



2019 OPERATING MILLAGE & SINKING FUND Q&A

On Tuesday, August 6, 2019, Livonia Public Schools will have two proposals on the Primary election ballot:



Proposal 1

Proposal 1 is a RENEWAL of the 18-mill Operating Millage on non-homestead properties for a 10-year period.



Proposal 2

Proposal 2 is a REPLACEMENT of the current Sinking Fund with a 1.6-mill levy on all properties for a 10-year period.

Q: Why is the district seeking an 18-mill Operating Millage renewal and who would pay this?

A: In order for school districts to receive their full per-pupil foundation allowance from the State of Michigan, it must levy an operating millage. This operating millage levy is 18 mills on all non-homestead (primarily business) property within the LPS school district. **This levy is not on primary residences.**

Q: Do residents pay this 18-mill Operating Millage?

A: No, this is only levied on non-homestead properties (business, commercial, rental properties, second homes).

Q: What is the non-homestead Operating Millage used for?

A: This millage generates approximately 17% of the district's general fund budget and is used to operate the district – instructional programs and materials, staffing, transportation and day-to-day district operations.

Q: What happens if the non-homestead millage is not approved?

A: The revenue generated by the non-homestead millage is approximately \$24 million per year. Without approval, the state would not replace the funding and LPS would be forced to drastically reduce or eliminate programs to offset the loss in revenue.

Q: Do other school districts levy the non-homestead millage?

A: **Yes, all school districts must levy an Operating Millage** in order to obtain their full school funding.



Q: What is the second proposal on the ballot?

A: The current Sinking Fund millage is set to expire; therefore, LPS is seeking to replace the expiring Sinking Fund millage with a 1.6-mill request for 10 years.

Q: What is a Sinking Fund?

A: A Sinking Fund is the term used for a dedicated fund for specific purposes. The name is derived from 18th Century England, when such funds were used to pay down, or “sink,” the national debt.

In LPS, the Sinking Fund is used primarily for work such as repair and replacement of boilers, roofs and parking lots; emergency building repairs; and other essential facility needs in our schools. **It cannot, by law, be used for salaries or district operations.**

Q: How long has LPS had a Sinking Fund in place?

A: Voters in the school district have authorized a Sinking Fund for the past 25 years.

Q: Has the Sinking Fund levy amount remained the same over those years?

A: The number of Sinking Fund mills levied has not increased since 2005.

Q: Why is the district requesting an increase in the amount of mills levied for the Sinking Fund?

A: This request is a 0.49 mill increase over the existing levy. The entire request is treated as an increase due to a change in state law that now allows Sinking Funds to be used for instructional technology and security needs. With the added allowable uses, the district would have the ability to implement its long-term plans for instructional technology, facilities, and continue its safety/security enhancements throughout the district. These are in addition to the aforementioned uses related to repair and renovation of our facilities.

Q: How much would the Sinking Fund cost the average homeowner? And, how much is the increase, in dollars?

A: The owner of a home with a market value of \$200,000 would pay approximately \$160 per year, or about \$13 per month. This estimated cost reflects an approximate \$50 per year, or \$4 per month, increase over the current sinking fund levy.

Q: Doesn't the bond that was approved in 2013 cover the same projects as the Sinking Fund?

A: No, facility projects that are planned to be paid for through the Sinking Fund are outside of the scope of the 2013 bond issue. The bond amount that was approved covered the most critical facility and security needs in the district. The bond projects list was pared down extensively by the Board of Education before it went to voters for approval.

The Sinking Fund will enhance the district's ability to keep our schools safe and in good repair, while protecting our investments in the 3 million square feet of schools and facilities. The Sinking Fund keeps more general fund dollars in the classroom, instead of the boiler room.



Q: What are some of the projects that have been funded through the current Sinking Fund?

A: In the past year, Sinking Fund projects have included: parking lot expansion at Buchanan, Grant and Roosevelt elementary schools, in addition to repaving at Cooper Upper Elementary and portions of the lots at Franklin and Stevenson high schools.

- **Parking lots:** This summer, parking lot work will occur at the Livonia Career Technical Center, Churchill High School, Webster and Coolidge elementary schools, Emerson and Frost middle schools and Garfield Community School.
- **Roofs:** Holmes Middle School, new roof; Johnson Upper Elementary new roof this summer.
- **Boilers:** New boilers were installed at Frost Middle School.
- **Athletic fields:** New track and fields at Churchill; new tracks and fields in progress at Franklin and Stevenson.

These are examples of recently completed or soon-to-be-completed projects in our district. LPS has completed a comprehensive needs assessment of every facility, school and property in order to develop its 10-year, Long-Term Facility Plan. This plan will continue to be the blueprint used as projects are planned moving forward.

Q: Why is the district asking for 10-year terms on each proposal?

A: The district has historically requested 5-year terms for both millages. A 10-year period allows the district to do more long-range planning for the funds, since it would coincide with the 10-year, Long-Term Facility Plan. This long-term planning allows the district to have a cycle for equipment repairs and utilize economies of scale for the upkeep of its facilities.

Q: How can I be certain that Livonia Public Schools is utilizing tax dollars appropriately?

A: Livonia Public Schools consistently receives the highest ratings from outside auditors, including a separate audit annually for the 2013 bond funds. The district has consistently been cited by the outside accrediting agency, AdvancED, for its strong fiscal practices. Additionally, all financial information is posted on the Transparency Reporting on the district's website.

Q: How can I receive more information about these proposals?

A: Visit www.livoniapublicschools.org/millage