

estimated tax impact

Zero Net Increase
over current debt millage rate

May 6 Ballot Proposal

- ▶ Focused on creating modern and forward-thinking spaces for students and staff
- ▶ Addresses infrastructure upgrades across all District facilities
- ▶ \$241,865,000 program cost

Financial Questions & Answers

Question

In the ballot language, it states that the estimated millage that will be levied in 2025 to pay the proposed bonds in the first year is 1.55 mills. What does this mean?

Answer

The current debt millage rate of 8.50 mills will remain consistent with the passage of Bond 2025. The proposal language refers to the allocated bond millage for this proposal to be levied in the first year (2025) at 1.55 mills, meaning 1.55 mills new bonds and 6.95 mills existing bonds totaling an estimated 2025 millage rate of 8.50 mills.

Question

Is the school district going to immediately issue \$241,865,000 of bonds?

Answer

No. The bonds are proposed to be issued in 4 series (2025, 2027, 2029, 2031). This allows for years of bond repayments to occur before a new bond issue is completed.

Question

Why are the bond issues being completed in a series as opposed to being completed immediately in one bond issue?

Answer

The bond issues are being completed in a series in order to implement a long-term capital plan as well as reduce total bond interest expense.

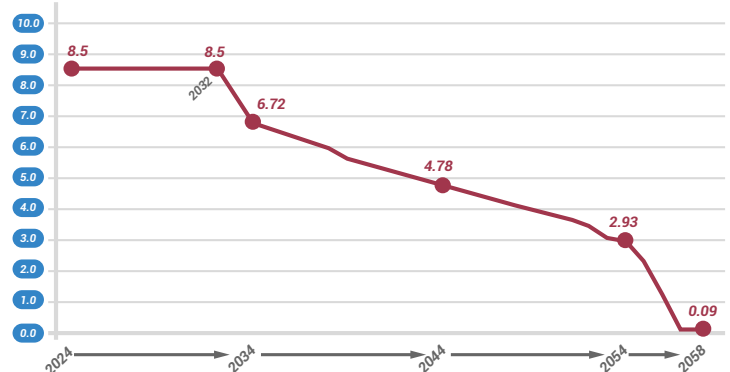
By issuing the bonds in series the school district receives capital funding over multiple time periods as opposed to one. This allows for the continual update and replacement of school district infrastructure. A multiple year technology replacement program is also included in the plan.

Why May 2025 for a bond proposal?

The District has a window of opportunity to sell bonds at a zero increase to the current debt millage rate while being able to address critical infrastructure and educational program needs.

Estimated Proposed Bond Millage Rates

(Assumes Taxable Value Growth of 3.00% -5.00%)



Why are bonds used for funding?

With no dedicated state funding provided to school districts in Michigan, bond issues are the most common financing method available to school districts to provide additional funds to address infrastructure initiatives.

“Michigan is one of only 12 states in the country that does not provide state funding for school infrastructure.”

-Center for Green Schools, 2016