



IMPORTANT MILLAGE RENEWAL INFORMATION

TWO PROPOSALS ON AUGUST BALLOT

TUESDAY, AUGUST 5, 2014

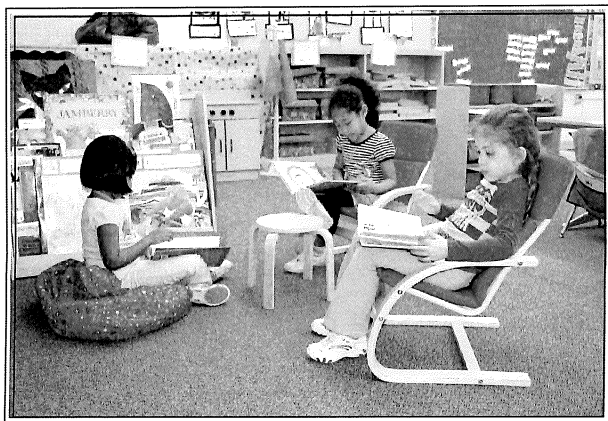
1. THE OPERATING MILLAGE RENEWAL:

WHAT EVERY VOTER NEEDS TO KNOW

Although the state allocates the majority of the funding for public schools, it requires every school district to collect property tax to operate its schools. Therefore, Livonia Public Schools, and all districts across the state, must levy 18 mills on non-homestead (business) property, for school district operations.

- This operating millage **renewal** is on commercial and industrial property only. *It is not on residential property.*
- This operating millage generates \$22 million, or approximately 17% of the district's general fund. It is used for such essential areas as instruction, staff, student programs, transportation and technology.
- Livonia Public Schools has one of the lowest combined school tax rates in Wayne County, ranking 21st lowest out of 34 districts.

*This is the
LOWEST millage
RENEWAL request in
20 years.*



2. THE SINKING FUND MILLAGE RENEWAL:

WHAT EVERY VOTER NEEDS TO KNOW

A sinking fund millage can only be used to repair and renovate schools and school sites – it cannot be used for salaries or other operating costs. With our schools valued at more than \$500 million and averaging 40-60 years of age, continuous renovations and repairs are essential. The district is requesting a millage **renewal** rate of 1.12 mills – this rate remains unchanged from previous requests.

- Facility projects funded through the sinking fund are outside of the scope of last year's bond issue supported by our community. These projects are necessary to keep up with the district's long-term facility plan, and can occur through a renewal of the existing millage, with no increase.
- The sinking fund millage **renewal** request is for five years and would generate \$4.6 million each year, to keep the district's buildings in good condition.
- LPS has used these funds in the past to complete projects such as: new roofs, doors, paving, heating system upgrades, playgrounds, lighting and energy efficiency upgrades.

*Livonia Public Schools
has one of the lowest
combined school tax
levies in
Wayne County.*

For more information, visit
www.livoniapublicschools.org/millages.

The 2014 renewal requests are the lowest in 20 years.

Residents (Homestead)

Millage	How Funds are Used	1995	2005	2014
Operating	Day-to-day operating costs	1.1588	0.6300	0.00
Sinking Fund	Major renovation or repair	1.0000	1.1200	1.1200
Total millage rate on RESIDENTS		2.1588	1.7500	1.1200

Businesses (Non-Homestead)

Millage	How Funds are Used	1995	2005	2014
Operating	Day-to-day operating costs	18.0000	18.0000	18.0000
Sinking Fund	Major renovation or repair	1.0000	1.1200	1.1200
Total millage rate on Commercial		19.0000	19.1200	19.1200

WHICH SINKING FUND PROJECTS ARE ANTICIPATED FOR THE FUTURE?

The \$4.6 million generated by the sinking fund would be used to protect and enhance the district's investment in its schools and sites.

Livonia Public Schools has developed a long-term facility plan, with input from community focus groups, and will use this plan to identify future renovations.

Sinking fund projects identified outside of the scope of the bond issue supported by the community last year, are a necessary part of our facility upkeep plan, and require NO NEW request for additional money.

Some such projects anticipated in the future, as identified in the district's long-term facility plan include:

- Door replacements
- Energy efficiencies
- Roof repairs
- "Green" renovations
- Parking lots and walkways
- Water main and plumbing repairs

WHAT WOULD THE SINKING FUND COST HOMEOWNERS?

Homeowners would continue to pay the same rate of 1.12 mills. In 2014, the owner of a \$150,000 home would pay \$84 per year, or \$7 per month.



Livonia Public Schools is
Advanced accredited,
district-wide, at the highest level.

CONSERVING OUR FISCAL RESOURCES

Livonia Public Schools is committed to safeguarding and conserving its resources with great diligence. The school district is constantly looking for new ways to maximize the resources it has. Some examples of this commitment are:

- Cost-saving collaborations with other school districts and the City of Livonia.
- Many student programs have been preserved and even enhanced while the district has sustained more than \$40 million in budget cuts since 2001.
- Energy efficiency programs have reduced energy consumption in the district by more than 23% over the last six years, saving more than \$5.4 million.
- The district has refinanced prior bond issue debt, saving taxpayers \$7.2 million.
- LPS annual financial audits consistently receive the highest opinion from its auditing firm.



MILLAGE RENEWAL INFORMATION

ELECTION IS TUESDAY, AUGUST 5, 2014

QUESTIONS & ANSWERS

On August 5, 2014, Livonia Public Schools will have two millage proposals on the Primary ballot. One proposal will ask to **RENEW** the operating millage on non-homestead (business) properties. The second will ask voters to **RENEW** the sinking fund millage for five years. Below are answers to frequently asked questions.

Q: I thought schools no longer received funding through property taxes, so why are we voting on a millage renewal?

A: Funding for school districts changed significantly in 1994 when Michigan voters passed Proposal A. Under Proposal A, the state pays the majority of the cost, but to receive full funding, the state requires that each school district levy the property tax rates outlined by the state. This levy is 18 mills on non-homestead (business) property in the LPS school district. This levy is not on residents.

Q: How does this millage renewal compare to prior renewal requests?

A: This is actually the lowest amount requested of local taxpayers since it was required by law in 1995. (See chart on reverse side).

Q: Do residents pay anything toward this operating millage renewal?

A: No. Only commercial and industrial properties are taxed for the first proposal.

Q: Did I pay a homestead millage on my residential property during the last renewal election?

A: Yes. LPS was known as a hold harmless district, in which taxpayers voted to pay an additional levy, post-Proposal A. Those funds were known as 20J funds. They are no longer levied, per a change in state law. This resulted in a tax deduction for residents.

Q: So, does that mean my renewal this time is less than it's ever been?

A: That's correct. Without that hold harmless millage, the current renewal request is the *lowest in 20 years*.

Q: What is the non-homestead operating millage used for?

A: For general operating functions of the district, including supplies, materials, textbooks, salaries, technology, transportation, maintenance and other day-to-day costs.

Q: What if the operating millage is voted down?

A: The revenue generated from the non-homestead millage is approximately \$22 million, or 17% of the school district's budget. Without it, the state will not replace the funding and LPS would be forced to drastically reduce or cut programs to offset the loss.

Q: Do other districts levy these operating millages?

A: Yes. The state requires that all school districts levy operating millages to maintain their full school funding.

Q: LPS has had budget cuts over the past several years; why not ask the voters to increase the operating millage?

A: By law, individual school districts cannot receive more than the foundation allowance, as outlined by the state, so it cannot ask for an increase in these property taxes to make up for lost state revenues.

Q: What is a sinking fund?

A: The sinking fund is not new to Livonia Public Schools. LPS voters have approved a sinking fund levy since 1995. It is used for construction, repairs, parking lots, door replacements, water main and plumbing repairs, and other needs identified in the district's long-term facilities plan.

Q: Didn't we just pass a bond issue to renovate the schools? Why do we need a sinking fund?

A: Facility projects that are planned through the sinking fund are outside of the scope of last year's bond proposal that was supported by our community. The bond issue was developed with community input and it was clear that not all necessary facility repairs could be completed within that request. The sinking fund millage has been a key component of the school district's long-term facility renovation plans, for the past 20 years. It is still a necessary component, to complete ongoing renovations that are needed to keep our schools safe and in good repair. The sinking fund keeps general fund dollars in the classroom, instead of the boiler room.

Q: Will the sinking fund OR the non-homestead millage raise my taxes?

A: No. Both are renewals; and, remember, the non-homestead millage is only for commercial businesses.

Q: If the sinking fund millage is not approved, won't the general fund make up the money?

A: Yes and no. There are some repairs and renovations the district will need to complete, because they cannot be avoided – a broken boiler, for example. Utilizing the general fund budget would mean that current programs funded from the general fund would be cut or eliminated to make up those costs. Other projects would be deferred or simply not completed.

Q: Can the sinking fund be used for operations?

A: No. Current law does not allow for this. We can only use the funds for repairs and renovation of our school sites and facilities. We hope in the future that this will change, as it makes more sense to fund things such as technology replacement from an ongoing pay-as-you-go, dedicated revenue source such as a sinking fund.

Q: Is this a new tax?

A: No. The operating and sinking fund millages were approved by voters on four occasions since 1995. This is actually the lowest request the school district has made on homeowners in 20 years.

Q: Will the property tax rates on my home increase?

A: No. The two proposals ask for five-year renewals of current millages, so there are no new tax levies for homeowners. Please reference chart.

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Q: Where can I get more information?

A: Visit livoniapublicschools.org/millages or call our Communications Office at (734) 744-2522.