

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 over \$16 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 that many facilities in our care, major repairs and renovations are needed at a handful of schools every year.

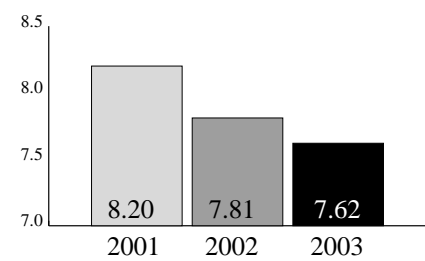
Q How much previous bond debt has the school district paid off recently?

A The school district retired \$87 million in bond debt during the last two school years combined, and is scheduled to retire \$109 million in bond debt this year and next school year combined.

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 two years in a row. It was 8.20 mills in 2001, and it dropped to 7.81 mills in 2002. Based on the proposed budget for 2003-2004, it will be 7.62 mills in 2003 (does not include the April 2003 bonds).

Tax mill rate for schools
(Operating budget and debt service, combined)



Q At what interest rate will the bonds be sold?

A The Municipality of Anchorage anticipates being able to sell the April 2003 bonds at 5.5 percent. Prior bonds have been sold at interest rates ranging from 4.86 percent to 12.5 percent depending upon the bond market at the time of the sale. Most existing bonds that were sold at the higher interest rates have been refinanced which decreases the amount of future debt service payments to be paid by the district. In the last four years, the district has refinanced approximately \$140 million of bonds and lowered debt service payments approximately \$7.9 million.

Q Why is the Eagle River High School back on the ballot?

A Chugiak High School continues to serve far more students than it was designed to house. A new high school in the Eagle River area will relieve the crowded conditions at Chugiak High and will allow for the continuing growth of the Chugiak and Eagle River communities. Several things have changed since voters turned down the construction of the school in April 2001. First, the district has decided to use the new Dimond High School design (but with just one classroom wing instead of two) for the Eagle River school, which will help reduce design costs and speed construction. Second, the School Board has authorized the new school to offer three alternative programs (vocational/technical, on-line instruction, and an at-risk student program) which will draw more students to the new school. Third, Bartlett High School is now at capacity and continues to gain more students, so the thought of busing Chugiak students to Bartlett is no longer a potential solution to the overcrowding at Chugiak High. And lastly, the availability of 60 percent reimbursement from the State, subject to annual legislative appropriation, for the cost of building the school is a major factor. In the past, this project did not qualify for reimbursement because of the way the State defines school capacity.

Q Why is the district creating emergency shelters?

A We continually review our crisis management plans and look for ways to improve, and our schools practice a variety of emergency drills. A recent study of our disaster preparedness found that the district needs to be prepared to house students at schools for up to 72 hours following a major earthquake or other disaster. Following such a disaster, parents may not be able to reunite with students immediately, or students may not have a home to go to. Part of Proposition 9 will fund the enhancement of boilers at 18 schools to run on diesel as well as natural gas, and will also fund portable generators and other improvements. Those schools could then provide heat and light for students even if natural gas service to the schools is disrupted. The 18 sites are geographically dispersed throughout the Municipality so that every school districtwide is served by a shelter site.

Q What does 'subject to annual legislative appropriation' mean?

A The State legislature has already approved the reimbursement plan, and the Department of Education and Early Development has approved the percentage reimbursement amounts listed in this brochure. However, each year the State's annual budget must be approved ("appropriated") by that year's legislature. Even the annual "per student" money we receive from the State to operate our schools is subject to annual legislative appropriation, as are the funds received by other State-financed organizations.

Q Why is the district asking for a new administrative and training center?

A We currently have 11 support and administrative offices scattered across town. Three sites are city owned, and others occupy space at schools. Five are leased at a cost of \$1.7 million per year, including the main office on DeBarr Road (see maps, at right). A review of the district's administrative offices conducted last fall by Barnes Architecture, Inc., Hammond & Company, and other private industry consultants found that the creation of a central administrative facility owned by the community would have many benefits:

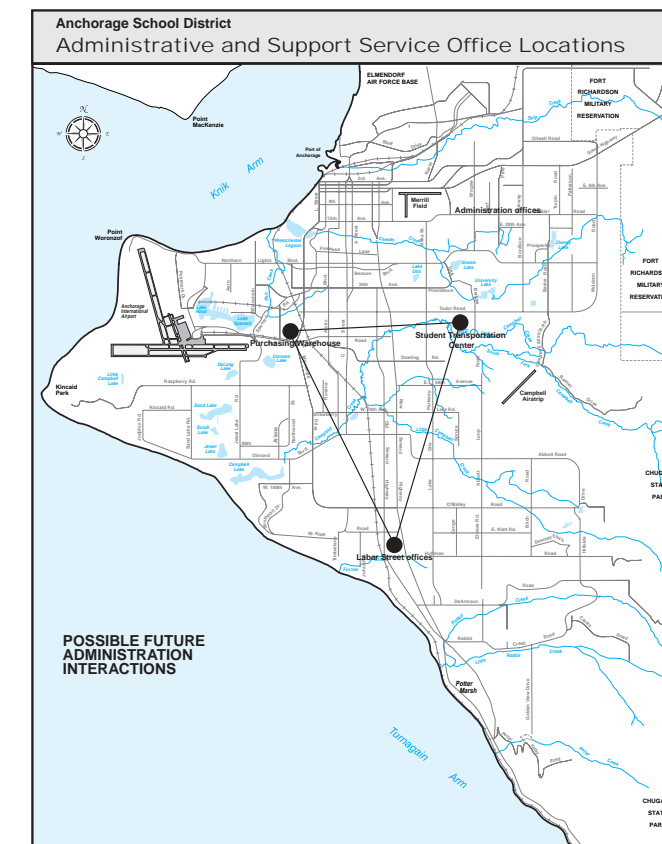
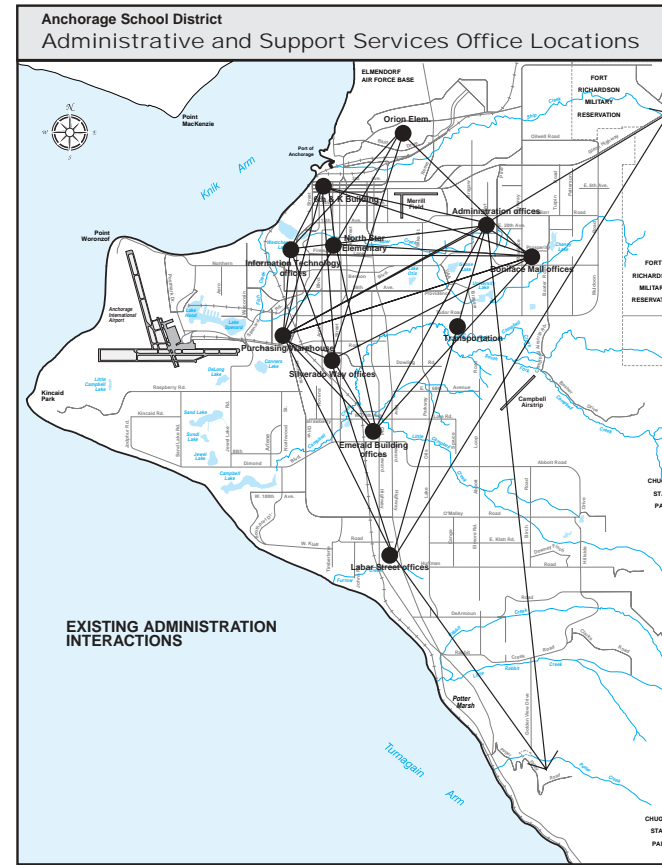
- Having one central location for parents and others seeking ASD services will create better customer service.
- Money currently spent on renting offices could instead go toward student instruction and support.
- At the end of the 20-year life of the bond, the community will own the facility rather than continuing to rent space.
- The central facility would include adequate public meeting spaces and training facilities, which are currently in short supply.
- Reduction of staff travel time between offices will lead to increased employee productivity and efficiency.

The State will pay for 60 percent of the cost, subject to annual legislative appropriation, of the administrative and training facility, a further benefit to local taxpayers.

The Admin Facility Study is available on the district Web site, www.asdk12.org.

Q Where would the admin/training facility be located?

A The district has not acquired a specific site for the facility but several locations have been examined. The district may try to use a site owned by the Municipality or the Heritage Land Bank. Most of the departments that would be housed in the facility serve schools throughout the entire district and would benefit from being in a central location. Before the district can begin work on any site, it must go through the process outlined for the selection of public sites and facilities. This includes public input, approval by the Planning and Zoning Commission and approval by the Anchorage Assembly.



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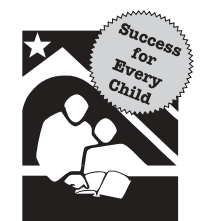
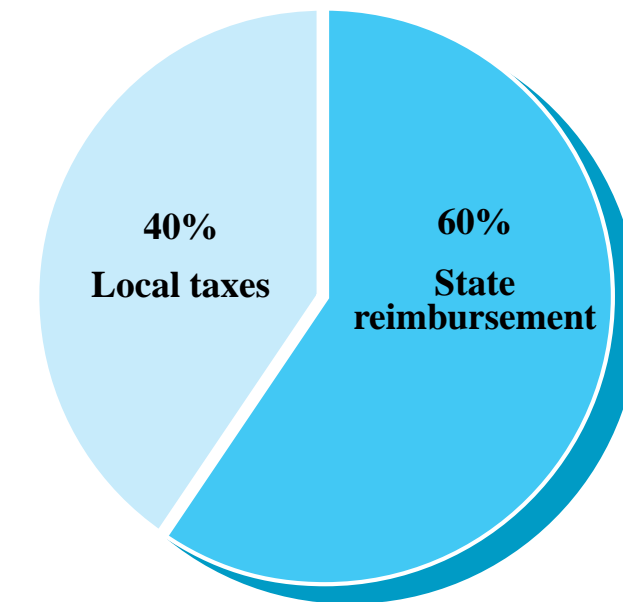
Anchorage School District
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Anchorage
School District

School Bond Information

April 1, 2003 Election

Propositions 9, 10, 11



Anchorage School District
Educating All Students for Success in Life



On April 1, 2003, voters will decide whether to approve three school bond propositions to repair and renovate numerous schools districtwide and to construct a new high school in Eagle River and an administrative and training facility.

Thanks to statewide approval of Proposition C in the November election, we are eligible to receive 60 percent or 70 percent State reimbursement on all but a few of the bond projects. In all, the State will pay for 60 percent of the combined cost of all three propositions, subject to annual legislative appropriation. That's good news for local taxpayers.

Propositions 9, 10 and 11 were developed with the support of the Capital Request Advisory Committee (made up of parents, students and a good cross section of community members), the Anchorage School Board and the Anchorage Assembly. This rigorous public process helps ensure that critical needs throughout the district are addressed and that the community's investment in school facilities is protected.

Proposition 9 funds repair and major maintenance projects at most schools districtwide.

Proposition 10 is for an administrative and training facility that can house school support staff who are currently scattered across Anchorage in a variety of leased offices.

Proposition 11 continues major renovations at three high schools, funds renovations at two other schools, and funds construction of a new high school in Eagle River.

Please take a moment to learn about the projects and the costs, and, should you have any questions, don't hesitate to call our public affairs office at 742-4153, or visit our Web site at www.asdk12.org. We are committed to providing you with the facts to make an informed decision on April 1.

Carol Comeau

Carol Comeau, Superintendent

Proposition 9 — Major Repairs, Renewals, Equipment and Land

Projects	Estimated Project Costs	Estimated Increase in Annual Operations & Maintenance Costs	State Reimbursement*
Mechanical Upgrades (21 schools)	\$ 3,990,000	\$0	70%
Code/Hazmat/ADA Projects (districtwide)	2,365,000	0	70%
Electrical Projects (24 schools)	5,257,000	0	70%
Roof Replacements and Repairs (13 schools)	3,499,000	0	70%
Minor Building Renewal Projects (32 schools)	5,678,000	0	70%
Restroom Upgrades (19 schools)	2,083,000	0	70%
Traffic Safety/Site Upgrades (10 schools)	4,128,000	0	70%
Security Upgrades – Locks: Phase I (districtwide)	750,000	0	70%
Emergency Preparedness/Shelters (18 schools)	3,200,000	0	0%
10 School Buses	840,000	0	100% (principal only)
Site Selection and Acquisition	10,000,000	0	0%
TOTAL	\$ 41,790,000	\$0	

Proposition 10 — Administrative and Training Facility

Projects	Estimated Project Costs	Estimated Increase in Annual Operations & Maintenance Costs	State Reimbursement*
Administrative and Training Facility	\$ 42,000,000	\$ 558,600	60%
TOTAL	\$ 42,000,000	\$ 558,600	

Proposition 11 — School Renovation and Construction

Projects	Estimated Project Costs	Estimated Increase in Annual Operations & Maintenance Costs	State Reimbursement*
Bartlett High School – Phase 2 Construction	\$ 26,940,000	\$ 70,300	70%
Renovate central area classrooms, build new science labs and 600-seat theater, upgrade core mechanical and electrical systems, improve south parking lot and administration areas			
Chester Valley Elementary School – Design Funding	750,000	0	60%
Design renovation/addition of kindergarten classrooms, music classroom improvements, multipurpose room renovation, and other school improvement projects			
Chugach Optional School – Construction Funding	7,000,000	49,625	60%
Build additional kindergarten classroom and art room, upgrade building systems, site improvements, renovate library and administrative areas			
New Eagle River Area High School – Construction Funding	51,000,000	2,129,575	60%
East High School – Phase 3 Construction, Phase 4 Design Funding	18,200,000	0	70%
Build 700-seat theater, improve south entry and student parking area, upgrade performing arts, life skills and home economics classrooms			
Polaris K-12 School – Construction Funding	18,600,000	164,900	60%
Build additional classrooms and addition to gym, upgrade mechanical and electrical systems, site improvements			
Sand Lake Elementary School – Design Funding	750,000	0	60%
Design classroom addition, interior renovation and site improvements			
Service High School – Phase 2A Deferred Inflation, Phase 2B, 3 and 4 Design	2,300,000	0	70%
Deferred construction inflation, design renovation/addition to two-story west classroom wing and art classrooms			
TOTAL	\$ 125,540,000	\$2,414,400	

*Subject to annual legislative appropriation.

Local Tax Impact

Proposition 9 \$41,790,000

State reimbursement* \$20,265,000
 Estimated annual tax increase for every \$100,000 of property value to retire debt \$9.97
 Estimated annual increase in tax cap for every \$100,000 of property value to pay for operation and maintenance costs related to the proposed educational capital improvements \$0

Proposition 10 \$42,000,000

State reimbursement* \$25,200,000
 Estimated annual tax increase for every \$100,000 of property value to retire debt \$7.50
 Estimated annual increase in tax cap for every \$100,000 of property value to pay for operation and maintenance costs related to the proposed educational capital improvements \$2.98

Proposition 11 \$125,540,000

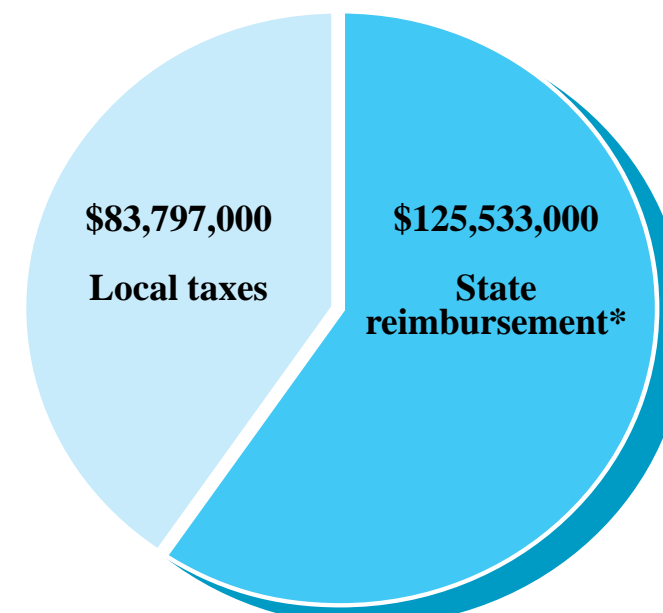
State reimbursement* \$80,068,000
 Estimated annual tax increase for every \$100,000 of property value to retire debt \$20.29
 Estimated annual increase in tax cap for every \$100,000 of property value to pay for operation and maintenance costs related to the proposed educational capital improvements \$12.87

Total-Prop. 9, 10, 11 combined

Estimated annual tax increase for every \$100,000 of property value to retire debt \$37.76

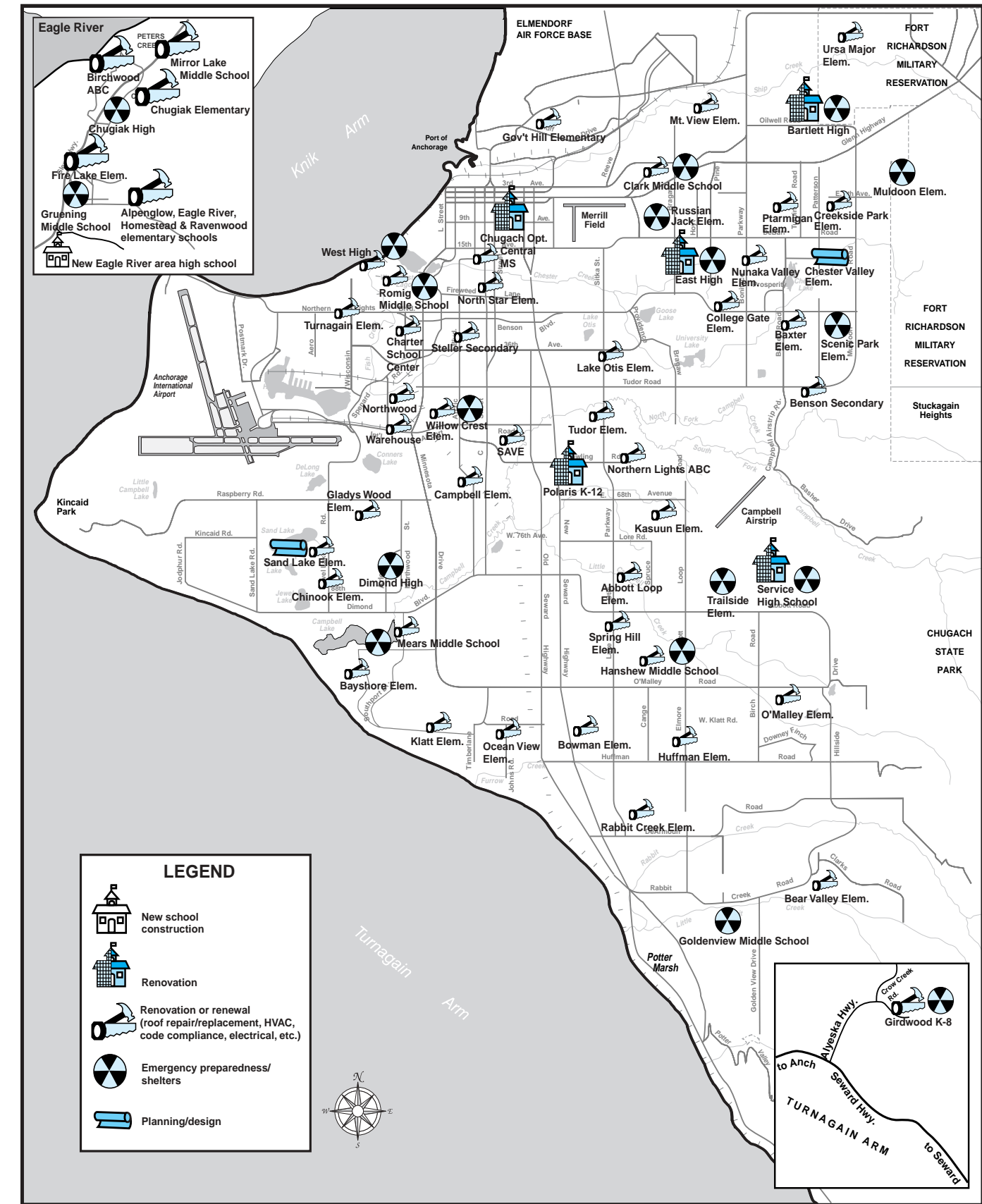
*Subject to annual legislative appropriation.

Bond Propositions 9, 10, 11 State vs. local share



*Subject to annual legislative appropriation.

2003 School Bond Projects



Questions on school bonds?

Dial: 742-4153 Fax: 742-4175 www.asdk12.org

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