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DETROIT
PUBLIC
SCHOOLS



Detroit Public Schools Special Issue

Proposal S Bond Referendum

Election Day – Nov. 3

Dear Neighbors,

On Tuesday, November 3, Detroit voters will be asked to decide on a bond referendum that would give the Detroit Public Schools access to \$500.5 million in bonds that would allow us to build eight new, state-of-the-art schools and completely renovate 10 more. The funds are available to DPS through President Barack Obama's economic stimulus packages.

Approval of Proposal S will not require any new taxes. The bonds will be paid off at current tax rates.

The schools selected for this project were evaluated through a carefully selected set of criteria that looked at the academic performance, number of students, condition and age of the building and other key factors. From that assessment we identified 18 schools that were in the most dire need of replacement or renovation.

In addition to providing Detroit students with modern, state-of-the-art learning centers, the state of Michigan estimates the construction projects would generate 11,000 new jobs in Metro Detroit.

This brochure is designed to give you a better understanding of what Proposal S entails, what the issues are and how this proposal will impact our schools and our community. In addition, we invite you to attend one of the School Town Hall meetings we have scheduled for your convenience so that you can learn more about this proposal.

Sincerely,

Robert Bobb
Detroit Public Schools
Emergency Financial Manager



About Proposal S

Funding Available for DPS to Rebuild and Modernize Schools

President Barack Obama has made \$500.5 million in stimulus bonds available to Detroit Public Schools to build eight new schools and modernize 10 additional schools. The funding will also allow DPS to acquire and install the latest education technology equipment in the classrooms. On Nov. 3, Detroit voters will go to the polls to decide if the district will take advantage of these funds to address the needs of its aging educational facilities.

Bonds are No-interest and Low-interest

The funds would come to DPS in the form of no-interest and low-interest bonds. The Qualified School Construction Bonds program has allocated \$246.5 million directly to DPS at a 0% interest rate. The Build America Bonds program offers DPS an additional \$254 million at a 0 to 2% interest rate.

No Tax Increase if Voters Approve Proposal S

If voters approve Proposal S, there would be No tax increase. Your taxes will remain at the same level.

New Jobs

The state of Michigan estimates approval of Proposal S will create nearly 11,000 jobs in Metro Detroit. This includes 3,725 direct jobs such as construction workers, architects and painters, and 7,000 indirect jobs like truck drivers and restaurant workers.

Inclusive Procurement

The bond program will include local and small business enterprise programs and incentives to encourage hiring Detroiters, as well as mentoring and student employment programs to train a new generation of Detroit construction professionals.

DPS Awarded 6th Highest Total in the Nation

Out of 100 school districts in the nation that were earmarked to receive funds, DPS received the 6th largest allocation of qualified school construction bonds in the country, more than much larger school districts like Houston.

Construction Projects on Tight Timeline

Under the conditions of the federal stimulus package, all construction projects funded through these bonds must be completed within three years. If the district does not use these funds, it will lose them.

Dollars are Earmarked Only for Construction Projects

This money is designated only for school construction projects, which includes building new schools, renovation of existing structures and acquiring state-of-the-art technology for classrooms.

Bond Project School Selection

The 18 schools selected for the bond project were chosen based on a number of criteria including number of students, how much of the building is used, the condition of the building or the cost to keep the building a first-class school. Schools that met these criteria were selected for modernization or rebuilding.

Schools to be Replaced with New Buildings

The bonds will be used to build four new high schools and four new pre-kindergarten through eighth grade buildings. Finney High School, Chadsey High School, Martin Luther King, Jr. High School and Mumford High School would be housed in brand new buildings. New pre-kindergarten through eighth grade buildings would be built for Brightmoor, Maybury, McNair and Munger PK-8 schools.

Schools to be Completely Renovated

Five other high schools and five PK-8 schools have been designated for complete renovations. High schools to be renovated are Cooley High School, Denby High School, Ford High School, Northwestern High School and Western International High School. PK-8 schools to be renovated are Bethune Academy, Duffield, JR King, Marcus Garvey and Mark Twain.

Bond Project Oversight

DPS Emergency Financial Manager Robert Bobb has established a Bond Advisory and Fiscal Responsibility Committee of respected community leaders that will review every aspect of ongoing construction and funding.

The committees will include parents, as well as government, industry, labor and community leaders who are committed to ensuring that project goals, budgets and schedules are met.



Proposal S School Project List

The following list summarizes bond projects scheduled for each school.

Bethune PK-8

Project Budget \$8,605,811 – Modernized Facility

- Close the smaller PreK-1 site four blocks away
- Renovate 63,000 square feet of main building
- Improve energy efficiency by adding alternative energy systems

Brightmoor PK-8

Project Budget \$32,180,556 – New Facility

- Construct 21st century educational facility using DPS PreK-8 template
- Consolidate 138,153 square feet from other schools
- Facility will incorporate energy efficiency and alternative fuels

Chadsey High School (will become Chadsey PK-12)

Project Budget \$41,488,148 – New Facility

- The PreK-12 campus will include a dual-use media center and pool and shared use of the nearby city park
- Geothermal alternative energy will create lower energy costs and reduced carbon emissions
- Building design will support smaller learning communities

Cooley High School

Project Budget \$8,306,132 – Modernized Facility

- Evaluate whether portions of this historic design can be preserved, while reducing overall square-footage from 321,000 to 150,000
- Consider complete demolition and building a small, energy-efficient facility
- Safety and security are essential

Denby High School

Project Budget \$24,819,339 – Modernized Facility

- Infrastructure improvements for heating, air quality, lighting and flooring
- State-of-the-art security – inside and out
- Modernize classrooms to create flexible learning spaces

Duffield PK-8

Project Budget \$8,578,108 – Modernized Facility

- Energy efficiency and mechanical improvements
- Create 21st century learning environment
- Consider community partners to share some of surplus space and better serve social needs

Finney High School

Project Budget \$53,467,428 – New Facility

- The campus will include a dual-use media center and pool
- Geothermal alternative energy will create lower energy costs and reduced carbon emissions
- Building design will support smaller learning communities

Ford High School

Project Budget \$20,594,893 – Modernized Facility

- Renovate the facility to address infrastructure deficiencies
- Create 21st century classrooms with technology
- Address security needs
- Reduce overall building square footage to match enrollment trends and save money



JR King PK-8

Project Budget \$15,896,250 – Modernized Facility

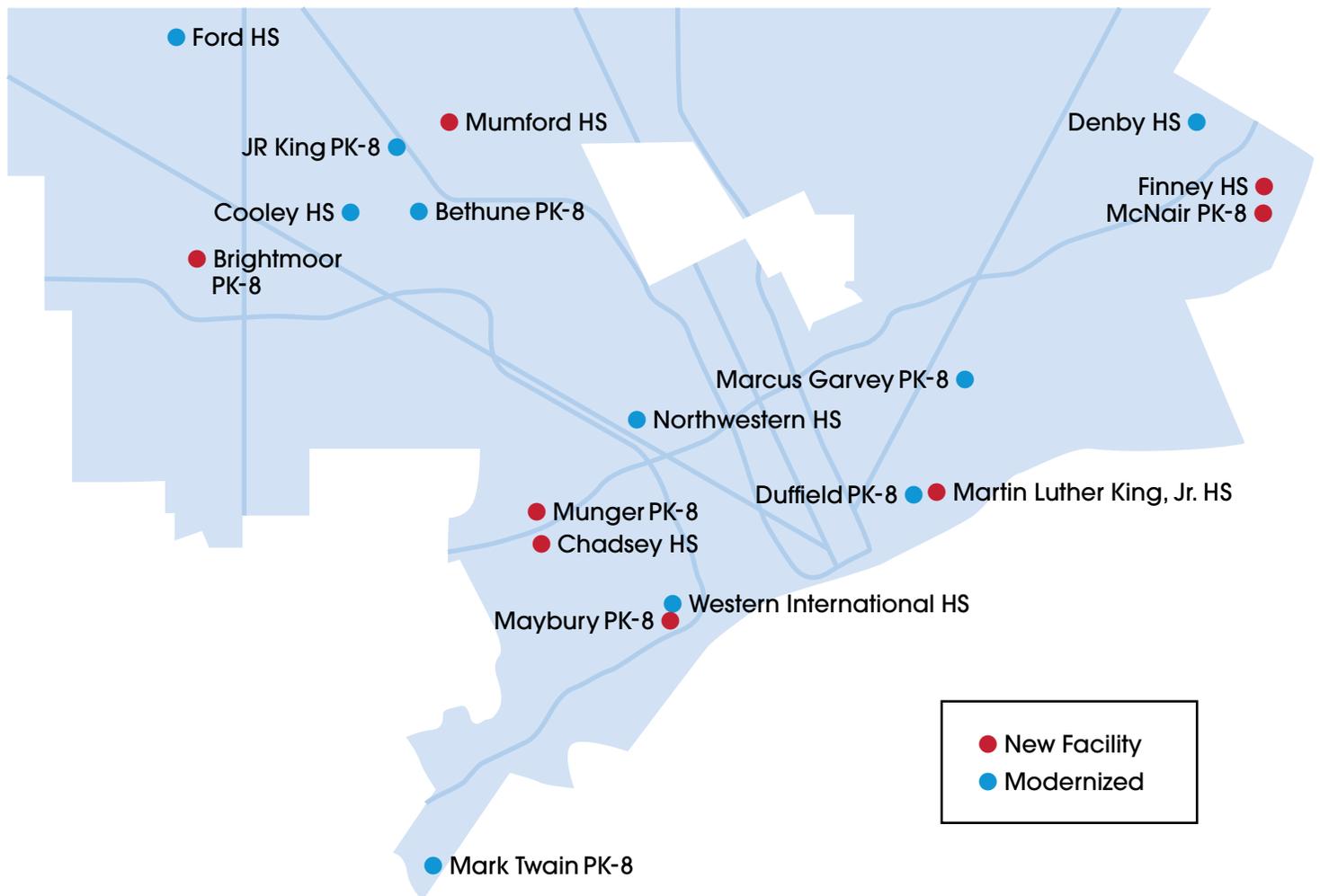
- Classroom upgrades to create 21st century learning opportunities
- Mechanical upgrades and better air quality
- Improved security and site improvements for the community

Marcus Garvey PK-8

Project Budget \$11,271,996 – Modernized Facility

- Build on the Summer Rush project and continue the transformation of this building
- Major pool renovation
- Build a stronger interface with the adjacent community center
- Upgrade security

New and Modernized Schools in Your Neighborhood





Mark Twain PK-8

Project Budget \$8,597,281 – Modernized Facility

- Improve technology
- Improve lighting and infrastructure
- Address security needs

Martin Luther King, Jr. High School

Project Budget \$54,469,031 – New Facility

- Replace the facility with state-of-the-art high school emphasizing S.T.E.M. curriculum
- Address security needs
- Energy efficiency and maintenance cost savings

Maybury PK-8

Project Budget \$37,406,135 – New Facility

- State-of-the-art technology and curricular improvements using DPS PreK-8 template
- Gymnasium and media center for community use
- Facility will incorporate energy efficiency and alternative fuels

McNair PK-8

Project Budget \$21,979,291 – New Facility

- The campus will include a dual-use media center
- Geothermal alternative energy will create lower energy costs and reduced carbon emissions
- Entire campus will be designed for improved security and traffic flow

Mumford High School

Project Budget \$54,746,160 – New Facility

- Replace the facility with state-of-the-art high school
- Alternative energy options may result in savings
- Community use of pool, media center and athletics

Munger PK-8 (will become Chadsey PK-8)

Project Budget \$18,374,295 – New Facility

- Construct 21st century educational facility using DPS PreK-8 template
- Building design will support smaller learning communities
- Geothermal alternative energy will create lower energy cost and reduced carbon emissions

Northwestern High School

Project Budget \$26,870,380 – Modernized Facility

- Modernize or replace the facility to create flexible learning spaces
- Infrastructure improvements for heating, air quality, lighting, technology and windows
- Energy efficiency and mechanical improvements

Western International High School

Project Budget \$28,610,966 – Modernized Facility

- Infrastructure improvements for heating, air quality and lighting
- State-of-the-art security – inside and out
- Create a gymnasium and swimming pool which will serve as a community health club

Proposal S School Town Hall Meetings

Emergency Financial Manager Robert Bobb has scheduled the following School Town Hall meetings. He is also available to meet with voters at other community forums. For information call (313) 240-4377.

- Sept. 21 Denby, 12800 Kelly Road, at 5 p.m.
- Sept. 22 Finney, 4180 Marlborough Street, at 5 p.m.
- Sept. 23 Maybury, 4410 Porter Street, at 5 p.m.
- Sept. 30 Vetal, 14200 Westwood Street, at 5 p.m.
- Sept. 30 Hanstein, 4290 Marseilles Street, at 7 p.m.
- Oct. 5 Henry Ford, 20000 Evergreen Road, at 5 p.m.
- Oct. 6 JR King, 15850 Strathmoor Street, at 5 p.m.
- Oct. 7 Southwestern, 6921 W. Fort Street, at 5 p.m.
- Oct. 8 Mumford, 17525 Wyoming Street, at 5 p.m.
- Oct. 12 Western International, 1500 Scotten Street, at 5 p.m.
- Oct. 14 King HS, 3200 E. Lafayette Street, at 5 p.m.
- Oct. 14 Marcus Garvey, 2301 Van Dyke Street, 7 p.m.
- Oct. 20 Cooley, 15055 Hubbell Avenue, at 5 p.m.
- Oct. 20 Duffield, 2715 Macomb Street, at 7 p.m.
- Oct. 21 Durfee, 2470 Collingwood Street, at 5 p.m.
- Oct. 27 Northwestern, 2200 W. Grand Boulevard, at 5 p.m.
- Oct. 28 Bethune, 10825 Fenkell Street, at 5 p.m.
- Oct. 29 Mark Twain, 12800 Visger Street, at 7 p.m.



Proposal S Frequently Asked Questions

1. What is a bond issue anyway?

A bond issue is a way to borrow money to finance capital projects. Capital projects include building new schools; school renovations such as new heating and cooling systems, electrical repairs, security provisions or window and floor replacement; and installing the latest education technology equipment in the classroom. Bond issues must be approved by voters.

2. What will the money from Proposal S be used for?

Financing from the passage of Proposal S will be used to build eight new schools and modernize 10 other schools. Schools that are modernized will be renovated with new heating, electrical and security systems and equipped with state-of-the-art technology. These projects can include:

- Media centers
- New heating systems
- New plumbing and restrooms
- New flooring, windows and lighting
- Infrastructure improvements for air quality and lighting
- Renovated swimming pools
- Geothermal alternative energy to lower costs

3. If Proposal S is passed, will my taxes increase?

No. If voters approve Proposal S, there would be No tax increase. The current bond repayment millage, which is now scheduled to expire in 2033, would remain at the current level through 2039.

4. Will Proposal S create new jobs?

Yes. The state of Michigan estimates Proposal S will create nearly 11,000 new jobs in Metro Detroit, including 3,725 direct jobs and 7,000 indirect jobs. Direct jobs are those directly connected to each project, such as construction workers, painters and architects. Indirect jobs include jobs like truck drivers and restaurant workers.

5. Will any provisions be put in place to make sure Detroiters get jobs if Proposal S is passed?

Yes. The bond program will include Local/Small Local Business Enterprise programs and incentives such as First Source programs to encourage hiring Detroiters and mentoring and student employment programs to train a new generation of construction professionals.

6. Why can't we use this \$500.5 million to eliminate DPS' deficit?

Money from a bond referendum can only be used for capital projects. It cannot be used to reduce debt.



7. Why will some neighborhoods get new or modernized schools and others will not?

The 18 schools selected for the bond project were chosen based on a number of criteria including number of students, how much of the building is used and the condition of the building or the cost to keep the building a first-class school. Schools that met these criteria were considered for renovation or rebuilding.

8. What about schools that are not on the list?

Savings from the project budgets will be used to support a district-wide security initiative, which will include:

- Interior and exterior digital cameras
- Updated alarm systems
- Keyless entry
- Campus perimeter fencing

It will also be used for technology upgrades in the classrooms, such as Smartboards and creating access to the Internet.

9. What interest rate will DPS get on the \$500.5 million bonds?

Nearly half of the bonds, \$246.5 million, will be repaid at a 0% interest rate. The remainder, \$254 million, will be repaid at a 0 to 2% interest rate. Both rates are far below what DPS would receive if it attempted to sell bonds on its own at this time.

10. How were the funds from the 1994 Bond Proposal used?

A full report on the 1994 Bond Proposal and the use of funds is available at www.detroitk12.org/ProposalS.

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11. Is there an oversight committee planned for Proposal S?

DPS Emergency Financial Manager Robert Bobb will establish an oversight committee of respected community leaders that will review every aspect of ongoing construction and funding. The DPS Bond Advisory and Fiscal Responsibility Committee will include parents, as well as government, industry, labor and community leaders who are committed to ensuring that the project has proper accountability and oversight.

12. What else is the district doing to secure funding?

Detroit Public Schools has aggressively pursued more than \$800 million available in American Recovery and Reinvestment Act stimulus funds for K-12 school systems.



For more information, please call
313-240-4DPS (4377)
or visit www.detroitk12.org/Proposals

What Will I See on the Ballot?

BOND PROPOSAL

Shall the School District of the City of Detroit, County of Wayne, Michigan, borrow the principal sum of not to exceed Five Hundred Million Five Hundred Forty Thousand Dollars (\$500,540,000) and issue its unlimited tax general obligation bonds for the purpose of defraying the cost of:

- Constructing new replacement buildings and/or additions to existing buildings;
- Remodeling existing buildings, including energy conservation, safety and security improvements;
- Acquiring, improving and developing sites, including playgrounds, playfields and outdoor athletic facilities in the School District;
- Furnishing, refurbishing, equipping and reequipping School District buildings; and
- Acquiring and installing instructional technology equipment in and connecting School District buildings?

YES NO

The estimated millage to be levied in 2010 to service this issue of bonds is 3.82 mills (\$3.82 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds of this issue is 2.56 mills (\$2.56 per \$1,000 of taxable value). The debt millage levy required to retire all bonds of the School District currently outstanding and proposed by this ballot proposal is currently estimated to remain at or below 13.0 mills. The bonds may be issued in multiple series, payable in the case of each series is not to exceed thirty (30) years from the date of issue of each series. If the School District borrows from the State to pay debt service on the bonds of this issue, the School District may be required to continue to levy mills beyond the term of the bonds to repay the State.

(Under State law, bond proceeds may not be used to pay teacher or administrator salaries, routine maintenance or repair costs or other School District operating expenses.)