

**HB**

**507**

**HFIN**

**FILE**

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 507  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title G.O. Bonds for Edu Facilities RDU Revenue Programs and Services  
 Component Treasury Management  
 Sponsor Representative Hawker  
 Requester House Finance Component No. 121

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	265.2	7.5	7.5	7.5	7.5	7.5
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		5,111.8	5,108.8	5,109.8	5,109.2	5,112.0
<b>TOTAL OPERATING</b>	<b>265.2</b>	<b>5,119.3</b>	<b>5,116.3</b>	<b>5,117.3</b>	<b>5,116.7</b>	<b>5,119.5</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	265.2	5,119.3	5,116.3	5,117.3	5,116.7	5,119.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>265.2</b>	<b>5,119.3</b>	<b>5,116.3</b>	<b>5,117.3</b>	<b>5,116.7</b>	<b>5,119.5</b>

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Authorizes the issuance of \$53 million in general obligation bonds to pay for educational facilities.

If the bill is passed by the legislature the proposal would be included on the ballot for voter authorization in the fall of 2004. Assuming voter approval the entire authorization of bonds would be issued in the spring of 2005. However, the State Bond Committee would determine the actual timing, amount, and term of the bond sales based on project demand and market conditions. \$265,184 will be appropriated from the general fund of the state to pay the costs of issuing the bonds including rating agency, printing, public notice, travel, financial advisor, and bond counsel fees.

Prepared by: Dever Mitchell, State Debt Manager Phone 465-3750  
 Division Treasury Division Date/Time 2/18/04, 1 PM  
 Approved by: Tom Boutin, Deputy Commissioner Date 2/18/2004  
 Agency Department of Revenue

**FISCAL NOTE**

**STATE OF ALASKA  
2004 LEGISLATIVE SESSION**

**BILL NO. HB 507**

**ANALYSIS CONTINUATION**

These bonds would be sold on a competitive basis with the bonds being awarded to the bidder offering the lowest true interest cost. The bidder would be given the option of purchasing bond insurance. This structure almost always results in a net bond premium. The bonds would be remarketed, with the premium used to pay the underwriter's sales force and expenses.

Assuming an interest rate of 5.00% (approximately 90 basis points higher than current rates) and a 15 year term, level annual debt service would be approximately \$5.1 million per year beginning in FY 2006. With current interest rates, annual debt service would be reduced to \$4.8 million.

The interest rates in this fiscal note require the maintenance of the State's credit ratings through this additional bonds issuance, a possible but perhaps unlikely scenario. The State is currently on negative outlook from Moody's Investors Service. Standard and Poor's and Fitch Services have indicated mid-term concern related to the disparity between ongoing recurring revenues and expenditures, and the continuing and projected depletion of the State's short term reserves. If no steps had been taken to balance recurring revenues with expenditures by the time these bonds were issued, it is likely that the cost of capital would increase for all issuers of Alaska public debt when the state credit ratings were downgraded by at least one of the agencies.

HB507  
University of Alaska  
Remaining Project Descriptions

(7) Paul/Ziegler classroom renovation: Using initial project estimates, an additional \$500,000 is necessary to complete the current renovation project planned for Paul/Ziegler buildings. Due to the raising cost of construction and the extensive nature of the necessary renovations this \$500,000 coupled with the \$3.9M of funding received via 2002 General Obligation Bond package is necessary for completion of the renovation project. The renovation includes general building system upgrades, renovating and adding classrooms for the dynamic and expanding curriculum offerings, faculty offices, and common study space for students.

(11) Homer campus new facility classroom construction: Due to raising cost of construction and the necessary land purchase, this request is of \$500,000 coupled with the \$3M of funding received via 2002 General Obligation Bond package is necessary for completion of the Kachemak bay campus classroom facility construction. This \$500,000 was part of UA's 2004 capital budget request for land acquisition. The Kachemak Bay Branch of UAA's Kenai Campus has a steady student population with substantial campus activity that warrants a classroom building. This building is being built adjacent to the existing Kachemak Bay campus building that offers only limited classroom space. Note, that in project (4) Safety code and ADA improvements is an addition \$150,000 for essential Homer campus electrical improvements.

(12) Prince William Sound facilities classroom construction: This funding request completes the funding necessary to build a classroom and theater/museum addition to an existing PWSCC facility. This funding of \$1M coupled with funding from the 2002 General Obligation Bond package totaling \$2.3M will be used to renovate the existing facility as well as add classrooms, a theater and house a significant collection of Alaska historical artifacts donated to UA.

**THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES**

11/15/04

State of Alaska  
 Department of Education and Early Development  
 Capital Improvement Projects (FY2005)  
 Major Maintenance Grant Fund

Final Agency Decision

Mar 16	Dec 15	Nov 5	School District	Project Name	Amount Requested	Eligible Amount	EED Recommended Amount	Participating Share	State Share	Aggregate Amount
1	1	1	Iditarod Area	Blackwell School New Well, Anvik	\$92,019	\$92,019	\$92,019	\$1,840	\$90,179	\$90,179
2	2	2	Copper River	Glennallen Elementary School Exterior Upgrade	\$3,067,627	\$2,214,501	\$2,095,501	\$41,910	\$2,053,591	\$2,143,770
3	3	3	Yukon-Koyukuk	Nulato Structural Roof Repair	\$829,439	\$829,439	\$829,439	\$16,589	\$812,850	\$2,856,620
4	4	4	Nenana City	Nenana Boiler Replacement/Heating System Upgrade	\$393,407	\$393,407	\$393,407	\$19,670	\$373,737	\$3,330,357
5	5	5	Alaska Gateway	Tatlin School Site Civil Improvements	\$254,465	\$222,239	\$222,239	\$4,445	\$217,794	\$3,548,151
6	6	6	Yukon-Koyukuk	Allakaket Renovate Water/Sewer Facility	\$322,252	\$303,924	\$303,924	\$6,078	\$297,846	\$3,845,997
7	7	7	Saint Marys	Elcavicuar Elementary Exterior Upgrades	\$459,757	\$459,757	\$459,757	\$22,988	\$436,769	\$4,282,766
8	8	8	Kake City	Kake Elementary Ventilation System Upgrade	\$394,029	\$394,029	\$394,029	\$39,403	\$354,626	\$4,637,392
9	9	9	Alaska Gateway	Tatlin School Building Improvements	\$903,137	\$873,306	\$873,306	\$17,466	\$855,840	\$5,493,232
10	10	10	Iditarod Area	David Louis Memorial School Emergency Repairs & Boiler Relocation, Grayling	\$180,128	\$180,128	\$180,128	\$3,603	\$176,525	\$5,669,757
11	11	11	Iditarod Area	Top Of The Kuskokwim School Boiler Replacement, Nikolai	\$173,500	\$173,500	\$173,500	\$3,470	\$170,030	\$5,839,787
12	12	12	Iditarod Area	Innoko River School Tank Farm Pipeline & Remediation, Shageluk	\$247,032	\$247,032	\$247,032	\$4,941	\$242,091	\$6,081,878
13	13	13	Iditarod Area	Holy Cross School Vocational Education Shop Upgrade	\$177,760	\$177,760	\$177,760	\$3,555	\$174,205	\$6,256,083
14	14	14	Yukon-Koyukuk	Allakaket Restroom Renovation	\$352,932	\$311,862	\$311,862	\$6,237	\$305,625	\$6,581,708
15	15	15	Saint Marys	Andreafski High School Code Upgrades	\$179,906	\$179,906	\$179,906	\$8,995	\$170,911	\$6,732,619
16	16	16	Annette Island	Annette Island Schools Security/Safety and Major Maintenance Upgrades	\$1,667,840	\$1,090,863	\$1,090,863	\$21,817	\$1,069,046	\$7,801,665
17	17	17	Alaska Gateway	Dot Lake School Mechanical Upgrade	\$782,034	\$782,034	\$782,034	\$15,641	\$766,393	\$8,568,058
18	18	18	Yukon-Koyukuk	Minto Restroom Renovation	\$179,150	\$179,150	\$179,150	\$3,583	\$175,567	\$8,743,625
19	19	19	Southeast Island	Thome Bay House Access Ramp	\$139,045	\$139,045	\$139,045	\$2,781	\$136,264	\$8,879,889
20	20	20	Yukon-Koyukuk	Kaltag Exterior Sliding Replacement	\$625,381	\$351,245	\$351,245	\$7,025	\$344,220	\$9,224,109
21	21	21	Iditarod Area	Iditarod Fire Alarm Upgrades	\$192,994	\$192,994	\$192,994	\$3,860	\$189,134	\$9,413,243
22	22	22	Lower Kuskokwim	Kilbuck Elementary Deferred Maintenance, Bethel	\$6,331,162	\$5,401,968	\$5,401,968	\$108,039	\$5,293,929	\$14,707,172
23	23	23	Lower Kuskokwim	Mikeinguat Ellitnaurval Elementary Deferred Maintenance, Bethel	\$4,232,798	\$2,331,937	\$2,331,937	\$46,639	\$2,285,298	\$16,992,470

4-26-04

State of Alaska  
 Department of Education and Early Development  
 Capital Improvement Projects (FY2005)  
 Major Maintenance Grant Fund

Final Agency Decision

Mar 16	Dec 15	Nov 5	School District	Project Name	Amount Requested	Eligible Amount	EED Recommended Amount	Participating Share	State Share	Aggregate Amount
24	24	24	Lower Kuskokwim	W. Miller Memorial K-12 Deferred Maintenance, Napakiak	\$4,421,919	\$2,598,517	\$2,598,517	\$51,970	\$2,546,547	\$19,539,017
25	25	25	Lower Kuskokwim	Eok K-12 Deferred Maintenance	\$1,435,657	\$1,094,677	\$1,094,677	\$21,894	\$1,072,783	\$20,611,800
26	26	26	Lower Kuskokwim	Nuniwaarmut K-12 Deferred Maintenance, Mekoryuk	\$1,399,533	\$1,110,915	\$1,110,915	\$22,218	\$1,088,697	\$21,700,497
27	27	27	Lower Kuskokwim	Rocky Mountain K-12 Deferred Maintenance, Goodnews Bay	\$2,033,859	\$1,376,941	\$1,376,841	\$27,537	\$1,349,304	\$23,049,801
28	28	28	Lower Kuskokwim	Akula Ellinaurvit K-12 Deferred Maintenance, Kasgluk	\$1,816,408	\$1,353,216	\$1,353,216	\$27,064	\$1,326,152	\$24,375,953
29	29	29	Lower Kuskokwim	P.T. Albert Memorial K-12 Deferred Maintenance, Tununak	\$1,499,034	\$946,180	\$946,180	\$18,924	\$927,256	\$25,303,209
30	30	30	Lower Kuskokwim	L. Angapak Memorial K-12 Deferred Maintenance, Tuntutullak	\$1,395,036	\$892,668	\$892,668	\$17,853	\$874,815	\$26,178,024
31	31	31	Lower Kuskokwim	Qugcuun Memorial K-12 Deferred Maintenance, Oscarville	\$122,009	\$88,157	\$88,157	\$1,763	\$86,394	\$26,264,418
<b>TOTALS:</b>					<b>\$36,301,249</b>	<b>\$26,983,216</b>	<b>\$26,864,216</b>	<b>\$599,798</b>	<b>\$26,264,418</b>	

(07/1/04)

State of Alaska  
 Department of Education and Early Development  
 Capital Improvement Projects (FY2005)  
 School Construction Grant Fund  
 Final Agency Decision

Mar 16	Dec 15	Nov 5	School District	Project Name	Amount Requested	Eligible Amount	EED Recommended Amount	Participating Share	State Share	Aggregate Amount
1	1	1	Lower Yukon	Sheldon Point (Nunam Iqua) K-12 School Improvement	\$14,505,233	\$11,410,991	\$10,667,574	\$213,351	\$10,454,223	\$10,454,223
2	2	2	Southeast Island	Howard Valentine K-12 School Improvement, Coffman Cove	\$4,508,018	\$4,095,255	\$3,748,143	\$74,963	\$3,673,180	\$14,127,403
3	3	3	Lower Kuskokwim	D.R. Klunya Memorial K-12 Improvement, Kongiganak	\$20,140,023	\$13,594,689	\$13,594,689	\$271,894	\$13,322,795	\$27,450,198
4	4	4	Iditarod Area	Lime Village School Addition & New Well	\$593,136	\$593,136	\$593,136	\$11,863	\$581,273	\$28,031,471
5	5	5	Yukon Flats	Arctic Village K-12 School Improvement	\$9,219,644	\$9,767,573	\$9,074,551	\$181,491	\$8,893,060	\$36,924,531
6	6	8	Bering Strait	White Mountain K-12 School Replacement	\$11,138,540	\$9,290,051	\$8,332,126	\$166,643	\$8,165,483	\$45,090,014
7	7	6	Southwest Region	New Stuyahok K-12 School Improvement	\$23,543,626	\$21,970,104	\$19,919,922	\$398,398	\$19,521,524	\$64,611,538
8	8	7	Lower Kuskokwim	Kwiglingok K-12 Improvement	\$20,870,676	\$12,028,142	\$12,028,142	\$240,563	\$11,787,579	\$76,399,117
9	9	13	Lower Yukon	Russian Mission K-12 School Improvement	\$16,303,126	\$14,739,003	\$14,739,003	\$294,780	\$14,444,223	\$90,843,340
10	10	9	Lower Kuskokwim	Chapnguak K-12 Improvement, Chefonak	\$21,478,025	\$12,184,182	\$12,184,182	\$243,684	\$11,940,498	\$102,783,838
11	11	10	Lower Kuskokwim	Chief Paul K-12 Improvement, Kipnuk	\$24,326,142	\$15,917,815	\$15,917,815	\$318,356	\$15,599,459	\$118,383,297
12	12	11	Bering Strait	St. Michael K-12 School Improvement	\$20,955,250	\$15,687,764	\$15,687,764	\$313,755	\$15,374,009	\$133,757,306
13	13	12	Southeast Island	Hyder New K-12 School Construction	\$522,921	\$726,588	\$726,588	\$14,532	\$712,056	\$134,469,362
14	14	14	Bering Strait	Savoonga K-12 School Improvement	\$31,928,968	\$20,939,063	\$20,939,063	\$418,781	\$20,520,282	\$154,989,644
15	15	15	Lower Yukon	Marshall K-12 School Improvement	\$21,535,279	\$18,533,191	\$18,533,191	\$370,664	\$18,162,527	\$173,152,171
16	16	16	Lower Kuskokwim	Nelson Island Schools Improvement, Toksook Bay	\$22,957,615	\$17,712,486	\$17,712,486	\$354,250	\$17,358,236	\$190,510,407
17	17	17	Lower Yukon	Emmonak K-12 Renovation/Addition	\$20,623,256	\$14,692,093	\$14,692,093	\$293,842	\$14,398,251	\$204,908,658
18	18	18	Lower Kuskokwim	Nightmute K-12 Renovation/Addition	\$10,919,356	\$9,089,925	\$9,089,925	\$181,798	\$8,908,127	\$213,816,785
19	19	19	Lower Kuskokwim	Joann A. Alexie K-12 Improvement, Atmaulluk	\$17,655,727	\$9,476,388	\$9,476,388	\$189,528	\$9,286,860	\$223,103,645
20	20	20	Lower Kuskokwim	Kwethluk K-12 Renovation/Addition	\$18,106,150	\$16,212,704	\$16,212,704	\$324,254	\$15,888,450	\$238,992,095
21	21	21	Delta/Greely	Delta Junction K-12 School Improvement	\$40,146,298	\$35,998,281	\$35,998,281	\$719,966	\$35,278,315	\$274,270,410
22	22	22	Lower Kuskokwim	Kulnerramult Eiltnaurvalt K-12 Renovation/Addition, Qulnhagak	\$14,462,185	\$13,181,681	\$13,181,681	\$263,634	\$12,918,047	\$287,188,457
23	23	23	Lower Kuskokwim	Z.J. Williams Memorial K-12 Renovation/Addition, Napasklak	\$13,687,807	\$11,131,647	\$11,131,647	\$222,633	\$10,909,014	\$288,097,471

State of Alaska  
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 Capital Improvement Projects (FY2005)  
 School Construction Grant Fund  
 Final Agency Decision

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24	24	24	Southeast Island	Outdoor Covered Physical Education Area, 3 Schools	\$1,436,646	\$873,196	\$873,196	\$17,464	\$855,732	\$298,953,203
25	25	25	Yukon-Koyukuk	Minto Renovation/Addition	\$5,221,538	\$3,857,610	\$3,857,610	\$77,152	\$3,780,458	\$302,733,661
26	26	26	Lower Yukon	Plika's Point K-12 School Improvement	\$9,435,394	\$7,526,267	\$7,526,267	\$150,525	\$7,375,742	\$310,109,403
27	27	27	Lower Kuskokwim	New Bethel Elementary School	\$16,708,431	\$15,828,616	\$15,828,616	\$316,572	\$15,512,044	\$325,621,447
<b>TOTALS:</b>					<b>\$432,929,008</b>	<b>\$337,058,441</b>	<b>\$332,266,783</b>	<b>\$6,645,336</b>	<b>\$325,621,447</b>	

## Capital Budget Request Introduction

The University of Alaska Board of Regents' FY05 capital budget request addresses critical infrastructure needs across the system to allow for the continued success over the last several years in academic and research programs. The total request is \$175.1 million, with \$40.3 million being sought in state funding.

The Board of Regents' *Highest Priority Projects* (\$ 28.5 million state funding) include essential life safety, renovation and equipment priorities. These include priority code, ADA and life safety issues as well as crucial equipment and space renovation needs. In addition to these essential needs, the regents' highest priority projects include the integrated science facility at UAA, which will provide crucial science classroom and instructional labs, and the School of Fisheries and Ocean Sciences facility at Lena Point in Juneau.

*Administrative and Academic Equipment and Programming Needs* (\$2.4 million state funding) includes necessary information technology infrastructure upgrades and replacement of academic and instructional equipment.

*Existing Campus Facility and Infrastructure Renovation* (\$5.3 million state funding) provides crucial support for renovation of classroom facilities in Anchorage, Juneau, Fairbanks, and Bethel. These projects will provide for more effective space use and alleviate space capacity issues associated with the tremendous growth in student population UA has experienced over the last several years.

*New Construction, Property and Facility Acquisition* (\$3.9 million state funding) in state funding provides key planning funding for necessary new facilities across the UA system. Of highest priority is the planning funding for the Biological and Computational Facility on the Fairbanks campus. This facility will support the continued successful expansion of the state and university's research and development agenda. Additionally this category includes the replacement for the Alpha Helix research vessel, a recognized federal priority by the National Science Board and at \$80 million would be fully funded through federal appropriations.

## FY05 Capital Budget Request Project Abstracts

### Board of Regents Highest Priority Projects

#### Essential Life, Safety, Renovation and Equipment Priorities UA, Systemwide

FY05	
State Approp.	\$5,973.8
Receipt Auth.	\$4,359.8
TPC (FY05-10)	\$19,275.3

This request is for the crucial projects aligned with maintaining current operating effectiveness at the University of Alaska system. With respect to critical life safety issues, this project addresses concerns at UAF with respect to elevator safety and necessary power plant electrical distribution upgrades. At UAA, Anchorage, this project addresses safety concern with the windows at the MAC housing complex and continual removal of asbestos related to plumbing fixtures at seven facilities. Elsewhere in UAA this project addresses accessibility issues at the Kenai campus and exterior lighting concerns at Mat-Su. At UAS, this request takes care of code compliance and functional separation at the Sitka campus.

In terms of space, the university is exceeding capacity at certain sites due to successful enrollment gains over the last several years. At UAA, the largest college is the college of arts and sciences. With increased enrollments, it is necessary to renovate the CAS building. For UAS, this project provides a small amount of general fund and the necessary receipt authority to purchase the DEC facility in Juneau which provides a cost-effective way to deal with critical research space shortages.

Finally, this request includes those absolutely critical equipment needs across the system including replacement of instructional science equipment at UAA, video and telecommunications distribution at UAS, and increased security measures for the UA network.

#### Integrated Science Facility UAA, Anchorage

FY05	
State Approp	\$13,600.0
TPC (FY05-10)	\$46,400.0

This project will design and construct a new Integrated Science Facility and incorporate the existing science facility into expanded instructional, student and administrative space. The proposed project is in response to a critical shortage of fundamental core science, instructional, and laboratory space. Current facilities are insufficient and inadequate to meet the current demand of 450 science majors and 4,000 non-majors each semester. The new facility will feature state of the art science academic labs, and technology associated with distance delivery. The facility will be designed to incorporate program growth in integrated sciences, including integrated science instruction for majors and non-majors, environmental studies and systems research, biomedical research, and complex system studies to prepare students to meet the employment needs of the State of Alaska.

**Small Business Development**  
 UAA, Anchorage

FY05	
State Approp.	\$550.0
TPC (FY05-10)	\$3,650.0

The Alaska Small Business Development Center (ASBDC) is a statewide business assistance program. The services it offers to small businesses are not duplicated or provided by any other agency or organization. The primary emphasis of the program is in-depth, quality business counseling. Through professional counseling, small businesses are assisted in solving problems concerning operations, manufacturing, engineering technology exchange, accounting, business strategy development and other productivity and management improvement. The individual business counseling is supplemented with quality business training designed to improve the skills and knowledge of existing and prospective small business owners/managers.

**Project and Planning Receipt Authority**  
 Statewide, Systemwide

FY05	
Receipt Auth.	\$25,000.0
TPC (FY05-10)	\$75,000.0

The value of this request is an estimation of potential receipt authority needed for FY06-FY10 at main and community campuses for planning and small projects associated with federal grants and other restricted revenues the university has potential of receiving throughout the fiscal year.

**Administrative and Academic Equipment Needs**

**Network Infrastructure Equipment Replacement and Upgrades**  
 UA, Systemwide

FY05	
State Approp.	\$744.8
TPC (FY05-10)	\$1,555.0

This request allows for upgrades to the basic network infrastructure across the system including necessary equipment replacement. Additionally, this will allow deployment of wireless technology at UAA and renewal of the UAF network, including the student data network.

### Digital Document Infrastructure

Statewide, Systemwide

FY05	
State Approp.	\$450.0
TPC (FY05-10)	\$450.0

This initiative will provide the necessary capacity and infrastructure for migrating UA business documents and forms to electronic (or digital) documents. Electronic documents reduce storage and maintenance costs; increase availability of records and archives; expedite processes such as review and approval (since documents may be sent nearly instantaneously); provide opportunities for enhanced automated services to students and others. Benefits of electronic document storage, retrieval and processing depend critically on integration into and enhancement of business practices and workflow. Integration in turn requires common systems and standards in the many business areas of UA in each of its MAUs (e.g., recruiting, admissions, financial aid, advising, student records, budget, accounts payable, audit, human resources, benefits, and individual department administration). This initiative seeks to insure that UA reap the benefits by establishing a common set of standards and tools for creating, storing, and retrieving university documents. It will not encompass all the specific electronic document needs of the university but rather assures that as units begin to utilize electronic documents they will be able quickly to integrate their documents with other processes through common technologies supported throughout the university.

### Administrative and Instructional Equipment Upgrades

UA, Systemwide

FY05	
State Approp.	\$684.7
TPC (FY05-10)	\$3,429.7

Crucial to the mission of the University of Alaska are the tools and equipment used by faculty, staff and students. This project addresses needed replacement of administrative equipment across the system including enterprise system upgrades at UAA. Needed instructional equipment includes replacement of obsolete AV equipment at UAA, archive and video broadcast equipment as well as necessary replacement of the KUAC video server at UAF. Additional items include aviation training equipment, and construction lab equipment at UAA and UAS respectively.

### Existing Campus Facility and Infrastructure

#### Lucy Cuddy Center Renewal

UAA, Anchorage

FY05	
State Approp.	\$1,100.0
TPC (FY05-10)	\$1,100.0

This project focuses on renewing building infrastructure in a 30-year-old facility. The building houses the Culinary Arts and Hospitality academic programs and is the dining venue for students, faculty and staff on the west campus. Recent increases in student enrollment and changes in student dining plans have shifted dining patterns and increased utilization of the Cuddy facility dramatically. Upgrading the building to contemporary use will improve space efficiency, responding to growing student enrollment, and assist faculty in delivering cutting edge instruction. The Culinary Arts and Hospitality programs supports major economic engines in the State of Alaska - hospitality and tourism.

**Bristol Bay Classroom Expansion**

UAF, Bristol Bay

FY05	
State Approp.	\$1,000.0
TPC (FY05-10)	\$1,000.0

The scope of this project is to construct an addition to the existing facility, which will include new vocational instructional areas, administrative offices, registration and student support services and an independent learning area.

**TVC Improvements - 604 Barnette**

UAF, Tanana Valley Campus

FY05	
State Approp.	\$2,000.0
TPC (FY05-10)	\$8,000.0

This project replaces the aged mechanical and electrical systems within the old Fairbanks Court-house, upgrades the exterior envelope, and completes seismic corrections, as well as revitalizing the interior spaces to meet TVC's rapidly expanding program needs.

**Hendrickson Remodel and Renovation**

UAS, Juneau

FY05	
State Approp.	\$1,213.0
TPC (FY05-10)	\$1,213.0

The project will renew and remodel the Hendrickson Building and the Hendrickson Annex to provide more effective use of the space, provide building code mandated toilet rooms and fire sprinklers, and to replace or renew building systems and finishes.

**Seward Marine Center Renovation**

UAF, Fairbanks

FY05	
Receipt Auth.	\$26,000.0
TPC (FY05-10)	\$26,000.0

This project is in anticipation of federal initiatives to support critical renewal of the facility and permit significant expansions of the facility and its role in providing critical research in fisheries and ocean sciences.

**New Construction, Property and Facility Acquisition****SFOS Facility, Juneau  
UAF, Fairbanks**

FY05	
State Approp.	\$9,000.0
TPC (FY05-10)	\$9,000.0

The facility at Lena Point will provide long-term support for the School of Fisheries and Ocean Sciences and its academic and research mission. The facility is a three-story building consisting of approximately 41,500 square feet and programmed to provide space for 14 faculty members and their associated research assistants and graduate students. The academic space consists of two classrooms, one teaching lab, and a seminar room with a capacity of 120 people. The research space consists of 19 laboratories for a multitude of scientific disciplines ranging from computer labs for statistical analysis, to wet labs with large salt-water tanks.

**Center for Innovative Learning - ANSEP Program  
UAA, Anchorage**

FY05	
State Approp.	\$500.0
Receipt Auth.	\$4,155.0
TPC (FY05-10)	\$4,655.0

The Center for Innovative Learning is a new campus facility being planned to house learning programs that directly impact student retention and academic success. The Center will house academic communities composed of groups of students, faculty, staff and external partners who are focused on academic success, as well as the personal and professional development of the students. Successful UAA programs like the Alaska Native Science and Engineering Program, which are national models for student recruitment and retention, will be housed in the facility. The facility focuses on academic communities in the fields of engineering, biology, and computer sciences and honors the Alaska Native tradition of community gathering places in design and function.

**School of Nursing Facility - Partnership with ANTHC  
UAA, Anchorage**

FY05	
State Approp.	\$720.0
TPC (FY05-10)	\$6,000.0

UAA is uniquely situated, surrounded by two of the largest hospital complexes in Alaska. As the U-Med District concept grows, partnerships with neighboring institutions continue to emerge. For the past year, the university has been in discussion with neighboring institutions about partnership for joint-use healthcare training facilities. Recently the Alaska Native Tribal Health Consortium and the university formed a workgroup to examine the possibilities for constructing a joint use health education facility on land owned by ANTHC north of Ambassador Drive along Bragaw Street. This project would fund planning efforts for the future facility.

**Mat-Su Expansion Planning**

UAA, Mat-Su

FY05	
State Approp.	\$100.0
TPC (FY05-10)	\$100.0

This planning project is to assess the needs of the community based on current and future demographic trends. The goal of the campus is to increase the accessibility of the college to the community at large, to enhance the opportunities for student learning and accommodate new academic programs.

**Strategic Property and Facility Acquisition**

UA, Systemwide

FY05	
State Approp.	\$1,630.0
Receipt Auth.	\$943.0
TPC (FY05-10)	\$10,634.6

This project would allow for the purchase of critical properties necessary for strategic expansion of campuses. In FY05 this project addresses immediate concerns at UAS with respect to the Gitkov property under an existing purchase option agreement. In out years, this request addresses shortages at the Anchorage campus and additional opportunities in Auke Bay.

**AARV Research Vessel**

UAF, Fairbanks

FY05	
Receipt Auth.	\$80,000.0
TPC (FY05-10)	\$80,000.0

This project is a top federal priority. The request is for federal receipt authority in anticipation of a federal appropriation to replace the Alpha Helix Research Vessel. Recently the National Science Board passed a resolution stating that the National Science Board concurs that planning for the Alaska Region Research Vessel is sufficiently advanced, and the intellectual value of the project sufficiently well demonstrated, to justify consideration for funding in the FY05 or a future NSF budget request.

**Alaska Congressional Public Center**

UAF, Fairbanks

FY05	
Receipt Auth.	\$5,000.0
TPC (FY05-10)	\$5,000.0

This is a facility still being considered to house the libraries and related memorabilia from Senator F. Murkowski and Rep. Young's tenure serving Alaska in the US Senate and House of Representatives.

**Biological and Computational Sciences Facility**  
UAF, Fairbanks

FY05

State Approp.       \$1,000.0

TPC (FY05-10)     \$82,500.0

The newly constructed Biological and Computational Sciences Facility will provide instructional and research lab space for Biology and Computational Science programs, the State of Alaska Virology labs, and affiliated classrooms and offices. The Arctic Region Super Computer staff will also reside in this new facility. Phase I of the project, funded by the passage of the 2002 GO Bond, includes the construction of the utilidor, a new Central Animal Facility (CAF) with provisions for an incinerator and necropsy lab, relocation of three existing structures on the proposed CAF site, and revised BICS programming/concept design. Phases II through IV in this request will complete the design, contract documents, construction and build-out of the facility.

## GO Bonds:

A comprehensive approach – p.1

## Election 2002

### Ballot Props:

Bonds build Alaska infrastructure – p.2

## How Alaska Builds Schools

History of school construction in Alaska, including EED's CIP list and Judge Reese's opinion – p.3

## Looking at Costs

Prevention vs. replacement, impact on PFD – p.4

## Projects List

K-12 schools, University of Alaska, Museum – p.5

## Why Bond?

What's driving Proposition C; Organizations line up to support schools – p.6

## Tuluksak

Elementary School Replacement, Yuplit School District – The #1 ranked project on the EED CIP list is the Tuluksak School Replacement. In 2000 the district requested \$10 million for major renovations and additions. Today, it has been determined that the prudent approach is replacement at a cost of \$18 million. The school is currently operating at 255 percent capacity. Note: Bathroom access requires children to leave the main building.



Given the uniqueness of

Alaska is a vast and unique state. As a relatively young state, development of our infrastructure is a top priority. Transportation, and even basic necessities like running water and sanitation, remain elusive for many communities. To build and grow the economy, Alaska needs a strong transportation system for commerce, a strong university to retain and grow our future leaders, and a K-12 school system that creates the foundation from which prosperous futures are launched.

Alaska, K-12 school construction and repair necessitate creative solutions. The 22nd Legislature created an opportunity for Alaskans to address essential school construction using a two-pronged approach...

- general obligation bonds for those communities without taxing authority; and
- assistance with school debt for those communities with taxing authority.

On Nov. 5, 2002, Alaskans will vote on three bond propositions to offer

veteran home loans, build roads, and repair/replace schools at both the K-12 and university levels. It will be the first time in 20 years that the public has the opportunity to approve capital projects in Alaska.

Proposition C is of special interest to each of our communities. If passed, it allows the state to sell \$236.8 million in general obligation bonds to address a growing backlog of rural school construction and repairs. Just as critical, passage of Proposition C initiates a debt reimbursement plan that allows urban areas to build and repair schools. As voters study the issues contained within Proposition C, the win-win proposition envisioned by our legislature will emerge.

"This is about more than school facilities," says Carl Rose, Executive Director for the Association of Alaska School Boards, a member organization of

the Education Coalition. "It is about the value we place on education and the future of our youth."

Proposition C is also about the life cycle of schools in Alaska. Many of these schools are reaching the

For the first time in 20 years Alaskans will vote on building and repairing schools throughout the state.

end of their life expectancy and replacement is the only option. For others, repairs and renovations now could save massive replacement costs down the road.

This informational publication outlines the impact of Proposition C on your community and how it will impact Alaska's youth.

## School Life Cycle: Repair, Renovate, Replace

In 1976 the Molly Hootch decision resulted in a proliferation of high schools. Today those schools are 25 years old with major maintenance needs. Some have reached the end of their useful life cycle. Typically, a school will be built, go through a number of major renovations, much like your average home, then it is time to look at replacement costs. We call it the 3 R's of school construction – Repair, Renovate,

Replace. Unlike your average home, however, the wear and tear on schools is tremendous. The mechanics of maintaining a 20-year old building require that renovation and replacement are a regular part of the plan. Addressing the cycle of improvement is an important policy question. To ignore it continues to build the backlog of major maintenance needs.

# Critical Issues

A Comprehensive Approach to Build Schools

**November Ballot**

**3 Bond Propositions**

Bonding in Election 2002 is about capacity. It's about building the roads that connect communities that help commerce flourish. It's about making it affordable for veterans to remain in Alaska. It's about Alaskans helping those who lack the population base and economic wealth to meet essential educational infrastructure needs. It's about assuring a strong university and expanding the vision of the Anchorage Museum of History and Art. It's about a strong, vibrant Alaska.



**Schools In Peril**  
Hooper Bay High School, Lower Yukon, shows rotted structural members. Extensive deterioration was discovered in the area of the bathrooms and showers during an appraisal in February 2001 by SERRC, Inc.

**Mortgages for Veterans Proposition A**

State Guaranteed Veterans Residential Mortgage Bonds \$500,000,000

Shall the State of Alaska unconditionally guarantee as a general obligation of the state the payment of principal and interest on revenue bonds of the Alaska Housing Finance Corporation issued in the principal amount of not more than \$500,000,000 for the purpose of purchasing mortgages made for residences for qualifying veterans, as defined by law?

Bonds Yes [ ]  
Bonds No [ ]

**Facts**

- Provides up to \$500,000,000 in low interest home loans for qualified veterans consistent with federal law enacted in the 1980s.
- 430 Vietnam era veterans projected to utilize the loans in initial year.
- Borrowers would retire the debt.

**Benefits**

- Takes advantage of a federal program designed to assist veterans.
- Assists qualified veterans in buying a home.
- Boosts Alaska's housing market.

**Transportation Proposition B**

State Guaranteed Transportation Revenue Anticipation Bonds \$102,805,000; State General Obligation State Transportation Project Bonds \$123,914,500; Total Bond Authorization \$226,719,500

Shall the State of Alaska issue state guaranteed transportation revenue anticipation bonds in the principal amount of not more than \$102,805,000 for the purpose of paying the cost of accelerated Alaska transportation projects qualifying for federal highway aid, and shall the State of Alaska issue general obligation bonds in the principal amount of not more than \$123,914,500 for the purpose of paying the cost of state transportation projects?

Bonds Yes [ ]  
Bonds No [ ]

**Facts**

- Provides bonds for \$226.7 million to build and repair roads.
- Revenue bonds, paid for by federal highway aid, will repay \$102.8 million of the bonds; \$123.9 million from GO bonds.

**Benefits**

- Ties Alaskans together to promote commerce.
- Repairs and enhances Alaska's transportation infrastructure.

**FACTS**

- Provides \$236,805,441 to:
  - \$170 M: Repair and build schools primarily in rural Alaska.
  - \$61.7 M: Maintain, build and acquire University of Alaska facilities statewide.
  - \$5 M: Contribute to an addition/Anchorage Museum of History and Art.
- If passed, implements companion legislation passed in Spring 2002 that provides a new debt reimbursement program for larger school districts within a July 1, 1999 - January 1, 2005 window. Local facility projects, determined on an individual basis by voters, will be reimbursed at 70% if state approved and 60% if outside state eligibility criteria.
- General Obligation bonds paid for by the State of Alaska over a 20-year period.

**BENEFITS**

- Address critical facility needs in small communities where there is no tax base to support local bonding.
- Companion legislation gives larger school districts that have bonding authority with either 70% or 60% debt reimbursement from the state.
- Expands the university's capacity to attract students and help grow our economy.
- Supports an addition to the Anchorage Museum of History and Art to house science exhibits and activities, and the Arctic Studies Center (a division of the Smithsonian Institution's National Museum of Natural History).
- \$236 million in maintenance and construction work will create jobs for Alaskans.

**Education Proposition C**

State General Obligation Education and Museum Facilities Design, Construction, and Major Maintenance Bond \$236,805,441

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$236,805,441 for the purpose of paying for the cost of design, construction, and major maintenance of educational and museum facilities?

Bonds Yes [ ]  
Bonds No [ ]

# How Alaska Builds Schools

## A short history lesson

During more affluent economic times, Alaska utilized a debt reimbursement program and direct appropriations to build and renovate schools.

With the advent of North Slope crude and the Molly Hootch decree to place high schools in most Alaskan communities, untold millions were placed into the development of village high schools. This vast expansion of school facilities is now susceptible to the cycle of capital improvement funding.

In the mid-1980s the legislature realized it was accumulating a serious debt retirement problem. Former Rep. Swackhammer (Kenai) sought to bring order to the process of building and repairing schools by developing the Capital Improvement Program (CIP), managed by the Department of Education and Early Development.

The idea was to prioritize projects so that state policymakers could address them systematically. Over the years as the legislature limited funds for the CIP, communities with taxing authority continued to build through bonding. This rural district inequity was challenged by a consortium of school districts organized as Citizens for the Educational Advancement of Alaska's Children (CEAAC). A lawsuit was filed and on Sept. 1, 1999, Superior Court Judge John Reese ruled Alaska's method of funding school facilities was unconstitutional and violated federal civil rights laws.

In making his decision, Reese said: "Rural areas do not have substantially equal access to facilities funding. As a result, many rural schools are continuously denied facility funding. Failing to provide adequate funding for facilities in rural areas

violates the Education Clause [of the Alaska State Constitution]."

"The state system for facilities funding provides adequate opportunities for urban school districts, but not for rural schools. Because of the funding system, rural schools are not getting the money they need to maintain their schools."

- Judge John Reese

The state challenged that the court was only looking at a snapshot of 10 years, arguing that if you take into consideration what the state has done to build rural schools since the Molly Hootch decision 25 years ago, the picture is very different.

Judge Reese was unimpressed. He restated his position in 2000 on the inequity of rural school funding, giving state policymakers a clear indication that he was willing to remedy the situation if they were unable to make significant headway.

Spring 2002 found the 22nd Legislature taking decisive action to address the backlog in construction and maintenance of school, university, and museum facilities. A GO Bond package with an accompanying debt reimbursement program was to be placed before the voters.

Alaska Department of Education & Early Development

## Capital Improvement Program

### Criteria

The Department of Education & Early Development is charged with the task of compiling a prioritized list of projects to be used in preparing a six-year capital plan for submittal to the governor and the legislature. The criteria for accomplishing the priorities are established in statute and are awarded points based on a scoring system developed by the Bond Reimbursement and Grant Review Committee.

Projects are prioritized into two lists: the School Construction List and the Major Maintenance List and reflect the two statutory funds established for education capital projects.

#### AS 14.11.013 CRITERIA

In recommending projects for this schedule, the department shall verify that each proposed project meets the criteria established under AS 14.11.014 (b) and qualifies as a project required to:

- Life safety.** (A) avert imminent danger or correct life-threatening situations;
- Unhoused students.** (B) house students who

would otherwise be unhoused; for purposes of this subparagraph, students are considered unhoused if the students attend school in temporary facilities;

- Preventive maintenance.** (C) protect the structure of existing school facilities;

- Code upgrades.** (D) correct building code deficiencies that require major repair or rehabilitation in order for the facility to continue to be used for the educational program;

- Efficiencies.** (E) achieve an operating cost savings;

- Renovation.** (F) modify or rehabilitate facilities for the purpose of improving the instructional program;

- Other.** (G) meet an educational need not specified in (A) - (F) identified by the department;

The department may modify a project request when necessary to achieve cost-effective school construction or require that a school construction project be phased for purposes of planning, design, and construction.



**Naukati School Replacement, Southeast Island School District** - Currently ranked #8 on the EED CIP list to replace the existing amalgamation of classroom and other buildings, estimated at \$4 million.

# Looking at Costs

## Lack of preventive maintenance funds

Preventive maintenance has long been an issue with schools. It's not that school managers didn't recognize the value in it. They did, and consistently requested funds through the Capital Improvement

Program (CIP) to address major maintenance. However, legislators frequently found difficulty in identifying funds on an annual basis to ensure preventive maintenance. Today, it is more cost effective in the long-term

for some districts to build a new school than to repair the patchwork of 50 year old buildings built back when the federal Bureau of Indian Affairs (BIA) ran rural schools.

## Replacement costs

When replacing schools, the general rule of thumb is this, says Eddy Jeans, School Finance Manager for the Department of Education & Early Development. If a repair project gets to be 75% of the replacement cost, it may be more reasonable to replace the school.

Managing the decay of buildings has long been the status quo in Alaska,

and takes away from the educational experience. The goal is to maximize dollars into the instructional program.

Neglect leads to higher

costs through premature replacement costs.

Other cost inflators: increasing enrollment that requires additional classroom space,

inflation, new building codes, and the impact of additional regulatory requirements.



## GO Bonds: A long term solution

After considering all the available options, our elected state officials have determined the best and perhaps only solution to address the tremendous backlog of statewide school projects is GO Bonds. The state is considering paying for the school package with a 20-year bond. Bonds allow timely improvements and spread the cost of infrastructure needs over a period of time.

## Circle's K-12 School, Yukon Flats School District -

"All existing structures have exceeded their life expectancies and are spatially and technologically obsolete," states an independent audit by Bezek Durst Seiser, Architects and Planners. The original one-classroom building was built in 1962; two additional classrooms were added in 1982. The school also utilizes a trailer as a classroom. As is typical of lagoons, especially in the Spring, one may detect the odor of the school's wastewater facility.

■ Currently ranked #7 on the EED CIP list to replace the existing amalgamation of classroom and other buildings, estimated at \$4 million.

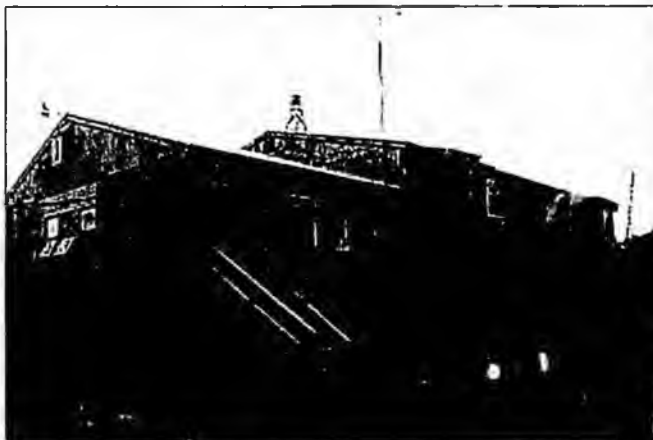
## Bonds Already Passed Communities take advantage

In Juneau, taxpayers have already agreed to pay for a new high school through increased property taxes, if and when a state debt reimbursement plan is initiated. Should Prop. C pass Juneau will be underway with their valley high school.

In April 2002 Anchorage voters passed two school bonds totaling \$98.6 million for specific school additions and renovations, and for districtwide major maintenance upgrades. Sixty to 70 percent of the

bonds will be reimbursed if voters pass Prop. C.

If municipalities want to take advantage of the companion debt reimbursement plan that would be implemented by passage of Proposition C, residents will have to vote to do so.



## Aklachak's School Improvement Project

Yupik School District

(Photo of Kindergarten exit and gym.) The school renovation project is #3 on the EED CIP list. This project involves the design, construction and equipping of a 42,903 sq.ft. replacement K-12 school on a new site. The 35-year-old elementary school will be demolished, and the high school, power plant and generator sets will be surplus. The school is currently operating at 206 percent capacity. Proposed cost: \$19.5 million.

## Will GO bonds impact my PFD?

There will be no direct impact on the Permanent Fund dividends, says Larry Persch, Deputy Commissioner, Department of Revenue. GO bonds are paid by oil, tobacco, alcohol and other taxes. Dividends are paid for by Permanent Fund earnings. ■ GO bonds impact the state's fiscal gap only in the sense that they would put additional pressure on future state revenues.

**Prop. C-Projects List****School Construction & Repairs**

**HB 2002: DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.** The amount of \$170,101,411 is appropriated from the educational and museum facility design, construction, and major maintenance for the following projects and estimates:

**A Companion Plan****Debt****Reimbursement**

Under the companion plan to Proposition C, the state will offer debt reimbursement for school districts for bonds approved by local voters from 1999 to 2005. Under this program, school projects would be reimbursed at either 70% or 60% depending on whether the projects meet certain criteria.

**Prop. C Not All Rural**

While Prop. C benefits mostly rural communities, many municipal projects are included, like the Wendler Middle School renovation in Anchorage for \$12.8 million.

**HB 2002: UNIVERSITY OF ALASKA.** The amount of \$61,704,000 is appropriated to the University of Alaska for the following design, construction, and major maintenance projects, subject to reallocation between projects:

*"The engine that's going to change the economy and the success of the economy is the University. It's how it has happened in every other state. It's how it will happen here in Alaska."*

— Mike Burns, Regent, University of Alaska

**HB 2002: DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.**

Project Location	Amount		Amount
(1) Tuluskak School improvement <i>Yupit</i> .....	\$17,703,793	(28) Tanana major maintenance <i>Tanana City</i> .....	\$ 2,606,707
(2) Akiak School improvement <i>Yupit</i> .....	13,228,730	(29) Yakutat High School gymnasium <i>Yakutat Borough</i> .....	125,801
(3) Akiachak School improvement <i>Yupit</i> .....	19,099,094	structural repair 28	
(4) Scammon Bay replacement school <i>Lower Yukon</i> .....	17,029,762	(30) Klukwan mechanical system <i>Cbatkam</i> .....	138,137
(5) Teller K-12 remodel/addition <i>Bering Strait</i> .....	9,426,570	renovation	
(6) Hooper Bay addition/renovation <i>Lower Yukon</i> ..	24,423,467	(31) Chenega Bay major maintenance <i>Chugach</i> .....	10,520
(7) Circle School replacement <i>Yukon Flats</i> .....	4,068,521	(32) Chalkyitsik sewage lagoon and <i>Yukon Flats</i> .....	156,249
(8) Naukati School replacement <i>Southeast Island</i> ...	4,018,031	water tank project	
(9) Sheldon Point (Nunam Iqua) <i>Lower Yukon</i> .....	728,549	(33) Kake Middle School renovation <i>Kake City</i> .....	470,415
school improvement		(34) Elicavicular Elementary tank farm <i>St. Mary's</i> .....	218,035
(10) White Mountain K-12 remodel/ <i>Bering Strait</i> ....	1,138,767	upgrades	
addition		(35) George Morgan Sr. High School <i>Kuspuk</i> .....	452,647
(11) Arctic Village addition/renovation <i>Yukon Flats</i> .....	679,162	sewage system replacement	
(12) Howard Valentine School <i>Southeast Island</i> .....	340,170	(36) Akiak High School access ramp <i>Yupit</i> .....	29,821
(13) New Stuyahok School <i>Southwest Region</i> .....	2,009,178	(37) Nenana vocational education <i>Nenana City</i> .....	494,205
improvement		building renovation	
(14) Wendler Middle School building <i>Anchorage</i> .....	12,821,521	(38) Northway School structural <i>Alaska Gateway</i> .....	956,636
renovation, phase 2		upgrade	
(15) Hooper Bay structural repairs <i>Lower Yukon</i> .....	258,901	(39) Tetlin sewer line project <i>Alaska Gateway</i> .....	77,081
(16) Gustavus gymnasium renovation <i>Chalbam</i> .....	394,065	(40) Nenana ADA access <i>Nenana City</i> .....	173,195
(17) Glennallen Elementary School <i>Copper River</i> .....	927,069	(41) District-wide structural repairs <i>Yukon-Koyukuk</i> .....	474,162
upgrade		(42) District-wide fuel tank upgrades <i>Yukon-Koyukuk</i> ..	5,066,932
(18) Hoonah Elementary major <i>Hoonah City</i> .....	1,805,501	(43) Yakutat High School interior <i>Yakutat Borough</i> .....	72,258
maintenance		renovation	
(19) Akiak Elementary School <i>Yupit</i> .....	3,234	(44) District-wide fuel tank upgrade <i>Chugach</i> .....	133,428
(20) Angoon ADA access renovation <i>Chalbam</i> .....	134,806	(45) Tatitlek generator replacement <i>Chugach</i> .....	154,312
(21) Glennallen High School gym <i>Copper River</i> .....	152,709	(46) District-wide ADA code upgrades <i>Yukon-Koyukuk</i> ...	981,036
renovation		(47) Elicavicular Elementary <i>St. Mary's</i> .....	339,567
(22) Hydaburg School renovation <i>Hydaburg City</i> .....	5,822,106	gymnasium/cafeteria upgrade	
(23) Galena High School floor <i>Galena</i> .....	154,841	(48) Hoonah pool upgrades <i>Hoonah City</i> .....	171,092
renovation		(49) Bethel Regional High <i>Lower Kuskokwim</i> .....	10,505,286
(24) Skagway roof replacement <i>Skagway City</i> .....	177,756	School deferred maintenance	
(25) Nenana kitchen/cafeteria <i>Nenana City</i> .....	324,287	(50) Fort Yukon High School <i>Yukon Flats</i> .....	109,406
renovation		gym sprinklers	
(26) Elicavicular Elementary boiler <i>St. Mary's</i> .....	161,346	(51) Nome-Beliz High School <i>Nome</i> .....	2,691,000
replacement		renovation	
(27) Kaltag School renovation <i>Yukon-Koyukuk</i> .....	2,461,577	(52) Lower Kuskokwim School District-wide .....	4,000,000
		classroom building renovation	
		(12) Matanuska-Susitna classroom <i>Palmer</i> .....	\$ 650,000
		building renovation	
		(13) Robertson classroom/parking <i>Ketchikan</i> .....	385,000
		lot renovations	
		(14) Classroom building renovations <i>Kodiak</i> .....	500,000
		(15) Tanana Valley space renovation <i>Fairbanks</i> .....	2,000,000
		(16) Chukchi classroom building <i>Kotzebue</i> .....	580,000
		renovation	
		(17) Interior/Aleutians classroom <i>Interior/Aleutians</i> ..	240,000
		building renovation	
		(18) Northwest College classroom <i>Nome</i> .....	190,000
		building renovation	
		(19) Kuskokwim College classroom <i>Betbel</i> .....	180,000
		building renovation	
		(20) Bristol Bay Campus addition <i>Dillingham</i> .....	704,000

The amount of \$5,000,000 is appropriated from the educational and museum facility design, construction, and major maintenance fund to the Department of Community and Economic Development to be awarded as a grant to the Municipality of Anchorage for renovation of the Anchorage Museum of History and Art.

## Why Bond?

- **Meet constitutional obligation.** Judge Reese's ruling—that Alaska's method of funding rural school construction is discriminatory—requires a remedy by the state. The GO Bond package is a statewide solution to the Reese decision, and meets the constitutional obligation.
- **Overcrowded and unsafe schools.** A priority list of projects is maintained by the

state, which has characterized numerous schools as overcrowded and unsafe (below minimum standards for health and safety of children). The GO Bond package addresses a large portion of the current backlog.

- **Manageability.** Bonding is a widely used process for financing public works projects and spreading the cost over time. Citizens of Alaska can pool their resources

and pay for needed projects over a 20 year period making the state's budget more predictable and manageable.

- **Favorable rates.** Bonding rates are favorable today. The actual cost of construction/repair/renovation will increase over time.
- **Attract students.** Improved facilities at the University of Alaska are expected to attract students and help Alaska meet its growing infrastructure needs.

- **Ensure needs are met now.** With or without bonding, Alaska will be forced to address new revenue needs when the reserves run out. GO Bonds allow legitimate needs to be met now, without furthering the backlog of critical infrastructure needs.
- **Create jobs.** \$236 million of maintenance and construction work will create jobs for Alaskans and income for families all over the state.

## In review...

Alaska has the constitutional responsibility to educate students in a safe, conducive learning environment.

By pooling our resources through the use of GO bonds Alaska can address both the backlog and future school construction needs.

Bonding is a tool available to Alaskans to meet its obligation to provide an educational environment that helps all Alaska's youth realize their full potential.

## Gubernatorial Candidates Speak Out

**Ulmer (D):**  
Does Ulmer support GO Bonds?  
YES ✓

Does Ulmer support the accompanying debt reimbursement plan?  
YES ✓

"Alaska must address its backlog of school repair and construction projects. The state must systematically tackle this backlog over the next five years to ensure that no child is left in an unsafe, unfit school."

**Murkowski (R):**  
Does Murkowski support GO Bonds?  
YES ✓

Does Murkowski support the accompanying debt reimbursement plan?  
YES ✓

"I see education as an investment in Alaska's future, and the school bond proposal is a vital part of that investment. I hope Alaskans will join me in supporting Proposition C on November 5th."

*Proposition C: GO Bonds for Education, A Comprehensive Approach to Build Schools (September 2002) provides you with a broader understanding of how your schools will be impacted by the GO Bond package on school facilities. Produced and paid for by the Association of Alaska School Boards.*

## Organizations Back School Bonds

- ✓ Alaska State Board of Education
- ✓ Citizens for the Educational Advancement of Alaska's Children
- ✓ Education First - A group of education advocates organized to support education bonds.
- ✓ Alaska Municipal League and the Conference of Mayors.
- ✓ Alaska Federation of Natives - Board-authorized resolution supporting Prop. C.
- ✓ University of Alaska, Board of Regents - The Board that oversees Alaska's state university system.
- ✓ NEA - Alaska
- ✓ Association of Alaska School Boards
- ✓ Alaska Association of School Administrators
- ✓ Alaska Association of Elementary School Principals
- ✓ Alaska Association of Secondary School Principals
- ✓ South East Regional Resource Center

What people are saying...

"It's a win-win situation. It also represents a commitment to rural Alaska in areas that have a great deal of need for some schools to be built."  
- Senate President Rick Halford

"We believe the opportunity is here for the people of Alaska to support the central theme that all Alaska's children deserve adequate school facilities conducive to learning and that are safe to occupy."  
- John Davis, Citizens for the Educational Advancement of Alaska's Children (CEAAC)

"K-12 public schools are the seed corn for the University of Alaska. Safe and adequate facilities don't guarantee a decent education, but overcrowding and poor conditions are significant handicaps to learning."  
- Mark Hamilton, President, University of Alaska



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