



Our Kids



Our Schools



Our Future

ANN ARBOR PUBLIC SCHOOLS

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## FINANCIAL

## FINANCIAL IMPACT

With no dedicated state funding provided to school districts in Michigan to finance capital projects, local millages and bond issues are the only financing method available to school districts to provide additional funds to address infrastructure initiatives.

Michigan is **one of only 12** states in the country that does not provide state funding for school infrastructure.

Center for Green Schools, 2016

## ESTIMATED PROGRAM COST

## Facilities Condition Assessment (FCA) Costs

Electrical Upgrades	\$194.5M
HVAC/Fire Protection/Plumbing Upgrades	\$207.3M
Roofing Upgrades	\$70.2M
Interior Upgrades	\$241.5M
Exterior Upgrades	\$76.8M
Site Upgrades	\$33.4M
20-year FCA Investment Recommendation	\$823.7M

## Additional Capital Costs

New schools & Classrooms to meet Student Population Growth	\$10M/yr
Furniture refresh	\$1M/yr
Bus fleet refresh	\$2M/yr
Technology refresh	\$5M/yr
Maintaining Schools in "Good/Exceptional" Condition	\$5M/yr
Annual Total Additional Capital Investment	\$23M/yr
20-year Total Additional Capital Investment (w/ 3% inflation)	\$618M

## Combined FCA Costs and

Additional Capital Costs over 20 yrs

\$1,441,798,613

## THE POWER OF COMBINING THE SINKING FUND AND A BOND ISSUE

- Assumption: Sinking Fund renewed at 2.50 mills for 10 years at least twice more (2027 & 2037)
- AAPS spends \$8M per year on repairs from the Sinking Fund (over 20 years – total = \$160M)
- Over 20 years AAPS will have collected \$1B from the Bond Issue and \$613M from the Sinking Fund

FUNDING SOURCES	TOTAL
2017 Sinking Fund	\$205M
S.F. Renewal 2027	\$331M
S.F. Renewal 2037 (yrs 1&2)	\$77M
Less Cost for Annual Repairs over 20 years	(\$160M)
2019 Bond	\$1B
<b>TOTAL PROJECTED FUNDING OVER 20 YEARS</b>	<b>\$1.453B</b>

## GOALS FOR 2019 BOND

Ann Arbor Public Schools and the Board of Education are embarking on this Bond Program because we believe:

- Our community values a quality education for every child
- AAPS buildings and grounds are aging and in need of major capital investment
- The quality of the built environment directly impacts student achievement and the core mission of the District
- We have received beautiful schools and properties from previous generations, and it is our responsibility as good stewards to prepare for future generations in AAPS

VOTE NOV. 5

## ESTIMATED IMPACT TO TAXPAYERS

HOME MARKET VALUE	HOME TAXABLE VALUE	ANNUAL* INCREASE	MONTHLY* INCREASE
\$200,000	\$100,000	\$165	\$13.75
\$300,000	\$150,000	\$248	\$20.67
\$400,000	\$200,000	\$330	\$27.50
** Average Taxable Value in Ann Arbor School District	\$138,000	\$228	\$19.00

\* Increase over 2019

\*\* Township/City Tax Records, 2019

## COMPARISON OF TOTAL DEBT MILLAGE RATES

Source: Local Education Agency Millage Report, 2019

<b>Ypsilanti</b>	<b>20.22 mills</b> (with acquisition of Willow Run)
<b>Milan</b>	<b>13.00mills</b>
<b>Dexter</b>	<b>8.50 mills</b>
<b>Manchester</b>	<b>8.50 mills</b>
<b>Whitmore Lake</b>	<b>8.39 mills</b>
<b>Saline</b>	<b>8.00 mills</b>
<b>Lincoln</b>	<b>7.35 mills</b>
<b>Chelsea</b>	<b>7.00 mills</b>
<b>Ann Arbor (current)</b>	<b>2.45 mills</b>
<b>Ann Arbor (proposed)</b>	<b>4.10 mills</b>

Even if the bond passes, AAPS will have less than half the average debt mills of the school districts in Washtenaw County.

Paid for by Ann Arbor Public Schools, 2555 South State St, Ann Arbor, MI 48104



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<https://www.a2schools.org/2019bond>