



# SINKING FUND INFORMATION

HOPKINS PUBLIC SCHOOLS

## WHAT IS A SINKING FUND?

A sinking fund is a savings account into which a local school district can deposit voter approved local millage revenue in order to pay cash for projects or repairs as they arise rather than having to borrow through short-term notes or long-term bonds. Sinking funds provide districts with a cost-effective alternative to borrowing or bonding for some expenditures because they require none of the associated interest costs or legal fees. A school district that levies a sinking fund tax shall have an independent audit of its sinking fund conducted annually.



Currently under statute, the board of a school district may, with voter approval, levy a property tax (millage) in the school district each year under the following conditions:

Millage and Duration: A sinking fund may be authorized up to a *maximum of 5 mills* for a period *not to exceed 20 years*.

Allowable Use: A sinking fund may be used for the purchase of real estate for school construction and for the construction and repair (but not maintenance) of school buildings.

**Hopkins Public Schools** will be asking voters to consider a sinking fund of 1.6 mills for a period of 5 years in the May election. The sinking will allow the district to improve its facilities through:

### Safety and Security Building Upgrades

- Entryway upgrades

### Building and Ground Repairs/Improvements

- Asphalt Repair/Replacement
- Roof Repair/Replacement
- Carpet Replacement
- Athletic Field Refurbishment

### Classroom Upgrades

- Addition of Science Lab
- Addition of STEM Classroom

### What is a “mill”?

1.6 mills would generate approximately \$400,000 each year for 5 years. Here’s how it would look:

Value of Home	Taxable Value	Annual Cost
\$ 75,000	\$ 37,500	\$ 60.00
\$ 100,000	\$ 50,000	\$ 80.00
\$ 150,000	\$ 75,000	\$ 120.00

**INFORMATIONAL MEETING  
MARCH 1 7PM HHS MEDIA CENTER**