

# YPSILANTI PUBLIC SCHOOLS

## Proposal F ~ Questions and Answers

***What does “non-homestead” mean?***

Non-homestead represents industrial, commercial and some agricultural property and “second homes.” It does not include a family’s primary residence.

***I thought schools no longer received funding through property taxes, so why are they talking about a millage renewal?***

Funding for school districts changed significantly in 1993-94 when Proposal A was passed by the Michigan voters. Under Proposal A, the State pays the majority of the cost, but to receive the full funding, schools must levy 18 mills on non-homestead property in their district.

***Is this a new tax?***

No. This millage was approved by the voters in 1994. The district had voter approval to levy 18 mills on non-homestead property in 1994; the original millage was voter approved in 2003 to receive full funding of the 18 mills. However, these restoration millages expired in the 2007 collection year.

***How much will this cost my business?***

The renewal will have little effect on your current taxes. For a business or secondary home with property valued at \$100,000 your tax cost today is \$1,800 ( $\$100,000/1,000 \times 18$  mills), with the override it will remain at \$1,800.

***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 if the millage is voted down?***

The revenue generated from the 18 mills totals approximately \$9.6 million annually, greater than 18 percent of the school district’s total budget or 31 percent of the foundation allowance. If this restoration millage does not pass, the State will not replace the funding and Ypsilanti Public Schools will be forced to reduce or cut programs to offset the loss.

***Can the district use bond money to cover the loss?***

Bond funds are restricted by law to construction, technology and equipment and cannot be used for general fund expenditures.

***How are Michigan school districts funded?***

Districts receive most of the funding on a per-pupil basis. The amount a school district receives per-pupil is called the Foundation Allowance. The per-pupil Foundation Allowance for Ypsilanti Public Schools is \$7,890. This represents the major portion of Ypsilanti Public Schools’ revenue and is funded from two (2) sources:

1. Local Revenue – 18 mills collected on non-homestead property, and
2. State Revenue

***The Foundation Allowance funding calculation is as follows:***

Blended Student Count	3,888	students
Per-pupil Foundation Allowance	<u>x \$7,890</u>	per student
Total Foundation Allowance	\$30,677,267	
-0- Mills Collected on Primary Residence	+ \$0.00	
18 Mills Collected on Non-Homestead <i>Local Revenue</i>	(\$9,626,561)	
Amount Paid by the State	<u>\$21,050,705</u>	