

Building the Future for Students

School Construction and Maintenance Bond

APRIL 26, 2016 BALLOT – QUICK FACTS

WHAT IS A SCHOOL BOND?

- **The State of Washington does not fund the regular building or maintenance of public schools. Instead, local voters must approve school bonds for this purpose.** Similar to a mortgage, bonds may be paid for over 20 years, helping to keep annual costs lower for taxpayers. Issaquah School District's current bonds are, on average, paid off in nine years. This shorter duration saves taxpayers' money.
- **State law mandates that bond dollars be used only for building and maintenance, not classroom operations or salaries.** Careful bond planning, however, is one critical way districts preserve classroom funds. For instance, if a roof fails at an elementary school, the cost of replacement can be upwards of \$2 million, equivalent to 23 teaching positions. If no bond funds are available, classroom operations dollars must be used instead.

WHAT IS IN THE 2016 BOND?

- **The construction of four new schools:** The District has grown by more than 2,000 students in the past four years and is conservatively projected to add an additional 1,500 to 2,000 students in the next five years. This continued enrollment growth requires the addition of two new elementary schools, a 6th middle school and a 4th comprehensive high school.
- **Property for school sites:** The District must acquire the property needed for the new schools in the 2016 Bond.
- **Rebuild Pine Lake Middle School:** Originally built in 1974, PLMS will be completely reconstructed on site, providing a new learning environment with updated technology and energy efficient operations.
- **Critical Expansion/Modernization of six existing elementary schools:** In order to accommodate growing student populations and provide for State funded Full Day Kindergarten, Discovery, Endeavour, Sunset, Cougar Ridge, Maple Hills and Clark Elementary schools will all be expanded/modernized by four to eight classrooms each.

HOW WILL THE 2016 BOND IMPACT TAXES?

- In relation to current property taxes, if the \$533.5M bond is approved, **residents can expect to see NO increase in the tax rate if the bond is approved. The tax rate will remain at or below the current \$4.14 per \$1000 of assessed property value.**
- How do we keep your tax rate stable? The District has experienced rapid growth in the total assessed value of property due to continued new construction of housing and commercial properties as well as higher valuations for existing homes. Additionally, in order to support our goal of predictable taxes, the District has structured a decrease in its current long term tax collections allowing for the "new" taxes generated by the 2016 Bond to not increase your tax rate.



FISCAL RESPONSIBILITY

Moody's rating service has recognized the Issaquah School District for strong fiscal management with its highest Aaa rating. Only 0.45% of school districts nationwide share this distinction, which helps keep tax rates as low as possible for residents.



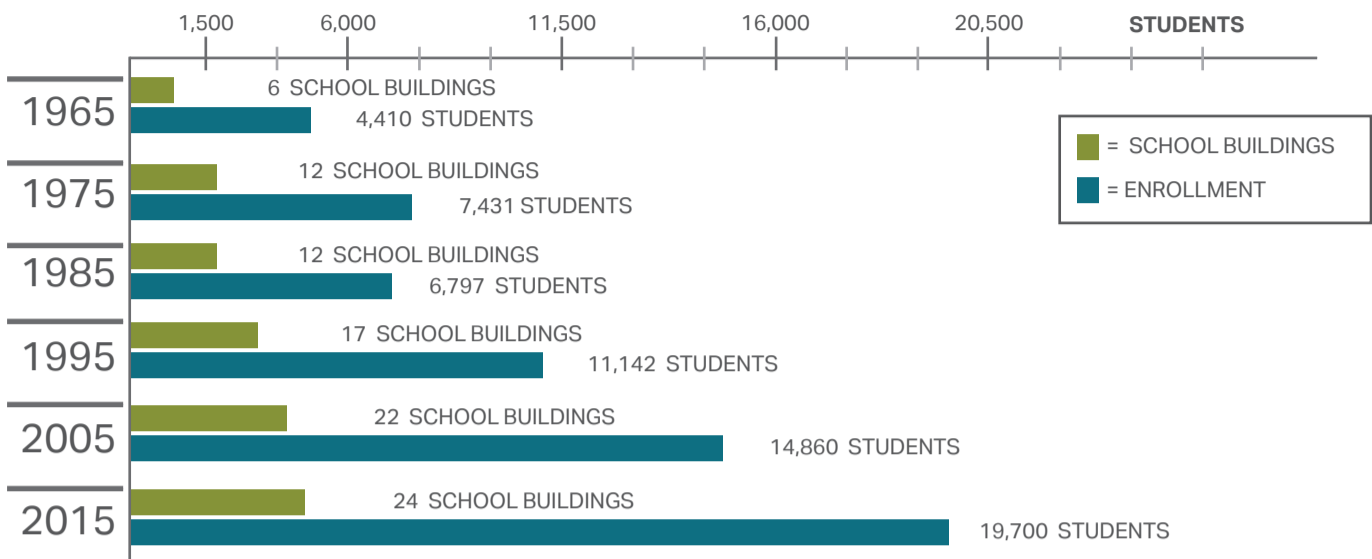
Questions? Bond2016@issaquah.wednet.edu / 425-837-7000 / www.issaquah.wednet.edu

CONSTRUCTION

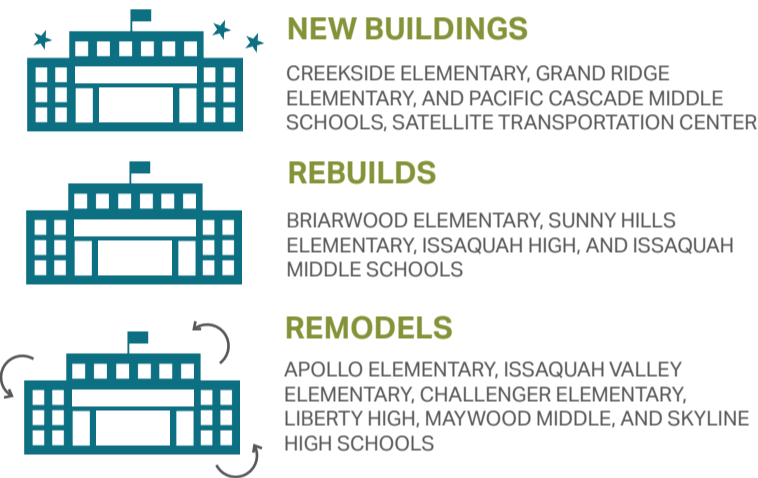
IN THE ISSAQUAH SCHOOL DISTRICT



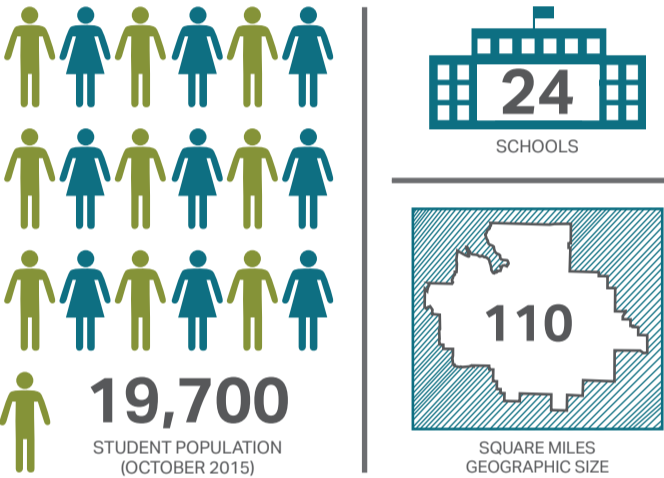
ENROLLMENT AND SCHOOL BUILDINGS



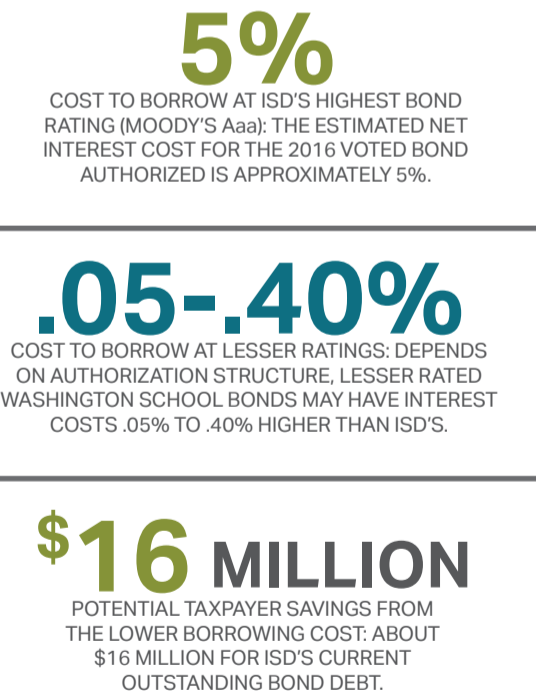
PAST 10 YEARS OF CONSTRUCTION



FACTS



RESPONSIBLE FINANCING



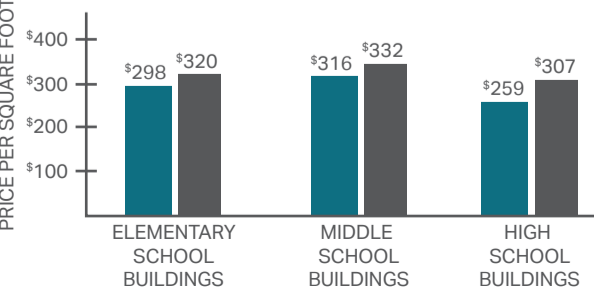
ENERGY EFFICIENCY OF NEW DISTRICT BUILDINGS

THE ENERGY EFFICIENCY OF DISTRICT BUILDINGS SAVES OPERATING DOLLARS THAT CAN BE USED FOR THE CLASSROOM.



COST COMPARISON

ISSAQUAH SCHOOL DISTRICT COMPARED TO AVERAGE OF NEIGHBOR DISTRICTS' PROJECTS*



HISTORIC COSTS

THE NATIONAL CONSTRUCTION COST INDEX INDICATES THAT INFLATION REMAINS REMARKABLY TAME; HOWEVER, UNDERLYING COSTS WILL START TO BUILD PRESSURE FOR PRICE INCREASES IN THE FUTURE.

| | NATIONAL CONSTRUCTION COST INDEX** | PERCENT CHANGE | COMMODITY AND MATERIAL PRICES HAVE STABILIZED ON DECREASING GLOBAL DEMAND. STRUCTURAL STEEL AND REINFORCING BAR PRICES ARE REMAINING STABLE FOR THE NEAR FUTURE.** |
|------------|------------------------------------|----------------|--|
| APRIL 2011 | 143.42 | — | *Projects chosen for proximity and completion in the same timeframe; based on OSPI records. **The National Construction Cost Index shows the changing cost of construction between 2011 and 2015, relative to base of 100 at April 2001; based on Rider Levett Bucknall quarterly report. |
| OCT 2011 | 145.29 | +1.31% | |
| OCT 2012 | 147.74 | +1.69% | |
| OCT 2013 | 153.09 | +3.63% | |
| OCT 2014 | 161.11 | +5.24% | |
| JAN 2015 | 162.98 | +1.16% | |