

Frequently asked questions about school bonds

Q Why does the district have school bond propositions on the ballot every year?

A The district has nearly 100 schools, instructional programs, and support offices across the municipality, totaling more than 7 million square feet of facilities. We spend \$17 million in our annual operating budget for day-to-day repairs and preventative maintenance, but major building components eventually wear out and need to be replaced. Older schools can also reach a point where the entire structure becomes functionally obsolete and requires major renovation. With nearly 100 facilities in our care, repairs and renovations are needed at a handful of schools every year.

Q Why is a new middle school needed in northeast Anchorage?

A Northeast Anchorage is one of the most densely populated areas of town, and continues to grow rapidly. The three existing middle schools in the area, Central, Clark and Wendler, are all overcrowded. Central is at 139 percent of capacity, Clark is at 117 percent and Wendler is at 124 percent. In addition, many of the elementary schools in the northeast Anchorage area are overcrowded. The new middle school is proposed as a grade 6-7-8 school, similar to Mirror Lake Middle School in Chugiak. The new school would reduce crowding at the elementary schools and middle schools in northeast Anchorage.

Q Why are new schools and classroom additions needed when districtwide student enrollment is dropping?

A Overall student enrollment has dropped slightly from a peak of 50,029 during the 2002-2003 school year (see graph below). However, the district still has more students than classroom space, and uses more than 130 relocatable classrooms to accommodate the overflow of students. Also, while some areas of town have seen

enrollment stabilize or even decrease slightly, other areas are rapidly growing. We change attendance boundaries when possible to balance enrollments, but that isn't always a feasible or adequate solution.

Q A bond for a new administration building failed last year. Why is the district asking for it again?

A The district still has a need for a consolidated, more efficient administration building. We have support and administrative offices scattered across town, five of which are rented at a cost of \$1.7 million per year out of our general operating budget. Owning a centralized facility will allow the district to spend approximately \$1 million of that money on other general fund expenditures or be returned to local taxpayers, subject to School Board authorization. At the end of the 20-year life of the bond, the city will own the facility rather than having to continue to rent space. Lastly, the State's program which allows for 60 percent of the bond cost to be paid by the State will no longer be available after this year.

Q If we purchase an administration building, how will the approximately \$1 million a year in saved rental cost be used?

A The district recently made \$26 million in cuts to instructional services and employee positions, including more than 160 teaching positions. The approximately \$1 million a year saved by no longer renting office space could be used for general fund positions and services or returned to local taxpayers, subject to School Board authorization.

Q Why is this year's administration building bond proposition \$12 million less than last year?

A Following the rejection of last year's bond, many voters suggested that we acquire and renovate an existing building

rather than build a new facility, and the district pursued that option for this year's proposal. The project was also scaled down to reduce overall cost. Area developers were asked to propose a variety of office spaces that would meet the modified requirements.

Q Where will the administration facility be located?

A The proposal with the best price and overall value was for a renovation of the vacant Kmart store near the Northway Mall. The store would be renovated into 168,000 square feet of office space. This facility would replace the district's five rented offices and would also replace two offices which are currently located in schools and on school grounds (see maps at right). This project complies with the Anchorage comprehensive plan to develop a Northway Town Center. Should voters approve Proposition 6, the district will contract with the developer to begin renovating the building as soon as possible.

Q How much existing bond debt has the school district paid recently?

A The school district makes annual payments on principal and interest for school bonds approved by voters. The district is scheduled to pay \$28.7 million of principal debt during the current school year, \$34.8 million next year, and \$33.5 million the following year.

Q What is the total amount of existing bond debt for the district?

A The district currently has \$681.3 million of existing bond debt principal. A variety of State reimbursement plans combine to pay 51 percent of this debt, subject to annual legislative appropriation.

Q What is the mill rate for school taxes?

A The school district mill rate, used to determine property tax on a home, has decreased for three years in a row, from 8.20 mills in 2001, to 7.81 mills in 2002, to 7.37 mills in 2003. Based on the proposed budget for 2004-2005, it will be 7.29 mills in 2004 (does not include the April 2004 bonds).

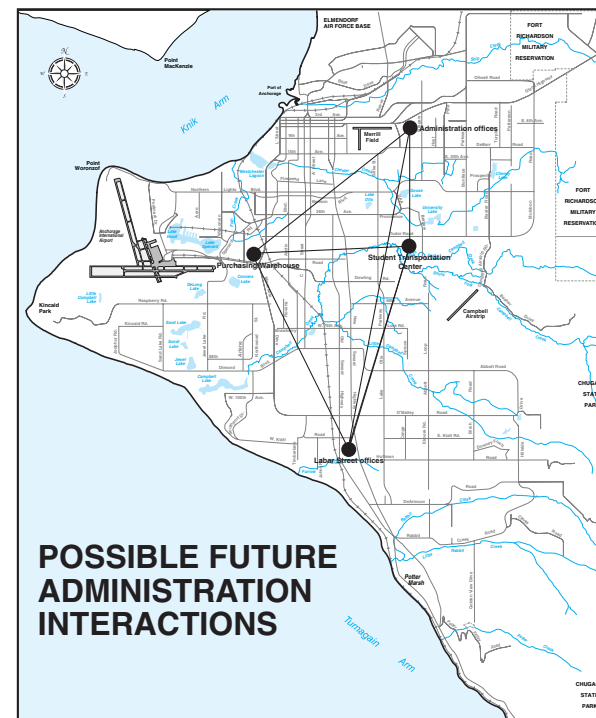
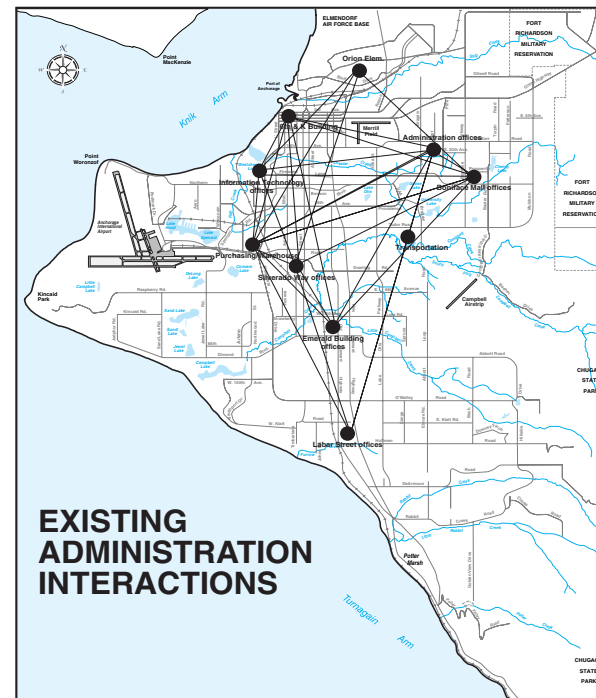
Q What is planned for Clark Middle School?

A The district will work with the community to determine the best way to accomplish a major renovation or total replacement of the 45-year-old school, and to coordinate the school project with the city's comprehensive plan, the Mountain View Cultural Arts Center development, and the overall revitalization of the neighborhood around the school.

Q How much longer before the high school renovations are complete?

A The high school renovations at Bartlett, Chugiak, East and Service were planned as multi-year "phased" projects to allow renovation work to take place at the same time students were using the schools. Chugiak will be completed in 2008, East and Service in 2009, and Bartlett in 2010.

More questions and answers are posted on the ASD Web site, www.asdk12.org.



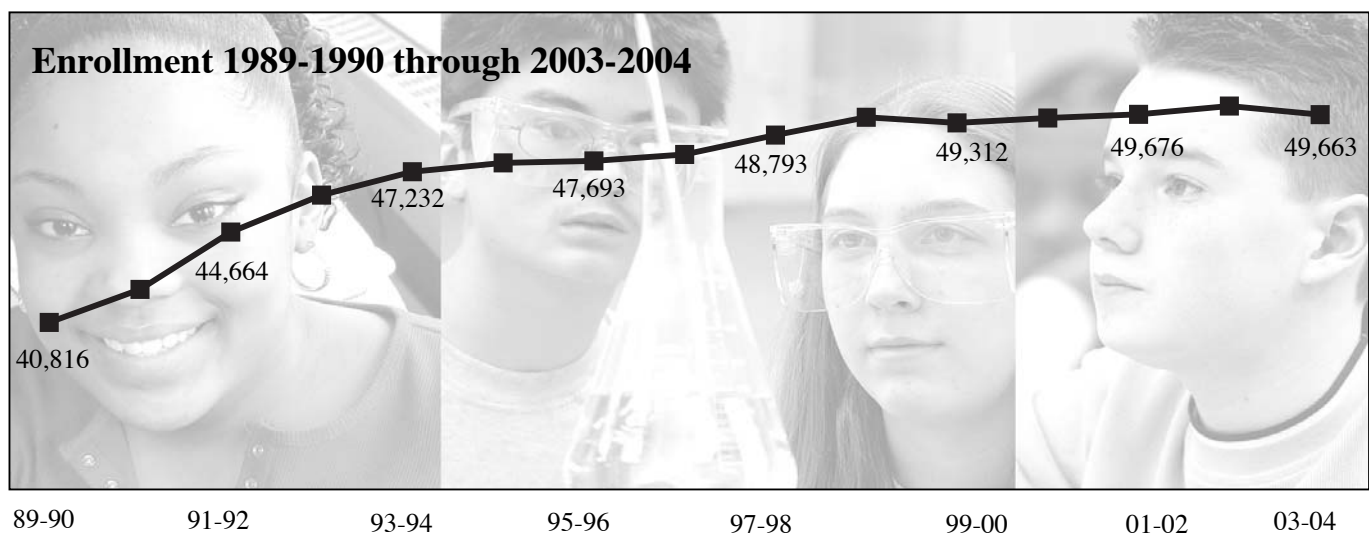
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Anchorage School District School Bond Information

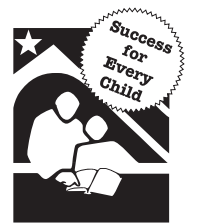
April 6, 2004 Election

Prop. 4	Prop. 5	Prop. 6
64.8% State reimbursement*	57.6% State reimbursement*	60% State reimbursement*
35.2% local taxes	42.4% local taxes	40% local taxes

*Subject to annual legislative appropriation.



Anchorage School District
 P.O. Box 196614
 4600 DeBarr Road
 Anchorage, AK 99519-6614



Anchorage School District
Educating All Students for Success in Life



The 92 schools that make up the Anchorage School District are an investment by our community in the education of our children and future generations.

It's important that we maintain the value and quality of that investment. That's what these bonds are about: bringing aged buildings up to current educational standards and providing solid, safe, functional and efficient facilities for our students and educators.

These projects were researched by professional engineers and facility managers, reviewed by citizens on the Capital Request Advisory Committee, and publicly scrutinized and approved by the School Board and Assembly.

A significant amount of State funding is currently available for these bonds, letting us conduct needed construction and repairs with State financial assistance. The reimbursement plan was approved by the legislature in 2002; funding of the plan is subject to annual legislative appropriation.

Like any investment, these projects come at a cost to local taxpayers. Before heading to the voting booth on April 6, please take time to review the improvement projects and weigh their benefits against the cost.

More information on the bond projects is available on our Web site and from our facilities department, 348-5156.

Carol Comeau, Superintendent

State Reimbursement

The Alaska Legislature authorized a school bond debt reimbursement plan in 2002 that provides 60 percent or 70 percent State reimbursement for local school improvement projects approved by voters through the end of 2004. Annual funding for the plan must be approved (appropriated) by each year's legislature and governor. Most of the projects contained in Propositions 4, 5 and 6 qualify for reimbursement. In total, the three propositions qualify to receive 59.7 percent State reimbursement.

Prop. 4	Prop. 5	Prop. 6
64.8% State reimbursement*	57.6% State reimbursement*	60% State reimbursement*
35.2% local taxes	42.4% local taxes	40% local taxes

*Subject to annual legislative appropriation.

Proposition 4 — Major Repairs, Renewals and Equipment

Projects	Estimated Project Costs	Estimated Increase in Annual Operations & Maintenance Costs	State Reimbursement*
Districtwide Security Upgrades – Locks: Phase 2	\$1,300,000	0	70%
Security System Upgrades (multiple schools)	\$1,250,000	0	70%
Fire Sprinklers (3 schools)	\$950,000	0	70%
Roof Replacement and Repairs (multiple schools)	\$1,000,000	0	70%
Heating System Conversion (5 schools)	\$5,000,000	0	60%
Mechanical Upgrades (multiple schools)	\$7,230,000	0	70%
Heavy Equipment Replacement	\$985,000	0	0%
Minor Building Renewal Projects (multiple schools)	\$6,890,000	0	70%
Code/Hazmat/ADA Projects (multiple schools)	\$800,000	0	70%
11 Replacement School Buses	\$830,000	0	0%
Electrical Projects (multiple schools)	\$9,345,000	0	70%
Traffic Safety Planning/Design	\$200,000	0	0%
Traffic Safety/Site Upgrades	\$600,000	0	70%
TOTAL	\$ 36,380,000	\$0	64.8%

Proposition 5 — School Renovation, Construction and Site Acquisition

Projects	Estimated Project Costs	Estimated Increase in Annual Operations & Maintenance Costs	State Reimbursement*
Bartlett High School – Phase 3 Design	\$ 2,000,000	\$ 0	70%
Renovation of Tech Ed classrooms, and east and west academic wings (classrooms, restrooms, cafeterias, entries and parking)			
Chester Valley Elementary School – Construction	15,000,000	105,800	60%
Build additional classrooms and renovate existing spaces to bring school up to 26-classroom standard			
Chugiak High School – Phase 4 Design	900,000	0	70%
House 4 classroom renovations, House 1 minor renovations, other classroom renovations, sports fields, signage, parking, fire alarm and other upgrades			
Clark Middle School – Preliminary Design	400,000	0	60%
East High School – Phase 4A Construction and Phase 4B Design	7,500,000	0	70%
Renovate old performing arts area into library, complete south classroom wing, design southwest classroom wing renovation and parking			
Elementary School Planning	130,000	0	0%
Airport Heights and a new school in southwest Anchorage			
Girdwood K-8 School – Planning	100,000	0	0%
Inlet View Elementary School – Design	700,000	0	60%
Classroom addition, interior renovations, multi-purpose room addition, site improvements			
Muldoon area middle school – Construction	52,000,000	1,943,500	60%
New school to be built near intersection of Muldoon & DeBarr			
Rabbit Creek Elementary School – Preliminary Design	100,000	0	0%
Replacement school			
Sand Lake Elementary School – Construction	10,900,000	29,400	60%
Classroom addition, interior renovation & site improvements			
Site Selection and Acquisition	5,000,000	0	0%
Identify and obtain future school sites			
Turnagain Elementary School – Design	900,000	0	60%
Classroom addition, interior site renovation & site improvements			
West High School/Romig Middle School – Planning	200,000	0	0%
TOTAL	\$ 95,830,000	\$2,078,700	57.6%

Proposition 6 — Administrative and Training Facility

Projects	Estimated Project Costs	Estimated Increase in Annual Operations & Maintenance Costs	State Reimbursement*
Administrative and Training Facility	\$ 30,000,000	\$0	60%
TOTAL	\$ 30,000,000	\$0	60%

*Subject to annual legislative appropriation

Local Tax Impact

Proposition 4 \$36,380,000

Repairs, Renewals and Equipment

Estimated annual tax increase for every \$100,000 of property value to retire debt:

With State Reimbursement* \$5.16
Without State Reimbursement \$14.64

Proposition 5 \$95,830,000

Major Construction and Renovation

Estimated annual tax increase for every \$100,000 of property value to retire debt:

With State Reimbursement* \$16.34
Without State Reimbursement \$38.56

Estimated annual increase in tax cap for every \$100,000 of property value to pay for operation and maintenance costs related to the proposed capital projects \$9.79

Proposition 6 \$30,000,000

Administrative Facility

Estimated annual tax increase for every \$100,000 of property value to retire debt:

With State Reimbursement* \$4.83
Without State Reimbursement \$12.07

Total–Prop. 4, 5, 6 combined

Estimated annual tax increase for every \$100,000 of property value to retire debt:

With State Reimbursement* \$26.33
Without State Reimbursement \$65.27

Another way of looking at the cost:

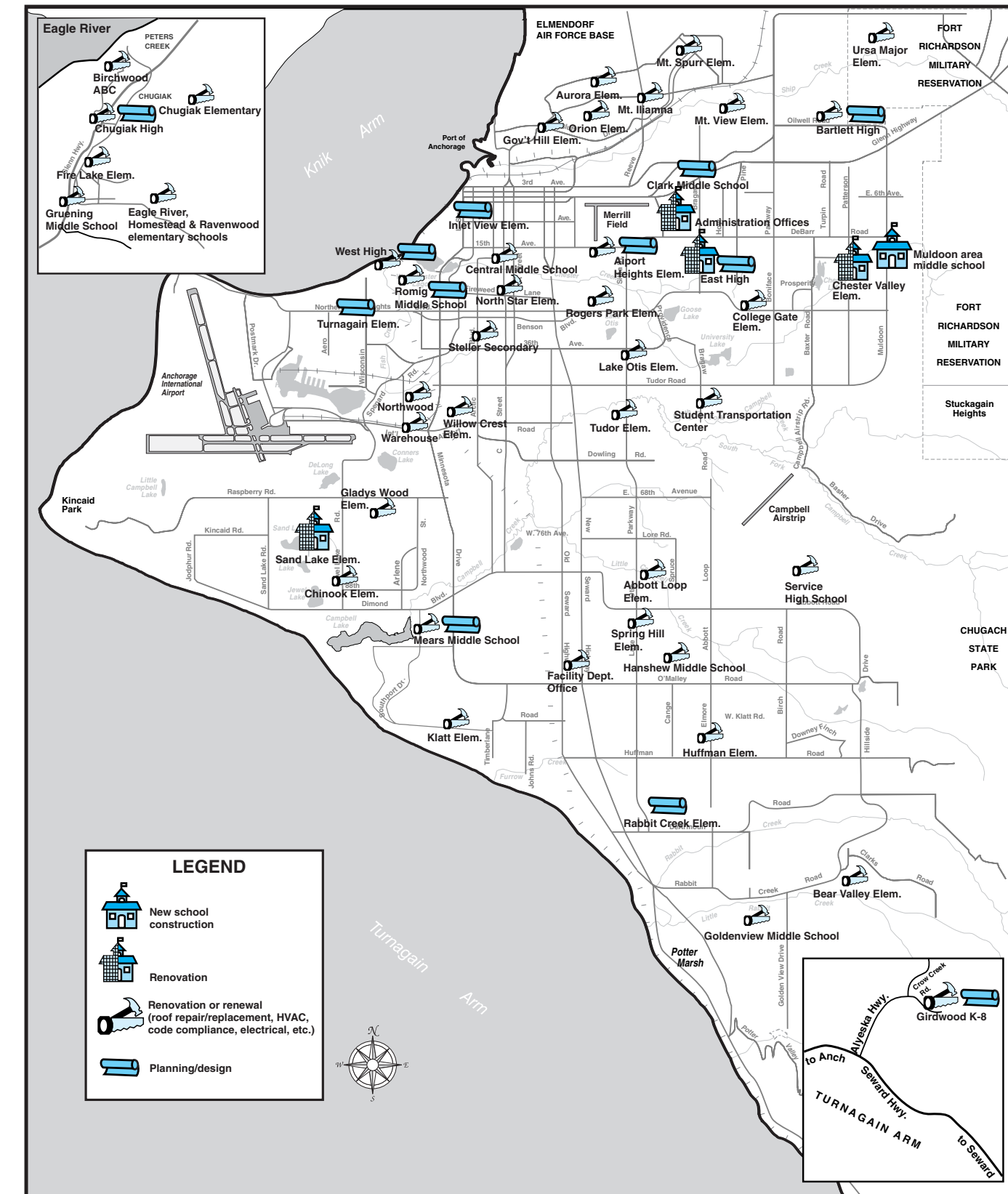


For an Anchorage home valued at \$215,000, the tax increase to pay for bond debt service and increased operations and maintenance on a monthly basis would be:

With State Reimbursement* \$6.47
Without State Reimbursement \$13.44

*Subject to annual legislative appropriation.

2004 School Bond Projects



Questions on school bonds?

More information is available online at www.asdk12.org.
Questions and comments can be sent directly to district staff through the web site's online suggestion box.

Paid for by Anchorage School District, P. O. Box 196614, Anchorage, AK 99519-6614, (907) 742-4000