

# Frequently asked questions about school construction/renovation and bonds

## Clark Middle School

### **Why does Clark need a new building?**

Clark Middle School is overcrowded and does not meet students' academic needs. Many students learn in 10 relocatable classrooms. Some classes are held in hallways and some one-on-one instruction occurs in closets. New in 1959, heating, ventilation, plumbing, and electrical systems are reaching the end of their 50-year life. Voters recognized the need for renewing Clark and approved funding for planning. Clark is the District's number one school construction priority. The project qualifies for 60 percent debt reimbursement from the State. The project also correlates with the city's 2020 Comprehensive Plan and the Mountain View revitalization project.

### **Why aren't you saving the library addition that was built in 1994?**

A team of architects, building contractors and District staff estimated costs of shoring up the library's foundation to protect it from new construction, structural code upgrades, interior/exterior renovations, construction constraints of working around a large site obstacle, and the protection of the facility during construction. These estimates led to the conclusion that it would be more expensive to save the library than to demolish it.

### **Why doesn't the District use a prototypical design to save money on schools?**

The District does use prototypical designs. One such elementary school design has been re-used to build nine schools. The new high school in Eagle River is a re-used smaller design version of the new Dimond High. Other middle school designs cannot be re-used for Clark because there are unique constraints at Clark not occurring at those other schools: Clark's site is sloped and has been reduced from more than 30 acres to a compact 23.75 acres by adjacent development projects. These constraints have led to a three-story design solution.

### **Why is it so expensive to replace Clark at \$65 million?**

Construction costs have risen substantially in the last two years due to national and international events, such as rebuilding after Hurricane Katrina and world-wide demand on construction material resources. Higher fuel costs and limited availability of supplies and equipment all contribute to rising costs. The Clark project includes both special and costly site considerations, and significant demolition and remediation costs.

### **Why are operation and maintenance costs on the Clark bond proposition?**

Increasing the size of schools increases cost of operations, such as custodial services and utilities, and building maintenance. Clark is being expanded from 126,000 to 184,000 square feet in order to fully accommodate its teaching program. The additional space requires more operation and maintenance, and increases those costs to \$1.51 per year per \$100,000 of assessed property value.

### **What repairs are currently needed at Clark?**

Costs of necessary repairs that have been deferred presently equal about \$18 million. This estimate includes roof replacement, structural upgrades, sprinkler system addition, HVAC upgrade, replacement of band lockers, closed-circuit security television system and domestic water replacement. However, this does not include major costs for future repairs that will become more numerous as the facility ages. Nor does it include the greater costs of transforming Clark so that it can meet educational program needs and school enrollment population.

### **General school construction/maintenance questions**

#### **Where can I find out which projects will be designed for which schools for the other bond proposition?**

A complete description of each project on the bond proposal is provided in Anchorage School Board memorandum # 152 (2006-2007). The memo can be accessed through our Web site at [www.asdk12.org](http://www.asdk12.org).

#### **How does the District maintain its schools?**

The District recognizes that it is a “forever” owner of school facilities - unlike business or home owners. This responsibility requires continual preventative maintenance and repair programs. The District takes care of its schools in three ways: routine maintenance; renewal projects that extend the life of the school; and renovation projects that bring the school up to current District-wide educational specifications and building codes.

This year, about \$19.7 million is allocated through the District’s regular operating budget for the maintenance and repair program. This money covers items such as painting, repair, replacing broken glass, fixing locks, plowing snow, installing traffic signs, repairing fences, maintaining plumbing, heating, electrical and roofing systems, etc.

#### **Why did the District let conditions become so critical before doing something about it?**

The District takes care of its facilities through daily maintenance (funded through the operating budget), renewal projects (funded through bonds) and legislative appropriations and grants.

The District does not bond for routine, day-to-day maintenance. When a roof leaks, the operating budget takes care of the repair. However, when it is no longer cost effective to repair a roof, the roof needs to be replaced, which is a capital construction cost. Bonds can be sold to finance capital construction projects because these projects renew the school and add to its useful life. A repair keeps the roof operable during the original 20 years of the life of the roof; a new roof extends the life of the building another 20 to 30 years.

The District has nearly 100 facilities. More than half are at least 25 years old. A roof, heating system or boiler will not last forever. It is expected that buildings will require repair and renewal, especially as they age. The “critical conditions” are a result of normal wear and tear and are exacerbated by the large number of aging schools in the District that are more than half-way through their useful life.

What is the expected life of the various components of a school building?

Ongoing maintenance and upkeep can extend the life of a school. Building materials and equipment are selected with regard to cost and durability. For example, carpet that will last about 20 years is typically selected over cheaper carpet which will have to be replaced more often and end up being more expensive over time. The expected life of school components is shown below.

- Roof, 20-30 years
- Plumbing valves, 15 years
- Paint, 7 years interior, 10 years exterior
- Asphalt, 20 years
- Hockey rinks, 10 years
- Carpet, 20 years
- Fencing, 20 years
- Floor tile, 20 years
- Lights, 20 years
- Boiler, 30 years
- Cabinets, 25 years
- Fans, 30 years
- Intercoms, 20 years
- Gym floors, 30 years
- Fire alarms, 20 years
- Playgrounds, 20 years
- Ceiling tiles, 20 years
- Door hardware, 25 years
- Window treatment, 20 years

By the time a building is 25-30 years old, all major components likely will have been replaced.

Are building codes for schools different from commercial buildings?

Yes, schools have a different occupancy rating than other structures. Schools must be constructed to reflect much higher seismic, fire and life safety standards, resulting in more expensive construction, for the protection of children in the event of fire, earthquake or other emergencies. Materials used in school construction must be of higher durability and quality than standard buildings in order to withstand the heavy use and potential abuse. These typically have higher initial costs but lower long term costs when including reduced maintenance and repair over time.

## General bond questions

Is there state reimbursement for these bonds?

Yes, the State has approved 60% reimbursement for the replacement of Clark Middle School and 70% for the District-wide renewal projects. You can find out more about the State of Alaska's funding program for school construction at [www.eed.state.ak.us/facilities/facilitiespl.html](http://www.eed.state.ak.us/facilities/facilitiespl.html).

What is the total cost per year for the District's bonds on \$100,000 assessed property value?

If voters approve both school bond propositions, the total cost to retire the debt is \$10.83 per year per \$100,000 of assessed property value, after state reimbursement. If there were no state debt reimbursement, the cost to taxpayers would be \$24.76 per year per \$100,000 of the assessed property value.

**How much existing bond debt does the School District pay off annually?**

The School District makes annual payments on principal and interest for school bonds approved by voters. The District is scheduled to pay \$40 million of principal debt during the current school year. Over the next five years, the District will pay off between \$43 and \$50 million of bonds each year of which the State will pay approximately 50%.

**What is the total amount of existing bond debt for the District?**

The District currently has \$769 million of existing bond debt principal. A variety of state reimbursement plans combined pay 53 percent of the total debt.

**What is the mill rate (used to calculate property taxes) for the operation of schools and for the debt service on existing bonds?**

The mill rate for the current school year 2006-2007 is a combined 7.31 mills. Here is a chart of the last five years' mill rates and the estimated mill rate for the proposed 2006-07 school year budget.

School Year	General Fund	Debt Service	Total
2002-2003	6.22	1.59	7.81
2003-2004	6.04	1.33	7.37
2004-2005	5.99	1.26	7.25
2005-2006	6.19	1.40	7.59
2006-2007	5.79	1.34	7.13
2007-2008	5.77	1.31*	7.08

\*does not include April 2007 bonds

**How does the District determine projects for bond proposals?**

The last successful bond passage was in the special bond election of Fall 2004. Following that success, the District made the commitment not to hold bond elections during 2005. In Spring 2006, voters rejected all school bonds. The bond package put forward in Spring 2007 is \$85 million, approximately the same amount the District has retired in past bond debt since school bonds were last passed in Fall 2004.

Bond Issue projects come from the District's approved Six-year Capital Improvement Plan. The District uses several factual sources to determine which projects are suitable for this Plan: condition survey of the facility's site, major systems (such as mechanical and electrical) and finishes (such as flooring and walls); assessment of facility's ability to meet District-wide educational specifications; demographic history and projections; and input from the community on their educational goals and needs. Once they have gathered this information, the Facilities Department makes recommendations to the Superintendent and Administration. They, in turn, give direction on the nature of future improvements to Facilities. Facilities summarizes the project scopes and develops estimates of costs to complete the projects.

The project is then placed on the draft C.I.P. for review by the Capital Request Advisory Committee (CRAC) which is comprised of public representatives from all

school attendance areas and the community at large. The CRAC meets regularly, reviews facility needs and makes bond recommendations to the Superintendent. In addition to the CRAC, there is a public Focus Group which evaluates the suitability of various bond scenarios to be approved by voters. Both the Focus Group and CRAC then make recommendations to the Superintendent.

The Superintendent makes a recommendation to the School Board, which then holds public hearings. Following Board approval, the request is forwarded to the Anchorage Assembly. The School Board and District Administration provide extensive information about the proposed projects to the Assembly. The Assembly holds public hearings to gather testimony and more information. The Assembly has authority to change proposed bond issue projects before they approve them to be placed on election ballots. Both the School Board and Assembly hear public testimony prior to approving bond propositions.

**Why does the school District have bond propositions on the ballot every year?**

The District maintains 95 schools totaling more than 7.5 million square feet. We spend \$19.7 million in our annual general 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 95 school facilities in our care, repairs and renovations are needed at a handful of schools every year.

**What will the District do if the bonds do not pass?**

The District will continue to use the facilities as they currently exist and maintain them to the best of its ability. These facilities will not be as functional, user friendly or energy efficient.

## **Miscellaneous Questions**

**How much is the District spending on this information campaign?**

In January, the School Board approved \$45,000 for the District to provide the public with factual information on its proposed bond projects. In accordance with the Municipality's ethics ordinance, School District staff cannot advocate for or against the bond propositions. The purpose of the District's campaign is to provide information so that citizens can make educated, responsible decisions at the voter booth.

Separate from the District is the "School Bonds Yes!" political organization which can advocate for bonds. The District does not provide money to this organization.