

## Questions and Answers about the 2009 REGIONAL ENHANCEMENT MILLAGE PROPOSAL

### 1. What is an enhancement millage?

Michigan law says a regional enhancement property tax may be levied by an intermediate school district to enhance other state and local funding for local school district operations if approved by a majority of the intermediate school electors voting on the question. ([Section 380.705](#) Revised School Code Act 451 of 1976).

### 2. What is the millage proposal?

The proposal will seek to increase the funding for public school districts in Washtenaw County by two mills for five years.

### 3. Why are schools seeking this millage?

“School funding is heading toward a crisis point...” – The Ann Arbor News editorial May 31, 2009. Most districts are facing severe shortfalls in next year’s budget—some in the millions of dollars. The Ann Arbor News editorial goes on to say that staff cuts and one-time stimulus money are part of the solution. But, more state cuts in the district’s per-pupil funding—which makes up the bulk of the schools’ revenue—are projected for next school year. And, by 2010-11, the stimulus money will be exhausted and further per-pupil budget cuts may loom.”

That’s why our school leaders have carefully and thoughtfully chosen to address this problem *locally* by seeking this millage—100% of which will be distributed to our local school districts.

### 4. What’s the difference between a bond issue and this millage?

Bond issues are generally requested by individual school districts. Revenue from a bond issue can only be spent on capital projects, such as building construction or district-wide technology. This enhancement millage will benefit all ten local school districts. Revenue from the enhancement millage can be used for school district operations, including student programs and operational expenses.

### 5. What about the federal stimulus money that schools received?

Schools are very grateful for the funding provided through the American Recovery and Reinvestment Act of 2009 also known as the stimulus funding, as it will—in some circumstances—provide temporary help to offset some of the schools’ budget shortfall.

However, the funds are not a fix for strained public school budgets. They are temporary and will be issued one-time only. Schools are required to spend the funds quickly to save and create jobs; improve student achievement through school improvement and reform; ensure transparency, reporting and accountability; and

minimize the negative impact when funds are no longer available. In addition, the stimulus funds are in the form of federal grants, and, therefore, have significant limitations as to the types of activities on which the funds can be spent.

Unfortunately, even after the stimulus funds are applied, due to the economic downturn and years of under-funding, many of our local districts will *still* be forced to eliminate staff and student programs.

### 6. What have the schools been doing to cut costs and do more with less?

Each individual district has reduced its budget or found more efficient or cost effective ways to conduct its operations. Plus, the schools have been working together in more than 86 different areas to cooperate, share, or consolidate services and staff to cut costs. And, they are continuing to look for additional ways to save money.

### 7. What will the millage do?

It will help our schools maintain the quality of education that our children and community expect. In a recent community survey, a majority of respondents agreed that our children need the best preparation possible. Whether they go to community college, university or technical school so they can get a 21<sup>st</sup> century job, they must have a good elementary and high school education. They also agreed that strong schools attract jobs. Companies want to locate where there are excellent school systems and a highly-qualified workforce.

### 8. How much funding is generated by two mills?

The amount generated by an enhancement millage depends on the taxable valuation of the property within the intermediate school district (ISD). Given the economic times, estimating the taxable valuation, and thereby the funding generated by the millage, is difficult.

After taking into consideration the reduction in taxable valuation due to the sale of the Pfizer property, as well as the overall 2.2% reduction in taxable home values, it is estimated that an enhancement millage would generate approximately \$30 million/year at two mills. This translates to approximately \$680 per pupil/year.

### 9. Which districts will receive funding from the millage?

The school districts of Ann Arbor, Chelsea, Dexter, Lincoln, Manchester, Milan, Saline, Whitmore Lake, Willow Run and Ypsilanti would all receive funding from an enhancement millage. Charter schools are not “constituent districts,” and, therefore, do not receive a distribution of the funding of an enhancement millage.

**10. How much funding would each district receive?**

According to the School Code, the ISD shall distribute 100% of the revenue to its constituent school districts based on each district’s percentage of students for the most recent audited pupil membership count. Using the audited September 2008 pupil count, one year’s distribution of an enhancement millage would be approximately as follows:

<b>Constituent District</b>	<b>Two Mills</b>
Ann Arbor	11,209,169
Chelsea	1,805,447
Dexter	2,477,564
Lincoln	3,261,427
Manchester	865,953
Milan	1,778,896
Saline	3,748,612
Whitmore Lake	831,030
Willow Run	1,358,160
Ypsilanti	2,663,743
<b>Total</b>	<b>30,000,000</b>

**11. Who determines the amount each district receives?**

Michigan’s voters and Michigan’s legislature decided it in 1994 when they approved Proposal A. The law resulting from Proposal A says that all the revenue raised from a regional enhancement millage stays with the public school districts in that region. The law requires that the collected revenue is distributed based on the number of students in each school district. Each school district’s share is based solely on its student membership not the amount contributed by its community. Since the school funding system changed in 1994, enhancement millage is the only option that local school districts have to raise additional funds for general operations.

**12. How much will the millage cost?**

Two mills represents a tax of varying size depending on the taxable value of a primary home. On a primary home with a taxable value of \$50,000, for example, a two mill increase in property taxes is \$100/year. The following chart shows the cost of the additional millage for this and other taxable values for two mills.

<u>Home Value</u>	<u>Taxable Value</u>	<u>2 Mills</u>
\$100,000	\$ 50,000	\$100/year
\$200,000	\$100,000	\$200/year
\$300,000	\$150,000	\$300/year

Depending on your individual income tax circumstances, the additional property tax paid may be eligible as a federal income tax deduction and/or for the Michigan Property Tax Credit.

**13. What will the ballot say?**

The ballot language will read as follows:

**REGIONAL ENHANCEMENT MILLAGE PROPOSAL**

Pursuant to state law, the revenue raised by the proposed millage will be collected by the intermediate school district and distributed to local public school districts based on pupil membership count.

Shall the limitation on the amount of taxes which may be assessed against all property in Washtenaw Intermediate School District, Michigan, be increased by 2 mills (\$2.00 on each \$1,000 of taxable valuation) for a period of 5 years, 2009 to 2013, inclusive, to provide operating funds to enhance other state and local funding for local school district operating purposes; the estimate of the revenue the intermediate school district will collect if the millage is approved and levied in 2009 is approximately \$30,000,000?

**14. Who can vote on this ballot proposal?**

All registered voters who live within the school districts of Ann Arbor, Chelsea, Dexter, Lincoln, Manchester, Milan, Saline, Whitmore Lake, Willow Run and Ypsilanti can vote on this proposal.

**15. What is the deadline for voter registration?**

The deadline to register to vote for this election is Monday, October 5, 2009. You can get more information at the Michigan Secretary of State’s website: <http://michigan.gov/sos> then click on election and voter information.

**16. When is the election?**

The election will be held on Tuesday, November 3, 2009, the General Election.

**17. Where do I vote?**

You will vote at the same precincts where you vote in all regular school elections. Absentee ballot applications are available at all schools and township, city or county clerk offices for persons who may not be able to vote in person.

**18. Do other communities have this kind of millage?**

Yes, residents in the Midland, Monroe, and Kalamazoo areas have all approved enhancement millages for their schools since the law was passed in 1997.

**19. Where can I get more information?**

Visit the school district’s website or call the superintendent’s office.