

THE BOND BUYER

More than \$2 billion of school bond referenda on Indiana and Michigan ballots

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Indianapolis Public Schools and at least 30 Michigan school district voters will decide Tuesday the fate of more than \$2.5 billion worth of borrowing for infrastructure work, new schools, and safety-related projects.

Indianapolis Public Schools seeks \$410 million for projects throughout the district with 23 schools in line for improvements. The borrowing would help pay for what the district reports as a \$1.2 billion tab for deferred maintenance and for construction of an elementary school. A facilities study found 30% of school buildings to be in "poor condition."

If approved, the median homeowner would see a \$3 monthly property tax bill increase. The school board has put off a separate ballot question to help fund operations amid a dispute with charter school operators over funding levels.



Grand Haven Area Public Schools' Lakeshore Middle School would be replaced if voters approve a bond referendum Tuesday. **Grand Haven Area Public Schools**

"We can't cost cut our way to sustainability and world class learning opportunities for all students. We also need our community's investment and that's why Rebuilding Stronger includes a capital referendum," District Superintendent Aleesia Johnson said in a presentation about the Indianapolis Public School's long-term plan.

Voters last approved a referendum for the district in 2018, when it sought \$52 million. It passed by with more than 75% of the vote.

Last month, Moody's Investors Service affirmed the district's Aa3 issuer rating and revised its outlook to stable from negative. The district has \$430 million of debt. Lease revenue bonds are rated one notch lower.

"The Aa3 issuer rating balances the district's long-term trend of declining enrollment and weak resident income against several strengths, including a healthy financial position, a modest long-term liabilities ratio with low fixed costs, and a diverse and growing economic base anchored by the state capital," Moody's said.

"The negative financial impact of declining enrollment is partly mitigated by growth at the district's component charter schools, which have contracts with the

district," analysts wrote. "While declining enrollment presents some long-term challenges, recent figures reflect stabilization. Management is also taking action to reconfigure its buildings and expand student access to programs, which is expected to better align costs and improve student retention."

Indianapolis Public Schools serves Center Township of Indianapolis-Marion County and small portions of neighboring townships.

In Michigan, more than \$2 billion of borrowing requests are at stake, with five over the \$100 million mark.

Utica Community Schools seeks \$550 million in borrowing authority. Saginaw Township Community Schools is asking for \$243 million of bonding capacity. Grand Haven Area Public Schools is seeking \$155 million. West Bloomfield School District voters will decide \$148 million and Northville Public Schools is requesting \$134.4 million.

Grand Haven would use the funds for security upgrades that include more secure doorways, other upgrade projects, and a new middle school with no tax increase expected.

Northville Public Schools would use the borrowing authority to finance technology upgrades, program and other improvements throughout the district with no increase in its mill rate.

West Bloomfield School District's request doesn't require a tax increase and would fund projects at its elementary schools and high school. The district would tap the authority in deals this year, in 2025, and 2027 to finance its facility plan.

Utica Community Schools would tap its authority to rebuild and construct additions "to school district buildings creating a safe and secure modern learning environment for students" along with replacing some school buildings, financing technology upgrades, playgrounds, athletic fields, and other improvements. A mill increase is not required. The district reported having about \$162 million of outstanding bonds issued through the state's enhancement program.