

# ALASKA PUBLIC DEBT



STATE OF ALASKA  
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Nancy Dahlstrom, Lieutenant Governor

Department of Revenue

**January 2026**

**ALASKA PUBLIC DEBT**

**2025-2026**

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Michael J. Dunleavy, Governor**

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**This publication was prepared  
by Treasury Division**

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## **I. Types of Alaska Public Debt**

The State has liability or potential exposure for repayment of principal and interest in nine categories. In descending order of the State's expectation of appropriating State general funds to pay:

- State Debt
- State Guaranteed Debt
- State Supported Debt
- Unfunded Actuarial Accrued Liability (UAAL)
- State Moral Obligation Debt
- State Supported Municipal Debt - Eligible for State Reimbursement
- State and University Revenue Debt
- State Agency Debt
- State Agency Collateralized or Insured Debt
- Municipal Debt

On the following pages, each type of State obligation is briefly discussed and defined. Table 1.1 summarizes Alaska's public debt by type of approximately \$11.6 billion.

In Section II, Alaska issuers of public debt are described, and statistical tables are provided for each issuer.

### **A. State Debt**

State Debt is comprised of debt authorized, issued and payable by the State including revenue anticipation notes (RAN's) and general obligation bonds (GOB's). The full faith, credit and resources of the State are pledged to the payment of principal and interest on this debt. If future State revenues are insufficient to make the required principal and interest payments to bondholders and note holders, the State is legally required by its contract with bondholders and note holders to raise taxes in order to meet these obligations. AS 37 Chapter 15 creates and empowers the State Bond Committee to issue State debt obligations.

#### **1. Revenue Anticipation Notes (RANs)**

Short-term State borrowing in anticipation of revenues is permitted under AS 43.08.010. RANs may be issued and renewed from time to time, but all such notes, renewals and interest thereon shall be paid from revenues by the end of the fiscal year following the year in which the notes were issued. The full faith, credit, resources, and taxing power of the State are pledged to the payment of RANs and interest thereon. To further secure such payment, and if necessary to effect advantageous borrowing to the State, collateral may also be pledged. The State has not used RANs in over 40 years and there are no State RANs issued or outstanding as of June 30, 2025.

#### **2. General Obligation Bonds (GOB's)**

The State Constitution provides that GOB's must be authorized by law and ratified by the voters. Generally, the Constitution permits authorization of GOB's only for capital improvements. The legal provisions regarding GOB's are contained in Section 8, Article IX of the Alaska Constitution and AS 37.15, the State Bonding Act. The amount and timing of a bond sale must be approved by the State Bond Committee. There is no statutory limit on the amount of State GOB's that may be authorized.

As of June 30, 2025, the State has issued GOB's 67 times since statehood, raising approximately \$3 billion. In addition, the State assumed the outstanding debt of the Territory of Alaska as GOB's of the State. In 1959, the Territorial debt was \$2.9 million. More recently, on August 5, 2020, the State issued the GOB Series 2020A which funded the remaining authorization under the 2012 Transportation Bond Act.

The interest cost on State bond issues is determined by several factors, the major variable being the general level of interest rates in the global economy. However, the credit rating assigned to an issuer and the related investor assessment of credit risk are important factors. The State's credit rating improved from Baa1/A in 1973 to AAA/AAA/Aaa in 2013 and began a gradual deterioration beginning in 2015. The State's credit rating profile improved in 2024 and 2025, including upgrades by four rating agencies. As of December 31, 2025, the State's ratings were Aa2 / AA / AA- / AA+ from Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Rating Agency, respectively.

During fiscal year 2025, the State's General Obligation Refunding Bonds, Series 2024B and Series 2025A (Forward Delivery), were issued on August 15, 2024, and May 6, 2025, respectively. The issuance refunded the outstanding General Obligation Bonds, Series 2015B, Series 2016A, and Series 2016B. The State issued \$190.4 million of General Obligation Refunding Bonds to refund approximately \$203.9 million of outstanding General Obligation Bonds. The issuance did not extend the term of the original bonds and achieved gross debt service savings of \$19.5 million and net present value savings of \$16.5 million.

As of June 30, 2025, the State had approximately \$468.8 million in GOB's outstanding as shown in Table 1.1. This is a decrease of \$54.7 million from June 30, 2024. The decrease is attributed to debt retirement as well as the refinancing of existing debt.

## **B. State Guaranteed Debt**

In the 1982 general election, voters approved an amendment to Article IX, Section 8 of the Alaska Constitution that permits the State to guarantee unconditionally as a general obligation of the State, the payment of principal and interest on revenue bonds issued by AHFC for the purpose of purchasing mortgage loans made for residences of qualifying veterans. This is the only purpose for which State Guaranteed Bonds may be issued. Because the bonds are general obligations of the State, they must be authorized by law, ratified by the voters, and approved by the State Bond Committee. In six elections from 1982 through 2010 voters approved propositions authorizing \$3.3 billion of State Guaranteed Bonds for veterans' mortgages.

These bonds are known to investors as "double-barreled" because there are two distinct forms of security behind the bonds. Their first lien is on the revenue stream generated by payments on the mortgage loans made from bond sale proceeds. Additional security to bondholders is provided by the general obligation pledge of the State to make the required debt service payments in the event that revenues are insufficient. In recognition of the creditworthiness of the veterans' bonds, they have been rated AAA.

The constitutional amendment permitting the State general obligation pledge on veterans' mortgage bonds was necessary only to gain tax-exempt status for the bonds. The Mortgage Subsidy Bond Tax Act passed by Congress in 1980 restricted the ability of states or public corporations to sell tax-exempt housing bonds above specified ceilings unless they were also general obligations of the issuing state, and the proceeds were used for housing loans for veterans. After the 1980 legislation and before the 1982 constitutional amendment, AHFC had been issuing more expensive taxable bonds for veterans' as well as non-veterans' loans.

Because of the strong support behind the bonds, independent of the State's general obligation pledge, this debt is not counted by the rating agencies as general obligation debt. However, if problems in meeting debt service on veterans' bonds were to arise, the bonds would be treated as general obligation debt for credit rating purposes.

As of June 30, 2025, State Guaranteed Debt was \$156.7 million, as shown in Table 1.1. This is a net increase of \$70.2 million from June 30, 2024. The increase is mainly attributed to new issuance of \$75.0 million less debt retirement during the fiscal year. Subsequent to June 30, 2025, the AHFC issued \$100 million in veterans mortgage program bonds.

### **C. State Supported Debt**

State Supported Debt is debt authorized by law of the State of Alaska for the acquisition or improvement of real property for which the source of payment is future appropriations from the State's General Fund. As the State's pledge of future appropriations is the basis of the credit, a failure to appropriate would impact the State's credit. State Supported Debt is not considered debt under the Alaska Constitution because the State's payments on the debt obligations, even if they are the subject of a contractual commitment, are subject to annual legislative appropriation. As a result, voter approval of such debt is not required.

State Supported Debt includes lease-purchase financing obligations (structured as certificates of participation "COP's"), and Capital Leases the State has entered into: Linny Pacillo Parking Garage with AHFC, and the Goose Creek Correctional Center with the Matanuska-Susitna Borough. When the State is not the issuer of the debt, it will be reported as debt at both the State and political subdivision level.

All State Supported Debt must be authorized by law and by resolution of the legally empowered issuance entity. The State Bond Committee has approved resolutions for State Supported debt issues as in the case of COP's or Lease Revenue bonds. Historically, State Supported debt was authorized by legislative resolution pursuant to AS 37.05.280 (now repealed) for the Alaska State Housing Authority as well as by law in the case of the University of Alaska.

On September 4, 2020, the Alaska Supreme Court issued a decision related to the Alaska Tax Credit Certificate Bond Corporation (ATCCBC) that created additional limitations on when the State can issue State Supported Debt. While the decision reaffirmed prior Supreme Court decisions allowing the use of State Supported Debt for lease-purchase of real property arrangements, it specifically disallowed the structure contemplated for the Alaska Tax Credit Certificate Bond Corporation created in 2018 in AS 37.18. Due to similarity of structure, the decision also rendered the Pension Obligation Bond Corporation (created in AS 37.16) and the Toll Bridge Revenue Bonds for the Knik Arm Bridge (created in AS 37.15, Article 2) illegal. On September 28, 2020, the State of Alaska Department of Law filed a Petition for Rehearing with the Supreme Court in an attempt to obtain clarity on the scope of the Court's intent in their decision. The Court declined to respond to the Petition for Rehearing.

As of June 30, 2025, State Supported Debt was \$129.5 million as shown in Table 1.1. This is a decrease of \$20.0 million from June 30, 2024. The decrease is attributed to debt retirement as well as the refinancing of existing debt.

During fiscal year 2025, the Matanuska-Susitna Borough's State of Alaska Lease Revenue Refunding Bonds, Series 2025A and Series 2025B (Forward Delivery), were issued on March 20 and June 4, 2025, respectively. The Goose Creek Correctional Center project issuance refunded the outstanding Series 2015 Bonds. The Matanuska-Susitna Borough issued \$99.5 million of Lease Revenue Refunding Bonds to refund approximately \$104.4 million of outstanding Series 2015 Bonds. The issuance did not extend the term of the original lease revenue bonds and achieved gross debt service savings of \$6.7 million and net present value savings of \$6.0 million.

### **D. State Supported Unfunded Actuarial Assumed Liability (UAAL)**

In 2008, Senate Bill 125 became law, declaring that the State shall fund any actuarially determined employer contribution rate above 22% for the Public Employees' Retirement System (PERS) or 12.56% for the Teachers' Retirement System (TRS) out of the State's general fund. This change was designed to address the 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, the Governmental Accounting Standards Board Statement 68 (GASB 68) was enacted, updating the reporting and disclosure requirements related to pension liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system's unfunded actuarial 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 added to the State's fiscal year 2015 Annual Comprehensive Financial Report, for a total of \$6.0 billion of UAAL owed by the State at that time.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. The ARM Board completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and the assumption was included within the June 30, 2022, actuarial valuation reports. The actuarial assumptions will be analyzed and updated next for the period July 1, 2021, to June 30, 2025.

On June 12, 2024, the ARM Board adopted actuarial methodology changes related to the employer contribution interest accrual by (i) adding a half year interest adjustment to the Normal Cost and unfunded liability amortizations that are used to calculate the actuarially determined contribution rates for PERS and TRS; and (ii) backing out the half year interest adjustment when calculating additional State contributions since they are generally contributed at the beginning of each fiscal year, thereby allowing the systems to fund the half year interest loss from the employer contributions in the year the loss occurs, rather than funding the loss over 25-years.

According to the PERS and TRS Financial Statement and Supplemental Schedule as of June 30, 2025, if the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately \$1,821,719,000 and the net TRS pension liability by approximately \$819,577,000.

Under the existing statutory framework through the passage of Senate Bill 125, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rate for PERS' employers above 22% and TRS employers above 12.56%. While this payment is subject to annual appropriation, a failure to make the appropriation would be expected to have a negative impact on the State's credit ratings.

Effective July 1, 2021, Senate Bill 55 (SB 55), an Act relating to employer contributions to the System, made changes to Alaska Statute (AS) 39.35.255 that indicated the State of Alaska, as a participating employer, shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (HRA) and AS 39.35.750 (all DCR costs – employer match, ODD, RMP), and past service costs for members at the contribution rate adopted by the Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, will pay the full actuarial determined employer contribution rate adopted by the Board for each fiscal year.

Utilizing the most recent adopted actuarial report from June 30, 2024, the State long-term debt for the combined PERS and TRS pension UAAL was approximately \$3.9 billion as shown in Table 1.1 and 5.3. Worth noting is that the Other Post Employment Benefit ('OPEB') asset levels are greater than the assumed liabilities for both PERS and TRS.

#### ***E. State Supported Municipal Debt - Eligible for State Reimbursement***

The State administers two programs that reimburse municipalities for municipal G.O. bonds in the School Debt Reimbursement Program (SDRP) and the 2002 Transportation and Infrastructure Debt Service Reimbursement Authorization (TIDSRA). These are programs that provide for State reimbursement of annual debt service on general obligation or revenue pledges of municipalities. The State may choose not to fund these programs in part or whole without any impact on the State of Alaska's credit rating.

The Department of Education and Early Development (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% of the debt service on general obligation bonds issued for school construction. All underlying municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment. On April 7, 2015, Senate Bill 64 passed into law, which rescinded approvals for any application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015 (retroactive from SB64 passage date), but before July 1, 2020. On March 24, 2020, House Bill 106 passed into law, which extended the moratorium from July 1, 2020, through July 1, 2025.

Since 1983, the SDRP has been partially funded eleven times, most recently in fiscal year 2017 at approximately 79 percent of the authorized amount, in fiscal year 2020 at 50 percent of the authorized amount, in fiscal year 2021 at zero percent of the authorized amount, in fiscal year 2022 at approximately 42 percent of the authorized amount, and then in the enacted fiscal year 2026 budget at an amount estimated by DEED to be 70 percent of the authorized amount. A fiscal year 2022 supplemental appropriation offset prior fiscal year reductions in authorized amounts for fiscal year 2017, and for fiscal years 2020-2022. The fiscal year 2023 through 2025 budgets included a fully funded SDRP.

The Department of Transportation and Public Facilities (DOTPF) and the Alaska Energy Authority (AEA) administers the TIDSRA which was created by law in 2002. The program currently includes University of Alaska revenue bonds, six municipalities' general obligation bonds, and one electric association revenue bond. The program provides for 100% reimbursement of a limited number of municipal transportation and infrastructure related projects. The underlying municipal bonds are issued as either general obligation bonds or utility revenue bonds providing the ultimate source of payment commitment. This was a one-time authorization, and no additional authorizations have been proposed. Other than certain reimbursements for the University of Alaska, no funding was provided in the fiscal year 2020 through 2022 budgets. The enacted fiscal year 2026 budget included a fully funded TIDSRA.

While the SDRP and the TIDSRA have been partially funded or not funded in certain fiscal years, the statutorily allowed reimbursements are still reflected as state subject to appropriation obligations in historical fiscal year balances and future year payment commitments within this publication.

As of June 30, 2025, state supported municipal debt was approximately \$327.6 million as shown in Table 1.1. This is a decrease of \$51.5 million from June 30, 2024. The decrease is attributed to debt retirement during the fiscal year.

#### ***F. State Moral Obligation Debt***

This type of debt consists of bonds issued by State agencies which are secured, in part, by a reserve fund to which is attached a discretionary replenishment provision. Such a reserve fund is typically called a capital reserve fund. The discretionary replenishment provision typically reads:

The chairman of the authority (or corporation) shall annually, no later than January 1 (or, January 30<sup>th</sup> depending on the underlying authority (or corporation)), certify in writing to the Governor and the Legislature the amount, if any, required to restore the capital reserve fund to the capital reserve fund requirement. The Legislature may appropriate to the authority (or corporation) the amount certified by the chairman of the authority (or corporation). Nothing in this section creates a debt or liability of the state.

A capital reserve fund is generally equal in size to the maximum amount of debt service required in any year. Alaska's discretionary replenishment provision means that if the reserve fund should fall below its required level, the State Legislature may, but is not legally required to, appropriate funds sufficient to restore the capital reserve fund to its required level. The most likely reason that such a reserve fund would fall short of the required level is if agency revenues were insufficient to meet a given debt service payment and the reserve fund had to be used to make the payment.

The authority to issue moral obligation bonds is provided in varying amounts and purpose in the enabling legislation of Alaska Aerospace Corporation, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Student Loan Corporation, Alaska Municipal Bond Bank Authority, Alaska Energy Authority, and the Interior Gas Utility. Current outstanding moral obligation debt is limited to the Alaska Municipal Bond Bank Authority, and the Alaska Energy Authority.

As of June 30, 2025, State Moral Obligation Debt was \$1,112.9 million, as shown in Table 1.1. This is a decrease of \$66.7 million from June 30, 2024. The net decrease is attributed to total debt retirement during the fiscal year greater than newly issued debt, as well as the refinancing of existing debt.

#### **G. State Revenue and University Debt**

This type of debt issued by the State on behalf of political subdivisions of the State or by the University of Alaska is secured only by revenues derived from the issuing enterprise. Revenue Debt is not a general obligation of the State or the University and does not require voter approval. Such debt is authorized by law and issued by the University or by the State Bond Committee. This type of debt includes International Airports Revenue Bonds, Clean Water and Drinking Water Fund Revenue Bonds (or Notes), various University Revenue Bonds and Notes, and Toll Facilities Revenue Bonds. While the State hasn't issued any long-term Clean Water or Drinking Water Fund Revenue Bonds, it does undertake an annual overnight note borrowing to provide for operational goals of the Funds.

As of June 30, 2025, State Revenue and University Debt was \$440.5 million, as shown in Table 1.1. This is a decrease of \$16.2 million from June 30, 2024. The net decrease is attributed to debt retirement during the fiscal year, as well as the refinancing of existing debt.

#### **H. 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. The 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. The State has, however, in the past appropriated funds to subsidize the interest rate to the underlying borrowers in the case of certain AHFC debt listed as State Agency Debt in Table 1.1.

Nevertheless, if default was threatened on any such State Agency Debt, there is some possibility the State would provide relief. The ties between these agencies and the State -- such as their statutory origin and authority, subjection to the executive budget act and State contracting procedures, cabinet membership on boards, legislative approval of bond issuances, and, most fundamentally, achievement of their missions as a political goal of the State -- may mean that the State would consider providing support for such debt even though it has no legal requirement to do so. A default on any State Agency Debt may affect interest costs on unrelated State and State Agency and certain municipal debt.

The exception to any expectation of State response in the event of a default is the Tobacco Settlement Asset Backed Bonds issued by the Northern Tobacco Securitization Corporation. These bonds were deliberately structured without any implication of State support to divest the State of a portion of its position with the settlement. Investors in these bonds have received a commensurately higher yield than for other types of State Agency Debt.

As of June 30, 2025, State Agency Debt was \$1,605.4 million, as shown in Table 1.1. This is an increase of \$140.6 million from June 30, 2024. The net increase is attributed to newly issued debt that was greater than total debt retirement during the fiscal year.

### ***I. State Agency Collateralized or Insured Debt***

As security for this type of debt, the State agency pledges mortgage loans or other securities which may be 100% insured or guaranteed by another party of superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost. It also makes very remote any likelihood of the State having to consider assumption of responsibility for the debt. The details of such debt are explained in the section on AHFC.

As of June 30, 2025, State Agency Collateralized or Insured Debt was \$1,335.9 million, as shown in Table 1.1. This is an increase of \$43.4 million from June 30, 2024. The net increase is attributed to newly issued debt that was greater than total debt retirement during the fiscal year.

### ***J. Municipal Debt***

There are five categories of municipality in Alaska including home rule city, general law city, home rule borough, general law borough, and unified municipality.

Using the most recent data available, Alaska municipalities had approximately \$2.3 billion in general obligation bonds outstanding as of June 30, 2025. This is an increase of approximately \$110.0 million from June 30, 2024. Alaska municipalities' general obligation debt has remained below its peak of approximately \$2.7 billion reached in 1986. Please see Table 4.4 for history and additional footnotes on municipal reporting.

In addition to general obligation debt that is supported by local taxes, cities and boroughs may issue debt that is supported by the revenues generated by the project financed through the issuance of debt. As of June 30, 2025, approximately \$1 billion in municipal revenue bonds were outstanding. This is an increase of approximately \$157.0 million from June 30, 2024. The net increase is attributed to newly issued debt that was greater than total debt retirement during the fiscal year.

**TABLE 1.1**  
**State and State Agency Debt by Type at 6/30/25**  
\$ (millions)

	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
<b>State Debt</b>			
State of Alaska General Obligation Bonds	\$ 468.8	\$ 131.1	\$ 599.9
<b>State Guaranteed Debt</b>			
Alaska Housing Finance Corporation Collateralized Bonds (Veterans' Mortgage Program)	\$ 156.7	\$ 102.3	\$ 259.0
<b>State Supported Debt</b>			
Certificates of Participation	\$ 10.3	\$ 1.3	\$ 11.6
Lease Revenue Bonds with State Credit Pledge and Payment	119.2	23.9	143.1
<b>Total State Supported Debt</b>	<u>\$ 129.5</u>	<u>\$ 25.2</u>	<u>\$ 154.7</u>
<b>State Supported Municipal Debt</b>			
State Reimbursement of Municipal School Debt Service	\$ 319.0	\$ 51.4	\$ 370.4
State Reimbursement of capital projects	<u>8.6</u>	<u>1.3</u>	<u>9.9</u>
<b>Total State Supported Municipal Debt</b>	<u>\$ 327.6</u>	<u>\$ 52.7</u>	<u>\$ 380.3</u>
<b>Pension System Unfunded Actuarial Accrued Liability (UAAL)<sup>1</sup></b>			
Public Employees' Retirement System UAAL	\$ 3,147.0	\$ N/A	\$ 3,147.0
Teachers' Retirement System UAAL	<u>745.0</u>	<u>N/A</u>	<u>745.0</u>
<b>Total UAAL</b>	<u>\$ 3,892.0</u>	<u>\$ N/A</u>	<u>\$ 3,892.0</u>
<b>State Moral Obligation Debt</b>			
Alaska Municipal Bond Bank:			
2005 & 2016 General Resolution General Obligation Bonds	\$ 917.0	\$ 382.4	\$ 1,299.4
Alaska Energy Authority:			
Power Revenue Bonds #1 through #11	195.9	170.8	366.7
<b>Total State Moral Obligation Debt</b>	<u>\$ 1,112.9</u>	<u>\$ 553.2</u>	<u>\$ 1,666.1</u>
<b>State Revenue Debt</b>			
International Airports Revenue Bonds	\$ 204.7	\$ 60.9	\$ 265.6
<b>University of Alaska Debt</b>			
University of Alaska Revenue Bonds	\$ 205.5	\$ 81.5	\$ 287.0
University Lease Liability and Notes Payable	<u>30.3</u>	<u>16.6</u>	<u>46.9</u>
<b>Total University of Alaska Debt</b>	<u>\$ 235.8</u>	<u>\$ 98.1</u>	<u>\$ 333.9</u>
<b>Total State Revenue and University Debt</b>	<u>\$ 440.5</u>	<u>\$ 159.0</u>	<u>\$ 599.5</u>
<b>State Agency Debt</b>			
Alaska Housing Finance Corporation:			
Commercial Paper	\$ 128.2	\$ N/A	\$ 128.2
State Capital Project Bonds II	1,227.3	616.7	1,844.0
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.0	1.2	10.2
Alaska Railroad	-	-	-
Northern Tobacco Securitization Corporation			
Tobacco Settlement Asset-Backed Bonds <sup>2</sup>	240.9	419.2	660.1
<b>Total State Agency Debt</b>	<u>\$ 1,605.4</u>	<u>\$ 1,037.1</u>	<u>\$ 2,642.5</u>
<b>State Agency Collateralized or Insured Debt</b>			
Alaska Housing Finance Corporation:			
Home Mortgage Revenue Bonds	\$ 410.5	\$ 139.6	\$ 550.1
General Mortgage Revenue Bonds II	876.9	505.5	1,382.4
Governmental Purpose Bonds	48.5	5.8	54.3
<b>Total State Agency Collateralized or Insured Debt</b>	<u>\$ 1,335.9</u>	<u>\$ 650.9</u>	<u>\$ 1,986.8</u>
<b>Total State and State Agency Debt</b>	<u>\$ 9,469.3</u>	<u>\$ 2,711.5</u>	<u>\$ 12,180.8</u>

**TABLE 1.1 (Continued)**  
**State and State Agency Debt by Type at 6/30/25**

	\$ (millions)	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
<b>Municipal Debt</b>				
<i>School G.O. Debt</i>	\$	477.7	\$	N/A
<i>Other G.O. Debt<sup>3</sup></i>		1,833.3		N/A
Revenue Debt		1,030.8		N/A
<b>Total Municipal Debt</b>	\$	3,341.8		
<b>Debt Reported in More than One Category</b>				
Less: State Reimbursable Municipal Debt and Capital Leases	\$	(127.8)		
Less: State Reimbursable Municipal School G.O. Debt		(319.0)		
Less: Alaska Municipal Bond Bank debt included in University debt		(73.4)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt		(735.8)		
<b>Total Deductions Due to Reporting in More than One Category</b>	\$	(1,256.0)		
<b>Total Alaska Public Debt<sup>4</sup></b>	<b>\$</b>	<b>11,555.1</b>	<b>\$ 2,711.5</b>	<b>\$ 14,266.6</b>

NOTES

1. From most recent 6/30/2024 actuarial valuation. See Table 5.3 for a detailed summary of the Retirement System's Funding Levels.
2. "Interest to Maturity" and "Total Debt Service to Maturity" includes accrued interest due at maturity of \$335.7 million
3. 'Other G.O. Debt' includes information sourced from the Office of the State Assessor, and certain municipal ACFRs, when available
- Sources: Annual reports and financial statements of AHFC, AMBBA, AIDEA, AEA, UofA, AKRR, AIAS (Preliminary), and other State Agencies, and certain preliminary estimates are used where financial statements are preliminary or unaudited.
4. Interest to maturity listed for Total Alaska Public Debt includes State and State Agency Debt

## II. Issuers of Alaska Public Debt

In Section I, the nine types of Alaska public debt are described. In this section, the issuers of Alaska public debt are described. Issuers include the State, State Agencies, the University, and Municipalities.

As of June 30, 2025, total public debt of Alaska issuers stood at approximately \$11.6 billion. This is a decrease of approximately \$72.1 million from June 30, 2024. The net decrease is mostly attributed to decreases to pension system UAAL since the June 30, 2023, actuarial valuation, partially offset by total debt retirement and new issuance during the fiscal year. The debt by issuer is broken out as follows:

	\$ (millions)
State of Alaska GO Debt	468.8
State Guaranteed Debt	156.7
State Supported Debt	129.5
State Supported Municipal Debt	327.6
State Supported Unfunded Pension Liability	3,892.0
State Moral Obligation Debt	1,112.9
State Revenue and University Debt	440.5
State Agency Debt	2,941.3
Municipal Debt	3,341.8
Less duplicate reporting *	(1,256.0)
 Total Alaska Public Debt	 <u>\$ 11,555.1</u>

\*Approximately \$735.8 million of Alaska Municipal Bond Bank debt was issued to purchase municipal debt. In addition, approximately \$73.4 million remains outstanding from the purchase of University of Alaska debt. This total also includes approximately \$319.0 million of State reimbursable debt, and approximately \$127.8 million in Capital Leases and other municipal debt.

#### **A. State of Alaska**

State debt may include general obligation bonds, revenue anticipation notes, state supported debt, International Airport System revenue bonds, sport fish revenue bonds, and toll facility revenue bonds. AS 37 Chapter 15 creates and empowers the State Bond Committee to issue these State debt obligations.

##### **1. General Obligation Debt**

Tables 2.1-2.5 below summarize the State's general obligation debt issued and outstanding.

**TABLE 2.1**  
**General Obligation Bonds Annual Debt Service**

Balance Outstanding at 6/30/25	\$ (thousands)			Payments Made During Year Ending 6/30/25
	Principal	Interest	Total	
\$ 468,800	\$ 41,280	\$ 22,941	\$ 64,221	

Source: Department of Revenue Bond Documents

**TABLE 2.2**  
**General Obligation Bonds Authorized, Issued, and Outstanding Since 1996**  
\$ (thousands)

Fiscal Year	Authorized	Authorization Issued	Remaining Authorization	Outstanding at 6/30
1996	\$ -	\$ -	\$ -	\$ 39,101
1997	-	-	-	24,206
1998	-	-	-	10,891
1999	-	-	-	2,376
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	463,525	461,935	1,590	461,935
2004	-	-	-	461,935
2005	-	-	-	438,370
2006	-	-	-	414,250
2007	-	-	-	389,505
2008	-	-	-	364,065
2009*	315,050	165,000	-	502,845
2010	-	-	-	475,740
2011	397,200	201,110	-	643,770
2012	-	-	-	575,825
2013	453,499	343,151	-	840,249
2014	-	28,878	-	803,790
2015	-	1,009	-	744,160
2016	-	161,157	-	823,235
2017	-	-	-	776,785
2018	-	-	-	724,415
2019	-	-	-	670,060
2020	-	-	-	624,905
2021	-	110,352	-	662,975
2022	-	-	-	621,875
2023	-	-	-	577,240
2024	-	-	-	523,535
2025	-	-	-	468,800
<b>Total*</b>	<b>\$ 1,629,274</b>	<b>\$ 1,472,592</b>	<b>\$ 1,590</b>	<b>\$ 468,800</b>

\* In FY 2012 the State Legislature appropriated \$150,050,000 to fund the FY 2009 authorization, extinguishing this remaining bond issuance authority  
Source: Department of Revenue Bond Documents

**TABLE 2.3**  
**General Obligation Bond Sales Since 1996**

Date of Bonds	Average Life (Years)	True Interest Rate	Underlying Ratings at Issuance; Moody's/Standard & Poor's/Fitch Ratings
April 1, 2003	9.09	3.84%	Aa2/AA/AA
April 14, 2009	12.22	4.06%	Aa2/AA+/AA
December 7, 2010	16.07	2.77%	Aaa/AA+/AA+
February 8, 2012	5.87	1.21%	Aaa/AAA/AA+
January 15, 2014	8.99	1.44%	Aaa/AAA/AAA
March 27, 2013	0.99	0.09%	MIG1/SP-1+/F1+
March 24, 2014	0.99	0.09%	MIG1/SP-1+/F1+
March 19, 2015	0.99	0.15%	MIG1/SP-1+/F1+
April 9, 2015	10.20	2.38%	Aaa/AAA/AAA
March 17, 2016	11.14	3.02%	Aa1/AA+/AAA
June 30, 2016	11.37	2.76%	Aa1/AA+/AA+
August 5, 2020*	11.60	1.97%	Aa3/AA-

\*Ratings at issuance obtained from Moody's and Standard & Poor's  
 Source: Department of Revenue Bond Documents

**TABLE 2.4**  
**Original Issue General Obligation Bond Issues Since 1996**  
 \$ (thousands)

Date of Bonds	Purpose	Issued Par	New Funding	TIC
April 1, 2003	Various	\$ 461,935	\$ 461,935	3.84%
April 14, 2009	Transportation	165,000	165,000	4.06%
Dec. 7, 2010	Education	200,000	200,000	2.77%
Jan. 23, 2013	Education	162,480	162,480	1.44%
March 27, 2013*	Transportation	149,645	152,107	0.09%
March 24, 2014*	Transportation	170,000	28,878	0.09%
March 19, 2015*	Transportation	155,215	1,009	0.15%
April 9, 2015***	Transportation	94,425	-	2.38%
March 17, 2016**	Transportation	134,790	5,887	3.02%
June 30, 2016	Transportation	128,300	155,637	2.75%
August 5, 2020	Transportation	84,560	110,352	1.97%
<b>Total</b>		<b>\$ 1,906,350</b>	<b>\$ 1,443,285</b>	

Source: Department of Revenue Bond Documents

\* Bond Anticipation Notes

\*\* Refinanced Bond Anticipation Note with Long-term Bonds

\*\*\*Refunded a portion of the 2009A bonds

**TABLE 2.5**  
**General Obligation Debt**  
**Issued by Purpose Since Statehood**  
\$ (thousands)

Purpose	Authorization Issued	Percentage
Transportation	\$ 1,386,973	48.2%
Education	1,021,122	35.5%
Water and Sewer	135,640	4.7%
Fish, Game, and Recreation	93,099	3.2%
Public Safety (Fire and Corrections)	86,544	3.0%
Flood Control and Harbor Development	75,790	2.6%
Health and Housing	75,534	2.6%
<b>Total</b>	<b>\$ 2,874,702</b>	<b>100.0%</b>

Source: Department of Revenue Bond Documents

## 2. Revenue Anticipation Notes (RAN's)

There are no RAN's outstanding.

## 3. State Supported Debt

State Supported Debts are obligations authorized by a specific stand-alone law of the State, passed for the purpose of obligating the State and payable by the State. These obligations may take the form of a Lease-purchase agreement. A September 4, 2020, decision of the Alaska Supreme Court impacted the ability to issue obligations secured by a State general fund funding commitment on a toll project, or a State general fund funding commitment on a contract.

The currently outstanding State Supported Debt is limited to certificates of participation and lease-purchase obligations facilitated through political subdivisions. The lease payments being subject to annual appropriations precludes the obligations from being considered State debt under the Constitution and thus not requiring voter approval. However, because the debt obligations are paid from the State's General Fund, these obligations are counted by the rating agencies in measuring the State's debt burden.

### a. Certificates of Participation (COPs)

Certificates of participation (COPs) are obligations based on fractional interests or shares in lease payments from lessees, in this case the State, and are sold to finance construction or purchase of the leased facilities. The State issues COPs by utilizing a trustee to hold a title position to the property and serve as lessor. COPs are payable solely from the annual lease payments made by the State.

### b. Capital Leases

The State is a lessee in two facilities that qualify as capital leases and have associated lease financing, the Linny Pacillo parking garage is financed by general obligation bonds of the Alaska Housing Finance Corporation (AHFC) and the Goose Creek Correctional Facility is financed by lease revenue bonds of the Matanuska-Susitna Borough. In these financings, legislation authorized the leases to be pledged as security, and while AHFC chose to secure their issue by a general obligation pledge, the State is committed to funding the leases. The State will acquire the Linny Pacillo parking garage and the Goose Creek Correctional Facility at the term of the leases. Accordingly, the financings qualify as lease-purchases from an accounting, credit, or federal tax standpoint. In other state facility leases, the leases are not authorized by independent law, the state's credit is not pledged, and while they may be considered capital leases under accounting definitions, they do not qualify as lease-purchases and are not included as State Supported Debt.

The following Table 2.6 summarizes issued and outstanding COPs.

**TABLE 2.6**  
**State of Alaska Lease-Purchase Financings**  
**Outstanding \$ (thousands)**

<u>Certificates of Participation (COPs)</u>			
			6/30/2025
	Date of Bonds	Amount Issued	Principal to Maturity
ANTHC Housing Facility Project 2014	9/17/2014	\$ 30,895	\$ 10,250
<b>Total Certificates of Participation</b>		<u>\$ 30,895</u>	<u>\$ 10,250</u>

Source: Department of Revenue Bond Documents

**c. State Support Funding Commitment to Toll Project**

In April 2014, AS 37 Chapter 16 was enacted creating the Knik Arm Crossing project in the Alaska Department of Transportation and Public Facilities. The Legislation provided for the Department of Transportation to enter into a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and for the Department of Revenue to issue up to \$300 million of state supported subordinate lien toll bridge revenue bonds. Given the green field nature of this project there is a 100% expectation of insufficient toll revenue to cover debt service and the State's general fund having to make debt payments for at least 7 to 10 years, and longer if traffic forecasts aren't realized. Based on the September 4, 2020, decision of the Alaska Supreme Court this statutory construct is invalid.

**d. State Support Funding for Public Corporations**

In 2008, AS 37 Chapter 16 was enacted creating the Pension Obligation Bond Corporation (POBC) for the purpose of issuing bonds for up to \$5 billion for the prepayment of UAAL of the retirement systems. The POBC bonds would have been considered State Supported debt as they would be secured by agreements with other state agencies that are subject to annual appropriation. In 2018, the POBC bond limit was reduced to \$1.5 billion. Based on the September 4, 2020, decision of the Alaska Supreme Court this statutory construct is invalid.

In 2018, AS 37 Chapter 18 was enacted creating the Alaska Tax Credit Certificate Bond Corporation (ATCCBC) for the purpose of selling bonds for up to \$1 billion to provide for the purchase of certain State of Alaska tax credits. The ATCCBC bonds would have been considered State Supported debt as they would be secured by agreements with other state agencies that are subject to annual appropriation. A legal challenge on the State Constitutionality of the ATCCBC was filed and ultimately delayed the potential for bond issuance. Based on the September 4, 2020, decision of the Alaska Supreme Court this statutory construct is invalid.

**4. State Supported Unfunded Actuarial Assumed Liability (UAAL)**

The State's 2015 Comprehensive Annual Financial Report released on February 1, 2016, implemented the Governmental Accounting Standards Board Statement 68 (GASB 68) updating the reporting and disclosure requirements related to pension liabilities. One of the requirements of GASB 68 is that if a government is committed to making payments on an unfunded actuarially assumed liability (UAAL) on behalf of another entity, the amount of liability supported by those payments must be reported as a debt of the government making the payments. Senate Bill 125 passed in 2008 commits the State to funding the difference between specific employer contributions of 22% for the Public Employees Retirement System and 12.56% for the Teachers Retirement System and the actuarially determined employer contribution rate. While TRS funding is arguably a State responsibility, this debt would be found primarily on local school districts' balance sheets if SB 125 was not in place. Under GASB 68 the State's payment commitment increased the State of Alaska's long-term debt by \$5,801 million to \$8,473 million as of June 30, 2015, compared to \$2,672 million as of June 30, 2014.

Projected annual payments, from the most recent adopted June 30, 2024, actuarial valuation report, for the contribution of the State on behalf of the employers' ranges from approximately \$182.5 million in fiscal year 2025 to \$345.1 million in fiscal year 2039. These projections are reflected in Table 2.7.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. The ARM Board completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used (starting) in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and the assumption was included within the June 30, 2022, actuarial valuation reports. The actuarial assumptions will be analyzed next for the period July 1, 2021, to June 30, 2025.

On June 12, 2024, the ARM Board adopted actuarial methodology changes related to the employer contribution interest accrual by (i) adding a half year interest adjustment to the normal cost and unfunded liability amortizations that are used to calculate the actuarially determined contribution rates for PERS and TRS; and (ii) backing out the half year interest adjustment when calculating additional State contributions since they are generally contributed at the beginning of each fiscal year, thereby allowing the systems to fund the half year interest loss from the employer contributions in the year the loss occurs, rather than funding the loss over 25-years.

Effective July 1, 2021, Senate Bill 55 (SB 55), an Act relating to employer contributions to the System, made changes to Alaska Statute (AS) 39.35.255 that indicated the State of Alaska, as a participating employer, shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (HRA) and AS 39.35.750 (all DCR costs – employer match, ODD, RMP), and past service costs for members at the contribution rate adopted by the Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, will pay the full actuarial determined employer contribution rate adopted by the Board for each fiscal year.

As of the June 30, 2025, PERS and TRS Financial Statements & Supplemental Schedules, the PERS net position had improved by approximately \$1.9 billion and the TRS net position had improved by approximately \$728.4 million from fiscal year 2024. In comparison, as of June 30, 2024, the PERS net position improved by approximately \$1.4 billion and the TRS net position improved by \$498.5 million from fiscal year 2023.

The PERS and TRS OPEB trusts are reflected as being overfunded. The pension trusts still reflect an UAAL of approximately \$3.1 billion for PERS and \$745 million for TRS. If the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately \$1,821,719,000 and the net TRS pension liability by approximately \$819,577,000 (PERS and TRS Financial Statements & Supplemental Schedules, as of June 30, 2025). The State Statutory Liability for retirement system UAAL provided in Table 2.7 is derived from the most recent (adopted) PERS and TRS actuarial valuation reports, as of June 30, 2024.

**TABLE 2.7**  
**State of Alaska**  
**State Statutory Liability for Retirement System UAAL**  
**PERS and TRS Actuarial Valuation Reports**  
**As of 6/30/2024 (\$millions)**

Fiscal Year	Assuming Invested Funds Earn 7.25%
2025	182.5
2026	218.8
2027	257.7
2028	260.7
2029	264.3
2030	270.8
2031	277.3
2032	284.6
2033	292.3
2034	300.5
2035	308.9
2036	317.5
2037	326.5
2038	335.1
2039	345.1
2040-2047	25.2

Source: From most recent 6/30/2024 PERS and TRS actuarial valuations

## 5. Municipal Debt Eligible for State Reimbursement

Per Alaska Statute 29.60.700, “Reimbursement for costs of municipal capital projects,” the state shall allocate payment to municipalities for the reimbursement of qualified debt service issued to fund authorized municipal capital projects. This program is administered by the Department of Transportation and Public Facilities and is commonly referred to as the Transportation and Infrastructure Debt Service Reimbursement Authorization (TIDSRA). For these capital project reimbursements, funding is subject to appropriation, and other than certain reimbursements for the University of Alaska, no funding was provided in the fiscal year 2020 through 2022 budgets. The enacted fiscal year 2026 budget included a fully funded TIDSRA.

Per Alaska Statute 14.11.100, “State aid for costs of school construction debt,” the state shall allocate payment to municipalities for the reimbursement of qualified debt service issued to fund authorized school district capital projects. This program is administered by the State of Alaska’s Department of Education and Early Development and is commonly referred to as the School Debt Reimbursement Program (SDRP).

The SDRP has existed since 1970 and provides varying levels of municipal reimbursement for qualified school construction projects’ debt service from the State’s general fund. For the SDRP, funding is also subject to annual appropriation and partial funding has been appropriated in fiscal years 1983, 1986 through 1991, 2017, 2020, and 2022. The budget for fiscal year 2021 reduced funding by 100%, and for fiscal year 2022 funding was approximately 42%. A fiscal year 2022 supplemental appropriation offset prior fiscal year reductions in authorized amounts for fiscal year 2017, and for fiscal years 2020-2022. The fiscal year 2023 through 2025 budgets included a fully funded SDRP. The enacted fiscal year 2026 budget reduced funding to an amount

estimated by DEED to be 70 percent of authorized entitlements. In fiscal years where partial or no reimbursements are appropriated, debt service is paid by municipal revenues at the local level.

The State is not obligated to appropriate the full amount of the entitled under statute nor contractually obligated to consider doing so. When amounts are insufficient, such as in recent fiscal years 2017 (79% of entitlement), 2020 (approximately 50% of entitlement), 2021 (0% of entitlement), 2022 (approximately 42% of entitlement), and 2026 (approximately 70% of entitlement) if there are available funds in that fiscal year, they are allocated pro-rata among the eligible school districts. This does not jeopardize the security of the debt, because the full faith, credit and taxing power of the issuing community is behind it. The program has been funded at the percent of entitlement shown in Table 2.8. Offsets to prior fiscal year reductions are noted beneath the table.

**TABLE 2.8**  
**Proration of State Reimbursement of**  
**Municipal School Debt**

Fiscal Year	\$ (thousands) as of 6/30/2025 Payments (2000-2025) or Enacted Appropriations (2026)	Percent of Entitlement
2000	64,350	100%
2001	52,099	100%
2002	54,057	100%
2003	51,973	100%
2004	60,593	100%
2005	72,025	100%
2006	81,095	100%
2007	86,924	100%
2008	91,103	100%
2009	93,319	100%
2010	95,789	100%
2011	99,594	100%
2012	100,908	100%
2013	112,300	100%
2014	109,801	100%
2015	118,026	100%
2016	116,739	100%
2017**	90,677	79%*
2018	111,653	100%
2019	105,023	100%
2020**	47,987	50%
2021**	-	0%
2022**	34,950	42%
2023	77,572	100%
2024	66,123	100%
2025	56,335	100%
2026	34,882	70%

Source: State of Alaska, Department of Education  
& Early Development

\* Last partially funded in 1991 at 94%

\*\* Through a FY2022 supplemental appropriation, entitlements were backfilled for prior fiscal years, up to approximately 100% (FY2017, FY2020-2022)

Rating agencies analyze reimbursement of local school debt in different ways. All analysts recognize that the State's commitment to debt service reimbursement is subject to appropriation annually. Historically, the State has not always appropriated the amount eligible for reimbursement and there have been examples across the country where reimbursement of local debt has been reduced and eliminated. Further, the communities participating in the program are required to issue general obligation bonds which they are fully obligated to repay. To the extent that the state continues to appropriate, analysts recognize that in general, greater debt capacity does exist at the local level as a result of the reimbursement, and that less debt capacity exists at the State level for similar reasons.

#### ***B. International Airport System Revenue Bonds***

Bonds have been issued to finance improvements to the State's Alaska International Airports System (AIAS) and are secured by a first lien on gross revenues derived from AIAS operations. The Commissioner of Transportation and Public Facilities is required by bond resolution to fix and collect fees, charges, and rentals for the use of facilities of the International Airports sufficient each year to provide adjusted net revenues at least equal to 125 percent of debt service requirements during that year. Table 3.0 indicates that over the reporting period presented, adjusted net revenues have exceeded the amount required to pay debt service. In 2023, the State entered into new rate and fee agreements with air carriers using the airports. The rents and fees calculated according to the agreements are airline terminal building rental rates, landing fees, international terminal docking fees, passenger loading bridge fees, and charges relating to federal inspection services. The agreements also establish procedures for review and adjustment of airline rents and fees for each fiscal year to ensure that revenues are sufficient to meet operations and maintenance expenses, debt service requirements of the revenue bonds and other funding requirements established by the resolution authorizing issuance of the revenue bonds.

The State's AIAS issued approximately \$118.0 million in Series 2025A (January 23, 2025), and Series 2025B (Forward Delivery, July 8, 2025) revenue refunding bonds to refund \$135.9 million of outstanding Series 2016A and Series 2016B revenue bonds. The overall transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$8.9 million.

The following Tables 2.9 and 3.0 provide additional information on the Airport Revenue Bonds.

**TABLE 2.9**  
**International Airports System**  
**Debt Issued and Outstanding**  
\$ (thousands)

Revenue Bonds	Issuance Status	Date	Amount Issued	6/30/25	(%)	Interest Rate	Final Maturity
Series 1999 A	AMT	1/15/1999	\$ 162,500	\$ -	5.00	5.00	10/1/2024
Series 1999 B <sup>(1)</sup>	Non-AMT	1/15/1999	16,675	-	4.60	4.60	10/1/2015 <sup>(1)</sup>
Series 1999 C	Non-AMT	10/1/1999	25,000	-	6.22	6.22	10/1/2024
Series 2003 A	AMT	12/3/2003	73,025	-	5.00	5.00	10/1/2024
Series 2003 B	Non-AMT	12/3/2003	21,900	-	5.00	5.00	10/1/2028
Series 2006 A	AMT	12/3/2003	118,975	-	5.00	5.00	10/1/2022
Series 2006 B	Non-AMT	12/3/2003	70,760	-	5.00	5.00	10/1/2027
Series 2006 D <sup>(1)</sup>	Non-AMT Refinance	12/3/2003	104,860	-	5.00	5.00	10/1/2027
Series 2009 A <sup>(2)</sup>	Non-AMT	1/6/2009	50,000	-	variable	variable	10/1/2030
Series 2010 A	AMT	9/29/2010	117,270	-	5.00	5.00	10/1/2027
Series 2010 B	Non-AMT	9/29/2010	21,685	-	5.00	5.00	10/1/2018
Series 2010 C <sup>(2)</sup>	Non-AMT	9/29/2010	12,565	-	5.00	5.00	10/1/2033
Series 2010 D	Taxable	9/29/2010	19,540	-	6.28	6.28	10/1/2035
Series 2016A	Non-AMT	2/10/2016	73,635	23,755	5.00	5.00	10/1/2031
Series 2016B	Non-AMT	7/6/2016	82,495	38,095	5.00	5.00	10/1/2035
Series 2016C	AMT	2/10/2016	11,220	-	5.00	5.00	10/1/2023
Series 2016D	AMT	7/6/2016	8,510	-	5.00	5.00	10/1/2020
Series 2021A	Non-AMT	8/26/2021	11,710	11,710	5.00	5.00	10/1/2035
Series 2021B	Non-AMT	8/26/2021	7,460	7,460	5.00	5.00	10/1/2032
Series 2021C <sup>(3)</sup>	AMT	8/26/2021	66,340	55,970	5.00	5.00	10/1/2030
Series 2025A <sup>(4)</sup>	Non-AMT	1/23/2025	67,750	67,750	5.00	5.00	10/1/2035
Series 2025B <sup>(4,5)</sup>	Non-AMT	7/8/2025	-	-	5.00	5.00	10/1/2035
<b>Total Bonds</b>			<b>\$ 1,143,875</b>	<b>\$ 204,740</b>			

(1) The 2006 D bonds refunded portions of the 1999 B bonds shortening the final maturity

(2) The 2009A bonds, which refinanced the previous AMT 2006C bonds, and the 2010 C bonds, were issued as Non-AMT as allowed by the Amercian Recovery and Reinvestment Act of 2009.

(3) The 2021ABC bonds refunded for savings, defeased, and optionally redeemed with available funds of the system the 1999A, 2006A, 2009A, 2010A, 2010C, and 2010D bonds.

(4) The Series 2025AB bonds refunded for savings the Series 2016A and 2016B bonds.

(5) The Series 2025B (Forward Delivery) Bonds closed on 7/8/2025, with par amount of \$50,210,000.

Source: State of Alaska, International Airports System.

**TABLE 3.0**  
**International Airports System Net Revenues and Debt Service Coverage Ratios**

Fiscal Year	Net Revenue (\$ millions)	Debt Service (\$ millions)	Ratio
			Net Revenues to Debt Service <sup>1</sup>
1999	16.3	5.7	2.86
2000	18.9	4.8	3.94
2001	37.4	15.2	2.46
2002	30.5	15.2	2.01
2003	33.9	17.6	1.93
2004	33.0	22.1	1.49
2005	48.7	31.1	1.57
2006	43.7	32.4	1.35
2007	58.4	45.4	1.29
2008	62.7	49.1	1.28
2009	38.0	17.9	2.12
2010	52.6	35.4	1.48
2009	38.0	24.9	1.52
2010	51.3	24.6	2.09
2011	44.5	31.7	1.40
2012	41.6	31.2	1.33
2013	41.6	31.2	1.33
2014	51.6	41.2	1.25
2015	59.9	40.2	1.49
2016	60.2	40.4	1.49
2017	65.9	40.4	1.63
2018	67.2	31.1	2.16
2019	63.1	30.5	2.07
2020	75.7	29.7	2.55
2021	50.6	28.3	1.79
2022	33.9	17.1	1.98
2023	61.1	17.8	3.43
2024	75.3	21.2	3.55
2025**	78.5	27.6	2.84

(1) Required coverage of 1.3x until 1999, and 1.25x thereafter

\*\*2025 includes PRELIMINARY, unaudited numbers and are subject to change

Excludes debt service on bonds which are defeased

Source: State of Alaska, International Airports System Financial Statements

### **C. Toll Facilities' Revenue Bonds**

Legislation enacted in 1984 authorizes the issuance of State revenue bonds for toll bridges, tunnels, highways, roads, crossings, and causeways. Under AS 37.15.610, the maximum amount of toll facilities bonds that may be issued is \$500 million. No bonds have been issued. Legislative approval of bonds to be issued and an appropriation of bond proceeds are required before any project proceeds.

### **D. State Agencies (Alphabetically)**

#### **1. Alaska Aerospace Corporation**

The Alaska Aerospace Development Corporation was created in 1991 (subsequently renamed the Alaska Aerospace Corporation or 'AAC' in 2009) as a public corporation of the State. It was originally located for administrative purposes within the Department of Commerce and Economic Development before oversight moved to the Department of Military and Veterans Affairs. The AAC is affiliated with the University of Alaska but with a separate and independent legal existence. The purpose of the Corporation is to allow the State to take a lead role in the exploration and development of space, to enhance human and economic development, to provide a unified direction for space-related economic growth, education, tourism, research development, and improve the entrepreneurial atmosphere in the State.

The Corporation may issue moral obligation bonds and otherwise incur indebtedness in order to pay the cost of a project or projects to construct or improve launch facilities or other space and aerospace projects or in order to provide money for the Corporation's purposes. Original bond issues in excess of \$1,000,000 each calendar year must have legislative approval. In addition, legislative approval is required if the annual debt service on all outstanding bonds issued and bonds proposed to be issued exceeds \$1,000,000 in a fiscal year. The Corporation has not issued any bonds as of June 30, 2025.

## **2. Alaska Energy Authority**

The Alaska Energy Authority (AEA) was created by the Alaska State Legislature in 1976 to finance, construct, and operate power production and transmission facilities. In May of 1993, the Alaska Legislature passed a bill which set in motion a fundamental change in the State's role in energy programs and oversight of State-owned power projects.

In May of 1993, Governor Hickel signed legislation that substantially revised the duties and responsibilities of the independent corporate entity that was AEA and created a new Division of Energy within the Department of Community and Regional Affairs. Effective August 18, 1993, this new division took on the Authority's rural programs and planning as well as the responsibility and management for a number of small electrical and waste heat recovery systems located throughout Alaska. The Board of the Alaska Industrial Development and Export Authority (AIDEA) also became the Board of AEA and AEA's ability to have employees was eliminated. AEA continued to exist as a public corporation responsible for, among other things, its outstanding bonds, but its ability to construct and acquire projects was eliminated.

From 1993 through mid-1999, AEA existed for the purpose of owning and operating power production and transmission facilities with original costs in excess of \$1 billion. AEA's assets currently include the Bradley Lake hydroelectric project and the Alaska Intertie. The Four Dam Pool hydroelectric facilities (Swan Lake, Tyee Lake, Terror Lake and Solomon Gulch) were sold in January 2002. The Larsen Bay hydroelectric project was transferred to the City of Larsen Bay in September 2010.

Pursuant to legislation effective July 1, 1999, rural energy programs previously administered by the former Department of Community and Regional Affairs, Division of Energy, were transferred to AEA for administration as part of a larger reorganization of state agencies. Five general energy programs, including the rural energy programs originally part of AEA prior to the 1993 reorganization, comprising more than twenty smaller programs were moved to AEA. Effective July 14, 2011, the Legislature empowered AEA to acquire, construct, own and operate a hydroelectric project located on the Susitna River. Under this legislative authorization, AEA worked on planning, designing, and Federal Energy Regulatory Commission (FERC) licensing of the Susitna-Watana Hydroelectric Project. Pursuant to Administrative Order 271, AEA advanced the licensing process through the FERC's issuance of an updated Study Plan Determination on the environmental studies completed through 2015. The engineering feasibility study and economic analysis have been completed; FERC's updated Determination on the environmental work completed thus far was favorable to the State. The licensing effort is currently in abeyance. On February 21, 2019, Governor Michael Dunleavy issued Administrative Order (A) No. 309 which rescinded several AOs, including AO No. 271. However, AEA has not been directed to re-initiate the licensing process.

### **Debt Issued and Outstanding**

Legislation that became effective in August 1981 established an Energy Program for Alaska administered by AEA. Under the Energy Program, AEA was able to acquire or construct power projects with money appropriated by the Legislature to the Power Development Fund. Debt issued under the Energy Program was secured by power sales contracts which provided that each project constructed under the program bore charges to service the debt based on its pro-rata share of the construction costs of all projects of the program.

In 1982, AEA assumed \$44,858,858 of 5% mortgage notes payable to the Rural Electrification Association (REA) in connection with the Solomon Gulch hydroelectric project, the fourth dam in the Four Dam Pool. At the same

time that AEA assumed the REA debt, it deposited an amount with a trustee sufficient to defease the debt. As of June 30, 2017, there was no unpaid principal balance on the note and the trust assets were depleted.

AEA issued short-term debt in the amount of \$200 million to finance construction of three hydroelectric projects known as the Four Dam Pool Hydroelectric Projects under the Energy Program for Alaska. In 1984, a state appropriation was enacted to the Department of Commerce and Economic Development for a loan to AEA to refinance the short-term debt. A loan agreement eventually totaling \$192,847,000 was executed on September 27, 1984, to meet the maturities of the short-term debt.

Legislation enacted into law in 1985 exempted Four Dam Pool wholesale power rates from provisions of the Energy Program for Alaska that tie rates to total debt issued under the program. As a result, power sales agreements effective October 28, 1985, were signed that provided the means for AEA to repay the State loans.

A new loan agreement for \$187,480,249 effective concurrently with the power sales agreements was executed providing for repayment of State loans at approximately six percent interest with a 45-year term. On September 22, 1986, the State lent AEA an additional \$1 million under the loan agreement to reimburse local communities for their costs in negotiating the power sales agreements. The loan was secured by the hydroelectric facilities of the Pool and any AEA revenues from power sales from the facilities.

In January 2002, pursuant to legislation enacted in 2000 and 2001, the Four Dam Pool projects were sold to The Four Dam Pool Power Agency, a joint action agency. At the time of sale, the Agency's membership was composed solely of the utilities that purchase power from the Four Dam Pool projects. Under the terms of the Sale, the Agency was assigned all of AEA's interest and assumed all of AEA's obligations in the Four Dam Pool projects and the Power Sales agreement. As part of the transaction, the remaining balance of debt owed to the State was forgiven.

In 1991, a power sales agreement was signed between AEA and the City of Larsen Bay. Bonds totaling \$855,000 were issued to provide funds to complete the financing and construction of an earth filled dam to generate power for Larsen Bay. The bonds were secured by a letter of credit. In June 2002, all remaining outstanding bonds were defeased and the bonds were called on October 1, 2002.

In May 1992, AEA issued \$56,890,000 of tax-exempt bonds that allowed the City and Borough of Sitka (Sitka) to refinance its 1979 municipal bonds, resulting in significant debt service savings to Sitka. In November 1997, AEA issued \$22,080,000 of tax-exempt bonds to advance refund and defease \$20,145,000 of the Series 1992 bonds (collectively with the Series 1992 bonds, the Sitka Bonds). In December 2010, the Alaska Municipal Bond Bank issued bonds, the proceeds of which were used to refund and defease the Sitka Bonds. The Series 1992 Bonds were defeased. None of the defeased bonds remain outstanding. The Series 1997 bonds were called and redeemed in January 2011.

On November 20, 1985, \$267,500,000 of AEA bonds were issued to provide interim financing for a fifth project under the Energy Program for Alaska, the Bradley Lake hydroelectric project. The bonds were general obligations of the Authority and were secured by bank letters of credit and a capital reserve fund. The bonds were retired in fiscal year 1991.

Power Revenue Bonds, First and Second Series, were issued in September 1989 and August 1990, respectively. They were used to refund AEA's Variable Rate Demand Bonds for the long-term financing of the construction costs of the Bradley Lake Hydroelectric Project.

On April 6, 1999, AEA issued \$59,485,000 of Power Revenue Refunding Bonds, Third Series, for the purpose of refunding \$59,110,000 of the First Series Bonds. The refunded First Series Bonds were called on July 1, 1999. The Third Series matured and was paid off on July 1, 2017.

On April 13, 1999, AEA issued \$30,640,000 of Power Revenue Refunding Bonds, Fifth Series, for the purpose of refunding \$28,910,000 of the First Series Bonds. The refunded First Series Bonds were called on July 1, 1999.

The outstanding balance of the remaining First Series bonds was \$25,000 as of June 30, 2021, and had a maturity date of July 1, 2021.

On April 4, 2000, AEA issued \$47,710,000 of Power Revenue Refunding Bonds, Fourth Series, for the purpose of refunding \$46,235,000 of the Second Series Bonds. The refunded Second Series Bonds were called on July 1, 2000. The Fourth Series Bonds were secured by bond insurance. The outstanding balance of the Fourth Series Bonds was \$4,395,000 as of June 30, 2021, and had a maturity date of July 1, 2021.

In July 2010 AEA issued \$28,800,000 of Power Revenue Refunding Bonds, Sixth Series, to refund \$30,640,000 aggregate outstanding principal amount of the AEA Power Revenue Bonds, Fifth Series, and to pay costs of issuing the bonds. The refunded bonds were called on August 2, 2010. The outstanding balance of the Sixth Series Bonds was \$6,450,000 as of June 30, 2021, and had a maturity date of July 1, 2021.

In December 2017 AEA issued, as a private placement, \$47,000,000 of taxable loans with National Cooperative Services Corporation for the purpose of financing costs and expenses of planning, designing, acquiring, and constructing the West Fork Upper Battle Creek Diversion Project. The project is optional project work under the Bradley Lake Power Revenue Bond Resolution and the loans are parity debt. AEA received a \$40,000,000 allocation of New Clean Renewable Energy Bond (NCREB) volume cap from the Internal Revenue Service for the project. AEA also used \$1,239,000 of Qualified Energy Conservation Bond (QECB) volume cap received from the State for the financing. The federal subsidies will be used to offset the interest expense relating to the financing. The financing consists of three loans as follows:

Alaska Energy Authority Power Revenue Bond, Seventh Series (NCREB): \$40,000,000

Alaska Energy Authority Power Revenue Bond, Eight Series (QECB): \$1,239,000

Alaska Energy Authority Power Revenue Bond, Ninth Series (Drawdown Bond): \$5,761,000

The Seventh and Eighth Series bonds were fully drawn on the date of issuance and the Ninth Series was not drawn. The draw period for the Ninth Series ended in December 2020.

The outstanding balances for the Seventh and Eight Series Bonds as of June 30, 2025, were approximately \$34.7 million and \$1.1 million, respectively. The outstanding bonds mature annually each July 1 starting in 2021 through the year 2050.

In December 2020, AEA issued, as a private placement, \$17,000,000 of Power Revenue Bonds, Tenth Series, for the purpose of financing costs and expenses of planning, designing, acquiring, and construction of the Transmission Line Projects; making a deposit to the capital reserve fund; and payment of costs of issuance. The project is required project work under the Bradley Lake Power Revenue Bond Resolution and the loan is parity debt. The Tenth Series bond was fully drawn on the date of issuance.

The outstanding balance for the Tenth Series Bond as of June 30, 2025, was approximately \$5.3 million. Principal on the Bond is payable annually on each July 1, commencing on June 29, 2022. Interest on the Bond is payable on August 1, 2021, and semi-annually thereafter on January 1 and July 1. The final maturity date is July 1, 2040.

In November 2022, AEA issued, as a private placement, \$166,013,134 of Power Revenue Bonds, Eleventh Series, for the purpose of financing a series of projects to increase the energy available to benefit the Bradley Lake Hydroelectric Project; making a deposit to the capital reserve fund; and payment of costs of issuance. The funded projects are required work under the Bradley Lake Power Revenue Bond Resolution and the loan is parity debt. The Eleventh Series Bond was fully drawn on the date of issuance. The outstanding balance for the Eleventh Series Bond as of June 30, 2025, was approximately \$154.8 million. The final maturity date is June 30, 2050. After the issuance of the Bonds, AEA approved amendments to the Series 2022 Bond financing documents to broaden the permitted uses of the Series 2022 Bond proceeds. The amendments authorize funding for all components of the Bradley Lake Hydroelectric and Transmission Project, provide up to \$20 million to match the Grid Resilience and Innovation Partnerships Program Grant, and allocate an additional amount of up to \$30 million for an underwater high-voltage direct current transmission line.

The bonds are direct and general obligations of AEA and the full faith and credit of AEA are pledged to pay principal and interest on the bonds. Payment of the bonds is secured by a pledge of revenues of the project, including all payments to be made by power purchasers under the Agreement for the Sale and Purchase of Electric Power by and among named power purchasers and AEA (PSA). Under the PSA, the power purchasers are obligated to make payments to AEA in an aggregate amount sufficient to pay annual project costs, including debt service on all outstanding bonds.

Under the terms of the Bond Resolution, as additional security for repayment of the bonds, a capital reserve fund has been established in an amount equal to the capital reserve fund requirement. The capital reserve fund is supported by the moral obligation of the State of Alaska. In the event amounts are drawn from the capital reserve fund to pay debt service on the bonds the Authority is to certify in writing to the Governor and the State Legislature the sum required to restore the capital reserve fund to the capital reserve requirement. The State Legislature may, but is not obligated to, appropriate to the Authority the sum certified by the Chair of the board of the Authority necessary to restore the capital reserve fund to the capital reserve fund requirement.

As of June 30, 2025, AEA's outstanding debt was approximately \$195.9 million, as shown below in Table 3.1. This is a decrease of \$5.3 million from June 30, 2024. The decrease is attributed to debt retirement during the fiscal year.

**TABLE 3.1**  
**Alaska Energy Authority**  
**Debt Issued and Outstanding**  
\$ (thousands)

	Date	Amount Issued	Outstanding at 6/30/25	Final Maturity
Power Revenue Bonds, First Series (Bradley Lake Hydroelectric Project)	9/7/1989	\$ 111,755	\$ -	7/1/2021
Power Revenue Bonds, Fourth Series (Bradley Lake Hydroelectric Project)	4/4/2000	47,710	-	7/1/2021
Power Revenue Bonds, Sixth Series (Bradley Lake Hydroelectric Project)	7/1/2011	28,800	-	7/1/2021
Power Revenue Bonds, Seventh Series (Battle Creek Diversion Project)	12/26/2017	40,000	34,668	7/1/2050
Power Revenue Bonds, Eighth Series (Battle Creek Diversion Project)	12/26/2017	1,239	1,071	7/1/2050
Power Revenue Bonds, Ninth Series (Battle Creek Diversion Project)	12/26/2017	5,761	-	7/1/2050
Power Revenue Bonds, Tenth Series (Transmission Line Projects)	12/17/2020	17,000	5,346	7/1/2040
Power Revenue Bonds, Eleventh Series (Transmission Line Projects)	11/30/2022	166,013	154,830	6/30/2050
<b>Total</b>		<b>\$ 418,278</b>	<b>\$ 195,915</b>	

Source: Alaska Energy Authority

### 3. Alaska Housing Finance Corporation

The Alaska Housing Finance Corporation (AHFC) is a public corporation administratively located within the Department of Revenue but with a separate and independent legal existence. AHFC was chartered in 1971 to provide financing for low and moderate-income housing and housing located in remote, underdeveloped, or blighted areas of the State. Effective July 1, 1992, the Alaska State Housing Authority (ASHA) was abolished, and the duties assigned to it were transferred to the AHFC.

Since 1980, when AHFC's powers were expanded by removing borrower income restrictions, the Corporation has emerged as a major supplier of mortgage funds in the State, in addition to being the largest issuer of debt (taxable and tax-exempt).

The bonds issued by AHFC are secured by the general obligation pledge of the Corporation and mortgages purchased with bond proceeds or, in the case of collateralized debt, by mortgage-backed securities as more fully explained below. AHFC subsidiary issued debt is not secured by the general obligation of the corporation but rather by pledged receipts paid to the state under the Master Settlement Agreement.

Additional security features on various AHFC debt obligations may include federal or private mortgage insurance on individual mortgage loans, mortgage pool insurance, bank loan facility or letter of credit arrangements in the event mortgage prepayments are less than anticipated by the bond redemption schedule, bond insurance, and the full faith and credit guarantee of the State on veterans' mortgage bonds.

**TABLE 3.2**  
**Alaska Housing Finance Corporation**  
**Debt Issued by Fiscal Year Ending June 30**  
\$ (Thousands)

Fiscal Year	Debt Issued
1991-2000	\$ 4,618,965
2001	409,670
2002	884,150
2003	382,710
2004	287,300
2005	412,730
2006	333,675
2007	1,192,873
2008	234,290
2009	287,640
2010	354,840
2011	248,345
2012	229,055
2013	482,015
2014 <sup>(1)</sup>	129,400
2015 <sup>(1)</sup>	446,187
2016 <sup>(1)</sup>	59,620
2017 <sup>(1)</sup>	153,920
2018 <sup>(1)</sup>	471,580
2019 <sup>(1)</sup>	240,380
2020 <sup>(1)</sup>	365,185
2021 <sup>(1)</sup>	436,730
2022 <sup>(1)</sup>	329,695
2023 <sup>(1)</sup>	204,165
2024 <sup>(1)</sup>	403,015
2025 <sup>(1)</sup>	330,570
<b>Total</b>	<hr/> <hr/> <b>\$ 13,928,705</b>

Source: Alaska Housing Finance Corporation  
(1) Includes AHFC sponsored conduit and subsidiary issued debt

#### a. Federal Tax-Exemption and Ceilings

The Federal Tax Reform Act of 1984 established a ceiling of \$302.5 million, in the case of Alaska, for annual issuance of qualified veterans' mortgage bonds on a tax-exempt basis. The Act also made more restrictive the definition of those who qualify as veterans. Subsequently, the Heroes Earnings Assistance and Relief Tax Act of 2008 amended the Internal Revenue Code to limit Alaska's issuance of qualified veterans' mortgage bonds to no more than \$100 million annually.

Since 1980, when the Mortgage Subsidy Bond Tax Act was enacted, Alaska also had been subject to a \$200 million annual ceiling on tax-exemption for qualified mortgage revenue bonds (AHFC's various mortgage revenue bonds, also known as its first-time home-buyer bonds, along with multifamily and conduit bonds). AHFC's allocation and usage of PAB is presented in Table 5.4.

#### b. Bond Authorization

AS 18.56.110(g) which took effect in FY 1982 placed a statutory ceiling on AHFC annual bond issuance for the first time. The annual issuance amount currently authorized is \$1,500 million.

#### c. Security for Debt

Included in the above amounts are State Guaranteed veterans' bonds which were authorized by law and the voters in the following amounts (in millions):

Authorization <u>Calendar Year</u>	<u>Authorized</u>	<u>Issued as of June 30, 2025</u>
1982	\$400.0	\$400.0
1983	500.0	500.0
1984	700.0	700.0
1986	600.0	600.0
2002	500.0	500.0
2010	<u>600.0</u>	<u>140.3</u>
Total:	<u>\$3,300.0</u>	<u>\$2,840.3</u>

As of June 30, 2025, approximately \$459.7 million of state guaranteed bonds remain unissued. The unissued authority decreased by \$75.0 from June 30, 2024, which is attributed to newly issued debt of the same amount during the fiscal year. Subsequent to June 30, 2025, the AHFC issued \$100 million in veterans mortgage program bonds.

#### d. Debt Issued and Outstanding

Table 3.3 summarizes AHFC debt issued and outstanding by type of debt.

**TABLE 3.3**  
**ALASKA HOUSING FINANCE CORPORATION**  
**Debt Issued and Outstanding by Type of Debt**  
**\$ (Thousands)**

	Credit Rating <sup>(1)</sup>	Debt Issued In FY 2025	Total Debt Issued	Debt Outstanding at 6/30/2025 <sup>(2)</sup>
Home Mortgage Revenue Bonds	Aa1/AA+/AA+ <sup>(3)</sup>	\$ -	\$ 1,262,675	\$ 410,455
Collateralized Bonds (Veterans' Mortgage Program)	Aaa/AAA/NR	75,000	917,785	156,720
General Mortgage Revenue Bonds II	Aaa/AA+/NR <sup>(4)</sup>	110,000	1,399,080	876,880
Governmental Purpose Bonds	Aaa/AA+/NR	-	973,170	48,465
State Capital Project Bonds II	Aa1/AA+/NR <sup>(5)</sup>	127,100	2,264,410	1,227,310
Northern Tobacco Securitization Corporation, AHFC subsidiary				
Tobacco Settlement Asset-Backed Bonds	NR/Various <sup>(6)</sup> /NR	-	937,308	240,905
Total		\$ 312,100	\$ 7,754,428	\$ 2,960,735

NOTES:

1 Ratings from Moody's / Standard & Poor's / Fitch Ratings

2 Does not include defased bonds

3 Fitch does not rate the Home Mortgage Revenue Bonds, 2002 Series A

4 Fitch does not rate the General Mortgage Revenue Bonds II other than the 2016A issue, which it currently rates AA+

5 Fitch does not rate the State Capital Project Bonds II issued after 2017. All pre-2017 issues currently outstanding are rated AA+

6 Standard & Poor's ratings on the Tobacco Settlement Asset-Backed Bonds, Series 2021, are "A (sf)" for the Series 2021A Bonds maturing

June 1, 2026, through June 1, 2033; "A- (sf)" for the Series 2021A Bonds maturing June 1, 2034, through June 1, 2041; "BBB+ (sf)" for the Series 2021A Bonds maturing June 1, 2050; "BBB+ (sf)" for the Series 2021B-1 Bonds maturing June 1, 2031; and "BBB- (sf)" for the Series 2021B-1 Bonds maturing June 1, 2050. The Series 2021B-2 Bonds are not rated by Standard & Poor's.

Short-term debt outstanding	Credit rating as of 6/30/2025	Debt Issued In FY 2025	Total debt issued	Outstanding at 6/30/2025
Commercial Paper	P-1/A-1+/F-1+	N/A	N/A	\$ 128
Total				\$ 128

e. Collateralized and Insured Bonds

Collateralized bonds lower the cost of funds to AHFC and help mitigate potential contingent liability to the State for bonds to which the full faith and credit of the State has been pledged, such as AHFC's Collateralized Bonds (Veterans Mortgage Program). Collateralized bonds issued after July 1993 are structured to achieve "Triple A" ratings on the basis of pledged whole loan collateral and are further supported by AHFC's general obligation pledge as well as that of the State. Table 3.4 lists collateralized obligations.

**TABLE 3.4**  
**Alaska Housing Finance Corporation**  
**Collateralized Debt Obligations**  
**\$ (Thousands)**

Bond Program	Date of Bonds	Amount Issued	Outstanding at 6/30/2025
<b>Collateralized Bonds (Veterans' Mortgage Program)<sup>(1)</sup></b>			
2016 First and Second Series	7/27/2016	\$ 50,000	\$ 21,880
2019 First and Second Series	3/21/2019	60,000	9,940
2023 First Series	7/27/2023	49,900	49,900
2024 First Series	7/30/2024	75,000	75,000
<b>Total</b>		<b>\$ 234,900</b>	<b>\$ 156,720</b>
<b>Home Mortgage Revenue Bonds</b>			
2002 Series A	5/16/2002	\$ 170,000	\$ 21,255
2007 Series A	5/31/2007	75,000	58,960
2007 Series B	5/31/2007	75,000	58,960
2007 Series D	5/31/2007	89,370	70,230
2009 Series A	5/28/2009	80,880	67,020
2009 Series B	5/28/2009	80,880	67,020
2009 Series D	8/26/2009	80,870	67,010
<b>Total</b>		<b>\$ 652,000</b>	<b>\$ 410,455</b>
<b>General Mortgage Revenue Bonds II</b>			
Series 2016 A	8/24/2016	\$ 100,000	\$ 28,420
Series 2018 A	8/28/2018	109,260	16,745
Series 2018 B	8/28/2018	58,520	28,465
Series 2019 A	10/22/2019	136,700	76,115
Series 2019 B	10/22/2019	24,985	19,985
Series 2020 A	9/15/2020	135,170	90,920
Series 2020 B	9/15/2020	74,675	74,675
Series 2022 A	1/12/2022	39,065	30,630
Series 2022 B	1/12/2022	83,730	83,730
Series 2022 C	12/22/2022	87,965	79,920
Series 2024 A	3/5/2024	75,000	73,050
Series 2024 B	3/5/2024	48,120	48,120
Series 2024 C	2/1/2024	120,000	116,105
Series 2025 A	2/20/2025	110,000	110,000
<b>Total</b>		<b>\$ 1,203,190</b>	<b>\$ 876,880</b>
<b>Governmental Purpose Bonds</b>			
2001 Series A and B	8/2/2001	\$ 170,170	\$ 48,465
<b>Total</b>		<b>\$ 170,170</b>	<b>\$ 48,465</b>
<b>Total AHFC Collateralized Debt</b>		<b>\$ 2,260,260</b>	<b>\$ 1,492,520</b>

(1) State Guaranteed

**TABLE 3.5**  
**State Obligations on**  
**Alaska Housing Finance Corporation Debt**  
**\$ (thousands)**

	Outstanding at 6/30/2025
State General Obligation Guarantee	
Collateralized Bonds (Veterans' Mortgage Program) Aaa/AAA/NR <sup>(1)</sup>	\$ 156,720
Total State Obligations on AHFC Debt	<u>\$ 156,720</u>

(1) Ratings from Moody's / Standard & Poor's / Fitch Ratings. Not rated by Fitch Ratings

#### f. Mortgage Reorigination

When permitted by bond indenture, AHFC may use payments and prepayments on mortgage loans securing the bond issue to purchase new mortgage loans to the extent that such receipts are in excess of debt service requirements. The recycling of mortgage loans is also limited by the 10-year rule. Ordinarily, these excess revenues would be used to retire bonds. Reorigination gives AHFC the option of making new loans at a known tax-exempt interest rate instead of, or in addition to, retiring bonds.

In the case of AHFC's Collateralized Bonds (Veterans Mortgage Program), which are guaranteed by the State of Alaska, the bond indentures require AHFC to suspend reorigination for a calendar year if it receives written notification from the State Bond Committee prior to January 1 that reorigination would impair the ability of the Committee to sell State general obligation bonds on advantageous terms or risk a rating reduction on such bonds.

#### **The Public Housing Division (formerly Alaska State Housing Authority)**

In 1992, under Ch. 4, FSSLA 1992, effective July 1, 1992, the Alaska State Housing Authority (ASHA) was abolished and the duties assigned were transferred to the Alaska Housing Finance Corporation. ASHA was a public corporation of the State that was created in 1949 and was authorized to: construct, operate, and manage low- and moderate-income housing projects; finance rental housing projects; engage in urban renewal programs; and construct and acquire public buildings for lease to the State.

During its existence, ASHA issued bonds secured by revenues from the projects financed, by ASHA's general assets, or by pledges of federal grants for rent supplements on housing projects. All ASHA debt was fully retired as of 2007.

The following Table 3.6 summarizes all AHFC outstanding debt.

**TABLE 3.6**  
**Alaska Housing Finance Corporation**  
**Debt Outstanding**  
**\$ (Thousands)**

Bond Program	Date Delivered	Amount Issued	Outstanding at 6/30/25	TIC (%)	Final Maturity
<b>Home Mortgage Revenue Bonds:</b>					
2002 Series A	5/16/2002	\$ 170,000	\$ 21,255	N/A	2036
2007 Series A	5/31/2007	75,000	58,960	N/A	2041
2007 Series B	5/31/2007	75,000	58,960	N/A	2041
2007 Series D	5/31/2007	89,370	70,230	N/A	2041
2009 Series A	5/28/2009	80,880	67,020	N/A	2040
2009 Series B	5/28/2009	80,880	67,020	N/A	2040
2009 Series D	8/26/2009	80,870	67,010	N/A	2040
<b>Total</b>		<b>\$ 652,000</b>	<b>\$ 410,455</b>		
<b>Collateralized Bonds (Veterans' Mortgage Program)<sup>1</sup></b>					
2016 First and Second Series	7/27/2016	\$ 50,000	\$ 21,880	2.578	2046
2019 First and Second Series	3/21/2019	60,000	9,940	3.217	2049
2023 First Series	7/27/2023	49,900	49,900	4.333	2052
2024 First Series	7/30/2024	75,000	75,000	4.352	2053
<b>Total</b>		<b>\$ 234,900</b>	<b>\$ 156,720</b>		
<b>General Mortgage Revenue Bonds II</b>					
2016 Series A	8/24/2016	\$ 100,000	\$ 28,420	2.532	2046
2018 Series A	8/28/2018	109,260	16,745	3.324	2048
2018 Series B	8/28/2018	58,520	28,465	3.324	2035
2019 Series A	10/22/2019	136,700	76,115	2.550	2049
2019 Series B	10/22/2019	24,985	19,985	2.550	2034
2020 Series A	9/15/2020	135,170	90,920	1.822	2044
2020 Series B	9/15/2020	74,675	74,675	1.822	2035
2022 Series A	1/12/2022	39,065	30,630	2.024	2051
2022 Series B	1/12/2022	83,730	83,730	2.024	2036
2022 Series C	12/22/2022	87,965	79,920	4.290	2052
2024 Series A	3/5/2024	75,000	73,050	4.563	2054
2024 Series B	3/5/2024	48,120	48,120	4.563	2036
2024 Series C	2/1/2024	120,000	116,105	5.746	2053
2025 Series A	2/20/2025	110,000	110,000	4.228	2054
<b>Total</b>		<b>\$ 1,203,190</b>	<b>\$ 876,880</b>		
<b>Governmental Purpose Bonds</b>					
2001 Series A	8/2/2001	\$ 76,580	\$ 21,815	N/A	2030
2001 Series B	8/2/2001	93,590	26,650	N/A	2030
<b>Total</b>		<b>\$ 170,170</b>	<b>\$ 48,465</b>		

**TABLE 3.6 (continued)**  
**Alaska Housing Finance Corporation**

Bond Program	Debt Outstanding				
	\$ (Thousands)	Date Delivered	Amount Issued	Outstanding at 6/30/25	TIC (%)
					Final Maturity
<b>State Capital Project Bonds II<sup>2</sup></b>					
2015 Series B		6/30/2015	93,365	25,655	3.294
2017 Series A		9/6/2017	143,955	94,590	2.485
2017 Series B		12/7/2017	150,000	90,000	N/A
2017 Series C		12/21/2017	43,855	32,450	2.524
2018 Series A		5/22/2018	90,000	90,000	N/A
2018 Series B		5/22/2018	35,570	27,440	3.081
2019 Series A		7/11/2019	140,000	140,000	N/A
2019 Series B		7/11/2019	60,000	48,690	2.320
2020 Series A		10/13/2020	96,665	89,765	1.907
2021 Series A		4/28/2021	90,420	79,345	0.938
2022 Series A		6/1/2022	200,000	200,000	N/A
2022 Series B		7/7/2022	97,700	82,280	3.314
2023 Series A		10/17/2023	99,995	99,995	3.648
2024 Series A		9/10/2024	127,100	127,100	3.145
			\$ 1,468,625	\$ 1,227,310	
<b>Total Long Term Debt</b>			<b>\$ 3,728,885</b>	<b>\$ 2,719,830</b>	
<b>Short-term Debt Outstanding</b>					
Commercial Paper	Various		N/A	\$ 128,200	N/A
<b>Total Short-term Debt</b>			<b>\$ -</b>	<b>\$ 128,200</b>	

Notes:

- 1) State-guaranteed
- 2) Does not include defeased bonds

#### **4. Alaska Industrial Development and Export Authority**

The Alaska Industrial Development and Export Authority (AIDEA or Authority) is a public corporation administratively located in the Department of Commerce, Community and Economic Development but with separate and independent legal existence. Created in 1967, AIDEA promotes economic development within the State by:

- purchasing loan participations for industrial and commercial projects;
- providing financing, either as a lender or by owning shares of a corporation, or as a member of an LLC and operating certain types of infrastructure facilities; and
- guaranteeing business loans and loans for export transactions.

Until 1990, AIDEA was able to and did issue bonds secured by a capital reserve fund with a State moral obligation. AIDEA currently has the ability to issue bonds with a State moral obligation on a capital reserve fund only if the bonds are issued to finance a power transmission intertie and are legislatively approved. AIDEA may issue bonds with reserve funds, but they will not have the moral obligation of the State of Alaska. AIDEA has no general obligation bonds with a capital reserve fund requirement outstanding. The Authority has covenanted that it will not incur any General Obligation indebtedness that will cause future estimated net income (as defined in the Amended and Restated Revolving Fund Bond Resolution) to be less than 150 percent of the General Obligation Annual Debt Service requirements in each year and to take no action to cause its Unrestricted Surplus to be less than the lesser of \$200 million or the amount of General Obligation Indebtedness outstanding and in no

event less than \$100 million. The full faith and credit of the Authority's Revolving Fund secures the bonds currently outstanding under the resolution.

During 1988, reductions in the cash flow from AIDEA's loan portfolio reduced projected debt service coverage below 150 percent. The reduced cash flow stemmed from loan delinquencies, modifications, and foreclosures associated with Alaska's economic recession. In response to the declining debt service coverage, AIDEA defeased \$78,295,000 of its Economic Development Bonds and Consolidated Bonds by deposit of \$91,269,000 of U.S. Treasury securities purchased with AIDEA's general assets into an irrevocable trust. None of the defeased bonds remain outstanding.

During 1994, AIDEA defeased \$23,840,000 of its tax-exempt Umbrella Bonds and its Taxable Umbrella Bonds, in order to improve its projected debt service coverage. None of the bonds chosen for the defeasance would have been eligible for refunding. None of the defeased bonds remain outstanding. AIDEA's underlying ratings on its bonds were A2 by Moody's (Moody's upgraded AIDEA's rating in December 2006 from A2, affirmed the Aa3 rating in June 2013 and downgraded the rating to A2 in July 2019. The rating was withdrawn when the bonds were defeased in October 2019) and AA+ by Standard & Poor's (S&P upgraded AIDEA's rating in August 2012 from AA-). All Revolving Fund Bonds are secured by the general assets and future revenues of the Authority.

AIDEA currently provides the following programs:

**i. Tax-Exempt Loan Participation Program**

The Tax-Exempt Loan Participation Program can provide up to \$250 million for financing economic development projects. This program in the past was previously referred to as the "tax-exempt umbrella bond program" because many small projects financed under this program were grouped together when AIDEA issued bonds under an "umbrella". The bonds are tax-exempt by virtue of provisions in the federal tax code.

Proceeds of the bonds or Authority funds are generally used to purchase up to 90 percent of an eligible loan from financial institutions. The Tax-Exempt Loan Participation Program combines the previous Economic Development and Consolidated Bond Programs that were separate and which financed participations under and over \$1,000,000, respectively. In December 2010, \$14,470,000 of Tax-Exempt Bonds were issued to fund a loan participation purchase. On October 1, 2019, the Authority defeased \$10,245,000 Revolving Fund Bonds, Series 2010B by deposit of \$10,751,081 of U.S. Treasury securities purchased with AIDEA's general assets into an irrevocable trust. The bonds were redeemed on the call date, April 1, 2020.

**ii. Taxable Loan Participation Program**

In response to escalating federal restrictions on tax-exempt bonds, AIDEA implemented a taxable loan participation program. The program uses bonds or AIDEA funds to purchase loan participations. The provisions of the program are the same as for the Tax-Exempt Loan Participation Program except for the deletion of restrictions related to federal tax-exemption. This program was previously called the Taxable Umbrella Bond Program. The only bonds that have been issued under this program were issued in 1987 in the amount of \$14,540,000; the remaining amounts outstanding were defeased in 1994.

**iii. Conduit Revenue Bond Program**

Under the Conduit Revenue Bond program, AIDEA acts as a conduit in the sale and issuance of bonds; the bonds may be tax-exempt or taxable. The bonds are generally secured by the project, the private borrower and/or the project's revenue stream.

AIDEA does not participate financially in the Conduit Revenue Bond projects nor are the Authority's assets or credit pledged as security for the bonds. Bonds issued under this program are not general obligations of the Authority or the State. They are obligations of the private borrower or project only. Furthermore, the State's moral obligation does not stand behind these bonds.

Historically, the program was utilized primarily by financial institutions in conjunction with loans to private borrowers; those bonds generally are sold by private placement to the financial institution originating the loan rather than by public sale. The original demand for the program arose partially from lenders wanting the tax exemption on interest income; the Tax Reform Act of 1986 eliminated the deductibility of bank interest expense allocable to holding of tax-exempt obligations and greatly reduced demand for the program from financial institutions. Recently, the program is being used to provide funds for IRC 501(c)(3) financings.

Most bonds under this program were tax-exempt by virtue of the small issue exemption and, more recently, are for qualified 501(c)(3) projects. A few have been exempt facility bonds. The exempt facility bonds and 501(c)(3) bonds are generally sold via public sale.

From inception, AIDEA has issued Revenue Bonds for 321 projects totaling \$1.68 billion (not including bonds issued to refund other bonds). The Authority has legislative authorization to issue revenue bonds to finance power transmission interties to be owned by electric utilities in a collective amount not to exceed \$185.0 million and to finance the infrastructure and construction costs of the Sweetheart Lake hydroelectric project in an amount not to exceed \$120.0 million. Bonding authorization for the Sweetheart Lake hydroelectric project sunset on June 30, 2020.

#### **iv. Development Finance Program**

Alaska statutes authorize AIDEA to finance development projects, regardless of the intent to own and operate them. The types of facilities the Authority may finance include those for use in manufacturing, natural resource extraction, transportation of products or materials, and infrastructure for tourism destination facilities.

Bonds for projects may be secured by the project, project revenues, specific assets of AIDEA's economic development account, or AIDEA's general assets. They can be general obligations or revenue bonds of the Authority.

Legislation enacted in 1985 authorized this program and authorized a bond sale of up to \$175.0 million to provide financing for the DeLong Mountain Transportation Project. The Project consists of a road and port owned and operated by AIDEA to facilitate the development of the Red Dog and other mines in Northwest Alaska. In 1987, \$103.3 million of such bonds were issued, the remaining amount outstanding was redeemed in 1997.

The Legislature has enacted legislation authorizing the Authority to finance, design and construct or reconstruct additional Economic Development projects:

- (a) The Legislature authorized the issuance of up to \$25.0 million of bonds for the reconstruction of a public use ore terminal in Skagway, Alaska. A \$25.0 million bond issue was delivered in December 1990. All remaining outstanding bonds were called in April 2002.
- (b) The Legislature authorized the issuance of up to \$10.0 million of bonds for improvements to the City of Unalaska Marine Center. The project was completed in late 1991. Bonds totaling \$7.0 million were issued in December 1991 to finance the project. In May 2000, the City of Unalaska paid all remaining financial obligations related to the project, including providing for the retirement of all outstanding bonds and, in accordance with the terms of the agreement, the project was transferred to the City.
- (c) The Legislature authorized the issuance of up to \$85.0 million of bonds to finance the acquisition, design and construction of aircraft maintenance and air cargo/air transport support facilities located at the Anchorage International Airport. Construction of an aircraft maintenance facility began in August of 1992 and was completed in 1995. Bonds were issued in September 1992 in the amount of \$28.0 million.

In June 2002, the Authority issued \$20,475,000 of refunding bonds for the purposes of refunding and defeasing the remaining outstanding bonds. The refunded bonds were called in July 2002. All remaining outstanding bonds were called in April 2012. The remaining bonding authorization was repealed by the legislature in 2015.

- (d) The 1990 Legislature authorized AIDEA to issue up to \$85.0 million of bonds to assist in the financing of a coal fired power plant near Healy, Alaska. On July 18, 1996, \$85.0 million of Variable Rate Revolving Fund Bonds were issued to finance a portion of the Healy Clean Coal Project. In May 1998, \$85.0 million of bonds were issued to refund the variable rate revolving fund bonds. The bonds were defeased in March 2008 and retired in April 2008.
- (e) The 1993 Legislature enacted legislation authorizing the Authority to issue bonds not to exceed \$50.0 million for a facility to be constructed in Anchorage for the offloading, processing, storage and transloading of seafood. The Authority purchased the Alaska Seafood International Project in September 1999 and sold the facility in 2005. No bond issuance was anticipated and the legislature repealed the bonding authorization in 2015.
- (f) The 1993 Legislature also enacted legislation authorizing the Authority to issue bonds not to exceed \$50.0 million for a bulk commodity loading and shipping terminal to be located at Point MacKenzie and owned by AIDEA. The 1996 Legislature modified this legislation to require that the facility be located within Cook Inlet. Subsequently, the Authority did not anticipate participating in the financing of this project and the legislature repealed the bonding authorization in 2015.
- (g) The 1995 Legislature authorized the Authority to issue up to \$20.0 million of bonds to finance the acquisition, design and construction of the Kodiak rocket launch complex and tracking station and the Fairbanks satellite ground station space park. The Kodiak rocket launch complex was constructed with other financing. Subsequently, the Authority did not anticipate participating in financing the projects and the legislature repealed the bonding authorization in 2015.
- (h) The 1996 Legislature authorized the Authority to issue up to \$85.0 million of bonds to finance the expansion, improvement and modification of the existing DeLong Mountain Transportation Project port facilities owned by the Authority. In 1997 the Authority issued \$150.0 million of Revolving Fund Bonds which included \$70.0 million for that purpose and \$80.0 million for the purpose of redeeming the 1987 DeLong Mountain Transportation Project Revenue Bonds. In February 2007, the Authority issued \$113,095,000 of refunding bonds for the purpose of refunding and defeasing, along with Authority funds, the remaining outstanding bonds. The defeased bonds were called in April 2007. In May 2008, the Authority issued \$107,385,000 of variable rate Revolving Fund Refunding Bonds for the purpose of refunding \$107,385,000 of Series 2007 A&B Revolving Fund Refunding Bonds and pay costs of issuance. The refunded bonds were redeemed in May 2008. In February 2010, the Authority issued \$87,105,000 of fixed rate Revolving Fund Refunding Bonds for the purpose of refunding \$94,945,000 of Series 2008 A&B Revolving Fund Refunding Bonds. The refunded bonds were redeemed February 24, 2010. At June 30, 2019, \$29.5 million were outstanding with no moral obligation attached. On October 1, 2019, the Authority defeased \$29,475,000 Revolving Fund Refunding Bonds by depositing \$29,938,717 of U.S. Treasury securities purchased with AIDEA's general assets into an irrevocable trust. The bonds were be redeemed on the call date, April 1, 2021.
- (i) The 1996 Legislature authorized the issuance of up to \$100.0 million of bonds for the acquisition of the Snettisham hydroelectric project from the Alaska Power Administration. On August 19, 1998 AIDEA issued \$100.0 million of tax-exempt revenue bonds to finance the acquisition of the project. There is no State moral obligation attached. In December 1999, the Authority defeased \$6.9 million of the bonds using funds on hand. All remaining defeased bonds were retired during the year ended June 30, 2011. In August 2015 approximately \$65.7 million of 2015 Series Power Revenue Refunding bonds were issued to refund all of the outstanding First Series Power Revenue bonds. The refunded bonds were redeemed September 25, 2015. As of June 30, 2022, there was \$48.8 million outstanding. Subsequently, management adopted Governmental Accounting Standards Board Statement (GASBS) No. 91, Conduit Debt Obligations, during the fiscal year ending June 30, 2023, resulting in a change in accounting for the Snettisham Hydroelectric Project. The noncurrent assets, deferred outflows of resources, and current and noncurrent liabilities were all derecognized as required by GASBS 91. The Authority was only a conduit to finance the purchase of the facility and the derecognition is a reflection of the fact that the

Authority is not financially responsible for repayment of the debt issued to finance the acquisition, nor is the Authority expected to end up owning the facility long-term or using it in operations. The only commitment made by the Authority was the limited commitment to maintain the tax-exempt status of the associated bond issuance. The implementation of GASBS 91 is further addressed in the notes to their financial statements dated June 30, 2023.

- (j) The 1998 Legislature authorized the issuance of bonds (or other financing) up to: a) \$80.0 million to finance the expansion, improvement, and modification of the existing Red Dog Project port facilities and to finance the construction of new related facilities to be owned by AIDEA; b) \$30.0 million to finance the improvement and expansion of the Nome port facilities to be owned by AIDEA; and c) \$15.0 million to finance phase one construction and improvement of the proposed Hatcher Pass Ski Resort located in the Matanuska-Susitna Borough; in 2006 this authorization was modified and increased to \$25.0 million to finance the development of Hatcher Pass. Subsequently, the Authority did not anticipate participating in financing the Nome facilities or Hatcher Pass development and the legislature repealed the bonding authorization in 2015.
- (k) The 2004 Legislature authorized the issuance of up to \$20.0 million of bonds to finance the acquisition, development, improvement and construction of port and related facilities on Lynn Canal in Southeast Alaska, to be owned by the Authority. Subsequently, the Authority did not anticipate participating in financing the project and the legislature repealed the bonding authorization in 2015.
- (l) The 2011 Legislature authorized the issuance of up to \$65.0 million to finance the expansion, modification, improvement, and upgrading of the Skagway Ore Terminal.
- (m) The 2013 Legislature authorized the issuance of up to \$150.0 million through the Sustainable Energy Transmission and Supply Development (SETS) Fund for the development, construction, and installation of, and the start-up costs of operation and maintenance for, a liquefied natural gas production plant and system and affiliated infrastructure on the North Slope and a natural gas distribution system and affiliated infrastructure in Interior Alaska. This bonding authorization expires on June 30, 2028, pursuant to House Bill 307 (2022).
- (n) The 2014 Legislature authorized the issuance of up to \$145.0 million to finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth element project. The Bokan-Dotson Ridge rare earth element project's surface complex shall be owned and operated by AIDEA or financed under AS44.88.172. This authorization was effective September 2014.
- (o) The 2014 Legislature authorized the issuance of up to \$125.0 million to finance the infrastructure and construction costs of the Niblack project. The Niblack project includes a mineral processing mill, associated dock, and loading and related infrastructure facilities at the Gravina Island Industrial Complex, as well as infrastructure at the project site on Prince of Wales Island to be owned by AIDEA or financed under AS 44.88.172.

#### **v. Business and Export Assistance Program**

The Business and Export Assistance Program (Guarantee Program) was authorized by the 1998 Legislature by merging the Business Assistance Program and the Export Assistance Program, authorized in 1988 and 1987, respectively. AIDEA's goal under the Guarantee Program is to encourage projects that help diversify Alaska's economy and provide or retain jobs for Alaskans. The Guarantee Program provides a guarantee up to 80% of the principal balance, not to exceed \$1 million, to the financial institution who made the loan. The guarantee also covers accrued interest on loans. Guarantees totaling \$1.1 million were outstanding as of June 30, 2022. During fiscal year 2021, in response to the COVID-19 global pandemic, AIDEA modified this program to include an emergency guaranty program for Alaska's financial institutions entitled Sustaining Alaska's Future Economy Guaranty Program (AK SAFE). Under this program, up to \$50 million was authorized to support guarantees. AIDEA had initially issued 10 guarantees; as of the end of December 2022, 6 guarantees were active and 4 had

been terminated at the request of both the borrower and lending institution. The remaining guarantees represent \$3.0 million in original principal of additional funding to Alaskan businesses.

**vi. Rural Development Initiative Fund Loan Program (RDIF)**

The RDIF is a loan program designed to create job opportunities in rural Alaska by providing small businesses with capital that may not be available through conventional markets. This program provides loans for working capital, equipment, construction, or other commercial purposes. To be eligible for a loan under this program, the business must be Alaskan-owned and located in a community with a population of 5,000 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 2,000 or less that is connected by road or rail to Anchorage or Fairbanks. The Department of Commerce, Community and Economic Development, Division of Economic Development administers the program for AIDEA.

**vii. Small Business Economic Development Revolving Loan Fund Program**

AIDEA's Small Business Economic Development Revolving Loan Fund Program provides financing to eligible applicants under the United States Economic Development Administration Long-Term Economic Deterioration program and the Sudden and Severe Economic Dislocation program. The Small Business Economic Development Revolving Loan Fund was created to receive loan fund grants from the United States Economic Development Administration. The Department of Commerce, Community and Economic Development, Division of Economic Development administers the program for AIDEA.

**viii. Sustainable Energy Transmission and Supply Development Program (SETS)**

The SETS program was established under the Alaska Sustainable Strategy for Energy Transmission and Supply (ASSETS) Act. ASSETS, enacted by the 27<sup>th</sup> Legislature and signed into law in June 2012, creates new programs and powers within AIDEA by offering a number of energy development financing options, including direct lending, loan participation and loan and bond guarantees, for "qualified energy development" projects. The SETS Fund is a legally separate fund within AIDEA.

**ix. Arctic Infrastructure Development Program**

The Arctic Infrastructure Development Program was created within the Arctic Infrastructure Development Fund to promote and provide financing for arctic infrastructure development. The program provides a variety of financing options for qualified developments including, but not limited to, insuring project obligations, guaranteeing loans or bonds and establishing reserves, acquiring real or personal property, entering into lease agreements or similar financing agreements and borrowing money or issuing bonds. The creation of this program and fund was effective October 2014. The Arctic Infrastructure Development Fund was capitalized with \$35 million during FY20.

**x. COVID-19 Emergency Business Relief Programs**

In addition to the permanent statutory programs that AIDEA administers, AIDEA has been at the center of providing a statewide response to the COVID-19 global pandemic. In addition to the previously mentioned AK SAFE program, AIDEA provided support to Alaskan businesses through loan modifications and partnered with the Department of Commerce, Community and Economic Development (DCCED) to implement the AK CARES Grant Program. Under funding directed by Governor Mike Dunleavy and with the approval of the Legislature, the program provided \$282 million to over 5,700 of Alaska's small businesses in need throughout the state. AIDEA coordinated grant applications, processing and funding with DCCED as well as Credit Union 1 and the Juneau Economic Development Council as Program Operators.

**a. Bond Authorization**

AS 44.88.095 places a statutory ceiling of \$400 million per twelve-month period on AIDEA bond issuances, excluding refunding bonds. The Authority has general statutory power to issue bonds, but must obtain prior

legislative approval to issue bonds in excess of \$25 million for a development finance project, excluding refunding bonds. Prior to the 2015 legislative session this limit was \$10 million.

b. Debt Issued and Outstanding

AIDEA has issued approximately \$1.3 billion of bonds with zero outstanding as of June 30, 2025, shown in Tables 3.7 and 3.8.

**TABLE 3.7**  
**Alaska Industrial Development and Export Authority**  
**Type of Debt Issued**  
**\$ (thousands)**

Calendar Year	Economic Development Bonds	Consolidated Bonds	Umbrella Bonds	Taxable Umbrella Bonds	Development Project Bonds	Revolving Fund Bonds
1981-2000	\$ 141,425	\$ 60,475	\$ 83,000	\$ 14,540	\$ 203,250	\$ 434,545
2001	-	-	-	-	-	-
2002	-	-	-	-	-	20,475
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	113,095
2008	-	-	-	-	-	107,385
2009	-	-	-	-	-	-
2010	-	-	-	-	-	87,105
2011	-	-	-	-	-	14,470
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	65,720	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
<b>Total</b>	<b>\$ 141,425</b>	<b>\$ 60,475</b>	<b>\$ 83,000</b>	<b>\$ 14,540</b>	<b>\$ 268,970</b>	<b>\$ 777,075</b>

**TABLE 3.8**  
**Alaska Industrial Development and Export Authority**  
**Debt Issued and Outstanding**  
\$ (thousands)

All Bonds	Date	Amount Issued	Outstanding at 6/30/25*
<b>Total Bonds</b>		<u>\$ -</u>	<u>\$ -</u>
		<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

\*Source: AIDEA.

Government Accounting Standards Board (GASB) Statement No. 91 eliminated the option for issuers of conduit debt to recognize a liability for this debt on their financial statements.

## 5. Alaska Municipal Bond Bank Authority

The Alaska Municipal Bond Bank (Bond Bank) was created as a public corporation by the State in 1975 for the purpose of lending money to Alaska's governmental units for their capital projects. Additional authority has been provided to the Bond Bank to lend money to Joint Insurance Associations, the University of Alaska, Joint Action Agencies, and Regional Health Organizations. The Bond Bank is empowered to issue specific amounts of bonds for different categories of borrowers, the proceeds of which are used to purchase bonds, notes, certificates of participation, or other legal obligations of authorized borrowers. All Bond Bank publicly offered bonds maintain a Capital Reserve Fund with the State's moral obligation attached. The Bond Bank has covenanted to notify the State legislature of any failure to maintain the capital reserve fund at required levels. The State legislature may appropriate funds to the Bond Bank to restore capital reserve funds to required amounts. (See "Moral Obligation Debt"). The Bond Bank has also covenanted to seek an annual appropriation from the State of Alaska to replenish the reserve funds to their required amounts in the event of a deficiency due to a borrower default. The Bond Bank has been successful in obtaining this appropriation since 2009. The Coastal Energy Loan Program notes issued privately through the National Oceanic and Atmospheric Administration (NOAA) do not have a claim on any capital reserve funds of the Bond Bank and are payable solely from the payments of the municipalities participating in the Program.

### a. Advantages to Municipalities and Authorized Borrowers

There are several advantages to Alaska's municipalities and authorized borrowers using the Bond Bank. Interest rates are lower because of the additional security achieved through the structure of the Bond Bank as well as the diversification of risk achieved by pooling underlying borrower bond issues through the Bond Bank. The Bond Bank, with the moral obligation of the State of Alaska and being a more frequent issuer, is better known than many of Alaska's smaller units of government. This enhances the marketability of the bonds to investors nationally.

### b. Municipal Debt Purchased

The Bond Bank has assisted 45 of Alaska's municipalities, two Regional Health Organizations, a ferry authority, a joint action agency, and the University of Alaska obtain financing for capital projects. These borrowers are geographically distributed throughout Alaska and represent virtually all sectors of the State's economy.

**TABLE 3.9**  
**Alaska Municipal Bond Bank**  
**Outstanding Loans to Authorized Borrowers**  
**Funded with Bonds as of 6/30/2025**  
**\$ (thousands)**

<b>Governmental Unit</b>		<b>Total Outstanding Principal</b>	<b>Percentage of Total</b>
City & Borough of Sitka	\$	118,925	12.96%
Kenai Peninsula Borough		97,390	10.62%
Yukon-Kuskokwim Health Corp.		91,605	9.99%
Municipality of Skagway		77,355	8.43%
City of Ketchikan		75,380	8.22%
University of Alaska		73,375	8.00%
City & Borough of Juneau		63,495	6.92%
Fairbanks North Star Borough		56,855	6.20%
Kodiak Island Borough		43,790	4.77%
City of Unalaska		39,940	4.35%
City of Seward		28,500	3.11%
Ketchikan Gateway Borough		28,130	3.07%
SE Alaska Power Agency		16,220	1.77%
City of Cordova		12,205	1.33%
Petersburg Borough		11,695	1.27%
Lake & Peninsula Borough		10,815	1.18%
Northwest Arctic Borough		9,965	1.09%
Aleutians East Borough		9,810	1.07%
City of Soldotna		9,565	1.04%
City of Kodiak		9,210	1.00%
City of Whittier		5,730	0.62%
City of Dillingham		5,725	0.62%
City of Homer		4,960	0.54%
City and Borough of Wrangell		2,910	0.32%
City of Sand Point		2,580	0.28%
Haines Borough		2,550	0.28%
Municipality of Anchorage		2,300	0.25%
City of King Cove		1,910	0.21%
City of Craig		1,125	0.12%
City of Klawock		990	0.11%
City of Bethel		700	0.08%
City of Kenai		565	0.06%
City of Hoonah		535	0.06%
City of Nome		270	0.03%
City of Saxman		105	0.01%
City of North Pole		100	0.01%
<b>Total</b>	<b>\$</b>	<b>917,280</b>	<b>100.00%</b>

Source: Alaska Municipal Bond Bank

Includes AMBBA General Resolutions, and direct loans. Does not include conduit debt.

c. Security for Bonds

Municipal general obligation bonds are usually issued to finance facilities that do not generate revenue, such as schools, roads, public safety and municipal buildings. They are issued with the approval of the municipal voters and are secured by the full faith and credit of the municipality. Municipalities within the State of Alaska have no taxing limitations for debt service requirements.

Bonds issued by the Bond Bank to purchase municipal bonds are secured by:

- Full faith and credit or revenue pledge of each respective community with no taxing limitation for the general obligation bonded debt issued to the Bond Bank.
- The pooled debt service reserve fund founded per the bond resolution. The reserve fund generally is funded to the tax allowed maximum based on the Bond Bank bonds.
- The statutory Bond Bank reserve fund monies available and not pledged to bond issues, which may be used to restore the debt service reserve fund in the event of default.
- The statutory right of the Bond Bank, in the event of default, to demand and receive from a State agency any funds held by that agency which are payable to the defaulting municipality.
- The moral obligation of the State of Alaska to maintain the debt service reserves at their required levels.
- The requirement to seek and successful inclusion of an appropriation in the State's annual operating budget to replenish the Bond Bank's reserve if there is a draw due to a borrower default.
- As of December 31, 2025, credit ratings of Aa3/AA-/A+/AA from Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Rating Agency, respectively.

c. Bond Authorization

AS 44.85.180(c) was enacted in 1975, limiting Bond Bank bonds outstanding at any time to \$150 million. Since that time, the statute has been periodically amended to raise the limit and modify the definition of authorized borrowers.

During fiscal year 2023, the legislature passed, and the Governor signed into law House Bill 127 (HB 127), which amended the Act to grant broader authority to the Bond Bank to issue bonds on behalf of the University of Alaska (University) and Regional Health Organizations, effective July 3, 2022. HB 127 permits the Bond Bank to issue bonds on behalf of the University for any University purpose, and the maximum authorized amount increased from \$87.5 million to \$500 million. Additionally, HB 127 increased the maximum amount that Regional Health Organizations are permitted to borrow for a given project from 49% of the project costs to 100% of the project costs, and from a maximum authorized amount of \$102.5 million to \$250 million of the cost of a project. Total lending authority of the Bond Bank for Regional Health Organization bond issuances increased from \$205 million to \$500 million.

Total debt limit as of June 30, 2025, was \$2.5 billion, comprised of \$1.5 billion in authority for political subdivisions including joint action agencies and the Alaska Municipal League's Joint Insurance Association, \$500 million for the University of Alaska, and \$500 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2025, was \$917,045,000. The limit on additional bond issuance as of June 30, 2025, was approximately \$1,582.9 million, of which \$747.9 million of authority is available for the main political subdivision program, \$426.6 million is available to the University of Alaska, and \$408.4 million is available to Regional Health Organizations.

d. Bonds Issued and Outstanding are summarized below and in table 4.0 & 4.1

In fiscal year 2006 a Master General Bond Resolution was approved authorizing the issuance of Bond Bank general obligation bonds to purchase loans for both general obligation and revenue bond issues of municipalities. The ability to combine revenue and general obligation loans increased operational efficiency for the Bond Bank and improved economic benefits to communities.

In fiscal year 2010 a Master General Bond Resolution was approved authorizing the issuance of Bond Bank general obligation bonds to purchase loans for both general obligation, revenue bond issues, and certain other obligations of municipalities. There is no current debt outstanding under the 2010 Master General Bond Resolution.

In fiscal year 2016 a Master General Bond Resolution was approved authorizing the issuance of Bond Bank general obligation bonds to purchase loans of Regional Health Organizations.

**TABLE 4.0**  
**Alaska Municipal Bond Bank**  
**Summary of Bond Types Issued and Outstanding**  
**\$ (thousands)**

Type	Amount Issued	Outstanding at 6/30/25
General Obligation Bonds	\$ 2,991,055	\$ 917,045
Revenue Bonds	173,790	-
	<u>\$ 3,164,845</u>	<u>\$ 917,045</u>

Source: Alaska Municipal Bond Bank

Includes Bond Bank General Resolutions. Does not include direct loans or conduit debt.

**TABLE 4.1**  
**Alaska Municipal Bond Bank**  
**Debt Issued and Outstanding**  
**\$ (thousands)**

	<b>Date</b>	<b>Amount Issued</b>	<b>Outstanding at 6/30/25</b>
<b>2005 Master Resolution General Obligation Bonds</b>			
2009 Series Four B	12/3/2009	\$ 20,425	\$ 14,390
2011 Series Three	9/15/2011	78,115	745
2012 Series Two	5/24/2012	52,795	100
2012 Series Three	10/18/2012	21,190	910
2013 Series One	3/12/2013	96,045	3,630
2013 Series Two A	6/19/2013	19,145	450
2014 Series Two	6/19/2014	45,275	35,625
2014 Series Three	10/30/2014	55,370	10,145
2015 Series One	3/17/2015	60,635	2,985
2015 Series Two	6/4/2015	59,550	15,065
2015 Series Three	9/16/2015	96,210	75,195
2016 Series One	2/2/2016	33,015	18,950
2016 Series Two	4/21/2016	59,595	37,780
2016 Series Three	11/3/2016	80,435	24,335
2016 Series Four	11/3/2016	29,400	19,780
2017 Series One	4/27/2017	12,795	4,445
2017 Series Two	4/27/2017	31,655	26,410
2017 Series Three	11/29/2017	28,955	21,625
2018 Series One	11/27/2018	12,070	9,585
2019 Series One	5/2/2019	28,445	19,960
2019 Series Two	5/2/2019	3,710	1,580
2019 Series Three	11/21/2019	18,000	7,130
2019 Series Four	11/21/2019	4,245	1,930
2020 Series One	7/7/2020	98,310	54,045
2021 Series One and Two	6/16/2021	230,750	190,970
2021 Series Three	6/16/2021	5,725	5,725
2022 Series One	4/14/2022	41,335	38,740
2022 Series Two	9/29/2022	10,990	10,590
2023 Series One and Two	2/15/2023	86,520	82,435
2023 Series Three	12/14/2023	35,120	34,615
2025 Series One and Two	4/8/2025	55,570	55,570
		<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$ 1,511,395	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$ 825,440
<b>2016 Master Resolution General Obligation Bonds</b>			
2017 Series A	3/21/2017	\$ 100,715	\$ 91,605
		<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$ 100,715	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$ 91,605
<b>Total Master Resolution General Obligation Bonds</b>			
		<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$ 1,612,110	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$ 917,045

Source: Alaska Municipal Bond Bank Authority  
 Does not include direct loans or conduit debt

## 6. Alaska Railroad Corporation

Legislation signed into law during 1984 established the Alaska Railroad Corporation as a public corporation of the State to manage the Alaska Railroad upon its acquisition from the Federal Government until its possible transfer to private ownership. The corporation is administratively placed within the Department of Commerce and Economic Development. The corporation has the power to issue bonds if such issuance is approved by law. Bonds issued by the corporation would not bear the full faith and credit of the State. The Railroad is not authorized to issue State moral obligation bonds.

By Chapter 77, SLA 1994, the Railroad is authorized to issue revenue bonds in the principal amount of \$55.0 million for the construction and acquisition of the Alaska Discovery Center for the Ship Creek Project in Anchorage. To date, no bonds have been issued.

Chapter 71, SLA 2003 authorized the ARRC to issue up to \$17 billion in revenue bonds to finance the construction of a natural gas pipeline and related facilities, subject to an agreement with a third party to pay the debt service and other costs of the bonds. This authorization was repealed in 2018, and no bonds were issued.

Chapter 46, SLA 2004 authorized the ARRC to issue up to \$500 million in revenue bonds, subject to an agreement with a third party to pay the debt service, and other related bond costs, to finance the cost of extending its rail line to Fort Greely, Alaska. To date, no bonds have been issued.

Chapter 28, SLA 2006 authorized the Alaska Railroad to issue up to \$165 million in revenue bonds to finance rail transportation projects that qualify for federal financial participation and associated costs. On August 22, 2006, the Alaska Railroad issued \$76.4 million in revenue bonds. On August 29, 2017, the Alaska Railroad issued the remaining \$88.6 million in revenue bonds. On July 15, 2015, the Alaska Railroad executed an advance refunding of \$66.1 million callable maturities by issuing \$63.2 million in refunding bonds.

Chapter 65, SLA 2007 authorized the Alaska Railroad to issue up to \$2.9 billion in revenue bonds to finance all or a portion of the Kenai gasification project and Port MacKenzie rail spur project, subject to an agreement with a third party to pay the debt service and other costs of the bonds. To date, no bonds have been issued.

Chapter 8, SLA 2015 authorized the Alaska Railroad to issue up to \$37 million in revenue bonds to finance a positive train control rail transportation safety project, subject to an agreement with a third party to pay the debt service and other costs of the bonds. On July 15, 2015, the Alaska Railroad issued \$37 million in revenue bonds.

Chapter 1, SLA 2025 authorized the Alaska Railroad to issue up to \$135 million in revenue bonds to finance a replacement of the Corporation's passenger dock and related terminal facility in Seward, Alaska, subject to an agreement with a third party to pay the debt service and other costs of the bonds, as well as accommodate certain Alaska marine highway system vessels.

As of June 30, 2025, the ARRC did not have any revenue bonds outstanding. Subsequent to June 30, 2025, the ARRC issued approximately \$112.0 million in Cruise Port Revenue Bonds for the benefit of the passenger dock and terminal facility in Seward, Alaska.

## **7. Alaska Student Loan Corporation**

Chapter 92, SLA 1987 created the Alaska Student Loan Corporation (ASLC or Corporation), a public corporation administratively lodged in the Department of Education and Early Development but with a separate and independent legal existence. The Corporation's purpose is to lower costs for Alaskans pursuing education and training at a postsecondary level and for other qualified individuals attending postsecondary institutions in the State, through the financing of education loans. The security for the Corporation's debt consists of education loans and other pledged assets of the Corporation. The bonds issued by the ASLC carry the State's moral obligation as security. The debt issued by the Corporation is not a general obligation of the State or the Corporation.

Tax-exempt bonds issued by the ASLC are generally subject to the Private Activity Bond (PAB) ceiling established by the Tax Reform Act of 1986.

The Corporation's 2013 Note was redeemed during fiscal year 2021 and there was no debt outstanding as of June 30, 2025. Previously, the Education Loan Backed Notes represented taxable debt and were rated AAA by Fitch and AA by S&P Global Ratings at time of issuance. The following Table 4.2 has been retained for historical reference.

**TABLE 4.2**  
**Alaska Student Loan Corporation**  
**Debt Issued and Outstanding**  
\$ (thousands)

	Date	Amount Issued	Outstanding at 6/30/25
<b>Taxable Education Loan Backed Notes</b>			
2013 Series A <sup>1</sup>	3/28/2013	<u>\$ 144,730</u>	<u>\$ -</u>
		<u>\$ 144,730</u>	<u>\$ -</u>

Source: Alaska Student Loan Corp.

(1) The 2013 Note was redeemed during fiscal year 2021 and the Corporation does not have any outstanding long-term debt.

#### **E. University of Alaska**

In addition to the State issuing general obligation bonds to finance University related projects, the University issues notes and bonds for specific University purposes, some of which are secured by project revenues or University general revenues. Facilities that have been financed include Anchorage, Juneau and Fairbanks student centers, student housing units, research facilities, student recreation centers, and utility systems. Net investment in capital assets amounted to approximately \$1.21 billion as of June 30, 2025.

The University issued Housing System Bonds for housing and food service facility needs during the 1960's and early 1970's. Between 1960 and 1991, University of Alaska Heating Corporation issued bonds secured by lease payments made by the University from general fund appropriations. All of these bonds have been either repaid over time or defeased through issuance of University of Alaska General Revenue Bonds.

General Revenue Bonds Series S, T, U, V and W are secured by a pledge of unrestricted current fund revenues generated from tuition, fees, recovery of indirect costs, sales and services of educational departments, miscellaneous receipts and auxiliaries. University general revenue bond 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.

In December 2012, the University entered into a long-term lease agreement with Community Properties of Alaska, Inc. (CPA) to lease a new student dining facility on the University of Alaska Fairbanks Campus. CPA built the student dining facility using proceeds from its Lease Revenue Bonds 2012. Security for the Lease Revenue Bonds 2012 is the University's lease payments to CPA. The lease is recorded as a capital lease and the obligation is recorded at the present value of future minimum lease payments.

In July 2015, the University issued General Revenue Bonds 2015 Series T with a par amount of \$65,350,000 and a 25-year term. Average annual debt service is \$4.9 million. In September 2015, the University entered into a loan agreement with the Alaska Municipal Bond Bank to borrow \$86,085,000 with a 30-year term. Average annual debt service is \$5.6 million. Both the bond and the loan provide funding for construction of the University of Alaska Fairbanks Combined Heat and Power Plant.

In October 2016, the University issued General Revenue Bonds 2016 Series V-1, with a par amount of \$32,845,000, original issue premium of \$5,699,409, and a 28-year term. Average annual debt service is \$2.1 million. The bonds provide funding for the construction of the University of Alaska Fairbanks Engineering Facility.

In October 2016, the University issued General Revenue Refunding Bonds 2016 Series V-2 with a par amount of \$14,645,000, original issue premium of \$1,906,984, and a 17-year term. Average annual debt service is \$1.1 million. The bonds refund General Revenue Bonds 2005 Series N and 2008 Series O, except for the October 1, 2017, maturity.

In July 2020, the University issued General Revenue Refunding Bonds 2020 Series W with a par amount of \$55,080,000, and a 12-year term. Average annual debt service is \$5.3 million. The bonds refunded General Revenue Bonds 2009 Series P, 2011 Series Q and 2012 Series R. The economic gain from the refunding was \$416,557 in present value.

In July 2025, the University completed a bond refunding through the Alaska Municipal Bond Authority. The transaction retired portions of the outstanding General Revenue Bonds and CPA Lease Revenue Bonds through the issuance of a new General Obligation Refunding Bond. Following the refunding, total outstanding debt principal was \$228.8 million. The refunding resulted in gross debt service savings of \$11.0 million and net present value savings of \$8.3 million. The outstanding note payable was not included in the refunding.

Moody's Investors Service upgraded the University of Alaska's lease revenue bonds to Baa1 from Baa2, upgraded the rating of the general revenue bonds to A3 from Baa1 in November 2023, and a revised the outlook to positive from stable in December 2025. Standard and Poor's affirmed the A+ rating on the general revenue bonds and revised the outlook to stable from negative in March 2022, with a subsequent reaffirmation in September 2025, reflecting continued credit stability.

Total debt issued by the University and outstanding is summarized on Table 4.3.

**TABLE 4.3**  
**University of Alaska**  
**Debt Issued and Outstanding**  
\$ (thousands)

	Date	Amount	Principal Outstanding at 6/30/25		Interest to Maturity	Total Debt Service to Maturity	Final Maturity
<b>Revenue Bonds</b>							
2013 Series S	3/13/2013	\$ 31,020	\$ 9,040	\$ 921	\$ 9,961		10/1/2035
2015 Series T	7/15/2015	65,350	51,685	21,772	73,457		10/1/2039
2015 Series U	9/16/2015	86,085	73,375	38,385	111,760		10/1/2044
2016 Series V-1	10/12/2016	32,845	27,290	15,101	42,391		10/1/2044
2016 Series V-2	10/12/2016	14,645	6,565	1,134	7,699		10/1/2033
2020 Series W	7/15/2020	55,080	37,555	4,220	41,775		10/1/2032
<b>Total</b>		<b>\$ 285,025</b>	<b>\$ 205,510</b>	<b>\$ 81,533</b>	<b>\$ 287,043</b>		
<b>Installment Contracts</b>	-	-	-	-	-	-	-
<b>Capital Lease Liability</b> <sup>(1)</sup>	12/19/2012	\$ 24,507	\$ 20,062	\$ 14,826	\$ 34,888		10/1/2044
<b>Notes Payable</b>							
Alaska Housing Corp	6/1/2015	49,398	10,190	1,811	12,001		2/1/2032
<b>Total University Debt</b>		<b>\$ 358,930</b>	<b>\$ 235,762</b>	<b>\$ 98,170</b>	<b>\$ 333,932</b>		

Source: University of Alaska

(1) "Principal Outstanding" represents the present value of future payments on the University's long-term lease with Community Properties Alaska, Inc.

## ***F. Municipal Debt***

### **1. General Obligation Bonds**

Alaskan municipalities had approximately \$2.3 billion in general obligation debt outstanding as of June 30, 2025. This is an increase of approximately \$110 million from June 30, 2024. Alaska municipalities' general obligation debt remains below its peak of approximately \$2.7 billion reached in 1986. Please see Table 4.4 for history and additional footnotes on municipal reporting.

Municipal debt issuance levels are influenced by State appropriations for capital projects and reimbursement programs, primarily the SDRP, among other items. The Legislature placed a moratorium on additional bonds for the school debt reimbursement program in 2015, which was extended in 2020, and lasts through fiscal year 2025 (school bonds that voters approved after January 1, 2015), and State appropriations for municipal capital projects have been severely reduced or eliminated in recent years. The school debt reimbursement program moratorium lowered the amount of municipal debt outstanding while reductions and elimination of State appropriations for municipal grants may increase the amount of municipal debt outstanding.

Funding for the program is dependent on annual legislative appropriations. The State is not obligated to appropriate the full amount of the entitled under statute nor contractually obligated to consider doing so. When amounts are insufficient, such as in recent fiscal years 2017 (approximately 79% of entitlement), 2020 (approximately 50% of entitlement), 2021 (0% of entitlement), 2022 (approximately 42% of entitlement), and enacted 2026 (approximately 70% of entitlement) if funds are available, they are allocated pro rata among the eligible school districts. This does not jeopardize the security of the debt, because the full faith, credit and taxing power of the issuing community is behind it.

When State reimbursement is netted out of municipal school debt, it becomes apparent that many Alaska municipalities have substantial debt capacity.

The following Table 4.4 summarizes the estimated municipal debt outstanding.

**TABLE 4.4**  
**Municipal General Obligation Bonds Outstanding**  
\$ (millions)

June 30	Amount	June 30	Amount	June 30	Amount <sup>(1)</sup>
1975	\$ 351.4	1992	1,729.8	2009	2,423.0
1976	420.8	1993	1,814.0	2010	2,501.0
1977	519.5	1994	1,759.9	2011	2,499.9
1978	545.2	1995	1,901.6	2012	2,424.3
1979	768.5	1996	1,779.1	2013	2,406.8
1980	827.1	1997	1,777.5	2014	2,417.7
1981	1,091.0	1998	1,774.7	2015	2,394.9
1982	1,316.2	1999	1,832.0	2016	2,386.6
1983	1,619.1	2000	1,603.0	2017	2,293.2
1984	2,105.8	2001	1,850.4	2018	2,293.2
1985	2,084.0	2002	1,980.9	2019	2,446.3
1986	2,673.5	2003	1,932.6	2020	2,380.4
1987	2,463.9	2004	2,107.2	2021	2,290.7
1988	2,170.4	2005	2,345.8	2022	2,314.8
1989	1,966.9	2006	2,357.8	2023	2,363.6
1990	2,002.1	2007	2,402.1	2024	2,200.9
1991	1,854.8	2008	2,397.9	2025	2,311.0

<sup>1</sup>Municipal G.O. Debt Balance for fiscal year 2017 carried forward and used for 2018 due to municipal reporting deficiencies, some 2019-2025 values include certain data sourced directly from municipal ACFRs where available and 2025 values include certain preliminary estimates for municipal debt and may not incorporate all community bonding due to potential reporting deficiencies

Source: State of Alaska, Office of the State Assessor

## 2. General Obligation Debt Ratios

Tables 4.5 and 4.6 present ratios of municipal debt to population and then to the estimated full value of taxable property in Alaska. Alaska's sparse population leads to higher debt ratios than might be found in other states. The presence of enormous oil and gas property values in certain municipalities has been a significant contributing factor to high debt capacity.

**TABLE 4.5**  
**Per Capita Municipal and State**  
**General Obligation Debt**

**1996-2025**

Year	Population (thousands)	Municipal Debt* \$ (millions)	State of Alaska debt \$ (millions)	Total G.O. Debt \$ (millions)	Per Capita G.O. Debt (dollars)
1996	619,100	1,779	39	1,818	2,937
1997	611,300	1,778	24	1,802	2,947
1998	621,400	1,775	11	1,786	2,874
1999	622,000	1,832	2	1,834	2,949
2000	622,000	1,603	0	1,603	2,577
2001	628,800	1,850	0	1,850	2,942
2002	634,892	1,981	0	1,981	3,120
2003	643,786	1,933	0	1,933	3,003
2004	643,786	2,107	462	2,569	3,991
2005	655,435	2,346	438	2,784	4,248
2006	663,661	2,358	414	2,772	4,177
2007	670,053	2,402	390	2,792	4,166
2008	676,987	2,398	364	2,762	4,080
2009	679,720	2,424	503	2,927	4,306
2010	692,314	2,501	476	2,977	4,300
2011	710,231	2,500	644	3,144	4,426
2012	722,190	2,424	576	3,000	4,154
2013	732,298	2,407	840	3,247	4,434
2014	736,399	2,418	804	3,222	4,375
2015	735,601	2,395	754	3,149	4,281
2016	737,625	2,387	823	3,210	4,352
2017	739,828	2,293	777	3,070	4,150
2018	737,080	2,293	724	3,017	4,094
2019	736,239	2,446	670	3,116	4,233
2020	731,007	2,380	625	3,005	4,111
2021	728,903	2,291	663	2,954	4,052
2022**	736,508	2,315	622	2,937	3,987
2023**	736,556	2,364	577	2,941	3,993
2024**	741,147	2,201	524	2,725	3,677
2025**	741,147	2,311	469	2,780	3,751

\*Municipal G.O. Debt Balance for fiscal year 2017 carried forward and used for 2018 due to municipal reporting deficiencies, 2019-2025 values include certain data sourced directly from municipal ACFRs where available, and 2025 values include certain preliminary estimates for municipal debt and may not incorporate all community bonding due to potential reporting deficiencies to the Office of the State Assessor

\*\*Population statistics for 2022-2024 were sourced from the Department of Labor, and may not match similar reporting through the State Assessor, and 2024 statistics were carried forward and used for 2025 as updated information was not available at time of reporting

Source: State of Alaska, Office of the State Assessor and Department of Labor

**TABLE 4.6**  
**Municipal G.O. Debt, Population and Valuation**  
**6/30/2025**

<b>Boroughs and Cities within Boroughs</b>	Population <sup>3</sup>	Full Value		Municipal G.O.	
		Determination (thousands)	Per Cap Full Value	Debt (thousands) <sup>2</sup>	Per Capita G.O. Debt
Aleutians East Borough	3,538	\$ 259,036	\$ 73,215.38	\$ 9,810	\$ 2,773
Municipality of Anchorage	290,761	52,425,375	180,304	1,275,655	4,387
Fairbanks North Star Borough	97,327	15,727,921	161,599	56,855	584
Haines Borough	2,537	596,023	234,932	1,930	761
City & Borough of Juneau	31,436	7,699,333	244,921	43,850	1,395
Kenai Peninsula Borough	61,350	14,770,973	240,766	67,830	1,106
Ketchikan Gateway Borough	13,420	2,465,375	183,709	22,915	1,708
Kodiak Island Borough	12,570	2,585,232	205,667	36,910	2,936
Lake and Peninsula Borough	1,312	172,880	131,768	10,815	8,243
Matanuska-Susitna Borough	116,313	19,981,255	171,789	215,030	1,849
North Slope Borough	10,583	29,466,112	2,784,287	387,822	36,646
Northwest Arctic Borough	7,368	956,403	129,805	9,980	1,355
Petersburg Borough	3,379	648,242	191,844	4,945	1,463
City & Borough of Sitka	8,063	1,697,191	210,491	3,320	412
Municipality of Skagway	1,123	518,123	461,374	13,755	12,248
City and Borough of Wrangell	2,030	361,060	177,862	3,310	1,631
Other Borough and City Debt				65,864	
<b>Municipalities Outside Boroughs</b>					
City of Cordova	2,506	460,520	183,767	11,210	4,473
City of Craig	972	196,971	202,645	1,370	1,409
City of Dillingham	2,086	313,546	150,310	7,094	3,401
City of Hoonah	835	110,933	132,854	535	641
City of Nome	3,422	584,873	170,916	270	79
City of Unalaska	4,120	966,513	234,591	1,430	347
City of Valdez	3,793	2,853,515	752,311	58,480	15,418
<b>Municipal Subset Totals</b>	<b>680,844</b>	<b>\$ 155,817,405</b>	<b>\$ 228,859</b>	<b>\$ 2,310,985</b>	<b>\$ 3,394</b>
<b>Statewide</b>					
State of Alaska G.O. Debt <sup>1</sup>				\$ 468,800	
Statewide Total	741,147	\$ 160,396,230	\$ 216,416	\$ 2,779,785	\$ 3,751

1 State of Alaska G.O. Debt as of June 30, 2025

2 Municipal data from the State of Alaska, Office of the State Assessor, and 2025 values include certain preliminary estimates for municipal debt where ACFRs may not be available

3 Estimated population for 2024 was sourced from the Department of Labor, and 2024 statistics were carried forward and used for 2025 as updated population figures were not available at time of reporting

### 3. Revenue Bonds

In addition to General Obligation Debt that is supported by local taxes, cities and boroughs may issue debt that is supported by the revenues generated by the project financed through the issuance of debt. As of June 30, 2025, approximately \$1 billion in revenue bonds were outstanding, as shown on Tables 4.7 and 4.8. This is an increase of approximately \$157.0 million from June 30, 2024. The net increase is attributed to newly issued debt that was greater than total debt retirement during the fiscal year.

**TABLE 4.7**  
**Alaska Municipal Debt Issued and Outstanding**  
\$ (millions)

Fiscal Year	Amount Outstanding		Revenue Debt Outstanding as % of total
	G.O.	Revenue	
1996	1,779.1	580.8	24.6%
1997	1,777.5	682.0	27.7%
1998	1,705.0	664.0	28.0%
1999	1,832.0	471.0	20.5%
2000	1,602.9	541.3	25.2%
2001	1,850.4	590.3	24.2%
2002	1,980.8	550.2	21.7%
2003	1,932.6	544.5	22.0%
2004	2,107.2	513.8	19.6%
2005	2,345.5	603.8	20.5%
2006	2,357.8	606.0	20.4%
2007	2,402.1	503.3	17.3%
2008	2,391.9	721.4	23.2%
2009	2,423.6	874.4	26.5%
2010	2,500.4	778.2	23.7%
2011	2,499.9	761.0	23.3%
2012	2,424.3	714.3	22.8%
2013	2,398.5	743.8	23.7%
2014	2,417.7	887.6	26.9%
2015	2,394.9	954.3	28.5%
2016	2,386.6	960.2	28.7%
2017	2,293.2	941.1	29.1%
2018*	2,293.2	910.0	28.4%
2019*	2,446.3	872.5	26.3%
2020*	2,380.4	1,014.0	29.9%
2021*	2,290.7	765.5	25.0%
2022*	2,314.8	716.6	23.6%
2023*	2,363.6	848.3	26.4%
2024*	2,200.9	873.9	28.4%
2025*	2,311.0	1,030.8	30.8%

\*Municipal Debt Balance for fiscal year 2017 carried forward and used for 2018 due to municipal reporting deficiencies, 2019-2025 includes certain data sourced directly from municipal ACFRs, and 2025 values include certain preliminary estimates where ACFRs or reporting may not be available

Source: State of Alaska, Office of the State Assessor

**TABLE 4.8**  
**Alaska Municipal Debt Outstanding by Issuer**  
**June 30, 2025**  
**\$ (thousands)**

Boroughs and Cities within Boroughs	G.O. Debt <sup>1</sup>	Revenue Debt <sup>1</sup>	Total Debt <sup>1</sup>	School G.O. Total <sup>2</sup>	Percent of Debt State's Share <sup>2</sup>
Aleutians East	9,810	-	9,810	5,325	60%
Anchorage	1,275,655	606,836	1,882,491	165,993	64%
Bethel	-	700	700	-	
Cordova	11,210	-	11,210	5,905	66%
Craig	1,370	-	1,370	-	
Dillingham	7,094	-	7,094	3,854	70%
Fairbanks NSB	56,855	-	56,855	55,390	66%
Haines	1,930	620	2,550	3,085	70%
Homer	-	5,140	5,140	-	
Hoonah	535	-	535	-	
Juneau	43,850	40,270	84,120	717	60%
Kenai	565	-	565	-	
Kenai Borough	67,830	29,560	97,390	19,865	70%
Ketchikan	42,029	46,951	88,980	-	
Ketchikan Bor.	22,915	5,215	28,130	5,062	62%
King Cove	-	3,513	3,513	-	
Kodiak	8,000	7,000	15,000	-	
Kodiak Bor.	36,910	6,880	43,790	43,615	69%
Lake Peninsula	10,815	-	10,815	11,935	68%
Mat-Su	215,030	8,195	223,225	132,920	70%
Nome	270	2,987	3,257	165	69%
North Pole	-	100	100	-	
North Slope	387,822	-	387,822	122	60%
Northwest Arctic Bor	9,980	-	9,980	845	90%
Ouzinkie	-	421	421	-	
Palmer	-	5,602	5,602	-	
Petersburg	4,945	6,655	11,600	1,219	62%
Saint Paul	-	6,006	6,006	-	
Sand Point	1,725	-	1,725	-	
Seward	3,980	24,030	28,010	-	
Sitka	3,320	115,605	118,925	4,630	70%
Skagway	13,755	63,600	77,355	-	
Soldotna	9,565	-	9,565	-	
Unalaska	1,430	38,510	39,940	-	
Valdez	58,480	-	58,480	17,015	60%
Wales	-	250	250	-	
Whittier	-	5,815	5,815	-	
Wrangell	3,310	313	3,623	-	
<b>Total</b>	<b>\$ 2,310,985</b>	<b>\$ 1,030,774</b>	<b>\$ 3,341,759</b>	<b>\$ 477,661</b>	

1 GO Debt from certain communities listed may reflect preliminary estimates or unreported data, all other municipal data from the State of Alaska, Office of the State Assessor

2 Current as of 6/30/2025, Reported by the Dept. of Education and Early Development  
Source: Alaska Office of the State Assessor, Dept. of Education and Early Development

As of June 30, 2025, revenue bonds accounted for approximately 31 percent of all local debt outstanding in Alaska. Some major municipal borrowers in Alaska have no revenue debt at all. Such borrowers include the Fairbanks North Star Borough, and Northwest Arctic Borough, among others. In certain boroughs, one reason for the lack of revenue debt may be the presence of oil and gas property. That is, substituting G.O bonds for revenue bonds transfers much of the debt burden that would otherwise fall on local users to the State. This is because the State also taxes oil and gas property but allows a credit against tax liabilities for taxes paid to municipalities. Thus, municipal property taxes on oil and gas property directly reduces the State payment.

#### **4. Property Tax Limits**

Two municipalities that have large oil and gas property values, the North Slope Borough and the City of Valdez, may be subject to limitations on the amount of full value that can be taxed. A municipality may choose to levy property taxes for its operating budget under one of two methods. Under AS 29.45.080(b), total property tax revenues may not exceed the equivalent of \$1,500 per capita.

Under AS 29.45.080(c), the total property value that can be taxed is limited to the municipality's population multiplied by 225 percent of the average statewide per capita full value. Although AS 29.45.090(a) limits municipal property tax rates to 3 percent or less (30 mills), AS 29.45.100 provides that taxes may be levied without limitation as to rate or amount to pay debt service.

### **III. Supplementary Information**

#### **A. State Debt Capacity**

The State uses the ratio of revenue to debt service 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 certain investment earnings and oil resource-generated revenue. Historically, the State Bond Committee adopted a policy to target no more than 5 percent of annual unrestricted General Fund revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State. Additionally, a higher target of no more than 8 percent of annual unrestricted General Fund revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State, as well as reimbursement programs of the State of Alaska, was established. This policy was revised in fiscal year 2019 due to the inclusion of certain Permanent Fund earnings in unrestricted General Fund revenue through SB 26, which made an adjustment of these ratios from 5 percent to 4 percent, and from 8 percent to 7 percent.

#### **1. Debt Capacity as Measured by Revenues**

The State's debt capacity is determined by comparing debt service and state supported debt obligations to unrestricted general fund revenues. The State's debt capacity is conservative to compensate for potential reduction to unrestricted general fund revenue due to low petroleum prices. The state releases a revenue sources book semi-annually, the fall issuance of which is used as the basis for forecasting future years' revenue and associated debt capacity. Tables 4.9, 5.0, and 5.1, show past and projected debt service, revenue and ratios of State debt service on general obligation bonds and general obligation bonds combined with other debts that are supported by the state.

**TABLE 4.9**  
**State of Alaska**  
**Ratio of General Obligation Bond Debt Service**  
**To Expenditures and Unrestricted Revenues**  
**\$ (millions)**

Fiscal Year	Debt Service	General Fund Expenditures*	Unrestricted Revenues**	Total Revenues*	Ratio of Debt Service to Expenditures	Ratio of Debt Service to Unrestricted Revenues
1996	21.3	3,386	2,133		0.6%	1.0%
1997	16.5	3,350	2,495	3,727	0.5%	0.7%
1998	14.2	3,296	1,826	3,018	0.4%	0.8%
1999	8.8	3,425	1,348	2,556	0.3%	0.7%
2000	0.0	3,554	2,082	3,725	0.0%	0.0%
2001	0.0	3,758	2,282	4,187	0.0%	0.0%
2002	0.0	5,406	1,660	3,710	0.0%	0.0%
2003	0.0	5,582	1,948	4,194	0.0%	0.0%
2004	19.4	5,419	2,346	4,680	0.4%	0.8%
2005	46.4	5,903	3,189	5,648	0.8%	1.5%
2006	45.7	6,216	4,200	6,730	0.7%	1.1%
2007	45.0	6,777	5,159	7,914	0.7%	0.9%
2008	44.4	7,836	10,728	13,546	0.6%	0.4%
2009	43.9	9,549	5,838	8,185	0.5%	0.8%
2010	48.9	8,419	5,513	8,803	0.6%	0.9%
2011	53.8	9,307	7,673	11,187	0.6%	0.7%
2012	84.2	9,363	9,485	13,517	0.9%	0.9%
2013	81.1	9,813	6,929	15,809	0.8%	1.2%
2014	90.4	9,978	5,390	17,238	0.9%	1.7%
2015	78.0	13,107	2,256	8,541	0.6%	3.5%
2016	85.2	10,258	1,533	5,894	0.8%	5.6%
2017	82.5	10,745	1,355	12,905	0.8%	6.1%
2018	89.7	10,973	2,414	12,360	0.8%	3.7%
2019	89.3	10,717	5,350	11,062	0.8%	1.7%
2020	77.8	10,623	4,529	8,659	0.7%	1.7%
2021	79.1	14,161	4,783	29,765	0.6%	1.7%
2022	73.7	14,136	6,939	16,028	0.5%	1.1%
2023	73.5	13,754	7,044	15,484	0.5%	1.0%
2024	72.7	14,760	6,631	16,315	0.5%	1.1%
2025	64.2	15,891	6,342	16,707	0.4%	1.0%

Source: State of Alaska Fall Revenue Sources Book

\* Federal income, Permanent Fund income and Constitutional Budget Reserve Draws included from 2002 forward; FY2025 from 8/5/2025 OMB Fiscal Summary

\* Forward funding of future fiscal year expenditures included from 2007 forward

\*\* Federal Revenue, Permanent Fund income and other restricted

and restricted by custom revenues are not included in unrestricted revenue through fiscal year 2025

**TABLE 5.0**  
**State of Alaska**  
**Payments on General Fund Paid Debt as of June 30, 2025**  
**\$ (millions)**

Fiscal Year	State G.O.*	Lease / Purchase	Capital Leases <sup>1</sup>	School Debt Reimbursement <sup>2,3</sup>	Capital Project Reimbursements <sup>3</sup>	Statutory Debt Payment to PERS/TRS <sup>4</sup>	Total Debt Service
2025	64.2	2.9	19.5	56.3	3.6	182.5	329.0
2026	64.1	2.9	18.6	46.7	2.8	218.8	353.9
2027	63.1	2.9	20.1	41.4	2.6	257.7	387.8
2028	62.2	2.9	20.1	39.4	2.2	260.7	387.5
2029	61.3	2.9	16.8	34.6	0.9	264.3	380.8
2030	60.8	-	16.8	32.1	0.9	270.8	381.4
2031	48.8	-	16.8	29.9	0.4	277.3	373.2
2032	48.7	-	16.8	26.7	-	284.6	376.8
2033	48.6	-	16.8	20.5	-	292.3	378.2
2034	48.5	-	-	18.2	-	300.5	367.2
2035	25.4	-	-	13.2	-	308.9	347.5
2036	25.3	-	-	6.2	-	317.5	349.0
2037	6.6	-	-	1.1	-	326.5	334.2
2038	18.3	-	-	1.0	-	335.1	354.4
2039	6.1	-	-	1.0	-	345.1	352.2
2040	6.1	-	-	0.6	-	1.9	8.6
2041	6.1	-	-	0.4	-	1.8	8.3
2042	-	-	-	0.4	-	1.8	2.2
2043-2047	-	-	-	0.6	-	19.7	20.3

1 - There is a prison and a parking garage financed with capital leases

2 - FY2025 - 2044 payments are based on actual bond repayment schedules on file with the Department of Education & Early Development as of 6/30/2025

3 - In FY2025, SDRP and Capital Project Reimbursements were funded at 100%, in enacted FY2026, SDRP is funded at approximately 70%

4 - Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2024

\* - State G.O. debt service listed excludes federal subsidies for interest expense through Fiscal Year 2039

**TABLE 5.1**  
**State of Alaska Debt Service to Unrestricted Revenues**  
**Fall 2025 Revenue Forecast of the Department of Revenue**

Fiscal Year	Unrestricted Revenues (\$Millions)	State G.O. Debt Service %	State Supported Debt Service %	Total State Debt Service %	School Debt & Capital Reimbursements %	Statutory Payment to PERS/TRS %	Total Payments to Revenues* %
1996	2,133	1.0	0.5	1.4	3.7		5.2
1997	2,495	0.7	0.4	1.0	2.5		3.5
1998	1,826	0.8	0.6	1.3	3.4		4.7
1999	1,348	0.7	1.1	1.8	4.6		6.4
2000	2,082	0.1	0.9	1.0	3.1		4.1
2001	2,282	0.0	0.7	0.7	2.3		3.0
2002	1,660	0.0	1.3	1.3	3.3		4.5
2003	1,948	0.0	1.1	1.1	2.7		3.7
2004	2,346	0.8	0.9	1.7	2.6		4.3
2005	3,189	1.5	0.7	2.2	2.2		4.4
2006	4,200	1.1	0.6	1.7	1.9		3.6
2007	5,159	0.9	0.5	1.4	1.7		3.1
2008	10,728	0.4	0.3	0.6	0.8		1.4
2009	5,838	0.8	0.6	1.3	1.6		2.9
2010	5,513	0.9	0.8	1.7	1.7		3.4
2011	7,673	0.7	0.6	1.3	1.3		2.6
2012	9,485	0.8	0.4	1.3	1.1		2.3
2013	6,929	1.1	0.6	1.7	1.6		3.3
2014	5,390	1.4	0.7	2.1	2.0		4.1
2015	2,256	3.3	1.6	4.9	5.2		10.1
2016	1,533	4.0	2.3	6.3	7.6		13.9
2017	1,355	6.1	2.3	8.3	6.7		15.0
2018	2,414	3.7	1.1	4.8	4.6		9.4
2019	5,350	1.7	0.4	2.1	2.0		4.1
2020	4,529	1.7	0.5	2.2	2.3		4.5
2021	4,783	1.7	0.5	2.1	2.0		4.1
2022	6,939	1.1	0.3	1.4	1.2		2.6
2023	7,044	1.0	0.3	1.4	1.2		2.6
2024	6,631	1.1	0.3	1.4	1.1		2.5
2025	6,342	1.0	0.4	1.4	0.9		2.3
projected							
2026	5,947	1.1	0.4	1.5	0.8	3.7	6.0
2027	6,216	1.0	0.4	1.4	0.7	4.1	6.2
2028	6,337	1.0	0.4	1.4	0.7	4.1	6.2
2029	6,489	0.9	0.3	1.2	0.5	4.1	5.8
2030	6,684	0.9	0.3	1.2	0.5	4.1	5.8
2031	6,937	0.7	0.2	0.9	0.4	4.0	5.3
2032	7,194	0.7	0.2	0.9	0.4	4.0	5.3
2033	7,451	0.7	0.2	0.9	0.3	3.9	5.1
2034	7,646	0.6	0.0	0.6	0.2	3.9	4.7
2035	7,832	0.3	0.0	0.3	0.2	3.9	4.4

\*Percentages may not foot due to rounding.

As shown on Table 5.1, debt service on State G.O. and State Supported debt plus debt reimbursement payments were approximately 2.3% of unrestricted revenues in FY 2025 and are projected to be approximately 2.3% of revenues in FY 2026. Adding in anticipated payments of the State on behalf of PERS and TRS employers in FY 2026 brings the ratio up to approximately 6.0%. The spike in the percentages from FY 2015 through FY 2018 is due to the sharp reduction in the price of oil and correlated state unrestricted revenue in the Fall of 2014. As existing debt is paid down, and with the incorporation of projected transfers related to Senate Bill 26 and the price of oil, production levels, and correlated state unrestricted revenue, the ratio improves to approximately 0.5% by 2035. However, the on-behalf payments of the State for UAAL amortization keep the percentages elevated, and when including these payments, the State's ratio is forecasted to be 4.4% in 2035.

Table 5.2 presents the ratio of State G.O.'s to full value of taxable property since 1998. The ratio has increased from 0.0% in 1998 to 0.3% in 2025, using full value statistics currently available from the State Assessor. As a measure of debt capacity, debt to full value is of minor significance in Alaska due to the existence of a state petroleum property tax.

**TABLE 5.2**  
**State of Alaska**  
**Ratio of State General Obligation Debt to Property Values**

Year*	Total Full Value: Cities, Boroughs & Unincorporated Areas at Jan. 1st (millions) <sup>1</sup>	State G.O. Bonds Outstanding at 6/30 (millions)	Ratio of Debt to Full Value (%)
1998	47,541	11	0.0%
1999	49,158	2	0.0%
2000	50,773	0	0.0%
2001	53,230	0	0.0%
2002	55,247	0	0.0%
2003	58,361	462	0.8%
2004	59,230	462	0.8%
2005	66,308	438	0.7%
2006	66,847	414	0.6%
2007	84,253	390	0.5%
2008	90,192	364	0.4%
2009	95,359	503	0.5%
2010	98,062	476	0.5%
2011	98,969	628	0.6%
2012	101,496	576	0.6%
2013	107,460	840	0.8%
2014	108,638	804	0.7%
2015	111,751	744	0.7%
2016	115,231	823	0.7%
2017	117,074	777	0.7%
2018	117,454	724	0.6%
2019	119,412	670	0.6%
2020	124,579	625	0.5%
2021	125,839	663	0.5%
2022	134,473	622	0.5%
2023	140,457	577	0.4%
2024	148,313	524	0.4%
2025	160,396	469	0.3%

(1) Source: Office of the State Assessor

\*Certain years include preliminary estimates for total full value determination  
and the most recent Alaska Taxable report will contain the official reported values

## ***B. Public Pension Systems Liabilities***

The State administers two major retirement systems – the Public Employees’ Retirement System (for State employees and employees of political subdivisions who elect to join the system) and the Teachers’ Retirement System (for teachers and school administrators).

The difference between the present value of projected accrued benefits for employees who are covered by the pension system and the market value of the particular pension system’s assets is the amount of the State’s unfunded liability. An unfunded pension liability has historically been treated by the rating agencies as a soft liability with more flexibility than other debt. In the State’s 2015 Annual Comprehensive Financial Report released on February 1, 2016, GASB 68 was implemented updating the reporting and disclosure requirements related to pension liabilities. One of the requirements of GASB 68 is that if a government is committed to making payments on an unfunded pension liability on behalf of another entity, the amount of liability supported must be reported as a debt of the government making the payments. Senate Bill 125 passed in 2008 commits the State to funding the difference between specific employer contributions of 22% for the Public Employees Retirement System and 12.56% for the Teachers Retirement System. While TRS funding is arguably a state responsibility, this debt would be found primarily on local school districts’ balance sheets if SB 125 was not in place. Under GASB 68 the State’s payment commitment increased the State of Alaska’s long-term debt by \$5,801 million to \$8,473 million as of June 30, 2015, compared to \$2,672 million as of June 30, 2014.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The ARM Board completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and was included within the June 30, 2022, actuarial valuation reports.

According to the PERS and TRS Financial Statement and Supplementary Schedule as of June 30, 2025, if the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately \$1,821,719,000 and the net TRS pension liability by approximately \$819,577,000.

The financial status of each of the State’s public pension systems since FY 2015 is shown in Table 5.3 and is based on PERS and TRS actuarial valuation results available as of June 30, 2024. Actuarial valuation results for fiscal year 2025 will be available in fiscal year 2026, and preliminary estimates have been provided.

**TABLE 5.3**  
**State of Alaska**  
**Retirement System's Financial Status**  
**\$ (millions)**

	Public Employees' Retirement System (PERS)										PRELIMINARY
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Present Value of Accrued Benefits	\$ 20,648	\$ 21,369	\$ 21,881	\$ 22,264	\$ 22,191	\$ 22,316	\$ 22,276	\$ 22,751	\$ 23,921	\$ 24,189	\$ 24,720
Value of Assets	\$ 16,173	\$ 16,468	\$ 16,787	\$ 17,117	\$ 17,387	\$ 17,703	\$ 19,048	\$ 19,941	\$ 20,453	\$ 21,042	\$ 21,948
Funding Level for Accrued Benefits	\$ (4,475)	\$ (4,901)	\$ (5,094)	\$ (5,147)	\$ (4,804)	\$ (4,613)	\$ (3,228)	\$ (2,810)	\$ (3,468)	\$ (3,147)	\$ (2,772)
Funding Ratio	78.3%	77.1%	76.7%	76.9%	78.4%	79.3%	85.5%	87.6%	85.5%	87.0%	88.8%
	Teachers' Retirement System (TRS)										PRELIMINARY
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Present Value of Accrued Benefits	\$ 9,729	\$ 9,907	\$ 10,145	\$ 9,960	\$ 9,907	\$ 9,937	\$ 9,911	\$ 10,247	\$ 10,655	\$ 10,670	\$ 10,787
Value of Assets	8,129	8,200	8,314	8,440	8,512	8,608	9,178	9,537	9,719	9,925	10,269
Funding Level for Accrued Benefits	\$ (1,600)	\$ (1,707)	\$ (1,831)	\$ (1,520)	\$ (1,395)	\$ (1,329)	\$ (733)	\$ (710)	\$ (936)	\$ (745)	\$ (518)
Funding Ratio	83.6%	82.8%	82.0%	84.7%	85.9%	86.6%	92.6%	93.1%	91.2%	93.0%	95.2%

Source: From most recent adopted State of Alaska PERS and TRS Actuarial Valuation Reports, 6/30/2024, Preliminary 6/30/2025

As of the June 30, 2024, PERS and TRS Actuarial Valuation Reports, the Public Employees' Retirement System's actuarial accrued liabilities were funded at 87.0 percent and the Teachers' System's actuarial accrued liabilities were funded at 93.0 percent. Worth noting is that the Other Post Employment Benefit ('OPEB') asset levels are greater than the assumed liabilities for both PERS and TRS.

### C. Credit Ratings of the State of Alaska

The State of Alaska's general obligation bond rating was re-established in 2003 with the issuance of the 2003 Series A and B bonds. The State received AA ratings from the three national bond credit rating agencies. On March 27, 2008, Standard & Poor's ('S&P') increased their credit rating on the State to AA+ with a stable outlook. March 25, 2010, Fitch Ratings upgraded the State to AA+. On November 22, 2010, Moody's upgraded the State to Aaa. On January 5, 2012, S&P upgraded the State to AAA. On January 7, 2013, Fitch upgraded the State to AAA. Moody's and S&P revised the outlook for the State to negative in December 2014, and August 2015 respectively, while affirming the State's Aaa/AAA rating. Since this peak in credit strength the State's general obligation bond rating has been downgraded ten times, beginning with the January 5, 2016 downgrade by S&P to AA+, the February 29, 2016 downgrade by Moody's Investors Service to Aa1, the June 14, 2016 downgrade by Fitch Ratings to AA+, the July 25, 2016 downgrade by Moody's to Aa2, the July 13, 2017 downgrade by Moody's to Aa3, the July 18, 2017 downgrade by S&P to AA, and the November 2, 2017 downgrade by Fitch to AA. On November 2nd and December 1st of 2017, Fitch and Moody's, respectively, revised their outlook on the State to stable from negative. On June 8, 2018, S&P revised their outlook on the State to stable from negative. On July 25, 2019, Moody's Investors Service revised their outlook on the State to negative from stable and affirmed their Aa3 rating on the State's general obligation bonds. On September 5, 2019, Fitch downgraded the rating on the State's general obligation bonds to AA- from AA. On April 17, 2020, S&P downgraded the State's rating to AA- from AA. On May 6, 2020, Fitch downgraded the State's rating to A+ from AA-. On April 22<sup>nd</sup> and May 4<sup>th</sup> of 2021, Moody's and S&P, respectively, revised their outlook on the State to stable from negative. On March 21, 2022, S&P revised their outlook on the State to positive from stable. On April 12, 2022, Fitch revised their outlook on the State to stable from negative. On July 20, 2023, Kroll Bond Rating Agency (KBRA) initiated a rating on the State of Alaska's outstanding General Obligation Bonds, assigning a long-term rating at AA, with stable outlook. On April 30, 2024, S&P upgraded the State's rating to AA from AA-. On February 25, 2025, Kroll upgraded the State's rating to AA+ from AA. On June 17, 2025, Moody's upgraded the State's rating to Aa2 from Aa3. On September 12, 2025, Fitch upgraded the State's rating to AA- from A+. As of December 2025, the ratings on outstanding State of Alaska general obligation bonds were Aa2 / AA / AA- / AA+ from Moody's, S&P, Fitch, and KBRA, respectively.

Table 5.4 shows a summary of the State of Alaska's credit rating history.

**TABLE 5.4**  
**State of Alaska Credit Rating History**  
**rating changes as of date shown**

Moody's Investors Service	S&P Global Ratings	Fitch Ratings	Kroll Bond Rating Agency
July 13, 1961	Baa	June 4, 1971	A
September 12, 1969	Baa1	January 23, 1975	A+
August 29, 1974	A1	June 14, 1980	AA-
June 13, 1980	Aa	August 5, 1992	AA
November 26, 1998	Aa2	March 27, 2008	AA+
November 22, 2010	Aaa	January 5, 2012	AAA
February 29, 2016	Aa1	January 5, 2016	AA+
July 25, 2016	Aa2	July 18, 2017	AA
July 13, 2017	Aa3	April 17, 2020	AA-
June 17, 2025	Aa2	April 30, 2024	AA

#### **D. Private Activity Bond Ceiling**

The Tax Reform Act of 1986 established a ceiling on annual issuance of Qualified Private Activity Bonds (PAB's), effective August 15, 1986, at the level of \$250 million for the remainder of 1986 and for 1987, and \$150 million thereafter. Effective in calendar year 2001 the PAB cap became subject to annual adjustment and has been increased each year since. In calendar year 2025 the cap was approximately \$388.8 million. The PAB ceiling encompasses qualified mortgage revenue bonds, student loan bonds some of the types of tax-exempt debt issued by AIDEA and AEA, and certain other types of tax-exempt bonds to promote industrial development.

The responsibility for allocating Alaska's annual ceiling is assigned to the State Bond Committee by State law. Allocation carry-forwards expire after three calendar years. Table 5.5 summarizes the allocation of the PAB ceiling over the past fifteen calendar years.

**TABLE 5.5**  
**Alaska Private Activity Bond Ceiling Allocations**  
\$ (thousands)

Calendar Year	Annual Cap	Allocations	Recipient
2011	277,820	277,820	to AHFC
2012	284,560	284,560	to AHFC
2013	291,875	291,875	to AHFC
2014	296,285	288,285	to AHFC
		8,000	to AIDEA
2015	301,515	200,248	to AHFC
		101,267	to AIDEA
2016	302,875	202,875	to AHFC
		100,000	to AIDEA
2017	305,315	305,315	to AHFC
2018	311,375	311,375	to AHFC
2019	316,745	316,745	to AHFC
2020	321,775	321,775	to AHFC
2021	324,995	324,995	to AHFC
2022	335,115	335,115	to AHFC
2023	358,845	358,845	to AHFC
2024	378,230	378,230	to AHFC
2025	388,780	46,780	to AHFC
		342,000	to AEA

#### **E. State Bond Committee**

AS 37.15 includes the State's Bonding Act and creates the State Bond Committee (SBC). The members of the SBC are the Commissioner of Commerce, Community and Economic Development (who serves as chairperson), the Commissioner of Revenue (who serves as secretary), and the Commissioner of Administration.

The duties of the State Bond Committee include adopting resolutions and preparing documents necessary for the issuance, sale, and delivery of State bonds. The State Bond Committee must fix the principal amount, denomination, date maturities, place of payment, terms, rights of redemption if any, form, condition and covenants of the bonds; fix the date of sale and the form of the notice of sale; and provide the notice of sale of State debt.

Additionally, the State Bond Committee manages and administers the State debt policy including requests for appropriations to the debt retirement fund, the repayment of State debt from the general fund, and any related administrative matters.

Staff support for the State Bond Committee is provided by the Treasury Division of the Department of Revenue.

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