FISCAL TRENDS REPORT
1984 - 1990

INTRODUCTION

In compliance with the requirements of Article XIII, Section 13.02 of the Anchorage Municipal Charter, the 1984-1990 Fiscal Trends Report presents long-range expenditure and revenue projections for general government services within the Municipality of Anchorage.

The intent is to project expenditures and revenues for six years into the future, based on continuing, current municipal services and identified future expenditure and revenue requirements. This report will aid municipal decision makers in the formulation of fiscal policies through identification and analysis of existing or potential fiscal issues. Primary emphasis is on the analysis of fiscal trends for general government services within the Municipality of Anchorage.

Expenditure and revenue summaries for the Anchorage School District are also included to provide an overall view of municipal activities.

The 1984-1990 Fiscal Trends Report consists of six sections:

I. General Government Expenditures
II. General Government Revenues
III. Funding Options
IV. General Government and School District Combined
V. 1986-1990 Capital Improvement Program Impact
VI. Appendix

General government expenditure and revenue data are based on:

1. The 1984 operating budget as approved and revised by the Assembly through June 1984,
2. The 1985 proposed operating budget,
3. The operating and maintenance costs for currently funded capital projects scheduled for completion during 1985-1990 and
4. The operating and maintenance costs and debt service for proposed projects in the 1985 capital improvement budget.

Annual inflation of 5% is assumed for 1985 through 1990. Population growth is based on Department of Community Planning estimates. Consumer Price Index (CPI) and population estimates are found in Section VI, Appendix. For purposes of calculating a tax limitation per Charter 14.02, the five-year average population growth/loss is used. This five-year average population growth/loss is also listed in the Appendix. Anchorage School District expenditure and revenue data and assumptions were provided by the Anchorage School District administration and are also identified in Section VI, Appendix.

I. GENERAL GOVERNMENT EXPENDITURES

The expenditure data in this section is based on the 1984 revised operating budget, the 1985 proposed operating budget and currently funded and proposed 1985 capital improvement projects.

The following graph, Figure 1, depicts projected expenditures for 1985 through 1990. The graph indicates the proportionate share of increased costs due to inflation versus real program growth.

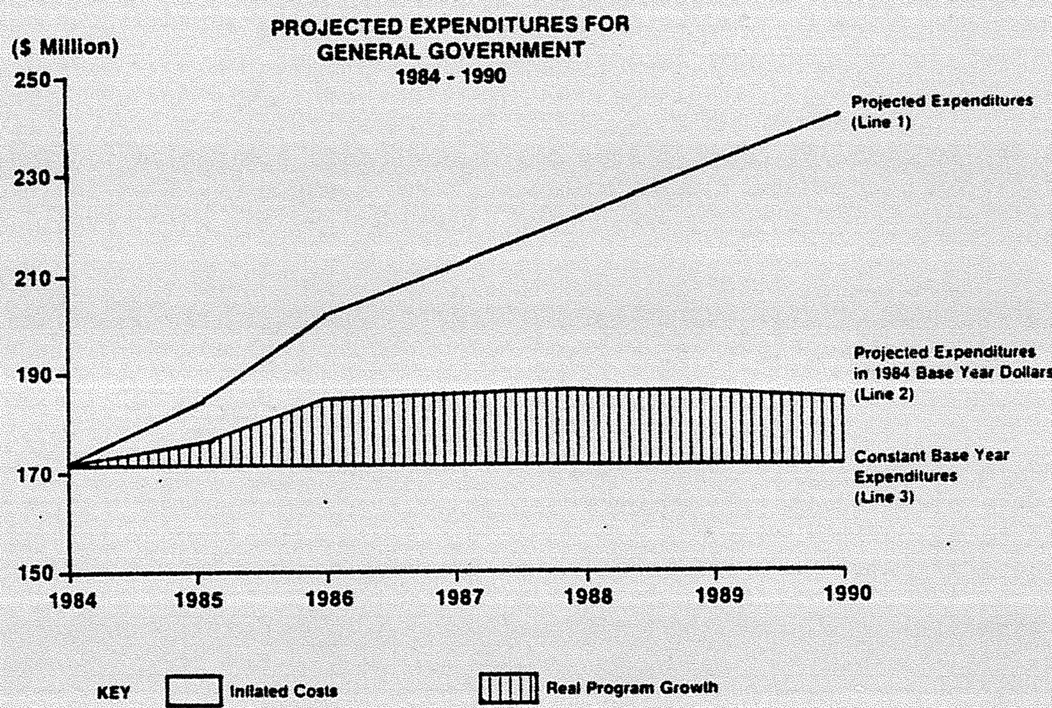

FIGURE 1

Line 1 represents projected expenditures in actual (inflated) dollars. Line 2 represents the same expenditures expressed in 1984 base year dollars. Line 3 represents a constant level of 1984 base year expenditures. The expenditure increase due to inflation is represented by the area between lines 1 and 2. The expenditure increase as a result of expanded programs and services is represented by the area between lines 2 and 3.

In 1985, real program growth is projected to be 3% and rises to 8% in 1986. This sharp increase in real program growth is primarily due to the numerous capital improvement projects coming on-line; 1986 is the first year which reflects full year operating and maintenance costs for most of these projects. Included in these projects are the majority of the currently funded parks and recreation projects, the majority of the currently funded road improvement projects, 22 buses, the Transit Facility expansion, the new Headquarters Library, South Anchorage Fire Station and the Police Headquarters.

From 1986 through 1988, there is a modest increase (1%) in real program growth. After 1988, there is a modest decrease, less than 1%, in real program growth which is partially due to the fact that all currently funded and the majority of the proposed 1985 capital improvements projects are scheduled to be on-line by 1988. Another reason for the decrease is that many of the proposed 1985 projects have little or no operating and maintenance costs. Refer to Section V, 1986-1990 Capital Improvement Program Impact for a discussion of real program growth trends which occur when the proposed 1986-1990 capital projects are added to general government expenditure projections.

Because real expenditure growth is driven by operating and maintenance costs for new facilities and by debt service on additional general obligation bonds, a shift occurs after 1985 in the per capita expenditures for operating versus capital related general government expenditures. The following graph, Figure 2, illustrates this shift.

PROJECTED EXPENDITURES PER CAPITA FOR GENERAL GOVERNMENT 1984 - 1990

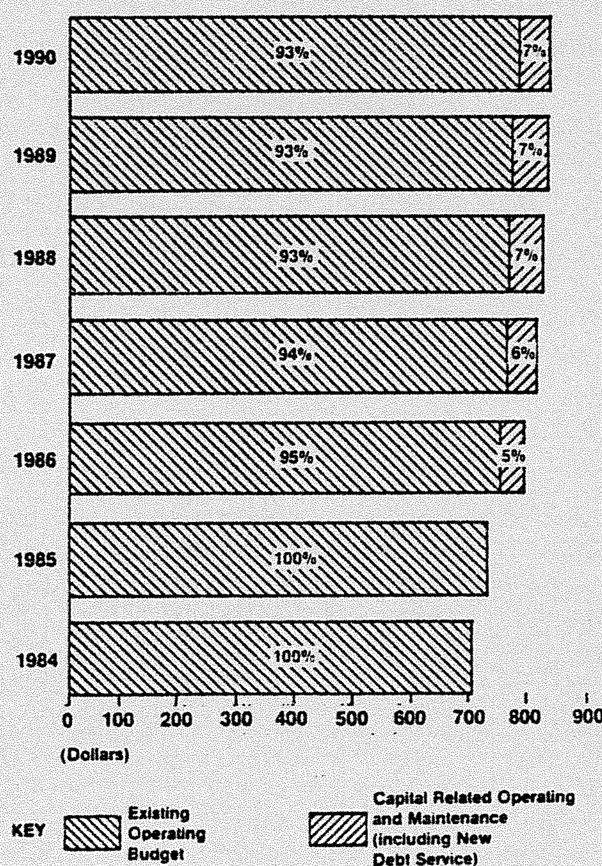

FIGURE 2

This graph shows that as the actual dollars per capita required to support new capital investments increase, the proportionate share of dollars per capita available to maintain existing operations declines. This decline is reflected in the proportionate per capita dollars available for the operating budget and existing debt service. In 1984, the entire budget is earmarked for existing operations and existing debt. By 1990, only 93% of the budget is available for existing operations and debt, while 7% is required to support new capital investments.

Per capita dollars required for new capital-related operating and maintenance costs (including the debt service associated with new capital projects funding) increase steadily from $42 per capita in 1986 to $58 per capita in 1990.

This shift reflects the need to balance the costs associated with maintaining existing programs and services against costs associated with new programs, services and facilities. As more dollars are required to support new capital investments, fewer dollars are available to support existing programs and services. This shift is a key fiscal issue for municipal decision makers through the end of the decade and into the next. Refer to Section V, 1986-1990 Capital Improvement Program Impact for a discussion of how the shift is affected when the proposed 1986-1990 capital projects are added to general government expenditure projections.

II. GENERAL GOVERNMENT REVENUES

The revenue data in this section is based on the 1984 revised operating budget, the 1985 proposed operating budget and currently funded and proposed 1985 capital improvement projects.

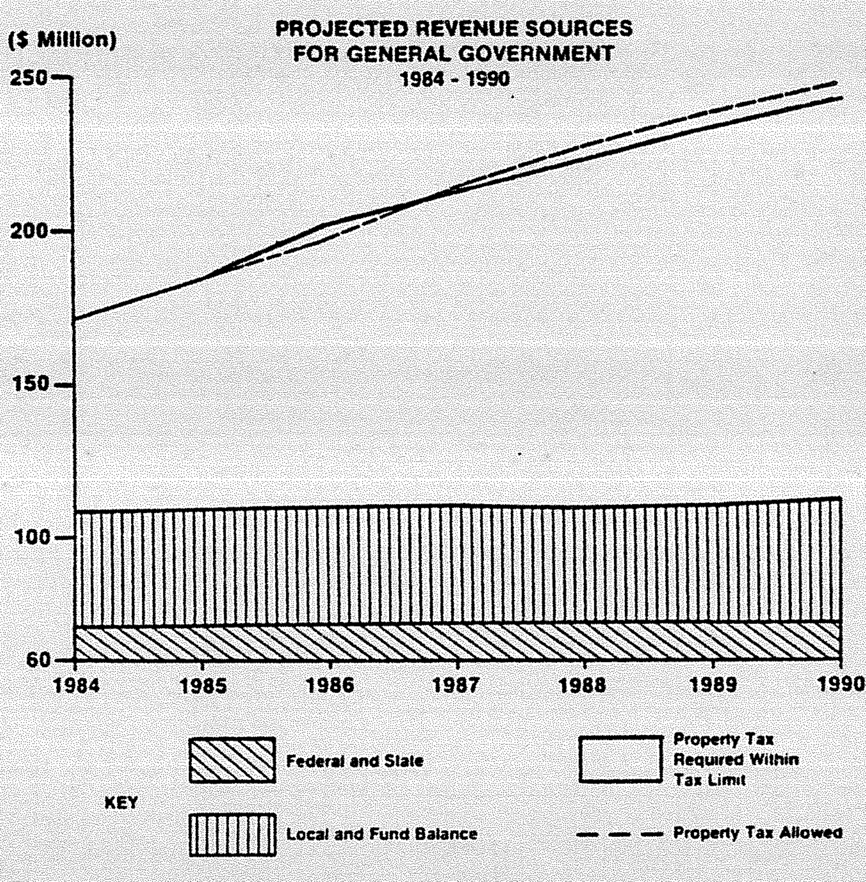

FIGURE 3

The preceding graph, Figure 3, depicts projected revenues available and required to fund general government expenditures for 1984 through 1990. For analysis purposes, revenue sources have been grouped into three categories: (1) federal and state revenues, (2) local non-property tax revenues and applied fund balance and (3) property tax revenues.

For each year, a projected (required) and an allowed property tax amount is calculated. The **Allowed Property Tax** is represented by the dashed line on the graph and is based on the tax limitation charter amendment approved by the voters in 1983. The projected **Property Tax Required** is represented by the solid line and reflects the amount necessary to meet the projected expenditure level after other sources of revenues are considered.

As the graph indicates, the level of revenue from federal and state sources is predicted to remain fairly constant from 1984 through 1990, after a sharp decline experienced between 1983 and 1984. Local non-property tax revenues and applied fund balance income is also projected to remain fairly constant. The projections for local non-property taxes as a source of revenue assumes there are no increases in the actual local or user fees assessed. Any increases in the amount of fees received is due to inflation or population growth.

Property tax revenue required is projected to rise steadily from 1984 through 1990. The increase in property tax revenue is necessary because: (1) as mentioned above, other municipal revenue sources are not forecast to keep pace with inflation and (2) the costs associated with currently funded and proposed 1985 capital improvement projects are not offset by accompanying revenues and thus must be funded through tax revenues.

With the exception of 1986, the property tax revenue required falls below the allowed property tax level. In other words, the only year in which a revenue shortfall occurs is 1986 (revenue shortfall is defined as the difference between revenue required to meet projected expenditure levels and revenue which is projected and allowed under the tax limitation).

The revenue shortfall in 1986 is approximately $4.3 million and occurs primarily as a result of the scheduled completion of a majority of the currently funded capital improvement projects; 1986 is the first year which reflects full year operating costs for most of these projects.

The primary issue facing municipal decision makers and the community is how to resolve the $4.3 million shortfall in 1986. Some alternatives are discussed in Section III, Funding Options.

The following graph, Figure 4, depicts revenue sources on a per capita basis. Also shown is the proportionate share of federal and state revenue versus local property and non-property tax revenue.

PROJECTED REVENUE SOURCES PER CAPITA
FOR GENERAL GOVERNMENT
1984 - 1990

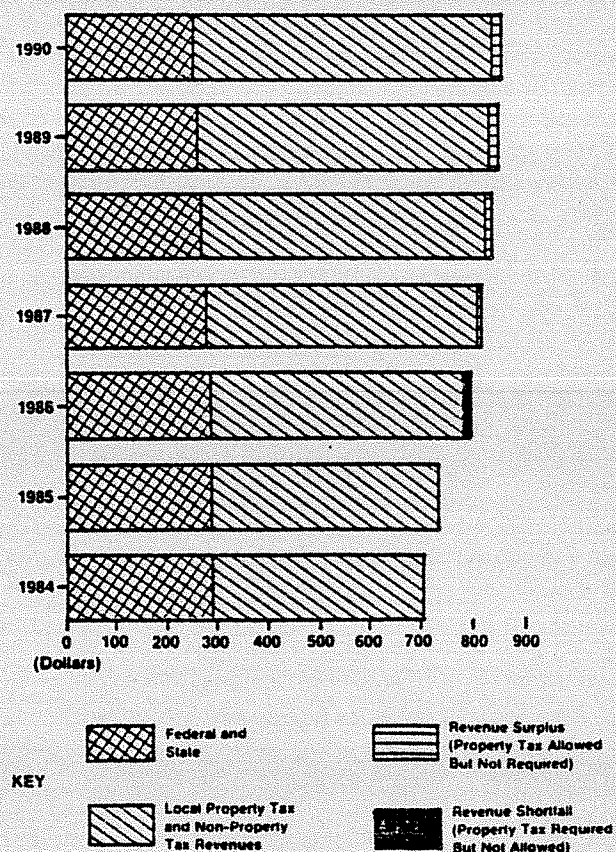

FIGURE 4

As illustrated, there is a decline in the federal and state revenue per capita from 1984 through 1990. In 1984, federal and state revenue per capita is $287 and decreases to $249 by 1990, a 13.2% decrease. The decrease is primarily due to the fact that federal and state revenues are projected to remain fairly constant while the population is projected to increase at an average of 3.3% per year.

Local non-property tax and property tax revenues are projected to increase from $416 per capita in 1984 to $586 per capita in 1990, a 41.0% increase. This rise in per capita local share is primarily due to the increasing value of property which increases the potential property tax revenue. Only a small portion of the rise is due to an increase in mill rate, an increase of 11.7% by 1990. This is a major shift to reliance on locally-generated revenues, which comprise 59% of the total revenues in 1984 and increases to 70% of the total revenues in 1990.

The graph also illustrates that the required property taxes are under the allowed property taxes in all years except 1986, in which a $17 per capita revenue shortfall is projected. This shortfall is shown by the solid portion of the 1986 bar on the graph.

III. FUNDING OPTIONS

Five options for funding all or a portion of the $4.3 million revenue shortfall in 1986 are discussed in this section. They are:

1. Seek full funding of state-shared road maintenance and medical care facilities revenues

2. Seek state funding of the Land Deficiency Payment

3. Increase user fees

4. Seek state support in compensating for Federal Revenue Sharing shortfall

5. Seek voter approval of new services.

The options included have varying degrees of probability of occurrence and reflect only those alternatives in which a funding level could be reasonably predicted. Combinations of funding options are possible and in some cases would be required to meet the revenue shortfall. For discussion purposes, each option is presented as if it were the only solution considered and implemented. It is important to note that resolution of the 1986 revenue shortfall may have a continuing impact on revenues and subsequently reduce property tax requirements in later years.

OPTION 1

Seek Full Funding of State-Shared Road Maintenance and Medical Care Facilities Revenues

The first option is to seek full funding of State Revenue Sharing Chapter 89 revenues for road maintenance and medical care facilities. Historic growth indicates that Anchorage would be eligible for an additional $309,500 per year beginning in 1986. This amount is based on the current reimbursement rate for road maintenance at $2,500 per road mile and for hospital beds at $2,000 per bed.

Anchorage's average annual increase in road miles is 79 miles and the average annual increase of hospital beds is 56 beds. The availability of the state-shared road maintenance and medical care facilities revenues depends on state appropriation. Current state appropriation for fiscal year 1985 indicates insufficient funds to cover our full entitlement.

If Anchorage were to receive full entitlement for road miles and hospital beds, $.3 million of the $4.3 million shortfall would be covered. The remaining $4 million shortfall would need to be resolved through pursuing other options.

OPTION 2

Seek State Funding of the Land Deficiency Payment

Another option is to seek Anchorage's remaining share of the land deficiency payment from the State of Alaska. State Statute AS 29.18.201-213 provided 44,893 acres for a land entitlement settlement to the Municipality of Anchorage. Because the land available and selected by the Municipality of Anchorage which was physically suitable for residential, commercial or industrial purposes amounted to less than one-third acre per capita, AS 29.18.201-213 provided for a cash payment of $9 million for the land deficiency. Anchorage received $4 million in 1980. Appropriation by the State of Alaska is required to receive the remaining land deficiency payment of $5 million. The statute also states that the state legislature can only appropriate up to $4 million per fiscal year for payment to any one municipality or borough, so either the statute would need to be revised in order to receive the full $5 million in 1985, or two years' appropriation would be needed by the state to pay the full deficiency.

If the revenue were received in 1985 and applied in 1986, the revenue shortfall would be reduced from $4.3 million to $.3 million. If the full $5 million were received, there would be a revenue surplus of $.7 million.

OPTION 3

Increase User Fees

The third option is to increase user fees and establish new fees, where appropriate, to partially cover the $4.3 million revenue shortfall in 1986. All user fees could be evaluated and adjusted, if necessary, so that users continue to make an equivalent contribution to the cost of providing services. All new programs could be evaluated to determine if establishing new fees is appropriate. No attempt is made here to identify specific fees for adjustment or to identify new fees that could be established.

In pursuing this option, special attention should be made to evaluate the benefits of imposing fees with the effect such fees could have on the specific programs involved. Of particular note is the point that covering the 1986 projected shortfall with a continuing revenue source such as increased or new fees, could have the benefit of lessening the tax requirement in the out years.

OPTION 4

Seek State Support in Compensating for Federal Revenue Sharing Shortfall

The fourth option is to request the State of Alaska to compensate Alaskan communities for the Federal Revenue Sharing shortfall experienced statewide in 1984 and projected to continue in the following years. This shortfall amounts to approximately $4.3 million for Anchorage. A state appropriation to compensate for the Federal Revenue Sharing shortfall would be sufficient to cover the Municipality's 1986 revenue shortfall.

One point to consider when reviewing this option is that state legislative action is required in the forthcoming session. There is no current or pending legislation which would enable Anchorage to receive compensation from the State of Alaska for the federal revenue shortfall, although the Alaska Conference of Mayors has passed a joint resolution supporting a state appropriation to cover the shortfall.

OPTION 5

Seek Voter Approval of New Services

A fifth option is to seek voter approval for exclusion to the tax limitation for selected operating programs or programs directly related to the operation of capital improvement projects scheduled to come on-line through 1986. If voter approval is obtained, the taxes required to fund operations and maintenance of selected projects could be added as an exclusion to the tax limitation. No attempt is made here to suggest or select suitable candidates for such an election; it is merely pointed out that such an option is feasible under current Municipal charter.

IV. GENERAL GOVERNMENT AND ANCHORAGE SCHOOL DISTRICT COMBINED

In order to present an overall view of fiscal trends within the Municipality of Anchorage, this section combines expenditure and revenue projections for general government and the school district. The general government expenditure and revenue data in this section is based on the 1984 revised operating budget, the 1985 proposed operating budget and currently funded and proposed 1985 capital improvement projects. The expenditure requirements and revenue projections for school operations are those provided by the Anchorage School District.

Several adjustments and accommodations have been made to facilitate the integration of Anchorage School District's data with the general government data, which are:

1. The school district's expenditure and revenue projections and assumptions regarding inflation rates, funding increases and student enrollment are based on the Anchorage School District Seven-Year Financial Projections. There are some variances in the assumptions used by the school district and the municipality. For example, the school district assumes a 5% inflation rate for 1985 through 1988 and a 5.5% rate for 1989 and 1990. The municipality assumes a 5% inflation rate for 1985-1990.

2. The school district's fiscal projections have been converted to a calendar year basis since the fiscal year for the school district (July 1-June 30) differs from the fiscal year for the municipality (January 1 - December 31). The expenditure and revenue data have been converted assuming a 50/50 split. The projections were prepared assuming that all revenues would be received and all expenditures paid.

3. Additional costs for new school district education facilities scheduled for completion after 1984 are assumed to be an integral part of the projected operating budgets as presented in the Anchorage School District Seven-Year Financial Projections. New education facilities are not separately identified as new capital operating and maintenance costs as are the municipality's projects.

The following graph, Figure 5, displays combined expenditure data for both general government and the school district.

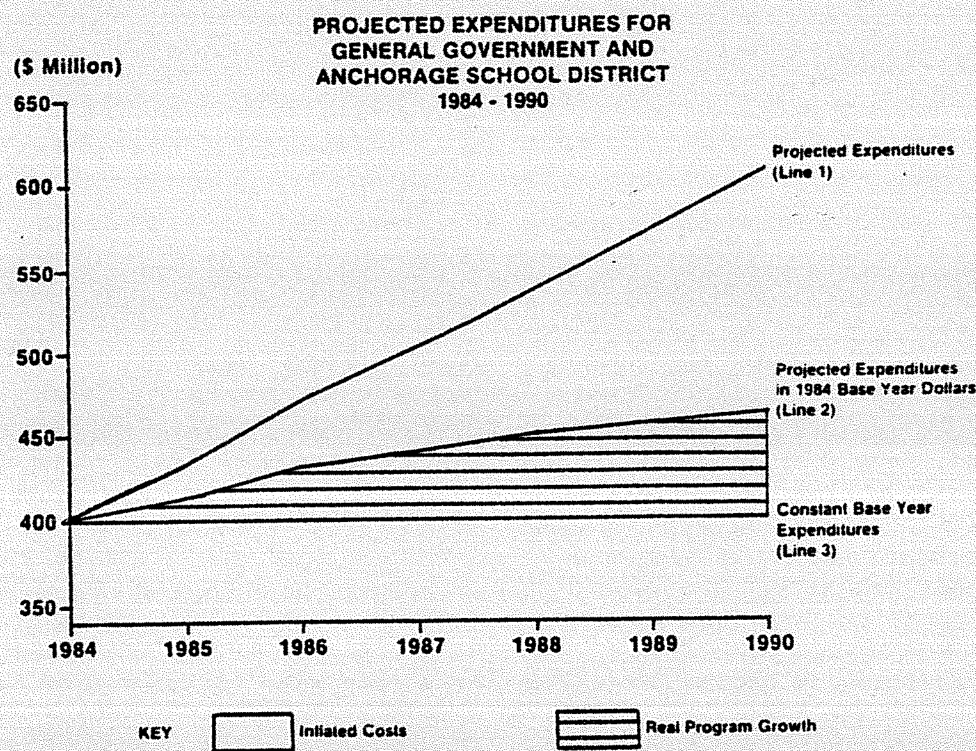

FIGURE 5

As the combined expenditure graph indicates, a modest rate of real growth is projected through 1990. Real growth between 1984 and 1985 in Anchorage's total expenditures is projected to be 3%. The growth climbs to 4% between 1985 and 1986 and then levels off to about 2% per year through 1990. This growth is primarily driven by the added costs to support the expanding student population including the need for more support staff, new facilities and more teachers to maintain an acceptable student/teacher ratio.

The following graph, Figure 6, is an overview of projected revenues available to fund Anchorage's total combined expenditures for 1984 through 1990.

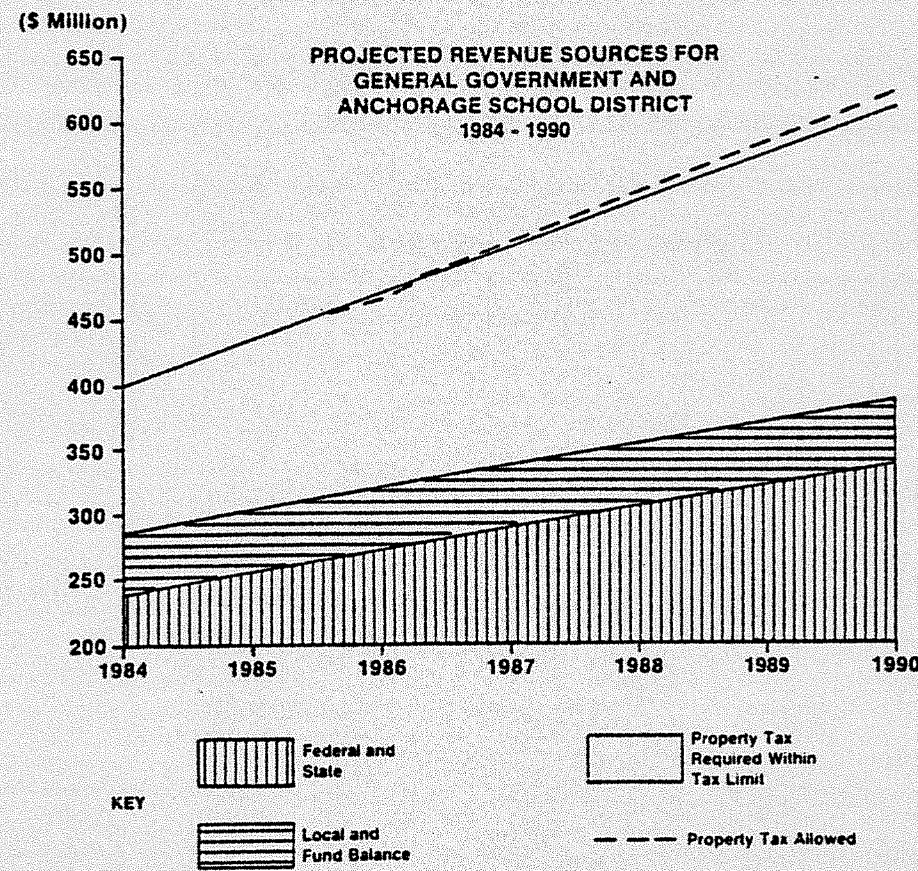

FIGURE 6

As illustrated, combined revenue patterns are different than those presented in the general government section. Here, federal and state revenue sources show an increase of approximately 5% each year through 1990. This increase is primarily the result of projected increases in State Public School Foundation Program which provides approximately 65% of the Anchorage School District's general fund revenues. The general government section shows less than 1% increase in federal and state income each year through 1990.

Local non-property tax revenues and applied fund balance is projected to increase slightly when school district data is added to general government revenue projections.

Property tax revenue required is also projected to rise steadily when school district data is added to general government revenue. With the exception of 1986, the property tax revenue required falls below the allowed property tax level.

In summary, the graph indicates the only change in revenue trends is that federal and state revenues are projected to increase when school district data is added. The other two revenue sources show the same trend for the school district and for general government.

V. 1986-1900 CAPITAL IMPROVEMENT PROGRAM IMPACT

The following graph, Figure 7, shows trends in general government expenditures when the operations and maintenance costs of proposed 1986-1990 capital improvement projects are added to the projections previously discussed in Section I, General Government Expenditures. The support data for this section is shown in the chart which is included in this section.

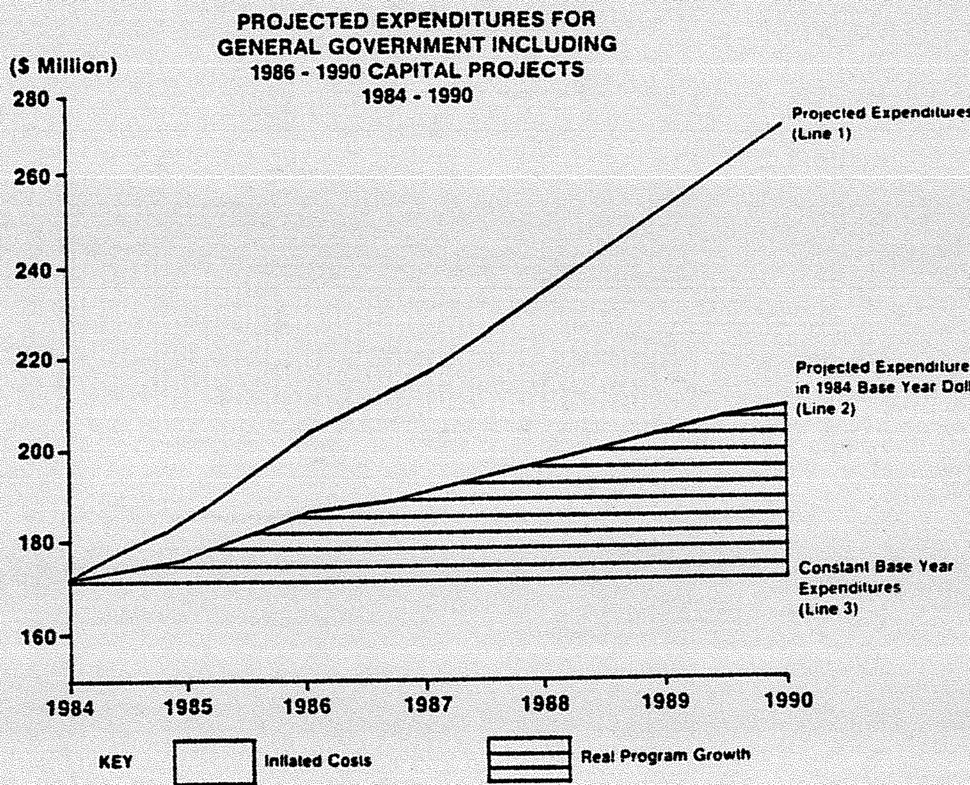

FIGURE 7

The primary impact of adding 1986-1990 capital projects operations and maintenance costs is the change in real program growth. In Section I, real program growth is projected at approximately 8% for 1986, approximately 1% annually in 1987 and 1988 and then declines slightly. When the operations and maintenance costs for additional proposed capital improvement projects are added in the projections, there is a steady increase in real program growth from 1986 through 1990. In 1986, real program growth is still projected at 8%, increases to 10% in 1987, 14% in 1988, 19% in 1989 and 22% in 1990.

The following graph, Figure 8, shows per capita expenditures when operations and maintenance costs of the 1986-1990 capital improvement projects are added to the projections previously discussed in Section I, General Government Expenditures.

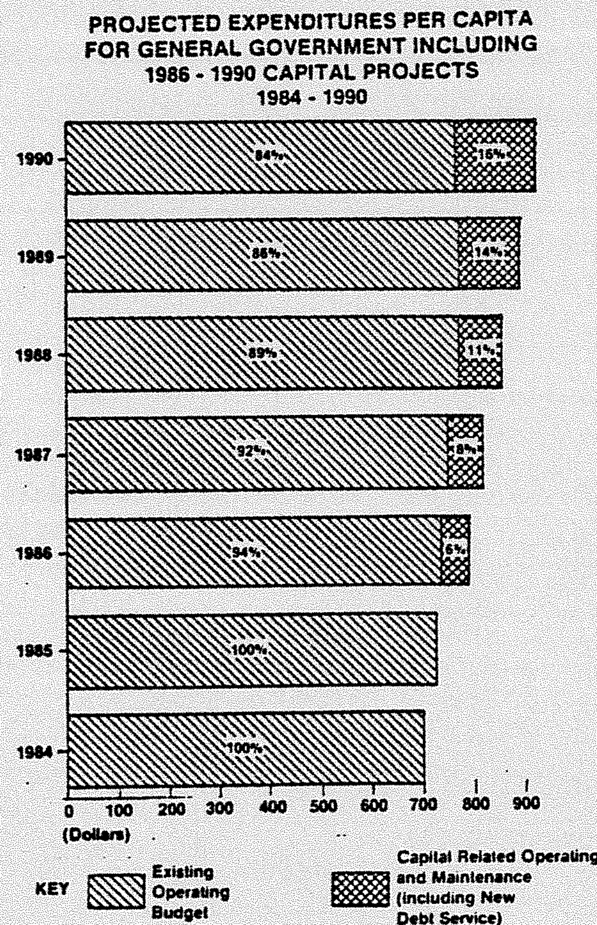

FIGURE 8

Section I identified and discussed the shift in per capita expenditures from operating to capital-related general government expenditures. When the 1986-1990 proposed capital projects are added to the data in Section I, there is an increase in per capita dollars required for new debt service and for new operating and maintenance costs.

Section I indicated that the per capita cost of new debt service is $3 in 1985, increases to $7 in 1986 and then decreases. When proposed 1986-1990 capital improvement projects are added, the per capita dollars required for new debt service rises rapidly from $3 per capita in 1985 to $51 per capita in 1990 as more new debt service is projected.

Section I also indicated that the per capita dollars required for capital-related operating and maintenance costs increases steadily from $37 per capita in 1986 to $52 per capita in 1990. When proposed 1986-1990 capital improvement projects are added the per capita dollars required for capital-related operating and maintenance costs rises rapidly from $38 per capita in 1986 to $99 per capita in 1990.

In summary, the graph illustrates that as proposed 1986-1990 capital improvement projects are included in the projections, a larger portion of each dollar is required to fund those new projects. In 1990 when proposed 1986-1990 capital improvement projects are included, 84% of the total expenditures is related to the operating budget, while 16% goes for new debt service and new operating and maintenance costs. When only currently funded and proposed 1985 capital improvement projects are included, 93% of the total expenditures is related to the operating budget, while 7% goes to new debt service and new operating and maintenance costs in 1990.

CONCLUDING REMARKS

Although it will continue to be a major challenge for the Municipality to meet the service and capital improvements needs for an expanding population and commerce, the challenge can be met through continued application of creative and balanced fiscal policies. Options for dealing with the projected revenue shortfall in 1986 are feasible and adoption of one or more can provide the necessary additional needed revenues.

GENERAL GOVERNMENT
(Including 1985 CIB and 1986-1990 CIP)

EXPENDITURES
($ Million)

Budgeted/Projected Expenditures	1984(a)	1985(b)	1986	1987	1988	1989	1990
Operating Costs	153.0	163.9	171.9	180.6	189.8	199.4	209.6
Debt Service - Existing	18.6	19.2	18.8	18.3	17.8	17.4	16.1
Total Existing(c)	171.6	183.1	190.7	198.9	207.6	216.8	225.7
O & M Currently Funded			8.8	9.6	11.7	12.3	12.9
1985 CIB							
Debt Service(d)		.8	1.8	1.8	1.8	1.8	1.8
O & M			.7	1.8	1.9	2.0	2.2
1986-1990 CIP							
Debt Service			.8	2.9	5.8	9.7	13.1
O & M			.1	.7	4.2	9.0	13.7
Total Expenditures	171.6	183.9	202.9	215.7	233.0	251.6	269.4
Total Expenditures(e) Adjusted to 1984 Base Year Dollars	171.6	176.1	186.0	189.5	196.2	203.4	208.9

EXPENDITURES
(Dollars Per Capita)

Budgeted/Projected Expenditures	1984(a)	1985(b)	1986	1987	1988	1989	1990
Operating Costs	627	651	674	688	699	710	721
Debt Service							
Existing	76	76	74	70	66	62	56
1985-1990 CIB/CIP		3	10	18	28	41	51
Capital O & M(f)			38	46	66	83	99
Total Expenditures	703	730	796	822	859	896	927
Total Expenditures Adjusted to 1984 Base Year Dollars	703	699	730	722	723	724	719

(a) 1984 operating budget as approved and revised by the Assembly through June 1984.
(b) 1985 proposed operating budget.
(c) Excludes costs of services to utilities, capital budget and grants.
(d) Estimated annual debt service on 1985 proposed general obligation bonds.
(e) Debt service is expressed in 1984 base year dollars and has not been adjusted.
(f) Operations and maintenance estimates for proposed 1985-1990 capital improvement projects and currently funded capital projects to come on-line between 1986-1990. For 1984 and 1985 O & M costs are included in the operating costs.

GENERAL GOVERNMENT
(Including 1985 CIB)

EXPENDITURES
($ Millions)

Budgeted/Projected Expenditures	1984(a)	1985(b)	1986	1987	1988	1989	1990
Operating Costs	153.0	163.9	171.9	180.6	189.8	199.4	209.6
Debt Service							
Existing	18.6	19.2	18.8	18.3	17.8	17.4	16.1
1985 CIB(c)		.8	1.8	1.8	1.8	1.8	1.8
Capital O & M(d)							
Currently Funded			8.8	9.6	11.7	12.3	12.9
1985 CIB			.7	1.8	1.9	2.0	2.2
Total Expenditures	171.6	183.9	202.0	212.1	223.0	232.9	242.6
Total Expenditures(e) Adjusted to 1984 Base Year Dollars	171.6	176.1	185.1	186.0	186.9	186.6	185.6

REVENUES
($ Millions)

Budgeted/Projected Revenues	1984	1985	1986	1987	1988	1989	1990
Federal	15.7	11.2	11.2	11.3	11.3	11.3	11.3
State	54.4	60.2	60.3	60.4	60.6	60.7	60.9
Locally Generated and Fund Balance	38.6	37.5	38.4	38.0	37.5	38.5	39.9
Property Taxes(f)	62.9	75.0	87.8	102.4	113.6	122.4	130.5
Total Revenues Projected	171.6	183.9	197.7	212.1	223.0	232.9	242.6
Total Revenues Required	171.6	183.9	202.0	212.1	223.0	232.9	242.6
Revenue Shortfall	0	0	4.3	0	0	0	0

(a) 1984 operating budget as approved and revised by the Assembly through June 1984.
(b) 1985 proposed operating budget.
(c) Estimated annual debt service on 1985 proposed general obligation bonds.
(d) Operations and maintenance estimates for proposed 1985 Capital Budget and for currently funded capital projects to come on-line between 1986-1990. For 1984 and 1985, O & M costs are included in the operating costs.
(e) Debt service is expressed in 1984 base year dollars and has not been adjusted.
(f) Property tax revenue after 1985 is calculated at the level which is necessary and still within the tax limitation for that year.

GENERAL GOVERNMENT
(Including 1985 CIB)
PER CAPITA EXPENDITURES/REVENUES

EXPENDITURES
(Dollars Per Capita)

Expenditures	1984	1985	1986	1987	1988	1989	1990
Operating Budget	627	651	674	688	699	710	721
Capital Related							
Debt Service							
Existing	76	76	74	70	66	62	56
1985 CIB		3	7	7	6	6	6
Capital O & M							
Currently Funded			35	37	43	44	44
1985 CIB			2	6	7	7	8
Total Expenditures	703	730	792	808	821	829	835
Total Expenditures Adjusted to 1984 Base Year Dollars	703	699	726	708	688	664	639

REVENUES
(Dollars Per Capita)

Revenues	1984	1985	1986	1987	1988	1989	1990
Federal/State	287	283	280	273	265	256	249
Locally Generated and Fund Balance	158	149	151	145	138	137	137
Property Tax	258	298	344	390	418	436	449
Total Revenues Projected	703	730	775	808	821	829	835
Total Revenues Required	703	730	792	808	821	829	835
Revenue Shortfall	0	0	(17)	0	0	0	0

ANCHORAGE SCHOOL DISTRICT

EXPENDITURES
($ Millions)

Budgeted/Projected Expenditures	1984(a)	1985(b)	1986	1987	1988	1989	1990
Operating Costs	209.0	228.7	249.8	272.1	295.6	320.6	349.2
Debt Service - Existing	20.1	20.1	20.0	20.0	19.9	19.8	19.4
Total Expenditures	229.1	248.8	269.8	292.1	315.5	340.4	368.6
Total Expenditures(c) Adjusted to 1984 Base Year Dollars	229.1	237.9	246.5	255.1	263.1	269.8	277.5

REVENUES
($ Millions)

Budgeted/Projected Revenues	1984	1985	1986	1987	1988	1989	1990
Federal	5.8	6.2	6.8	7.4	8.0	8.5	9.2
State	163.7	177.1	192.4	207.1	221.4	236.7	254.0
Locally Generated and Fund Balance	7.9	6.9	7.5	8.0	8.6	9.3	10.0
Property Taxes (d)	51.7	58.6	63.1	69.6	77.5	85.9	95.4
Total Revenues	229.1	248.8	269.8	292.1	315.5	340.4	368.6

(a) All fiscal year financial projections for ASD have been converted to a calendar year basis assuming a 50/50 split of revenues and expenditures from each fiscal year. 1983/84 and 1984/85 amounts used are from the Assembly-approved Operating Budgets. Included in Operating Costs shown are the District's General Fund, Food Service Fund and State and Federal Special Revenue Funds.
(b) Projections assume a 5.0% annual inflation rate for 1985 through 1988, with a rate of 5.5% for 1989 and 1990. Student enrollment and related revenues and expenditures are based on Anchorage School District financial projections for these years.
(c) Existing debt service is expressed in 1984 base year dollars and has not been adjusted.
(d) Property taxes as presented are the amounts which are considered necessary and which are within the property tax limitation for that year.

MUNICIPALITY OF ANCHORAGE
AREAWIDE POPULATION ESTIMATES

Year	Estimate	% Change	Five Year Average
FY84	244,030		5.01
		3.25	
FY85	251,952		6.10
		1.22	
FY86	255,023		4.69
		2.89	
FY87	262,405		7.24
		3.45	
FY88	271,446		5.22
		3.45	
FY89	280,824		3.30
		3.46	
FY90	290,540		2.85

ANCHORAGE SCHOOL DISTRICT
STUDENT ENROLLMENT PROJECTIONS

Year	Projection
FY83-84	40,427
FY84-85	41,850
FY85-86	43,350
FY86-87	44,850
FY87-88	46,050
FY88-89	47,200
FY89-90	48,400

CONSUMER PRICE INDEXES

Year	CPI	% Change
FY84	275.5(1)	
		5.00
FY85	285.1(2)	
		5.00
FY86	299.3	
		5.00
FY87	314.3	
		5.00
FY88	330.0	
		5.00
FY89	346.5	
		5.00
FY90	363.8	

(1) January 1984 CPI for Anchorage

(2) Based on January 1984 CPI inflated by 5% each year thereafter

AREAWIDE ASSESSED VALUATION
$ Millions

Year	Valuation
FY84	12,095
FY85	14,256
FY86	16,374
FY87	17,405
FY88	18,900
FY89	20,560
FY90	22,481