Healthcare Trusts"). Senate Bill 123 directed that all separately calculated employer contributions for other post-employment benefits under the DB plans and all appropriations, earnings and reserves for the payment of retiree medical obligations be credited to these separate trusts. The State received a ruling from the IRS confirming that the State could reallocate a portion of the assets of PERS and TRS to the Retiree Healthcare Trusts, which it did.

In 2008, the Legislature enacted two additional reform bills: Senate Bill 125 and the Retirement Cost Funding Act. The Retirement Cost Funding Act authorizes issuers, including the Alaska Pension Obligation Bond Corporation ("POBC"), to issue bonds and/or to enter into contracts to finance the payment by governmental employers of their share of the UAALs of the retirement systems. The Governor's budget for FY 2017 included an appropriation to the POBC in anticipation of a potential bond issuance. The proposed bonds were to be structured to realize a 90% funding level in TRS and to minimize the State's non-employer payments to the retirement system. Projected savings were to be concentrated in the final 8 years of the amortization of the unfunded liability. On February 16, 2016, the Governor's budget was amended and the appropriation to the POBC was eliminated. At this time, it is uncertain whether the POBC will be issuing bonds.

Senate Bill 125 converted PERS to a cost-sharing system, similar to TRS, and shifted to the State more of the cost of funding the UAALs of PERS and TRS. Senate Bill 125 set employer contribution rates at the higher of (i) 22 percent of total payroll for PERS and 12.56 percent of payroll for TRS and (ii) in each case, the rate required to cover the actuarially determined normal cost plus amounts required to be contributed to the DC plans' Retiree Health Care Trusts.

As proposed by the Governor, the 2014 Legislature funded a $3 billion transfer from the State's Constitutional Budget Reserve Fund to the PERS and TRS retirement trust funds as part of a plan to manage the ongoing cost of funding the unfunded liabilities. The Legislature directed $2 billion being transferred to the TRS trust and $1 billion being transferred to the PERS trust in the FY 2015 capital budget. As part of the agreement for the transfer, the Legislature also approved HB 385 that provides for any excess assets at the termination of the plan be deposited in the General Fund and that the contribution rate for liquidating past service liabilities be based on a level percent of pay method based on amortization of the past service liability for a closed term of 25 years. An additional adjustment in 2014 was provided for in SB 119, which eliminated effective in FY 2015 the two year lag in actuarial analysis for rate setting. In October, 2014, the State's consulting actuary estimated the impact of the one-time contributions and programmatic adjustments to increase the PERS projected June 30, 2015 funding ratio to 71.8% and the projected 2015 TRS funding ratio to 77.0%. This estimate was updated in the January 2016 draft valuation to a PERS June 30, 2015 funding ratio of 78.2% and the 2015 TRS funding ratio of 83.3%

The Other Retirement Systems

The Alaska National Guard and Alaska Naval Militia Retirement System. The NGNMRS was established in 1973 and includes members of the Alaska National Guard and members of the Alaska Naval Militia. Members receive voluntary retirement benefits, which do not include healthcare benefits. The Legislature made a supplemental appropriation in May 2008 of $10 million to eliminate the June 30, 2006 NGNMRS UAAL of $9.87 million. The total contribution for FY 2019 was $851,686 and for FY 2018 was $907,231. As of June 30, 2019, the roll-forward actuarial valuation reported an actuarial accrued liability of $22.6 million, actuarial value of assets of $41.9 million, and excess assets of $19.3 million. The NGNMRS is funded at 185.6%. It is understood that there will be no contributions to the NGNMRS until such time that it is funded below 100%.

The Judicial Retirement System. The JRS was established in 1963 and provides pension and other post-employment benefits to Supreme Court Justices and Superior, District and Appellate Court judges and the administrative director of the court system. In May 2008, the Legislature made a supplemental appropriation of $49 million to eliminate the June 30, 2006 JRS UAAL. The experience following the extra appropriation has continued within the JRS with pensions funded at 65.8% representing a $66.4 million gap and OPEB funded at 139.9% representing a $6.9 million surplus as of June 30, 201. The total contributions for FY 2015 as a result of HB 266 were $0 for other postemployment benefits and $5,241,619 for pensions. The total contributions for FY 2014 as a result of HB 65 were $177,445 for other postemployment benefits and $4,282,876 for pensions. As of the June 30, 2019 roll-forward actuarial valuation, the pension plan was funded at 84.2% and the healthcare plan was funded at 184.2%. The System's unfunded liability was $19.8 million, and was funded at 91.7%.

The Elected Public Officers Retirement System. The EPORS was enacted as a retirement system for elected State officials who held office between January 1, 1976 and October 14, 1976. As of June 30, 2019, the actuarial accrued liability was $17.8 million, with an expected annual benefit payment and claims cost of approximately $1.46 million. No assets are set aside to pay EPORS benefit costs.

State's Supplemental Benefits System

In 1979, State employees elected to withdraw from the Social Security system. The State established a benefit program, effective January 1, 1980, which supplements the existing public employee retirement plans. Participation in the supplemental benefits system is mandatory for each State employee and the 21 other employers participating in the supplemental benefits system. A combined employer/employee contribution of 12.26 percent of wages (one-half contributed by employees up to the wage limit in effect for Social Security in a current year) is deposited into each employee's annuity plan account. Separate contributions are allowed to a cafeteria style supplemental benefit plan to provide death, survivor, disability and health benefits.

As of June 30, 2019, the supplemental benefits system had approximately 46,900 participants. At June 30, 2019, net assets available for system benefits were $4.1 billion. These assets are held in trust by the State for the exclusive benefit of covered employees and their beneficiaries.

State's Deferred Compensation Plan

The State maintains an optional Deferred Compensation Plan (the "Plan") for the benefit of its employees and participating eligible employers. Participants under the Plan defer receipt of a portion of their salary until termination of State or political subdivision employment. As of June 30, 2019, the Plan had approximately 11,500 participants. As of June 30, 2019, the net assets available for Plan benefits were $990.3 million. These assets are held in trust by the State for the exclusive benefit of the covered employees and their beneficiaries.

State's Annual/Personal Leave and Sick Leave

The cost of annual/personal leave and sick leave for State employees is charged against agency appropriations when leave is used rather than when leave is earned, except when an employee's State service is terminated. In that instance, the accumulated annual/personal leave balance is charged to a terminal leave liability account that is funded by a charge to each agency's operating budget.

INVESTMENT POLICIES

General Fund, Constitutional Budget Reserve Fund and Other Subfunds

By statute, the Commissioner of the DOR is the fiduciary for many of the State's funds, including the Constitutional Budget Reserve Fund, General Fund and subfunds within the General Fund, such as the Statutory Budget Reserve Fund and the Alaska Capital Income Fund. The Commissioner's responsibilities for these funds include establishing investment policy, providing accounting and custody for the assets and monitoring and reporting the performance and characteristics of the funds and investment options. The

Commissioner reviews capital market assumptions and sets an appropriate asset allocation for the General Fund, the Constitutional Budget Reserve Fund and the other subfunds, consistent with each fund's objectives and constraints.

As of July 1, 2020, the target asset allocation for the General Fund is 32 percent intermediate-term fixed income and 68 percent liquidity pool / short-term fixed income investments.

As of July 1, 202020 the Constitutional Budget Reserve Fund main account, with intermediate short-term time horizon, has a target asset allocation of 23 percent broad-market fixed income, 70 percent short-term fixed income, 5 percent domestic equity pool and 2 percent international equity pool investments.

Annually, the Commissioner of the DOR adopts specific investment policies for each asset class. These investment policies specify asset class characteristics, monitoring requirements and risk controls. The Commissioner may revise the investment policies as market conditions warrant. The State employs industry consultants and a professional staff to assist in monitoring and evaluating investments.

The Permanent Fund

A governor-appointed Alaska Permanent Fund Corporation (the "APFC") Board of Trustees (the "APFC Board") sets the APFC investment policy. The policy is required to be consistent with the prudent investor rule stated in AS 37.13.120, which provides: "The prudent-investor rule as applied to investment activity of the fund means that the corporation shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the fund over time while maximizing the expected total return from both income and the appreciation of capital."

At least once each calendar year, the APFC Board reviews its asset allocation policy for the investment of fund assets for the coming year, and was last amended on July XX, 2020. This review is conducted under the guidance of APFC investment staff, with the assistance and advice of the APFC Board's investment consultant. The APFC Board's long-term investment goal is to achieve an average annual real rate of return of five percent at acceptable risk levels (measured by expected volatility).

The APFC Board has created a three-person investment advisory council to provide the APFC Board with independent advice from professionals with significant, direct experience in the management and operation of large investment funds. The role of the members of the investment advisory council is to make recommendations to the APFC Board concerning investment policies, investment strategy and investment procedures; and provide other advice as requested by the APFC Board.

The APFC Board's investment allocation includes multiple asset classes having varying risk and correlation assumptions. The APFC investment policy seeks to optimize expected return versus expected risk. The fund's current target asset allocation is: 36 percent stocks, 20 percent bonds and cash, 12 percent real estate, 17 percent private equity and absolute return, 4 percent infrastructure investments, and 11 percent other investments. The APFC Board also establishes polices and guidelines for the asset classes in which fund assets are invested.

To allow for market fluctuations and to minimize transaction costs, the APFC Board has adopted ranges that permit percentage deviations from the strategic asset allocation targets in accordance with specified reporting requirements and other procedures. Generally, for each risk and asset class, the APFC's chief investment officer has discretionary authority to permit target deviations within one specified range (referred to as the "green zone" in the investment policy), the APFC's executive director can approve target deviations for up to 90 days within a broader range (the "yellow zone"), and the APFC Board can approve operating for longer than 30 days within a third range (the "red zone").

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the State, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the State taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Bonds, or the existence or powers of the State.

Upon the delivery of the Bonds, the State will furnish a certificate, to the effect that, among other things, there is no litigation pending in any State court to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting the validity or enforceability of the Bonds.

At any given time, including the present, there are numerous civil actions filed by or pending against the State, which could positively or negatively impact revenue sources or cash flow. A short description of such material litigation is provided below.

Oil and Gas Tax Litigation

Administrative Litigation: There are a number of disputed tax assessments against oil and gas corporations that are at the administrative level and thus confidential under AS 43.05.230(a). The assessments involve the corporate income tax (AS 43.20) or the oil and gas production tax (AS 43.55). Because the taxpayers, the tax years, and the amounts involved are confidential, a more detailed description of the cases cannot be given. Due to the confidentiality statute and because the disputed tax assessments are ongoing, the State cannot give an estimate of how much is expected to be eventually recovered through settlement, the administrative proceedings, or adjudication. Moneys recovered are required to be transferred to the Constitutional Budget Reserve Fund.

Litigation Pending Before the Alaska Superior Court and the Alaska Supreme Court:

Elf Aggregation: Five owners of working interests in certain participating areas of the Prudhoe Bay Unit appealed DOR’s January 12, 2005 decision aggregating participating areas of the Prudhoe Bay Unit for purposes of calculating Economic Limit Factors used to determine production tax liability. On October 13, 2012, the Office of Administrative Hearings granted DOR’s motion for summary judgment, concluding that the aggregation decision did not constitute a regulation requiring compliance with the Administrative Procedure Act. On January 9, 2013, these working interest owners appealed the Office of Administrative Hearings decision to the State Superior Court. The Superior Court affirmed the Office of Administrative Hearings decision in its entirety. The owners have appealed to the Alaska Supreme Court (S-15891). Briefing is complete, oral argument was held on February 17, 2016. This appeal is worth several hundred million dollars in production tax revenues and interest. Any settlement on this appeal would be deposited into the Constitutional Budget Reserve Fund.

Pipeline Tariff Litigation

The State is a party to TAPS tariff litigation matters before the Regulatory Commission of Alaska (RCA) and the Federal Energy Regulatory Commission (FERC) regarding the TAPS Carriers' inclusion in the tariff rate of several hundred million dollars of imprudent expenditures made since 2004 on the TAPS Strategic Reconfiguration project (SR). The factual bases and legal standards for the SR imprudence challenge are substantially the same at the RCA and FERC. After a concurrent hearing with the RCA and FERC, the FERC Administrative Law Judge issued a favorable decision that removed these imprudent costs from the carrier's rate base for 2009 and 2010, which will in turn lower tariff rates. The ALJ's decision was recently upheld by the full FERC Commission. The RCA adopted the FERC decision on February 29, 2016. The TAPS owners have filed petitions for review of the FERC decision before the United States Court of Appeals for the D.C. Circuit. The impact of this decision would result in payment to the state of additional royalties and production taxes for 2009 and 2010 of over $200 million. Tariff filings for 2011 and forward were held in abeyance pending a decision on the 2009 and 2010 tariff issues, but have recently been revived for settlement discussion and potential hearings. The result of these tariff proceedings may require additional refunds of production taxes and royalties by the State, but the amounts, if any, are unknown at this time.

Education and Public School Trust Matters

Citizens Alliance Protecting School Lands v. State (Public School Trust). A non-profit corporation organized to advocate for school lands issues filed suit for declaratory relief against the State in April 2013. The complaint alleges numerous breaches of trust by the State respecting public school trust lands. The Court on January 20, 2015 granted the State summary judgment dismissing most allegations including that the State has not obtained from the United States all school trust land entitlements under the Alaska Statehood Act. The parties stipulated that the remaining claims involve whether the Territory of Alaska before statehood breached trust duties to obtain more school trust lands, whether the State is responsible for any breach by the Territory, and whether any of the State's defenses apply. The State's second summary judgment motion to dismiss all remaining trust claims was granted on March 2016 and final judgment in favor of the State was entered on April 14, 2016. An appeal has been filed.

Environmental Litigation

State of Alaska v. Williams Alaska Petroleum, Inc. et al., Case No. 4FA-14-01544CI Consolidated. This case involves litigation over environmental liabilities for the North Pole Refinery, including sulfolane pollution of the North Pole drinking water aquifer. Defendant refinery operators have asserted counterclaims seeking contribution from the State due to its role of lessor of the property during 27 out of 37 years the refinery operated.

Tort Claims

The Attorney General's Office is involved in defending numerous tort claims asserted against the State and agencies. No estimate can be given as to the likelihood or financial effect on the outcome of such claims.

Medicaid Payment Rate Appeals

The Attorney General's Office is involved in defending numerous Medicaid payment rate appeals filed by providers. No estimate can be given as to the likelihood or financial effect on the outcome of such appeals.

Employment Claims

The Attorney General's Office is involved in defending numerous employment-related claims filed by present or former employees. No estimate can be given as to the likelihood or financial effect on the outcome of such claims.

Tobacco Company Litigation

In 1998, Alaska was among 46 states that entered into a settlement of claims against the nation's major tobacco companies. The companies agreed to pay $4.5 billion in 2000 with annual increases until payments reach $9 billion in 2019 and each year thereafter. The State's share, based upon its proportionate tobacco consumption, is about .034 percent of the yearly payment. This income stream is indefinite as long as Americans continue to consume tobacco products.

The Legislature authorized the State to sell to the AHFC 80 percent of the State's annual settlement income. AHFC's purchase was financed through the issuance of revenue bonds by the Northern Tobacco Securitization Corporation (the "NTSC"), a subsidiary the AHFC established and to which the right to receive 80 percent of the settlement revenues was transferred. In 2006, NTSC issued additional revenue bonds to refinance its purchase of the State's annual settlement income. The NTSC is using the income stream to pay debt service on the bonds. When the bonds are paid, the settlement income reverts to the State. The State used the bond proceeds to pay for a variety of construction and maintenance projects including rural schools, ports and harbors.

The master settlement agreement provides for a payment adjustment mechanism that, when triggered, could result in the impairment of the State's right to receive the remaining 20 percent of revenue that is not pledged to the NTSC and the NTSC could suffer a revenue shortfall. This payment adjustment mechanism has been triggered for the years 2003 - 2010. States that have diligently enforced their qualifying statute are exempted from the application of this adjustment mechanism. In July 2010, an arbitration commenced regarding which states "diligently enforced" their qualifying statutes in 2003. During that arbitration, Alaska and 15 other states/territories received notice that the participating manufacturers (tobacco companies that joined the master settlement agreement) no longer contested their diligence, rendering those states exempt from the 2003 adjustment. Arbitration for the 2004 adjustment is likely to begin in 2016. The State believes it is exempt from the adjustment for 2004 and subsequent years. The State continues to monitor and participate in this case.

Other Litigation or Threatened Litigation

Legislative Information Office (LIO) Anchorage: The Legislative Affairs Agency (LAA) entered into an agreement in 2013 with its landlord 716 West Fourth Avenue LLC (716) to renovate and expand the existing LIO office in Anchorage and to extend the lease for the premises. A suit was brought in superior court by a plaintiff claiming the lease extension was not in compliance with state procurement law. In a March, 2016 decision, the superior court entered a declaratory judgment finding the lease invalid under state procurement law. A motion for reconsideration is pending before the superior court. The time for appeal to the Alaska Supreme Court has not expired.

During the 2016 legislative session, the legislature has considered purchasing the current LIO office building and also considered leaving the LIO and purchasing or leasing another building in Anchorage. The legislature is still in session and no appropriation measures have been enacted into law to accomplish either option.

On May 10, 2016, EverBank submitted a letter to the LAA contending that the LAA may be in breach of contract if it does not fulfill its lease of the LIO. The bank asserts it loaned $28,600,000 to the landlord (716) to finance renovations to the LIO building and in connection with that lending agreement, the LAA entered into a subordination, non-disturbance and attornment agreement (SNDA) with the landlord that the bank relied upon

CERTAIN LEGAL MATTERS

The issuance and sale of the Bonds are subject to receipt of the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State Bond Committee, and to certain other conditions. The proposed form of the Bond Counsel's opinion is attached as Appendix C hereto. Bond Counsel undertakes no responsibility for this Official Statement. The Office of the Attorney General will issue a certificate to the effect that no litigation is pending that challenges the issuance of the Bonds.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

Bond Counsel is also of the opinion, based on existing laws of the State, that interest on the Bonds is not included in taxable income for purposes of the State income tax imposed on corporations. Interest on the Bonds may be indirectly subject to the Alaska alternative minimum tax imposed on corporations to the extent that interest on the Bonds is subject to the federal alternative minimum tax on corporations.

To the extent the issue price of Bonds of any maturity is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of Bonds of a particular maturity is the first price at which a substantial amount of Bonds of such maturity is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to Bonds of any maturity accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Bond Bank and each Governmental Unit have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond

Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the State or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The State has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the State or the Beneficial Owners regarding the tax-exempt status of interest on the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the State and its counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the State legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the State or the Beneficial Owners to incur significant expense.

Not Qualified Tax-Exempt Obligations

The State has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the State, that are not purely historical, are forward-looking statements, including statements regarding the State's expectations, hopes, intentions, forecasts or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this

Official Statement are based on information available to the State on the date hereof, and the State assumes no obligation to update any such forward-looking statements. The State's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible changes in underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the State. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

RATINGS

Moody's Investors Service, Inc., Fitch Ratings and Standard & Poor's Ratings Services have assigned the Bonds ratings of "__" with a ________ Outlook, "__" with a _________ Outlook and "__" with a _______ respectively, based on their research and investigation of the State. Moody's, Fitch and S&P are collectively referred to as the "Rating Agencies." The State furnished each of the Rating Agencies with certain information and materials concerning the Bonds and the State. Any desired explanation of such ratings should be obtained from the rating agency furnishing the same.

Generally, each of the Rating Agencies bases its ratings on such information and materials and also on investigations, studies, and assumptions that it may undertake independently. The ratings assigned by Moody's, Fitch, and S&P express only the views of the Rating Agencies. An explanation of the significance of the ratings may be obtained from Moody's, Fitch, and S&P, respectively. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in the judgment of such rating agency, circumstances so warrant. Any such change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Acacia Financial Group, Inc. of Anchorage, Alaska (the "Financial Advisor") serves as independent financial advisor to the State in connection with various matters relating to the planning, structuring, execution and delivery of the Bonds. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State. No guaranty, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

UNDERWRITING

________ (the "Underwriter"), has agreed to purchase the Bonds from the State subject to certain conditions precedent, and will purchase all of the Bonds, if any of such Bonds are purchased, at a purchase price of $____________ (being the aggregate principal amount of the Bonds, plus $____________ original issue premium, less underwriters' discount of ________).

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices (or yields corresponding to such prices) stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

In the ordinary course of its various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the State. The Underwriter and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

CONTINUING DISCLOSURE

Annual audited financial statements of the State will be available upon request from the State of Alaska Department of Revenue. The State has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") within seven months after the end of each FY (the "Report Date"), commencing January 31, 2021 for the Annual Disclosure Report for the FY ending June 30, 2020, and to provide notices of the occurrence of certain enumerated events. A form of document specifying the nature of the information to be contained in the Annual Disclosure Report or the notices of certain events is set forth in Appendix D hereto. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule").

A failure by the State to comply with the undertaking pursuant to the Rule will not constitute a default under the Resolution. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds or their market price.

The State has adopted procedures to assure future compliance with its continuing disclosure undertakings. Other than as may be described in this section, in the previous five years, the State has not failed to comply, in all material respects, with its previous continuing disclosure undertakings.

MISCELLANEOUS

The Bonds qualify as collateral for State funds deposited by the Department of Revenue.

The purpose of this Official Statement is to supply information to prospective purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements as to their provisions. This Official Statement is not intended to be a contract or agreement between the State and the purchasers and owners of the Bonds. This Official Statement may not be reproduced or used, in whole or in part, for any purpose other than in connection with the issuance and sale of the Bonds.

All data contained herein, including the appendices hereto, have been taken from State records unless attributed to a specific source. Insofar as any statements contained in this Official Statement involve matters of estimates, projections, forecasts or matters of opinion, whether or not expressly stated, they are set forth as such and are not to be construed as representations of fact.

The appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

PRELIMINARY OFFICIAL STATEMENT

The State has deemed this Preliminary Official Statement pursuant to SEC Rule 15c2-12 as final as of its date except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, and other terms of the Bonds depending on such matters.

EXECUTION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been authorized by the State.

STATE OF ALASKA

By ______________________________

Deven J. Mitchell
Debt Manager,
State of Alaska
For the State Bond Committee

APPENDIX A

SUMMARY INFORMATION REGARDING THE ECONOMY OF THE STATE

INFORMATION CONCERNING THE STATE OF ALASKA AND THE STATE'S ECONOMY

The information concerning the State of Alaska ("Alaska" or the "State") set forth in this Appendix is dated as of the date of the Official Statement. The information contained herein is subject in all respects to the complete text of the financial reports referenced. The information contained herein has been obtained from sources that the State believes to be reliable but is not guaranteed as to accuracy.

State of Alaska

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 24.5 percent of the State's total nonfarm employment is derived from government (including federal, State, and local). Other major industries in Alaska include the education and health services industry, and trade, transportation, and utilities, making up 15.4 percent and 19.7 percent of total nonfarm employment, respectively. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals (Alaska Department of Labor and Workforce Development, Research & Analysis, Employment Statistics; 2018 Annual Average).

Historically, petroleum-related revenue has been the largest source of unrestricted revenue for the State's General Fund. Approximately 80 percent of the fiscal year 2018 unrestricted General Fund revenue was generated from petroleum. In 2018, the Legislature enacted Senate Bill 26 ("SB 26"), which directs the State to appropriate amounts from the earnings reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted revenue that petroleum-related revenue represents to an estimated 39 percent in fiscal year 2019.

In fiscal year 2019, pursuant to SB 26, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue. SB 26 adjusted the transfer from the Permanent Fund Earnings Reserve to an amount determined by taking 5.25 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfer from the Permanent Fund Earnings Reserve is reduced to 5.00 percent of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in "Government Funds – The Alaska Permanent Fund," this calculation does not include the principal attributable to the settlement of *State v. Amerada Hess*. The Alaska Permanent Fund Corporation ("APFC"), which manages the Permanent Fund, projects this annual transfer of unrestricted General Fund revenue to the General Fund in their monthly history and projections report, as reflected in Table 2. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the Fall 2018 Revenue Sources Book. For fiscal year 2019, SB 26 resulted in a transfer of $2.7 billion from the Permanent Fund Earnings Reserve to unrestricted General Fund revenue, and in fiscal year 2020 the transfer is approximately $2.9 billion. The Permanent Fund Dividend may be paid out of this transfer, and any residual revenue is available for other appropriation. In fiscal year 2019, the Permanent Fund Dividend appropriation was estimated to be $1,023.5 million. The 2019 Permanent Fund Dividend amount was $1,606 per qualified resident.

Population

Alaska's Statewide population of 731,007 (July 2019 estimate) increased by 20,776, or 2.9 percent from the 2010 Census estimate; however, remains below the recent peak of an estimated 739,649 residents in July 2016.

The following table summarizes the State's population since 2010, as well as the estimated population in each of the State's regions. The majority of the high-growth areas were those with access to the road system. The highest growth area was in the Anchorage and Mat-Su Borough region, with a 19,081 population increase from 2010 to 2019, or an increase of 5 percent.

Population of Alaska by Region, 2011-2019*

Area Name	Census Estimate July 2010	Estimate July 2011	Estimate July 2012	Estimate July 2013	Estimate July 2014	Estimate April 2015	Estimate July 2016	Estimate July 2017	Estimate July 2018	Estimate July 2019
Alaska	710,231	722,262	730,649	736,077	736,416	736,989	739,649	737,783	734,055	731,007
Anchorage / Mat-Su Region	380,821	387,303	391,767	396,899	398,151	398,597	401,582	402,110	399,902	398,283
Gulf Coast Region	78,631	80,164	80,508	80,495	80,785	80,937	81,062	80,763	80,806	80,866
Interior Region	112,021	112,852	115,352	114,552	113,019	112,888	113,235	112,020	110,904	109,847
Northern Region	26,445	26,927	27,260	27,545	27,486	27,783	27,780	27,716	27,627	27,432
Southeast Region	71,664	73,599	74,149	74,319	74,437	74,278	73,742	72,941	72,657	72,373
Southwest Region	40,649	41,417	41,613	42,267	42,538	42,506	42,248	42,233	42,159	42,206

Source: US Census Bureau for 2010 Census Estimate, and Alaska Department of Labor and Workforce Development, Research and Analysis Section for July 2011 through 2019 Estimate.

Income

In 2019, Alaska had a per capita personal income of $62,102, an increase from the 2010 per capita personal income of $45,529. For 2019, Alaska's per capita personal income ranked 10th in the United States. In 2019, per capita personal income for the United States was $56,663.

The State's single consumer price index registered inflation of 0.5 percent or less each year from 2015 through 2017, which was the lowest period for inflation in the Alaska's history. In 2018, consumer prices increased 3 percent, which was the highest inflation rate in five years and the first time in three years that Alaska's costs increased faster than the U.S. One of the largest contributors to the 2018 increase was medical care, which tends to run higher than the overall index. In 2019, the average inflation rate for Alaska (CPI Urban Alaska, formerly Municipality of Anchorage) was 1.4 percent. The average in the U.S. was 1.8 percent. [1]

The cost of living in Alaska remains significantly higher than the national average. According to the first quarter 2019 index for professional households, comparing cities' costs to the U.S. average, Anchorage, Fairbanks, and Juneau, the cost of living in those cities in comparison to the total index is approximately 127, 128, and 134 percent, respectively, more expensive than the average index of the U.S.[2]

Employment

Data of the Alaska Department of Labor and Workforce Development shows the unemployment rate (seasonally adjusted, preliminary) for Alaska for January 2020 was 6.0 percent, as compared to a national unemployment rate for the same period of approximately 3.6 percent. As noted in the table below, historically the State's unemployment rate has exceeded the national rate.[3]

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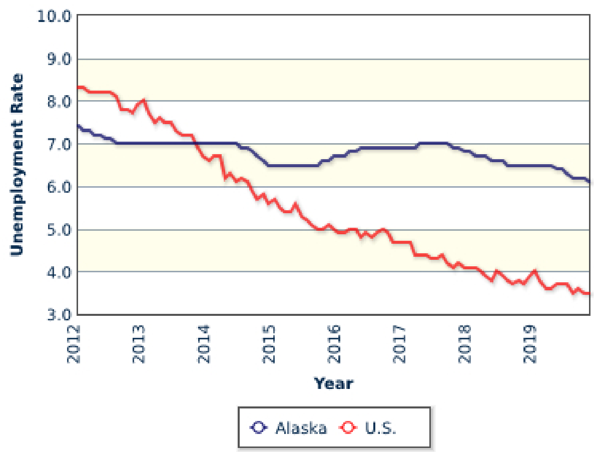
[1] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, July 2019.
[2] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, July 2019.
[3] Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics.

Seasonally Adjusted Unemployment Rates Alaska and the U.S.
January 2012 to January 2020



The largest employment sector in Alaska is government comprised of federal, State and local government employees. Government employment on average for calendar year 2018 was 80,400. The largest non-government sector of employment was Trade, Transportation and Utilities with 64,500. The table below provides a summary of the employment of the Alaska labor force by industry.

Alaska Labor Force Summary - Annual Average

	2008[1]	2018[1]	Change (2008-2018)
Total Nonfarm	322,000	327,700	1.8%
Mining and Logging	15,200	12,700	-16.4%
Oil and Gas	12,900	9,400	-27.1%
Construction	17,400	15,800	-9.2%
Manufacturing	13,100	12,600	-3.8%
Trade, Transportation, Utilities	64,500	64,500	0.0%
Wholesale Trade	6,500	6,400	-1.5%
Retail Trade	36,100	35,800	-0.8%
Transportation, Warehousing and Utilities	21,900	22,200	1.4%
Information	7,000	5,600	-20.0%
Financial Activities	12,200	11,700	-4.1%
Professional and Business Services	27,900	27,300	-2.2%
Educational and Health Services	39,100	50,400	28.9%
Health Care	27,800	38,000	36.7%
Leisure and Hospitality	32,200	35,600	10.6%
Other Services	11,300	11,100	-1.8%
Government	82,100	80,400	-2.1%
Federal Government[2]	16,900	14,900	-11.8%
State Government	24,900	26,600	6.8%
Local Government[3]	41,700	42,000	0.7%

1 Figures use an annual average.
2 Federal government does not include military or armed personal.
3 Includes tribal government.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis.

Federal Spending[1]

Federal spending has a significant impact on Alaska's economy. Federal funds contribute to military and federal government employment, as well as provide support for specific in-state programs and projects. In many cases, State funds are also used to leverage federal funds in matching programs helping to improve Alaskan communities.

According to Pew Trusts, in federal fiscal 2013, federal spending in Alaska consisted of approximately $2.1 billion for retirement benefits, $1.6 billion for nonretirement benefits, $2.6 billion for grants, $1.6 billion for contracts, and 2.6 billion for salaries and wages. Total federal spending in 2013 was approximately $10.5 billion.

The American Recovery and Reinvestment Act (ARRA) of 2009 resulted in a 48 percent increase in federal funding. Between 2009 and 2010, ARRA funding declined, but still remained significantly higher than pre-ARRA spending. During 2010, federal spending per capita in Alaska was $20,351. At the time, Alaska ranked first in total per capita federal spending, followed by Virginia and Maryland. Alaska ranked first in grants, second in salaries and wages, and fourth in procurement. In addition to direct expenditures, the federal government is also a significant employer and landowner in Alaska. The federal government is Alaska's largest landowner with 60 percent of Alaska total area including national parks, refuges, national forests, military installations, and the North Slope National Petroleum Reserve.[2]

[1] The Pew Charitable Trusts, Federal Spending in the States, 2003 to 2014.
[2] Alaska Department of Natural Resources (ADNR), Division of Mining, Land, and Water. Land Ownership in Alaska Fact Sheet, March 2000.

A strong federal presence spanning land management, military, and numerous public services also leads to significant employment opportunities as 40,000 Alaskans were on the federal payroll during 2010.[1]

Oil and Gas[2]

According to a study completed by McDowell Group, Inc. for the Alaska Oil and Gas Association (2016), the primary oil and gas companies employed 4,275 Alaska residents earning $749 million in wages. Alaska residents represent 85 percent of primary company total hire in Alaska. Based on the 2016 report, and wage and salary data from the Alaska Department of Labor and Workforce Development, the oil and gas industry accounts for 15 percent of all employment and 20 percent of all wages in Alaska.

Government[3]

Government was responsible for 80,400 jobs on average in calendar year 2018, almost a quarter of all nonfarm employment in the State. This sector encompasses occupations in all industries, including teachers, builders, deckhands, and scientists.

State and Local government employment has remained stable from 2008 to 2018. Local government administrations and school districts represent the largest employers of that sector and accounted for approximately 12.8 percent of total nonfarm employment, which includes tribal government. State government employment accounted for approximately 7.2 percent of total nonfarm employment.

Federal government was responsible for 14,900 jobs on average in calendar year 2018, representing approximately 4.5 percent of total nonfarm employment. Before September 11, 2001, the military was reducing its presence in Alaska; however, since then the U.S. has funneled additional defense funds into the State. Though the Base Realignment and Closure Act of 2005 resulted in closures, the overall presence of armed forces in the State has increased. Other military growth includes civilian defense employment and federal spending on base and facility upgrades, salaries, and maintenance. Ten percent of all construction spending in Alaska in 2019 was tied to national defense, up 13 percent and $80 million from the prior year. This increase was largely due to the military investment in reconstruction at Eielson Air Force Base to accommodate the two full squadrons of F-35s that will arrive during 2020. [4]

Health Care[5]

Health care has been the State's fastest-growing industry. It employed approximately 38,000 people on average in 2018, representing a 36.7 percent increase over a ten-year period. In 2017, health care practitioners and technicians made an average wage of $98,020 in Alaska, making Alaska the highest paying state for these jobs overall, followed by Hawaii and California. The national health care wage average was $80,760.

The growing population of elderly Alaskans increased demand for services. Although only 7.7 percent of Alaskans are over 65 compared to the nation's 13 percent, the 65-plus group grew by 54 percent between 2000 and 2010, compared to 13 percent nationally. As the industry expanded and more health care choices emerged, more of Alaska's health care spending remained in-State. In 1990, health care accounted for 4 percent of Alaska's wage and salary employment versus 7 percent for the nation. By

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[1] Alaska Department of Labor and Workforce Development (ADLWD), Research and Analysis Section. Trends February 2012.
[2] McDowell Group, Inc. (2016). The Role of the Oil and Gas Industry in Alaska's Economy. Alaska Oil and Gas Association. Retrieved from https://www.mcdowellgroup.net/wp-content/uploads/2017/09/mcdowell-group-aoga-report.pdf
[3] Alaska Department of Labor and Workforce Development, Research and Analysis Section.
[4] Readiness and Environmental Protection Integration Program State Profile for Alaska 2018
[5] Alaska Economic Trends, September 2011, The Decade in Review: 2000 – 2010, and Alaska Economic Trends, December 2018.

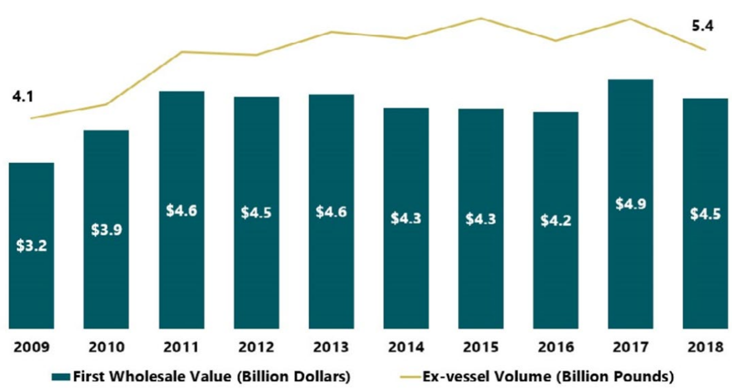
2010, that difference narrowed to 9.3 percent for Alaska and 10.6 percent nationwide.

Fisheries[1]

Approximately 5.7 billion pounds of seafood worth $2.0 billion was harvested on average in 2017 and 2018 in Alaska annually (2017/2018 annual averages). Alaska produces two-thirds of the nation's seafood harvest in a typical year and is home to nine of the top twenty U.S. fishing ports by value.

In 2017, Alaska's leading export was seafood, with $2.4 billion in export value accounting for approximately 49 percent of Alaska's total exports of $4.9 billion. Two countries, China and Japan, make up more than $1.4 billion dollars of Alaska's total seafood exports. Japan, long the State's largest seafood export market, purchased $622.9 million. During 2011, China exceeded Japan as the largest seafood export market (also topping all markets in total exports), and accounted for approximately $796 million. [16]

Commercial fishermen landed over 5.4 billion pounds of Alaska seafood worth approximately $2.0 billion in ex-vessel value on average in 2017 and 2018 in Alaska annually (2017/2018 annual averages). Salmon is the most valuable commercial species, making up 37 percent of first wholesale value, with Alaskan Pollock second makin gup 31 percent of first wholesale value. [2] The following chart shows Alaska commercial harvest and ex-vessel value from 2009 through 2018:



Source: McDowell Group, The Economic Value of Alaska's Seafood Industry, January 2020 Report

Over five billion pounds of Alaska seafood was harvested, and processed by 166 shore-based processing facilities in 2018, employing 25,901 workers. Seafood processing is Alaska's largest manufacturing subsector, accounting for roughly 70 percent of all manufacturing employment in Alaska.[13]

In 2017, the top ports ranked by value in Alaska were -- Dutch Harbor ranked first ($173 million), Naknek-King Salmon ranked second ($154 million), Kodiak ranked third ($152 million), Alaska Peninsula ranked fourth ($112 million), and Aleutian Islands ranked fifth ($106 million).[3]

Mining

Alaska's mining industry includes exploration, mine development, and production. The industry

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[1]Alaska Economic Trends, September 2011, The Decade in Review, 2000 – 2010.

[2] Economic Value of the Alaska Seafood Industry, McDowell Group, Inc. January 2020, Retrieved from http://www.mcdowellgroup.net/wp-content/uploads/2020/01/mcdowell-group_asmi-economic-impacts-report-jan-2020-1.pdf.

[16] 2017 State of Alaska Export Report

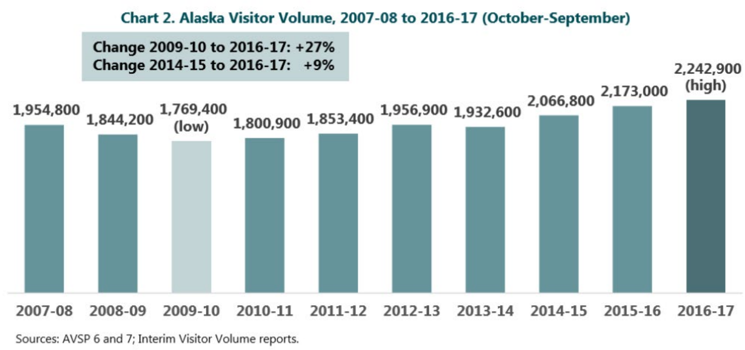
[3]

produces zinc, lead, copper, gold, silver, coal, as well as construction minerals such as sand, gravel, and rock. Alaska's six largest operating mines are Fort Knox, Greens Creek, Red Dog, Usibelli, Pogo, and Kensington, and provided nearly 4,500 full-time jobs of the nearly 9,200 direct and indirect jobs attributed to the mining industry in Alaska in calendar year 2018. The export value of Alaska's primary produced metals was $1.8 billion, or 36% of Alaska's total exports in 2017. [1]

The growth in mining was supported by several large developments. Pogo Mine in the eastern interior of Alaska was commissioned in 2006, but began to create jobs in 2005. Fort Knox Mine in the Fairbanks North Star Borough built a heap-leach facility in 2009. And, after several delays, Kensington Mine opened in Southeast Alaska in June of 2010.

Tourism[2]

Alaska visitor volume for October 2016 through September 2017 was 2,242,900. By transportation market, 49 percent traveled by cruise ship, 47 percent were air visitors, and 4 percent were highway / ferry visitors. The following chart shows visitor volume since the 2007/2008 season:



Source: McDowell Group, The Economic Impact of Alaska's Visitor Industry 2017, November 2018 Report

visitor industry accounted for an estimated 43,300 full- and part-time jobs during the 2016-2017 study period, including all direct, indirect, and induced impacts.

Out-of-state visitors to Alaska spent an estimated $2.5 billion in Alaska between October 2016 and September 2017. This figure includes in-state spending only, excluding the cost of transportation to and from the State.

Retail[3]

A number of new chain and homegrown retailers opened in Alaska during the past two decades. Since 2000, the following retailers opened stores in Alaska: Kohl's, Walmart, Best Buy, Target, Sportsman's Warehouse, Petco, Bed Bath and Beyond, and Walgreens. The retail sector provided 35,800 jobs on average in Alaska in 2018.

[1] The Economic Benefits of Alaska's Mining Industry, McDowell Group, Inc. report for the Alaska Miners Association. January 2014.
[2] McDowell Group, Inc. report for DCCED on Alaska's Visitor Industry 2011-2012 and report for Fall/Winter 2013-2014.
[3] Alaska Economic Trends, September 2011 and January 2014, Decade in Review, 2000-2010.

Transportation[1]

Given the geography of the State, Alaskans rely on aviation and marine transportation to move people and goods. Although Alaska is the largest state in terms of area, it has the fifth-lowest road mileage in the U. S. The primary reasons for the low road miles in Alaska are (i) the majority of people live in the urbanized areas and (ii) extreme weather, rugged terrain, vast distances, low population density and scattered islands make road construction difficult and costly compared to the number of users. Many remote communities are connected to the rest of Alaska and the rest of the world, through waterways or airports, rather than roads.

Most goods shipped to and from Alaska move by way of intermodal transportation systems. Most food, household items and consumer goods shipped from the lower 48 states of the U. S. to Alaska generally arrive by container ship, barge or roll-on, roll-off vessel. Upon arriving in Alaska, freight bound for destinations connected by the highway system are transported by truck or by rail on the Alaska Railroad. Freight bound for remote destinations is flown from Anchorage or Fairbanks to the remote communities. Heavy or bulk commodities are most often moved by barge to remote communities where seasonal barge service is available.

Given the size, geography and population distribution in Alaska, air transportation is critical for Alaska's economy and the health, safety and welfare of all Alaskans. The State owns about 252 rural airports, in addition to Ted Stevens Anchorage International Airport ("ANC") and Fairbanks International Airport. ANC serves as the primary passenger airport in the State and is an important cargo airport globally. In terms of cargo levels, ANC was ranked as the number two cargo airport in North America and as the number five cargo airport in the world by Airports Council International in calendar year 2018. In fiscal year 2019, all-cargo certificated maximum gross takeoff weight (measured in 1,000 lb. units) increased to 24,202,000, a level that has not been breached since 25,215,000 in 2011; however, this is less than the peak achieved in 2007 of 29,129,000. In fiscal year 2019, passenger activity at ANC (including passenger enplanements, passenger deplanements and in-transit passengers) was approximately 5.69 million, as compared to 4.88 million in 2010. [2]

Alaska's ports and harbors are an important element of the State's economy, providing for the import and export of goods. Port and harbor facilities provide an economic base for those communities dependent on marine resource utilization such as fishing and recreational use. They are an essential link to Alaska's resources, including fisheries, oil, natural gas, mineral resources and recreational activities.

The Alaska Marine Highway System ("AMHS") is a critical part of Alaska's transportation system and the service it provides is part of the National Highway System. AMHS serves Alaska ports by transporting passengers and vehicles between coastal communities. This service helps meet the social, educational, health and economic needs of Alaskans.

The Alaska Railroad operates a total of 656 miles of railway miles in Alaska, consisting of 467 miles of main line, 54 miles of branch line and 135 miles of yards and sidings. The Alaska Railroad plays an important economic role. In 2018, the Alaska Railroad carried 3.2 million tons of freight and 531,611 passengers. As of June 2018, the railroad employed 550 year-round employees, and approximately 130 to 140 additional employees are hired for additional summer activity.[3]

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[1] Alaska State Transportation Plan, adopted February 29, 2008.
[2] Alaska International Airports System, Statistics, http://www.dot.alaska.gov/aias/assets/AIAS_Statistics.pdf.
[3] Alaska Railroad Corporation Annual Report 2018, https://www.alaskarailroad.com/sites/default/files/Communications/AnnualReport2018_Apr2019_Secured_FINAL.pdf

APPENDIX B

STATE OF ALASKA "GENERAL PURPOSE FINANCIAL STATEMENTS" FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Fiscal Year Ended June 30, 2019

The annual financial report for the State contained in Appendix B hereto is historical information that presents the State's financial position as of June 30, 2019. This report reflects historical performance. The financial performance of the State reflected in such report cannot be relied upon as a reliable indicator of subsequent performance. Historical trends cannot be used to anticipate results or trends in future periods.

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX E

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the State or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the State or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof.

APPENDIX F

OFFICAL NOTICE OF SALE

STATE BOND COMMITTEE
OF THE STATE OF ALASKA

RESOLUTION NO. 2020-02

Providing for the acceptance of federal funds and the treatment thereof as Revenues under State Bond Committee Resolution No. 99-01, as amended

Adopted June 25, 2020

STATE BOND COMMITTEE

RESOLUTION NO. 2020-02

A Resolution of the State Bond Committee of the State of Alaska providing for the acceptance of federal funding and the treatment thereof as Revenues under State Bond Committee Resolution No. 99-01, as amended

WHEREAS, Chapter 88, SLA 1961, as amended from time to time (the "Act") authorized the issuance and sale of revenue bonds of the State of Alaska (the "State") to acquire, equip, construct and install additions, improvements, extensions and facilities at the international airports owned and operated by the State and located at or near the cities of Anchorage and Fairbanks (the "AIAS"); and

WHEREAS, the State Bond Committee adopted Resolution No. 99-01 on January 28, 1999 (as previously amended and supplemented, the "Master Resolution"), providing for the issuance of the State of Alaska International Airports System Revenue Bonds and certain covenants and provisions related thereto; and

WHEREAS, in response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and other federal programs have provided and are expected to continue to provide federal funds to states, municipalities and agencies thereof, including the AIAS ("Federal Funding"); and

WHEREAS, the State Bond Committee finds that it is in the best interests of the State and its inhabitants to ensure that the Federal Funding received by AIAS is not excluded from Revenues (as such term is defined in the Master Resolution); and

WHEREAS, the State Bond Committee finds that it is in the best interests of the State and its inhabitants to include federal funding made available to the AIAS for any airport purpose in response to the outbreak of COVID-19 as Revenues under the Master Resolution; and

NOW THEREFORE, BE IT RESOLVED by the State Bond Committee of the State of Alaska, as follows:

The State Bond Committee hereby elects that the Federal Funding received by AIAS not be excluded from Revenues under the Master Resolution and directs the Chairman or the Secretary of the State Bond Committee or the Debt Manager of the State (each, a "Designated Representative" pursuant to the Master Resolution) to take such actions and execute and deliver such documents as may be necessary or desirable to ensure that Federal Funding received by AIAS not be excluded from Revenues under the Master Resolution.

This Resolution of the State Bond Committee shall become effective immediately upon its adoption.

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the 25th day of June 2020.

STATE OF ALASKA
STATE BOND COMMITTEE

JULIE ANDERSON
Commissioner, Department of Commerce
Community and Economic Development
Chair and Member
Alaska State Bond Committee

KELLY TSHIBAKA
Commissioner, Department of Administration
Member
Alaska State Bond Committee

LUCINDA MAHONEY
Commissioner, Department of Revenue
Secretary and Member
Alaska State Bond Committee

Approved as to form:

Alaska Department of Law
State of Alaska

I, the undersigned, Secretary of the State Bond Committee of the State of Alaska (the "Committee") DO HEREBY CERTIFY:

1. That the attached Resolution numbered 2020-02 (the "Resolution") is a true and correct copy of a resolution of the Committee as adopted at a meeting held on June 25, 2020, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of June 2020.

LUCINDA MAHONEY
Commissioner, Department of Revenue
Secretary and Member
Alaska State Bond Committee

ELECTION OF THE DESGNATED REPRESENTATIVE

THE UNDERSIGNED, as the Designated Representative of the State Bond Committee (the "Committee") of the State of Alaska, at the direction of the Committee, hereby elects to not exclude any federal funds received by the Alaska International Airports System in response to the outbreak of COVID-19 and available for general airport purposes as Revenues, as such term is defined in Resolution No. 99-01, adopted by the Committee on January 28, 1999. as previously amended and supplemented.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 25th day of June 2020.

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Deven J. Mitchell
Debt Manager, Department of Revenue, on behalf of the State Bond Committee