Ottawa Area Regional Enhancement Millage Proposal

Frequently Asked Questions

Why are Ottawa Area School leaders asking for the funds?
Leaders of the eleven K-12 Ottawa Area school districts felt the need for new revenues was significant enough to go to the voters. All have seen the purchasing power of state revenue decline. A report from the House Fiscal Agency in August 2017 found school revenues, adjusted for inflation, ***are almost eleven percent less*** today than in 2000.

Because revenues have declined, Ottawa Area 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 conducted by the School Finance Research Collaborative ***recommended that every district receive base funding of $9,590 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.

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.

What is an enhancement millage?
When the legislature drafted a new funding formula for public schools, passed by voters as Proposal A in 1994, concerns existed that, over time, the new funding plan could fall short of revenue needs and expectations in certain communities. To compensate for the potential need for additional revenues, Proposal A included a provision allowing Intermediate School Districts, or ISDs, to levy up to 3 mills for 20 years or less, to be distributed 100 percent on a per-pupil basis to every constituent K-12 school district and public school academy within that ISD.

Has this type of election been successful anywhere else?
Yes, both Muskegon Area Intermediate School District and Kent Intermediate School District have held successful regional enhancement millage elections. In total, six regional millage elections have successfully passed in Michigan.

How is the enhancement millage proposal placed on the ballot?
A number of school boards within Ottawa Area ISD (representing a simple majority of students), will need to pass resolutions asking the Ottawa Area ISD board to place the proposal on the ballot. Law prohibits local districts from independently asking its voters for additional operating revenue

Which election will the ballot question appear on?
The November 6, 2018 general election ballot.

What is the duration of the proposed millage?
The duration is 10 years after which the millage will expire and enhancement funding will end unless local boards of education again petition the Ottawa Area ISD to seek a renewal on behalf of local school districts and public school academies.

How much revenue would be generated by 0.9 mills?
Approximately $11.2 million, or $226 per pupil, will be generated in the first year of the millage, however schools districts will not begin receiving proceeds until after the first tax collection in 2019.

How much will this cost the average homeowner?
The proposal calls for a levy of 0.9 mills for 10 years. The state equalized taxable value for a $100,000 home is one-half the market price, or $50,000. If approved, the owner of a $100,000 home would pay an additional $3.75 per month, or $45 per year.

What can the proceeds from the millage be used for?
Any operational expense of a school district, however, district priorities may vary in terms of how the money will be spent.

How is an enhancement millage approved?
An ISD-wide (all taxing jurisdictions in Ottawa and part of Allegan) millage request must be passed by a majority of voters.

How is an enhancement millage different from a bond issue?
An enhancement millage is an additional local contribution to school operations that would support programs and services for students. A bond issue is a mechanism for individual school districts to raise capital funds for technology hardware, facility improvements (such as roofs and parking lots) and equipment replacement (such as boilers and water heaters).

How will the funds be distributed?
By law, funds will be collected by Ottawa Area ISD and distributed on an equal per-pupil basis to each of the local K-12 public school districts and public school academies. Ottawa Area ISD will only receive a small portion (less than 1 percent) for students attending general fund eligible programs. If approved, all millage dollars will be publicly reported on each school district's website and an independent audit will be conducted to ensure transparency and accountability.

SOURCES:

- House Fiscal Agency Budget Report (2017): http://house.michigan.gov/hfa/PDF/Briefings/State_Budget_Overview_fy17-18.pdf
- School Finance Research Collaborative Study (2018): http://www.fundmischools.org/wp-content/uploads/2018/01/School-Finance-Research-Collaborative-Report.pdf
- Michigan State University News Article (2016): http://msutoday.msu.edu/news/2016/michigan-school-funding-choice-policies-hurting-local-districts/