

Bridgman Public Schools
November 2024
Tax Appeal Settlement Agreement Update

The District would like to update staff and community stakeholders on our ongoing efforts to address the recent developments regarding the tax appeal settlement with AEP.

1. At this time, AEP has indicated that they are not interested in pursuing Bridgman Public Schools' proposed *Hold Harmless Agreement*. While this may suggest the agreement is no longer being considered, it's important to stay open to the possibility of future discussions and not view the matter as entirely closed.

2. Raising Bridgman Public Schools' Non-Homestead levy from 8.376 to 18 mills faces steep hurdles, as it requires a Michigan Constitutional amendment and a $\frac{3}{4}$ legislative vote—a formidable task, particularly during a Lame Duck session and amidst a shift in party control in the State House. Representative Joey Andrews has introduced bills to address this issue, and I've attached copies for your reference. Despite these efforts, progress has stalled. While there is some optimism for potential movement during the Lame Duck session or under the new legislature in January, the outcome remains highly uncertain. Persistent advocacy will be essential to navigating these challenges and securing the additional funding the district urgently needs.

3. On Thursday, November 21, Superintendent Peters engaged with representatives from the Michigan Department of Treasury to discuss proposed legislation and potential funding opportunities in the State of Michigan's FY26 budget, which begins in October 2025. This meeting was a critical step in addressing the District's financial challenges and advocating for sustainable solutions. Superintendent Peters emphasized the importance of taking proactive measures to mitigate potential long-term impacts, urging the Treasury to prioritize these concerns during future budget planning. By initiating this dialogue early, the District aims to secure the support necessary to navigate its fiscal obstacles and align with its strategic goals.

4. Superintendent Peters will be addressing the financial effects of the recent tax appeal settlement and its impact on district funds in upcoming Board of Education meetings:
 - a. **November 25, 2024:** Superintendent Peters reviewed the tax settlement's impact on the District's Sinking Fund. The Board approved two recommendations in regards to the Sinking Fund. 1) Use the Sinking Fund conservatively to preserve our buildings' current condition and to plan ahead for any significant future renovations or repairs and 2) All future expenditures from the Sinking Fund require approval from the Board of Education.
 - b. **December 16, 2024:** A discussion will focus on how the Recreation Fund has been affected, with Superintendent Peters providing a proposal for managing the reduction in Recreation Fund revenue/resources.
 - c. **March 24, 2025:** Superintendent Peters will outline the implications for the District's General Fund and propose necessary adjustments, including potential administrator and teacher layoffs and program reductions.
 - d. **April 28, 2025:** Superintendent Peters will provide an update on staff and program reductions from March, including any additional adjustments necessary to address budgetary challenges. This update will cover anticipated changes impacting staffing and programs across the District.

5. Superintendent Peters continues to actively collaborate with Michigan advocacy groups to address the "dark store" tax loophole and push for property tax reforms that support schools and communities. These measures aim to ensure fairer tax assessments statewide, which would benefit Bridgman Public Schools after the current tax agreement expires in 2031. While this legislation will not provide immediate financial relief, it is a vital step toward long-term revenue stabilization for Bridgman Public Schools and other Michigan schools and communities.

6. The situation at Bridgman Public Schools has attracted considerable media coverage throughout Michigan in the past week. News reports and articles have been featured across various regions, including the Upper Peninsula, Eastside, and Central Michigan. The story has appeared in prominent outlets such as the Detroit News, M-Live, Gongwer News, Bridge Magazine, WLNS, and Gander News. We are receiving strong support from individuals outside our community, but local backing and media coverage have been limited.

For additional details or to discuss these initiatives further, please don't hesitate to reach out to Superintendent Shane M. Peters at 269-466-0220 or via email at speters@bridgmanschools.com. Superintendent Peters is available to provide more context, answer questions, and keep you informed on these important developments impacting our District and community.