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Detroit Schools Borrow More and More to Pay Back Bonds.

- **Detroit schools millage not generating enough tax revenue to meet bond obligation**
- **School district borrowing tens of millions of dollars annually to service debt**
- **Turnaround superintendent faces “some pretty tall cliffs” with aging buildings**

Detroit’s public school district is borrowing money to make payments on debt it borrowed years ago to fix up schools.

And earlier this month, for the first time in nine consecutive years of this practice, the district had to borrow more than half of the \$182.1 million total payment to bondholders for capital debt.

Detroit Public Schools, the standalone entity left in place in 2016 to pay off legacy costs when a new debt-free school district was formed, borrowed \$91.5 million from the state’s School Loan Revolving Fund because a greatly reduced property tax base in Detroit does not produce enough tax dollars for the school district to make good on its debt.

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CRAIN’S DETROIT BUSINESS

by CHAD LIVENGOOD

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