

Grosse Pointe Public Schools **PARTNERS IN LEARNING** Spring-Summer 2004

*Sinking Fund Election
Tuesday, March 16
7 a.m.-8 p.m.*

“A cut to education is a cut
to the heart . . .”

—Governor Jennifer Granholm

You don't have to be an educator to be painfully aware of the extent of Michigan's financial crisis and the impact it has had on every aspect of state services. The public schools, like other state departments and agencies, are struggling to deal with the continuing cutbacks in funding necessitated by the state's economic downturn. We have cut our budget to the bone, and now we face the daunting prospect of having to cut into the heart of the educational programs this community has demanded and supported over the years.

Until the state's economy begins to improve, we cannot expect any help from Lansing. In fact, no one can help the public schools right now except the voters in local school districts.

In the last two years, decreased funding from the state has forced us to cut \$5.1 million from

our school system budget. Next year we expect to have to cut another \$3 to \$6.5 million.

In that same time period, we have cut administrators, supervisors, teachers, and other staff positions. In addition, the Board of Education approved spending \$1.5 million in fund equity to help meet the shortfall. Supplies and utility costs have been cut, along with staff training and travel, and repairs and maintenance. The Fund for Excellence has been created to solicit and receive donations from individuals.

In September 2002, voters approved a 25-year bond, which makes it possible for \$1 million in building and site expenses to be used for instructional purposes.

That \$1 million has helped, but it does not come close to eliminating the growing shortfalls in our budget. Please read the information about the sinking fund election carefully, and plan to vote on Tuesday, March 16.

*Suzanne Klein
Superintendent of Schools*

Learn more about the sinking fund at www.gpschools.org

Questions and Answers About the Sinking Fund

Q. What is a Sinking Fund?

A. A sinking fund is a method the state allows school districts to use to finance repairs and improvements to buildings and grounds.

Money raised by a sinking fund is earmarked only for repairs and improvements and is spent directly by the local school district, not Wayne County or the State of Michigan.

Q. How is a Sinking Fund different from a Bond?

A. A Bond covers major capital improvements over a long time period. A Sinking Fund covers smaller projects and repairs over a shorter period of time. A Bond has interest charges. A Sinking Fund does not.

Q. How are a Bond and Sinking Fund the same?

A. By funding projects usually paid out of the school district's building and site fund, both a Bond and Sinking Fund free money that can be used for instructional purposes. In the case of the Bond approved by Grosse Pointe voters in 2002, approximately \$1 million annually has been freed for instruction. If the Sinking Fund is approved, another \$1.5 million will be redirected from building and site projects to instructional purposes for the next 6 years.

Q. Why do we need a Sinking Fund when we just approved a Bond?

A. No one anticipated the size of next year's

budget cuts from the state. We had hoped that the state's economy would at least stabilize, if not improve. That hasn't happened. In addition, we limited the amount of the bond in order to limit the amount of interest taxpayers would pay.

Q. What projects will the Sinking Fund finance?

A. Short-term building and site improvements; plumbing, electrical, and lighting improvements; HVAC upgrades; tuckpointing; fencing; doors; carpeting; and parking lot and play area improvements. These projects are already budgeted for in the building and site fund. If the Sinking Fund passes, that budgeted money (\$1.5 million annually) can be used for instructional purposes for the next 6 years.

Q. What are other school districts doing?

A. Some, like East Grand Rapids, Okemos, and Novi have passed both bonds and sinking funds. Others, like Forest Hills, West Bloomfield, and Northville, have passed only bonds, but in substantially larger amounts than Grosse Pointe's. All of these above districts have much larger debt millages than Grosse Pointe. (See next page for more information.)

Q. What will this cost?

A. One mill for 6 years. (See next page for more information.)

If We Don't Protect Our Schools,

Debt Millages for Other School Districts

District	Bond	Sinking Fund	Total
East Grand Rapids	7.95 mills	0.48 mills	8.43 mills
Forest Hills	7.60 mills	—	7.60 mills
Novi	7.10 mills	0.50 mills	7.60 mills
West Bloomfield	6.34 mills	—	6.34 mills
Okemos	5.60 mills	0.50 mills	6.10 mills
Northville	5.05 mills	—	5.05 mills
Chippewa	4.55 mills	—	4.55 mills
Troy	3.14 mills	—	3.14 mills
Birmingham	1.45	—	1.45 mills
Grosse Pointe	1.70 mills	1.00 (proposed)	2.70 mills (if approved)

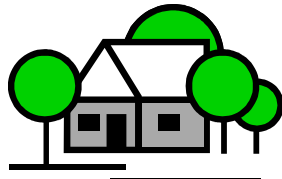
What Will a Sinking Fund Cost Homeowners?

Taxable Value*	Impact Per Year for 6 Years	Impact Per Month for 72 Months
\$150,000	\$150	\$12.50
\$200,000	\$200	\$16.67
\$250,000	\$250	\$20.83

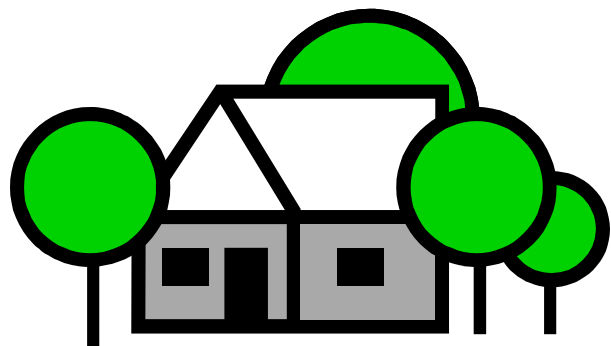
**Your home's taxable value is much lower than its state equalized value (unless you have recently bought a home) and substantially lower than its market value.*



Taxable Value



State Equalized Value



Market Value

Who Will?

Sinking Fund Election
Tuesday, March 16, 2004
7 a.m.—8 p.m.

Ballot language

Shall the Grosse Pointe Public School System, County of Wayne, Michigan, be authorized to levy 1.00 mill to create a sinking fund for the purpose of the construction or repair of school buildings and the improvement and development of sites and, to the extent permitted by law, the acquisition and installation of furnishings and equipment, by increasing the limitation on the amount of taxes which may be imposed on taxable property in the School District for a period of six (6) years, being the years 2004 to 2009, inclusive? It is estimated that 1.00 mill (\$1.00 per \$1,000 of taxable valuation) would raise approximately \$2,830,000 in the first year that it is levied. *(Under state law, sinking fund proceeds may not be used to pay salaries or benefits for any staff member.)*

Where do I vote?

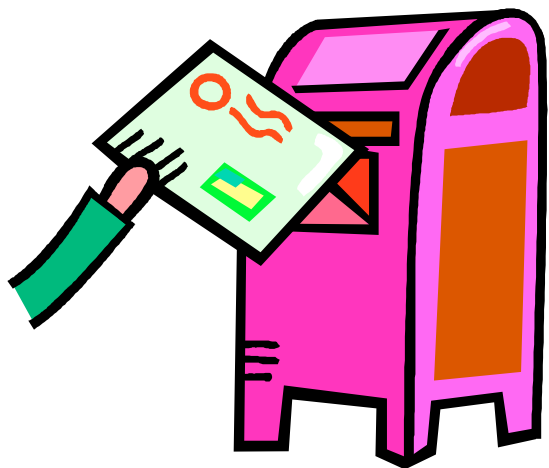
- Park residents vote at Pierce Middle School, 15430 Kercheval, GP Park.
- City residents vote at Maire Elementary School, 740 Cadieux, GP City.
- Farms residents vote at Brownell Middle School, 260 Chalfonte, GP Farms.
- Woods residents vote at Parcels Middle School, 20600 Mack, GP Woods.
- Shores residents vote at their Village Offices, 795 Lake Shore, GP Shores.
- Harper Woods residents of the Grosse Pointe Public School District vote at Poupard Elementary School, 20655 Lennon, Harper Woods.

I'll be out of town on Tuesday, March 16.

What should I do?

Absentee ballot applications are available in all public schools, libraries, and the administration building at 389 St. Clair or by calling (313) 432-3056.

The official absentee ballot office is located on the first floor of the administration building, 389 St. Clair. Enter through parking lot in rear of building. Hours are Monday-Thursday, 8 a.m.-4:30 p.m., and Friday, 8 a.m.-4 p.m. On Saturday, March 13, and Monday, March 15, 2004, the absentee ballot office will be open from 9 a.m. to 2 p.m.



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