

## IMPORTANT INFORMATION FOR HOUGHTON CITY & PORTAGE TOWNSHIP TAXPAYERS

The Houghton-Portage Township School Board has committed district taxpayers to approximately **\$74 million in school bond debt**. This amount is nearly **\$50 million higher** than any other school district in the Upper Peninsula.

## MISLEADING INFORMATION DURING THE ELECTION

The information shared by the school district prior to the election, including the wording of the bond proposal, was misleading. This contributed to the bond passing by a narrow margin. Understanding terminology and bond details can be complex, which is why a group of concerned citizens is working to help taxpayers fully understand how the debt will impact future tax bills.

## SCHOOL DEBT (Principal and Interest)

**Existing School Bond Debt:** \$22.3 million

**Amount Owed to the State:** \$5.7 million (due to inability to meet existing bond payments)

**New Bond Issue:** \$46.3 million

The total debt - **\$74.4 million** – is approximately **\$66 million higher** than the average debt of the 12 largest schools in the Upper Peninsula.

| District                      | Total Debt   | Millage |
|-------------------------------|--------------|---------|
| HPTS                          | \$74,449,898 | 9.64    |
| Average of 12 largest schools | \$8,339,378  | 3.4     |
| Menominee                     | \$23,806,488 | 3.90    |
| Escanaba                      | \$13,686,650 | 3.20    |
| Ishpeming                     | \$13,755,042 | 6.00    |
| Hancock                       | \$12,912,038 | 7.05    |
| Negaunee                      | \$12,741,700 | 2.0     |

| District         | Total Debt  | Millage |
|------------------|-------------|---------|
| Iron Mountain    | \$6,883,802 | 4.00    |
| Manistique       | \$6,118,848 | 1.65    |
| Marquette        | \$4,056,280 | .42     |
| Gladstone        | \$3,227,463 | 5.75    |
| Sault Ste. Marie | \$2,533,198 | 2.70    |
| Ironwood         | \$1,793,810 | 4.14    |
| Kingsford        | 0           | n/a     |

## EXCESSIVE SPENDING

Houghton-Portage Township Schools (HPTS) has borrowed money from the state to pay its loans and in doing so has obligated taxpayers to pay interest on the loan from the state on top of interest for bond payments. Notably, none of these other schools have borrowed from the state to pay their debt.

HPTS's level of debt is especially concerning given that nearly 700 students from outside the district are being accommodated at the expense of local taxpayers.

## IMPACT TO YOUR TAX BILL

- City of Houghton Residents: 46% of your total winter tax bill is allocated to school debt.
- Portage Township Residents: 32% of your total tax bill is allocated to school debt.
- Tax Increase: Over the past two years, your taxes have increased by 10%.

The school website claimed a house with a taxable value of \$100,000 would incur \$277/year in taxes. However, after accounting for the correct millage and inflation, the actual amount is closer to \$461/year.

## THE COST OF SUBSIDIZING OUT-OF-DISTRICT STUDENTS

Alarming, **47% of students attending HPTS are from outside the district**. The families of these students do not contribute to the bond debt. The school plans to build additional facilities to attract even more School of Choice (SOC) students, all at the expense of local taxpayers.

Additionally, HPTS is running bus routes into neighboring districts, such as Baraga County, to pick up SOC students, negatively impacting districts like Chassell, which now has just 215 students. Meanwhile, local enrollment at HPTS is expected to continue to decrease.

## **THE NEED FOR TRANSPARENCY & LONG-TERM PLANNING**

Before the previous millage was passed, HPTS assured voters that millage rates would decrease after the bond was paid. Instead, new bond issues are being proposed, keeping the millage the highest in the UP. Given the current debt, how will HPTS finance future borrowing for major renovations without increasing the millage?

HPTS has allowed the elementary school to become overcrowded with SOC students, and there is no clear plan to address the issue. Overcrowding poses risks to students' safety and educational quality. A more responsible and cost-effective solution would be to cap out-of-district enrollment, as was done in the past, ensuring safe and effective learning environments.

## **CRITICAL QUESTIONS THE SCHOOL BOARD FAILED TO ADDRESS BEFORE THE ELECTION**

- What is the long-term enrollment plan?
- Why did the school board lift the cap for SOC students in 2024?
- Why not cap enrollment at the elementary school instead of constructing a new facility?
- Why is the school running buses to Baraga County to pick up SOC students, negatively affecting districts like Chassell?
- Why is this project urgent? Why not focus on reducing existing debt first?
- Will the school board continue to allow overcrowding in the elementary school year after year?

## **TAKE ACTION—YOUR TAXES FOR THE NEXT 30 YEARS DEPEND ON IT!**

**There is still time to act. Based on school board meeting minutes, the bond has not yet been issued.** The school board is expected to take action on this project at their **January 20, 2025 meeting**. If you oppose this project and the additional debt, make sure your voice is heard!

## **HOW YOU CAN HELP**

Tell the HPTS board members and superintendent not to issue the bond, that this project can wait until we have a more considered, comprehensive and acceptable plan that includes a cap on out-of-district enrollment.

1. **Attend the HPTS Board Meeting:**
  - **Date:** Monday, January 20, 2025, at 5:30 PM
  - **Location:** Houghton High School Library
2. **Contact the Superintendent and School Board Members:**
  - **Superintendent:** Anders Hill — [ahill@hpts.us](mailto:ahill@hpts.us)
  - **Board Members:**
    - Amanda Massaway — [amassaway@houghton.k12.mi.us](mailto:amassaway@houghton.k12.mi.us)
    - Brent Burns — [bburns@houghton.k12.mi.us](mailto:bburns@houghton.k12.mi.us)
    - Mike Salmi — [msalmi@hpts.us](mailto:msalmi@hpts.us)
    - Brad Baltensperger — [bbaltensperger@houghton.k12.mi.us](mailto:bbaltensperger@houghton.k12.mi.us)
    - Julie Cischke — [jcischke@hpts.us](mailto:jcischke@hpts.us)
    - Buck Foltz — [foltzP@michigan.gov](mailto:foltzP@michigan.gov)

**PLEASE SHARE THIS MESSAGE!**