

Operating Millage Renewal Proposal on Non-Homestead Properties

Frequently Asked Questions:

Who pays the operating millage?

The operating millage is levied on properties that do not qualify for the homestead exemption. This represents industrial, commercial, and some agricultural properties and second homes. Primary residences qualify for the homestead exemption and, therefore, do not pay this 18 mill tax.

I thought schools no longer received funding through property taxes, so why is there a millage renewal?

Funding for school districts changed significantly in 1993/1994 when Proposal A was passed by the Michigan voters. Under Proposal A, the State pays the majority of the cost, but to receive full funding, schools must levy 18 mills locally on non-homestead property in their district.

Is this a new tax?

No. This millage has been in place since 1994. The District was given voter approval to levy 18 mills on non-homestead property most recently in May 2010. The current millage expires with the 2012 tax levy. The District is requesting a three-year renewal.

Will my residential school taxes increase too?

No. This tax is on non-homestead property and does not apply to your primary place of residence.

What happens if the millage doesn't pass?

The revenue generated from the 18 mills on non-homestead property totals approximately \$1.1 million annually. Failure to renew the operating millage would change our state school aid foundation amount from the current \$7,397 per student to a much lower \$7,000 per student. The State will not replace the lost funding and the District will be forced to reduce or eliminate instructional and support programs for our students to offset the reduction of revenue.

How are Michigan school districts funded?

Districts receive most of their funding on a per-pupil basis. The amount that a school district receives per-pupil is called the Foundation Allowance. The per-pupil Foundation Allowance varies by district and the amount for the East Grand Rapids Public Schools is \$7,397. This represents over 80% of district revenue and is funded from two sources: 1) local revenue - 18 mills collected on non-homestead property and 2) state revenue. The other 20% represents local, county, and federal revenue.

Cost to the Homeowner: \$0

This operating millage renewal will allow the district to levy 18 mills on non-homestead property. **If approved, homeowners will not see an increase in their property taxes.** In other words, this millage renewal will not change the taxes on your primary house in which you live. **This is not a new tax.** It is a proposal to continue the existing 18 mill assessment on non-homestead properties.

More Information

To have specific questions answered or to obtain more information, please contact:

Kevin Philipps
Assistant Superintendent of Business

616-235-3535

You may also visit our website at
www.egrps.org



East Grand Rapids Public Schools

**Please VOTE Tuesday,
November 6**