



White Cloud Public Schools

Answers to Frequently Asked Questions

about the May 3 School Bond Election

When is the election?

Tuesday, May 3, 2016. The polls will be open from 7 a.m. until 8 p.m.

What is on the ballot?

Voters residing within the boundaries of White Cloud Public Schools will vote on a bond proposal to fund updates, renovation, and construction in five general areas:

1. Improving student safety and school security
2. Upgrading instructional technology and technology infrastructure
3. Upgrading building infrastructure to improve energy efficiency and reduce operating costs
4. Reconstructing the track and replacing large band equipment
5. Improving parking areas and upgrading site lighting

All bond proposal projects have been reviewed and approved by the Michigan Department of Treasury.

Why is this election necessary?

The primary purpose of the election is to enhance student safety and security while assuring that the learning environment is up-to-date and that schools and school facilities are in good repair.

How will the bond proposal benefit students and the community?

The bond proposal will benefit students by enhancing safety measures at all schools. It will renovate and upgrade school facilities, enhance the learning environment, and protect the community's educational assets.

All bond proposal projects are designed to reflect positively on homeowner property values and the positive reputations of the school district and the communities it serves.

What's included in the bond proposal?

The proposed projects will impact every White Cloud student, school, and school facility. A complete list of all the projects planned for each school appears in a separate document titled *White Cloud Projects by School*.

What's the exact wording that will appear on the ballot?

Below is the wording that appears on the ballot:

BONDING PROPOSAL

Shall White Cloud Public Schools, Newaygo County, Michigan, borrow the sum of not to exceed Nine Million Eight Hundred Eighty Thousand Dollars (\$9,880,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

remodeling, installing security measures for, equipping and re-equipping and furnishing and refurbishing school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; and developing and improving parking areas, an athletic track facility and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2016, under current law, is 1.25 mills (\$1.25 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 fifteen (15) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 3.78 mills (\$3.78 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 \$2,489,229 and the estimated total interest to be paid thereon is \$6,674,634. The estimated duration of the millage levy associated with that borrowing is 21 years and the estimated computed millage rate for such levy is 9.50 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$10,035,000. The total amount of qualified loans currently outstanding is approximately \$6,439,436.

(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.)

A yes vote usually means that you approve the bond proposal. Is that the case this time?

Yes. A yes vote means that you are in favor of the bond proposal. A no vote means that you are opposed.

What is the difference between a bond and a sinking fund?

A bond is a State-approved funding process that specifies a set scope of projects. When voters approve a bond, the money specified in the bond proposal is borrowed and the school district makes payments over a period of years, much like a homeowner pays a mortgage. Bonds are usually issued for 20-30 years. If voters approve the May 3 bond proposal, the White Cloud bonds will be issued for 25 years.

Bonds can be used for:

- Constructing new school buildings
- Constructing additions to existing school buildings
- Remodeling existing school buildings
- Energy conservation improvements
- Land purchases
- Site development and improvements
- Athletic and physical education facility development and improvements
- Playground development and improvements
- Refunding debt (if new present value savings can be demonstrated)
- Direct bond program costs such as professional fees, election fees, issuance costs, qualification fees, insurance fees, final audit costs
- School bus purchases
- Loose furnishings and equipment purchasing
- Technology purchases limited to hardware and communication devices that transmit, receive or compute information for pupil instructional purposes only. The initial purchase of operating system and customized application software is allowed if purchased with the initial hardware.

Bonds cannot be used for:

- Repairs, maintenance, or maintenance agreements
- Supplies, salaries, service contracts, lease payments, installment contracts
- Purchasing automobiles, trucks, or vans
- Portable classrooms purchased for temporary use
- Uniforms
- Textbooks
- Upgrades to an existing computer operating system or application software
- Computer training, computer consulting, or computer maintenance contracts.

A **sinking fund** is a financing initiative that gives a school district flexibility in meeting its individual needs. The project list is not specified in detail and a school district can add and subtract projects as needs arise or go away. Unlike a bond, sinking funds can be used for repairs and maintenance. They cannot be used for technology or transportation related items. Sinking funds are usually approved for 10 years or less. Both bonds and sinking funds are audited separately from the general budget to account for every dollar spent.

What technology is included in the bond proposal?

All technology upgrades included in the bond proposal are designed to support classroom instruction and enhance the learning environment. A primary focus is to establish and implement a process that assures standard technology is available in every classroom and that technology can be upgraded in seven more years.

Can any of the bond proposal funds be used for employee salaries or operating expenses?

No. Bond proposal funds cannot be used for employee salaries. They also cannot be used for repair or maintenance costs or other operating expenses. Bond proposal funds must be used only for purposes specified in the ballot language, and, as required by State law, they must be audited.

How are Michigan's schools funded?

The bulk of the funding to operate Michigan's schools comes from a *foundation allowance* paid by the State of Michigan. The State collects 6.0 mills from every homeowner in Michigan. For businesses and people with second homes, the State collects an additional 18.0 mills. This revenue is then divided among public schools in Michigan. The amount returned to each public school district is their *foundation allowance*. This school year, White Cloud's foundation allowance is \$7,391 per student.

Does the foundation allowance follow the student?

Yes. If student enrollment increases, the State's foundation allowance payment is increased by the amount of the enrollment increase. Similarly, if enrollment declines, the State's foundation allowance payment is decreased by the amount of the enrollment decrease.

This is also true for Schools of Choice students. If a student living in the White Cloud Public School District enrolls in another public school district, that school district receives the foundation allowance payment that would have gone to White Cloud Public Schools. Similarly, if a student from outside the White Cloud Public School District enrolls in White Cloud Public Schools, White Cloud Public Schools receives the foundation allowance for that student.

Who can vote in the May 3 bond proposal election?

Anyone can vote who resides in the White Cloud Public School District, will be 18 years of age or older on Election Day, and is registered to vote by April 4, 2016.

Where can I register to vote?

You can register to vote at any Secretary of State office or at the Clerk's Office where you reside. You can download a voter registration application at www.michigan.gov/documents.

Do I need to update my voter registration?

You need to update your voter registration if you have changed your name or address since the last time you voted. You can do this at any Secretary of State Office or at the Clerk's Office where you reside.

Where do I vote?

You will vote at your regular school district precinct. If you are unsure of your precinct, call White Cloud Public Schools at 231/689-6591.

Can I vote by absentee ballot?

Registered voters can vote by absentee ballot if they meet one of the following requirements: 1. They expect to be out of town on Election Day; 2. They are 60 years of age or older; 3. They are unable to vote without assistance at the polls; or, 4. They cannot attend the polls due to religious reasons.

Absentee ballots will be available to voters after March 19. After March 19, voters can complete their absentee ballot application and vote in one stop at their Clerk's Office. The whole process takes less than five minutes.

The Clerk will mail absentee ballot applications to residents on the permanent absentee voter list before or shortly after March 19.

Remember, you can get more information about the election by...

- A. going to www.whitecloud.net and clicking on *School Election Information*
- B. calling any White Cloud school principal
- C. calling Superintendent of Schools, Barry Seabrook at 231/689-6591 or sending an email to Superintendent Seabrook at seabrookb@whitecloud.net