



From the Director of Finance

Vital Millage on August Ballot

We are often asked by our fellow community members “What can I do to help out the school in these tough economic times?”

Often, we will respond by encouraging participation in the democratic process and contacting our legislators to place education in Michigan as a top priority. We continue to encourage you to tell our Senators and Representatives to find a way to restructure the way schools are funded. A stable funding process would help school districts across the state not have to make such radical budget reductions whenever the state economy dips.

This August 4th, when you arrive at your voting place, you will see an important millage issue on your ballot. This has to do with the school district’s non-homestead operating millage.

This millage renewal is crucial to our students and the programming that we are able to provide for them.

Non-Homestead Property Millage

This is a request for you to *renew* a property tax millage that is levied only on **non-homesteads** in the Comstock Park school district.

Proposal A, passed way back in 1993 by Michigan voters, changed the way in which schools are funded. The primary burden of financing schools shifted away from property tax millages and gave this responsibility to the state.

However, the state is only required to pay the *majority* of the costs for public education. For us to receive our full share of state payments, we must levy millage on all **non-homestead** property in the district.

If you, the school district’s voter, do not approve this millage, Comstock Park cannot collect all of its state aid payments.

The unusual part about this non-homestead millage is that you as the local homeowner vote on the tax, but do not pay it. As a local homeowner, you’re exempt.

This tax is only for **non-homestead** properties. It’s a tax that’s paid by people who have second homes in the school district – like a cottage - and by those who own apartments, rental homes, vacant land, and commercial and industrial properties.

Again, this is a renewal, not a new tax. It is applied only to businesses and second homes, not to your own home.

Our revenue from these 18 mills is about \$2,366,000 per year, about 11 percent of our budgeted revenue. The rest of our funding for general operations comes from the state on a per-pupil basis, what is called our Foundation Allowance. We now receive \$7,251 from the state for each student. Our projections for next year increase this amount to \$7,326 based on the governor’s proposed budget from February.

Here’s how the non-homestead property millage affects our operating budget:

Student Count	2,088
Foundation Allowance	\$7,391
Total Allowance	\$15,432,408
Less Non-Homestead Tax	<u>\$2,366,000</u>
Total State Payment	\$13,066,408

You can see that it is critical for us to collect a non-homestead millage for a portion of our budget. The state assumes we will collect this local money and their payments to us factor this in.

However, without voter approval on August 4th, we will face a significant shortfall in operational revenues for Comstock Park Public Schools.

Without a renewal of our non-homestead property millage, we would be facing a loss of about \$2.3 million in expected revenue. The ramifications of this will have a significant negative impact on students.

Helping Students Learn – Whatever It Takes!