HOWELL PUBLIC SCHOOLS

VOTE NOVEMBER 7, 2023

$258 Million for District Facilities, No Expected Tax Rate Increase

Financial Facts

Bond funds are needed for improvements to school facilities and infrastructure.
In the State of Michigan, the primary funding mechanism for capital improvements in school districts is requesting taxpayer approval of bond proposals to permit the district to borrow money to pay for capital expenditures. As a general rule, school districts do not use general fund dollars (also known as the state foundation allowance per student) for these types of capital improvements. Doing so would take away money from educational programming and instruction. Bond dollars can be used for capital improvements instead of using general fund dollars. Freeing up general fund dollars for operations puts more money in the classroom, with a focus on instruction and programming.

Annual operational needs are funded through an allocation made by the State of Michigan known as the student foundation allowance and through federal dollars
When Proposal A passed in 1994, the funding system for schools changed. The State of Michigan allocates a specific amount per student for operational expenses, known as the student foundation allowance. Anything over and above this funding for needed facility and infrastructure improvements would have to be approved by public vote for bond or sinking fund dollars.

How would the bond proposal impact my property taxes?
If approved by voters, the tax rate is projected to remain the same as the current year levy with no expected tax rate increase to property owners. The current tax rate is 5.5 mills. This is the lowest of any public school district in Livingston County.

How can Howell Public Schools fund this proposal without increasing the current tax rate?
If approved by voters, it is estimated that the current tax rate of 5.5 would remain the same due to expiring debt and by extending the current rate by eight years. At that time, the tax rate would decline due to bond repayment and taxable value growth.

No Expected Tax Rate Increase

5.5 Mills

Today

if approved by voters, expected tax rate of

5.5 Mills

After 11/7

Our Kids, Our Community, Our Future

HOWELL PUBLIC SCHOOLS

VOTE NOVEMBER 7, 2023

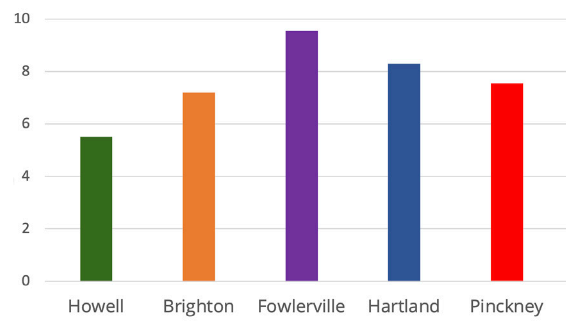
$258 Million for District Facilities, No Expected Tax Rate Increase

Financial Facts

Bond funds cannot be used to pay for salaries or for operational needs.
Voter-approved bond funds can be spent on new construction, additions, remodeling, site improvements, athletic facilities, playgrounds, buses, furnishings, equipment, technology, and other capital needs. Funds raised through the sale of bonds cannot be used on operational expenses such as employee salaries and benefits, school supplies, and textbooks. Bond funds must be kept separate from operating funds and must be audited by an independent auditing firm.

How does Howell's millage rate compare to surrounding districts?
Howell Public Schools currently has the lowest debt millage rate of any public school district in Livingston County. If the bond proposal passes, the district's tax rate is expected to remain at 5.5 mills.

School District	Tax Rate
Howell	5.5
Brighton	7.19
Fowlerville	9.55
Hartland	8.29
Pinckney	7.55



How much money would the bond proposal generate, and would the bonds be issued all at once?
The proposal would generate $258,000,000, which would be spent over approximately 7 years on districtwide school building and site improvements. The bonds are proposed to be issued in three series (2024, 2025, and 2027). This allows for bond repayments to occur before a new series of bonds is issued.

Technology is not amortized over 20 years.
Technology purchases are required to be amortized over a five-year period beginning at the time of installation. Five years is often considered the "useful life" of technology devices, so the items are paid off before they are replaced. Technology items would be included in each series of the bond.

Are businesses and second homes (non-homestead property), and primary homes (homestead property) treated the same regarding bond millage?
Yes, businesses and second homes (non-homestead) and primary homes (homestead) are treated the same regarding bond millage. All properties are assessed for debt millage based on their taxable value.

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Paid for by Howell Public Schools, 411 N. Highlander Way, Howell MI 48843