



East Lansing
Public Schools

FAQ

Elementary Bond Proposal May 2, 2017

The East Lansing Public Schools Board of Education authorized a proposed bond to be presented to the district's voters at a special election on May 2, 2017. The purpose of the bond is to rebuild Donley, Glencairn, Marble, Pinecrest, and Whitehills Elementary Schools and to renovate Red Cedar Elementary School.

Q1 – What would the district use the bond proceeds for?

To demolish the existing and build new elementary buildings on the sites of Donley, Glencairn, Marble, Pinecrest, and Whitehills. Per the Michigan Department of Treasury Application for Preliminary Qualification of Bonds, each of the new buildings will be designed for approximately 290 students (DK-5th grade) with a square footage of 50,800. Red Cedar Elementary will be renovated and after the completion of all five new schools it would house the district's early childhood education and seven elementary classrooms. Each of the elementary schools would feature:

- Safe and secure entry
- 21st Century classrooms and collaborative learning spaces
- Age appropriate classrooms and playgrounds
- Dedicated space for media center, art, and music
- Flexible learning environments
- Cafeteria
- Gymnasium
- Separation of parent and bus traffic
- Expanded parking

Bond proceeds are restricted in use and cannot be used for employee compensation or other operating expenses.

Q2 – Where can I find more information about the bond proposal?

The district website contains many documents related to the bond proposal. The documents can be accessed at the following district webpage:

<http://elps.us/our-district/bond-information-page/>

Q3 – How long will construction take and when will all construction be completed?

Construction is estimated to take 15-18 months per building with multiple buildings being constructed at the same time. All building construction is projected to be completed and all

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buildings are to be ready for occupancy by the Fall of 2021. The district's bond information webpage contains a preliminary construction timeline.

Q4 – What is the ballot language?

The ballot language reads as follows:

BONDING PROPOSAL

Shall the School District of the City of East Lansing, Ingham and Clinton Counties, Michigan, borrow the sum of not to exceed Ninety-Three Million Seven Hundred Seventy Thousand Dollars (\$93,770,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing and equipping five (5) new elementary school buildings; remodeling, furnishing and refurnishing and equipping and re-equipping a school building; acquiring and installing instructional technology and instructional technology equipment for school buildings; equipping, preparing, developing and improving playgrounds, play fields, parking areas, drives and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2017, under current law, is 2.11 mills (\$2.11 on each \$1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-five (25) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 4.45 mills (\$4.45 on each \$1,000 of taxable valuation).

The school district expects to borrow from the State School Bond Qualification and Loan Program to pay debt service on these bonds. The estimated total principal amount of that borrowing is \$15,409,365 and the estimated total interest to be paid thereon is \$10,565,989. The estimated duration of the millage levy associated with that borrowing is twenty-two (22) years and the estimated computed millage rate for such levy is 7.00 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$33,085,000. The total amount of qualified loans currently outstanding is \$0.

(Pursuant to State law, 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.)

Q5 – What is the sequence of the building construction?

Donley, Glencairn, Marble, Pinecrest and Whitehills Elementary schools would be rebuilt on their existing sites in a continuous sequence so that education is not disrupted. Red Cedar would be remodeled first, followed by construction of a new Donley Elementary School, while leaving the existing Donley building temporarily in place. Thereafter, Red Cedar and the current Donley building would temporarily serve students of each of the other four elementary schools as those buildings are sequentially rebuilt. The construction order of Glencairn, Marble, Pinecrest, and Whitehills is flexible.

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Q6 – Will I be able to provide input regarding the design of the buildings?

Yes. If the ballot is approved, each school community will have the opportunity to provide input and feedback into the design and site layout of each building.

Q7 – How do East Lansing Public Schools’ current millage rates compare to those of neighboring districts?

Below is a table of current millage rates that primary resident homeowners are subject to (debt, sinking fund, recreational, and hold harmless millages) in various area school districts:

<u>District</u>	<u>Debt</u>	<u>Sinking Fund</u>	<u>Recreation</u>	<u>Hold Harmless</u>	<u>Total</u>
Waverly	7.0000	1.0000	0	4.4622	12.4622
Haslett	8.3300	2.0153	0	0	10.3453
DeWitt	10.0000	0	0	0	10.0000
Holt	10.0000	0	0	0	10.0000
Williamston	7.8400	0.9957	0.7467	0	9.5824
Bath	8.0000	1.0000	0	0	9.0000
Leslie	5.9500	3.0000	0	0	8.9500
Webberville	7.4500	0.9807	0	0	8.4307
Eaton Rapids	7.0000	1.0000	0	0	8.0000
Dansville	7.0000	0.9992	0	0	7.9992
Okemos	7.0000	0.9919	0	0	7.9919
St. Johns	7.0000	0	0	0	7.0000
East Lansing	5.2050	1.2860	0	0	6.4910
Grand Ledge	4.1800	0.8000	0	0	4.9800
Lansing	2.4900	2.1600	0	0	4.6500
Stockbridge	4.2800	0	0	0	4.2800
Mason	2.9500	0.9959	0	0	3.9459

Q8 – How would the ballot proposal impact my property tax bill?

It is projected that the district’s debt millage would increase by approximately 1.795 mills in the first year over the district’s current debt millage. This is approximately \$90 more per year for each \$100,000 in market value of your home. If voters approve the bond proposal, the district’s total debt levy is not projected to exceed 7.0000 mills in any tax year. A tax impact calculator tool is on the district’s bond information webpage.

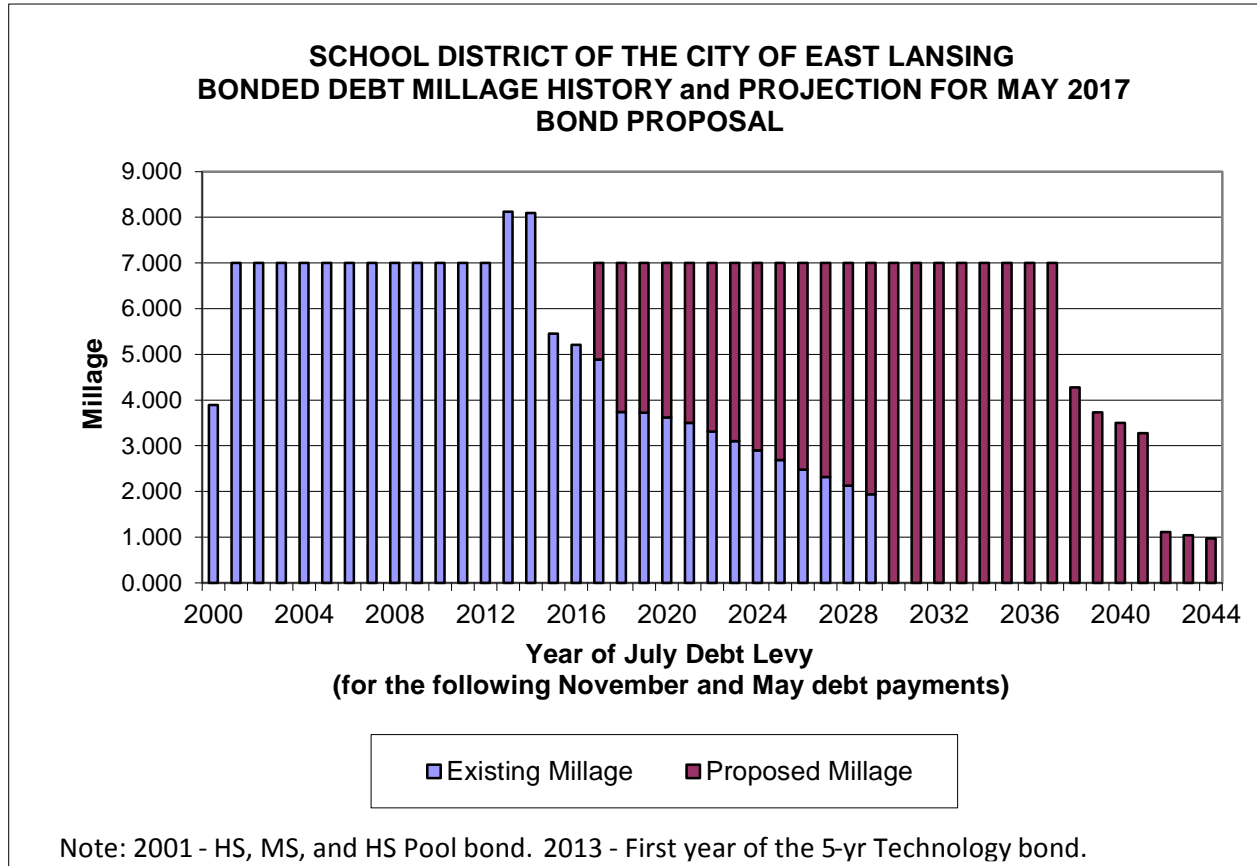
Q9 – Has the district previously had a debt levy of 7.0000 mills?

Yes. The district’s debt millage fluctuates from year to year with the increase (or decrease) of property taxable values and the required payment of outstanding principal and interest on bonded debt. From 2001 to 2012, the district levied 7.0000 debt mills. In 2013, the voters approved a technology bond which pushed the debt millage over 7.0000. For 2013, the debt millage was 8.1200. For 2014, the debt millage was 8.0950. For 2015, the debt millage was

5.4560. For 2016, the debt millage is 5.2050. The existing debt millage is projected to continually drop as illustrated in the below graph.

Q10 – If the May 2, 2017 bond proposal passes how will it impact the projected debt levy in the future?

Below is a graph depicting both the district’s historical and current debt millage as well as projecting the debt millage if the May 2017 bond proposal were approved:



Q11 – Did the district project student enrollment and how is school of choice factored into those projections?

A five year enrollment projection is required by the Michigan Department of Treasury as part of the Application for Preliminary Qualification of Bonds. As part of the review of the PQ Application, Treasury analyzed enrollment projections for capacity utilization to guard against overbuilding. The district’s enrollment projections were completed by Frederick Ignatovich, Ph.D., owner of Stanfred Consultants which is one of Treasury’s approved enrollment companies. Dr. Ignatovich, professor emeritus from Michigan State University’s School of Education, has analyzed enrollment trends for district since 1975. A letter from Dr. Ignatovich regarding the consideration of school of choice / non-resident students in projecting the district’s enrollment is located on the district’s bond information webpage.

Q12 – Why has the district chosen to construct new buildings instead of renovate existing buildings?

In August 2016, the Board of Education appointed a Community Bond Committee to review and evaluate the district's six elementary school buildings. Per the Community Bond Committee, the estimated savings between renovation and building new elementary schools is projected to be less than 25%. Renovations would limit the options available for 21st century learning spaces and also limit the options to improve bus traffic, parent pick-up and drop-off, and building security at several sites.

Q13 – Will school boundaries be redrawn and will there be grade reconfiguration?

There are no plans for grade reconfiguration. Some boundaries will likely need to be redrawn slightly for Red Cedar coming back on-line and given the planned student capacity for the new buildings. Future resident enrollment will drive this discussion.

Q14 – Where and when will the vote occur?

Registered voters may cast a ballot at the polling location established by their city/township. If you have questions or do not know where you vote, please call your city/township office. The election will be held on Tuesday, May 2, 2017 with polls open from 7:00 a.m. to 8:00 p.m.

Q15 – What is the voter registration deadline?

Monday, April 3, 2017.

Q16 – How is an absentee ballot obtained?

Absentee ballots are available to any registered voter that satisfies one of several criteria, including those who will be out of town on the day of the election, those who are physically unable to vote without assistance at the polls, or those who are 60 years of age or older. Registered voters must complete and submit an application for an absentee ballot. Applications are available from the city/township office. You also may obtain an application online at www.mi.gov/sos. Click "Elections in Michigan" on the left side menu, then click on "Information for Voters."

Q17 – What is the district's bond rating?

The district last had a review of its bond rating by Standard & Poor's on January 15, 2016. S&P affirmed its AA- underlying rating on the district's existing general obligation bonds. S&P also assigned a stable outlook on the underlying rating. A summary of the district's bond rating assigned by S&P is on the district's bond information webpage.

Other Questions? If you have additional questions, please contact Dori Leyko, Acting Superintendent, at (517) 333-7424 or by email at dori.leyko@elps.us or Richard Pugh, Director of Finance, at (517) 333-7435 or by email at richard.pugh@elps.us.