

Char-Em ISD Schools Regional Enhancement Millage 2017
Pellston Public Schools
Frequently Asked Questions

What is an Enhancement Millage?

In 1993, the Legislature drafted a new funding formula for public schools. Passed by voters as Proposal A in 1994, a majority of legislators feared the new funding plan would fall short of revenue needs and expectations in certain communities. To compensate for the need for additional revenues, the proposal included a provision allowing Intermediate School Districts to levy up to 3 mills for 20 years or less to be distributed on a per pupil basis to every constituent school district within that ISD.

How is the proposal placed on the ballot?

Pellston Public Schools, along with other school districts within Char-Em ISD, passed a resolution asking the Char-Em ISD Board of Education to place the proposal on the November 7, 2017, ballot. Pellston Public Schools cannot ask its voters for additional operating revenues. An ISD enhancement millage levied, collected and distributed equally to each district on a per pupil basis is the only way districts can receive additional operating revenues to meet student needs.

How much are districts seeking?

Districts asked Char-Em ISD's Board of Education to call for an election asking voter approval of 1.0 mill for 10 years. This will provide an estimated \$5,396,214 in the first year of the levy, which amounts to approximately \$615 per pupil.

How much will this mean for Pellston Public Schools?

This will provide an estimated \$326,225 for Pellston Public Schools in the first year of the levy.

How will the revenue be distributed?

Although the revenue will be collected by Char-Em ISD, it is to be distributed, by law, on an equal, per pupil basis, to each of the districts within Char-Em ISD. The Char-Em ISD will not receive any money or administrative expense from this millage.

How will Pellston Public Schools use these funds?

In Pellston, we anticipate using millage funds to strengthen our budget and address the following needs: Providing low to no cost programs for 3-year-olds; eliminate athletic fees; developing music enrichment programming; reducing transportation costs; completing needed capital repairs; offering extended day and summer programming; hiring a literacy/math coach for middle and elementary school; and developing and aligning curriculum.

How is an enhancement millage different than a bond issue?

School districts have two primary sources of funding. Building construction, expansion and repair are generally funded through bond issues, which are levied locally for capital expenditures. Operating revenues come primarily from the state, through the "foundation grant" allocated to each district. These state dollars include your local contribution through the 6-mill state education tax and the 18-mill non-homestead tax levy on businesses and second homes. An enhancement millage is an additional local contribution to school operations.

When will this be put before voters?

This proposal will be on the Nov. 7, 2017, ballot.

How much will this cost the average homeowner?

The proposal calls for a levy of 1.0 mill for 10 years. The taxable value for a \$200,000 home is approximately one-half of the market price, or \$100,000 or less. If approved, the owner of a \$200,000 home would pay an additional \$100 or less per year in taxes.

It says the millage is for 10 years. What happens after that?

The millage will expire and enhancement funding will end unless local boards of education again petition Char-Em ISD to seek a renewal.

Is there a homestead tax credit for senior citizens?

Yes. If passed, seniors' tax burden may be reduced if they meet the following conditions:

You may claim a property tax credit if **all** of the following apply beginning in 2012:

- Your homestead is in Michigan
- You were a resident of Michigan for at least six months during the year
- You own or are contracted to pay rent and occupy a Michigan homestead on which property taxes were levied
- If you own your home, your taxable value is \$135,000 or less
- Your total household resources are \$50,000 or less (Part-year residents must annualize total household resources to determine if a credit reduction applies)

Why do schools need more money?

All have seen the purchasing power of state revenue decline. A report from the House Fiscal Agency in January 2016 found school revenues, adjusted for inflation, are 6 percent less today than in 2000.

(http://house.michigan.gov/hfa/PDF/Briefings/State_Budget_Overview_fy15-16.pdf, slide 17)

Because the purchasing power of their revenues has declined, districts have cut millions in administrative and operating expenses, but are still struggling to provide the core educational services necessary for all students to succeed. A recent study ordered by the Michigan Legislature found every district should receive \$8,667 per pupil, which is well above what most districts currently receive in state funding. That report also recommended much higher spending to compensate for the additional needs of at-risk students and English Language Learners, as these students require far greater attention and support services than most other students.

https://www.michigan.gov/documents/budget/Michigan_Education_Finance_Study_527806_7.pdf

In addition, a three-year study by the Michigan State University Policy Institute, released in June 2016, found Michigan school districts face financial hardship based on factors almost entirely outside their control. Chief among those factors were inadequate state funding, declining enrollment and the increasing number of students with special needs. <http://msutoday.msu.edu/news/2016/michigan-school-funding-choice-policies-hurting-local-districts/>

Almost everyone finds it difficult to make ends meet in this economy. What has Pellston Public Schools done to keep costs down?

Throughout the past decade, Pellston Public Schools has reduced staffing and cut our budget by nearly \$700,000, while continually developing and finding alternative sources of revenue to best serve our students' needs. As difficult as all our reductions have been, we are proud that our Board of Education has worked diligently to keep the cuts as far away from the classroom as possible.

What if I have more questions?

Please contact the Superintendent of Pellston Public Schools at 231-539-8682 or mdean@pellstonschools.org

