

***Strong Schools, Strong Communities***  
**Kent ISD Regional Enhancement Millage 2017**  
**FREQUENTLY ASKED QUESTIONS**

**1. What is an enhancement millage?**

In 1993 when the legislature developed the funding formula, Proposal A, for public schools, concerns existed that over time the 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 to levy up to 3 mills for up to 20 years to be distributed 100% on a per-pupil basis to every constituent school district within that ISD.

**2. How is an enhancement millage different than a bond issue?**

School districts have two primary sources of funding, operational and capital. Capital revenues are generally funded through bond issues which are levied locally, such as the 2014 construction bond approved by EGR voters for building construction, expansion, and repairs. Operating revenues come primarily from the state, through the “foundation grant” allocated to each district on a per-pupil basis. These state dollars include contributions through the 6-mill state education tax and the 18-mill non-homestead tax levy on local businesses and second homes. An enhancement millage would be an additional local contribution to school operations which would support programs and services.

**3. How is the enhancement millage proposal placed on the ballot?**

The only way districts can receive additional operating revenues is through an ISD-levied enhancement millage, collected, and distributed equally to each district on a per-pupil enrollment basis. To begin that process, East Grand Rapids Public Schools Board of Education, along with the other 19 school districts within Kent ISD, passed resolutions asking the Kent ISD board to place the proposal on the May 2, 2017, ballot. State law prohibits EGRPS from independently asking its voters for additional operating revenues.

**4. How much are districts asking for?**

Districts asked Kent ISD’s school board to call for an election asking voters to consider 0.9 mills for 10 years. This 0.9 mills would provide an estimated \$19,931,466 in additional revenue for Kent County school districts in the first year of the levy, which amounts to approximately \$211 per pupil.

**5. How would the revenue be distributed?**

The revenue would be collected by Kent ISD and, by law, it would be distributed equally on a per-pupil basis. Kent ISD would not receive any money or administrative expense from this millage; per law 100% must be given to school districts. For EGRPS, it would generate an additional approximately \$617,000 annually.

**6. How would these funds be used?**

EGRPS would dedicate 100% of the dollars raised from the enhancement millage to the classrooms for teaching and learning with emphasis on supporting academic achievement K-12.

**7. How much would this cost the average homeowner?**

The proposal calls for a levy of 0.9 mills for 10 years. The state equalized value for a \$400,000 home is generally one-half the market price, or \$200,000. If approved, the owner of a \$400,000 home would pay an additional \$180 per year in taxes, or \$15.00 per month. If you click on the [Strong Schools, Strong Communities](#) link on the [EGRPS website](#), you will find a tax calculator to help you determine how much the increase would be, based on the value of your home.

The chart below provides approximate annual and monthly increase in taxes at varying property values.

Market Value	\$150,000	\$200,000	\$250,000	\$300,000	\$400,000	\$500,000
State Equalized Value	\$75,000	\$100,000	\$125,000	\$150,000	\$200,000	\$250,000
Increase in Taxes (Annually)	\$68	\$90	\$113	\$135	\$180	\$225
Increase in Taxes (Monthly)	\$5.63	\$7.50	\$9.38	\$11.25	\$15.00	\$18.75

**8. Why do schools need more money?**

All public school districts in Michigan have seen the purchasing power of state revenue received decline over the past decade. A [report](#) (page 17) from the House Fiscal Agency in January 2016 found school revenues, adjusted for inflation, are 6% less today than in 2000.

Because the purchasing power of district revenues has declined, districts have cut millions in operating expenses but are still struggling to maintain the core educational services necessary for all students to succeed. A recent [study](#) commissioned 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.

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 significant factors almost entirely outside their control. Top among those factors was inadequate state per-pupil funding, state mandated retirement system, declining enrollment, and the increasing number of students with special needs statewide.

**9. What has EGRPS done to keep costs down?**

The district has cut expenses totaling \$4.4 million in the last seven years. We have also dipped into our fund reserves, often called the district’s “rainy day fund.” A list of cuts and reduction of programs and services that have been made by the district can be found [here](#). The annual [EGRPS Community Budget Guide](#) provides an historical financial overview.

**10. When will the enhancement millage proposal be put before voters?**

This proposal will be on the May 2, 2017, ballot.

**11. Why did schools ask for a “special” election?**

The 20 Kent County School Districts felt the need for new revenues was significant as to merit a May election so students in the 2017-2018 school year and beyond would benefit if the enhancement millage is approved by voters.

**12. What happens after 10 years?**

The millage will expire and enhancement funding will end unless local boards of education again petition Kent ISD to seek a renewal on behalf of local school districts.

**13. What if I have additional questions?**

A [Strong Schools, Strong Communities](#) link is on the [EGRPS website](#), as well as the [Kent ISD.org](#) website. If you click on that link, additional information is provided for your review, such as FAQ, the ballot language, a short presentation, and other materials. And, of course, you can always contact the EGRPS Superintendent or Assistant Superintendent for Business at 616-235-3535.