



BAD AXE PUBLIC SCHOOLS

2022 Operating Millage Renewal and Sinking Fund Proposals

On May 3, 2022, Bad Axe Public School District will place on the ballot two proposals: a General Fund Operating Millage renewal on non-homestead property of 18 mills and a Sinking Fund proposal on all property of 0.8 mills.

OPERATING MILLAGE FAQs

Will my tax rates increase from previous years if this proposal passes?

No. The proposal is a renewal of current tax rates.

What is non-homestead property?

It is property that is not the primary residence of the owner. Examples would include business property, industrial property, rental properties and second homes.

What is operating millage funds used for?

The operating millage is used for the day-to-day operations of the school district. These funds pay for things such as classroom supplies, textbooks, and staffing needs.

How long will this millage be levied for if passed?

If passed, the operating millage would be levied for the next ten (10) years.

What happens if the General Fund Operating Millage is not approved?

The revenue generated from the 18 mills would be approximately \$1.7 million dollars. If the millage were not to pass, Bad Axe Schools would be forced to reduce or cut programs to offset the \$1.7 million dollar loss to the general fund budget.

SINKING FUND FAQs

What is a sinking fund?

A sinking fund is a school revenue account designated for school building renovation and major repairs. No debt or interest expense is incurred with a sinking fund.

How can a sinking fund be used?

A sinking fund can be used for remodeling, repairs, and replacement of building and site improvements as well as instructional technology and school security improvements. Over the past ten years, the sinking fund has been used for projects such as roof replacement, parking lots and road improvements, gymnasium flooring resurfacing, and boilers.

Is this an increase in the tax rate from prior years?

No. This is not a tax rate increase from prior years. The district has levied the same 0.8 mills for the past ten years.

If this is not an increase in the tax rate from prior years, why is it not a renewal?

When the sinking fund for Bad Axe Schools was passed in 2012, Michigan law had limitations to what sinking fund monies could be used for. Changes to the law have been made to allow schools more flexibility to now use sinking fund monies for instructional technology and school security improvements. The law also requires voters to approve a "new" sinking fund to be able to take advantage of the new uses. The current sinking fund will expire as the new one takes effect.

What happens if this proposal is not approved?

The revenue generated from the 0.8 mills would be approximately \$198,000 for 2022. If this proposal does not pass, the money would need to be taken from the general fund, which is used for classroom supplies, textbooks, and other school and student programs.

**VOTE ON
TUESDAY,
MAY 3, 2022
7:00am-8:00pm**

**Polls located in the Bad Axe
Middle School Aux Gym**