

## Saline Area Schools Bond 2022 | Frequently Asked Questions

*Our community will have the opportunity to vote on a Saline Area Schools bond proposal on the November 8, 2022 election ballot. If approved, it would provide \$180,000,000 for building & site improvements to address identified and ongoing facility needs based on completed assessments and community input. If approved by voters, the 2022 bond millage is expected to result in a net TAX RATE DECREASE of 0.50 MILLS from the current rate.*

### General

**Q: When is the election?**

Tuesday, November 8th, 2022 from 7:00 a.m. - 8:00 p.m.

**Q: Where can I locate my polling location and absentee ballot information?**

Information is available at [Michigan.gov/vote](https://michigan.gov/vote)

**Q: When are absentee ballots distributed?**

September 29th, 2022. \*9/24/22 for military

**Q: I am a Saline Area Schools voter, but I don't have any connections to the school district. What does the bond proposal do for me?**

All Saline Area School residents and business leaders have a vested interest in our school district. It is an essential part of our community's success and quality of life. Families tend to choose where they will live and work based on the strength of the local school system. Saline Area Schools produce future leaders and workforce talent that contribute to the overall economy and it is our goal to keep every operational budget dollar going to classrooms. There are numerous projects in the bond proposal that would not only be used by our school during the day, but also would be open for community use.

**Q: In previous passed SAS bonds, how have you delivered on the projects that were included in the proposal?**

**Project 2000**

- Design and develop the New Saline High School Campus along with Harvest Elementary.
- Heritage Band Room Addition
- Converting the Original Saline High School to a middle school facility.

**Safe Warm & Dry 2015**

- Provided safety and security at all facilities with secure vestibules at each building, lockdown access controls, and additional cameras.
- Moved the central office at Pleasant Ridge to an exterior wall to allow line of sight and create a secure vestibule for students, parents, staff, and community entrance. All flooring, paint, HVAC equipment, and controls were replaced or updated.
- Removed & replaced (4) complete roofing systems. Pleasant Ridge, Woodland Meadows, Heritage, Liberty
- Replaced boilers in 4 facilities, 3 new chillers along with HVAC controls to provide a positive learning environment for our students to learn and our staff to teach.

- Liberty School Alternative High School and ECSC Facilities were brought up to district standards.
- Liberty Administration Offices were remodeled to meet District Standards.
- SMS Science Room, Gymnasium & Media Center Improvements
- New LED lights installed in 85% of the classroom, (the other 15% will be completed by end of phase 3) 100% exterior parking lots and building wall packs.
- Woodland Meadows & Heritage Parents Drop Off/Bus loop redesigned to keep students safe.
- High School, Liberty, Thibault Drive, and the Middle School School parking lots were replaced or resurfaced.
- High School Athletic Facilities included replacement of 2- artificial turf fields, 12 new tennis courts, 1 new track surface.
- K-8th flexible furniture to create future-focused learning environments.
- Technology updates
- 20 New School Buses (as of 9/8/2022) along with a new District Digital Communication System.

## Finance

### **Q: How can we see a reduction in debt tax rate while still generating \$180,000,000?**

Due to the unique structure of Saline Area School's outstanding bond issues and current property tax trends, millage rates are projected to decline without a new bond issue on the July 1, 2024 property tax bill.

This proposal would extend the length of our debt structure and would allow the district to recognize this opportunity to complete \$180 million of improvements to be experienced by our students and community for many years to come, while still managing to structure a new proposal with an expected reduction of the current rate.

### **Q: What is a mill?**

A mill is a unit of measurement for property tax. A mill is 1/1000 of a dollar.

### **Q: When would the millage for this proposal first be levied?**

On the July 1, 2023 property tax bill.

### **Q: Would the school district immediately issue \$180,000,000 of bonds?**

No. The bonds proposed are expected to be issued in three series (in 2023, 2025, and 2028). This allows for years of bond repayments to occur before a new bond issue is completed.

### **Q: Would money from the bond proposal be used to pay teachers' salaries and benefits?**

No. School districts are not allowed to use funds from a bond for operating expenses such as teacher, administrator or employee salaries, routine maintenance, or operating costs. Bond revenue must be kept separate from operating funds and bond revenue expenditures must be audited by an independent auditing firm.

### Q: How would the bond proposal impact my property taxes?

If approved by voters, an overall debt tax rate net decrease of 0.50 mills from the current rate is expected for Saline Area Schools property owners.

## SALINE AREA SCHOOLS BOND 2022

### FINANCE

## WHAT DOES THIS MEAN FOR ME FINANCIALLY?

| Market Value | Taxable Value | Current Annual Tax | Proposed Annual Tax | Proposed Estimated Annual Change |
|--------------|---------------|--------------------|---------------------|----------------------------------|
| \$300,000    | \$150,000     | \$1,200            | \$1,125             | -\$75                            |
| \$350,000    | \$175,000     | \$1,400            | \$1,313             | -\$87                            |
| \$400,000    | \$200,000     | \$1,600            | \$1,500             | -\$100                           |
| \$500,000    | \$250,000     | \$2,000            | \$1,875             | -\$125                           |
| \$600,000    | \$300,000     | \$2,400            | \$2,250             | -\$150                           |

**EXAMPLE:** IF YOUR HOME MARKET VALUE IS \$400,000, THIS PROPOSAL WOULD RESULT IN AN ESTIMATED ANNUAL DECREASE OF \$100

### Q: How are public schools financed in Michigan?

- **OPERATIONAL FUNDING** - Funding for the day-to-day operations of the district is provided through state, federal and local sources. The majority of the funding is allocated through the state per pupil foundation allowance. Programs and services, personnel costs, utilities, supplies and routine maintenance costs are financed in this category.
- **SCHOOL BOND PROPOSALS** - A bond proposal is how a public school district asks its community for authorization to borrow money to pay for capital expenditures. With a bond, when voters approve a specific amount of bonds then taxes are levied and collected to cover principal and interest of the bonds. Voter-approved bond funds can be spent on additions, remodeling, site improvements, athletic facilities, playgrounds, furnishings, equipment, technology, buses, 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 expenditures must be audited by an independent auditing firm.

### Q: How would I know the bond funds would be spent the way they are supposed to be spent?

Michigan law requires that expenditure of bond proceeds must be audited, and the proceeds cannot be used for repair or maintenance costs, teacher, administrator or employee salaries, or other operating expenses. An audit would be completed at the end of each bond series project to ensure compliance by an independent CPA, licensed with the Michigan State Board of Accountancy, and comply with generally accepted auditing standards as adopted by the American Institute of CPAs.

### Q: What is the Michigan Homestead Property Tax Credit?

The Michigan Homestead Property Tax Credit is a method through which some taxpayers can receive a tax credit for an amount of their property tax that exceeds a certain percentage of their household income. This program establishes categories under which homeowners or renters are eligible for a

Homestead Property Tax Credit. Please consult your tax consultant to determine if you are eligible for this tax credit.

**Q: Would the approval of the bond proposal have any impact on our current operational budget?**

While funding from this bond proposal would be independent of the support the district receives from taxpayers and the State of Michigan for annual operations on a per pupil basis, the bond may have a positive impact on the annual operating budget for existing facilities. It would allow the district to reallocate operating funds that are currently being spent on aging facilities, mechanical systems, and technology. The savings generated from new and cost-efficient facilities could be redirected to student programs and resources.

**Q: What happens if voters do not approve this bond?**

If this bond is not approved, the district would have to reconsider its financial picture and determine the next steps. It is possible that money currently spent on general fund expenses would have to be diverted to facilities.