

OPERATING MILLAGE RENEWAL MAY 6, 2025

OVERVIEW.....

On May 6, 2025, Forest Hills Public Schools (FHPS) will have an operating millage (non-homestead) proposal on the ballot. The proposal asks voters whether to renew the 18.1297 mills and increase .50 mill for Headlee restoration, if necessary. This millage is necessary to secure full funding for our students. This millage would not impact a primary residence and has been in place since 1994, when Proposal A was implemented. Below, you can find answers to frequently asked questions.

QUESTIONS/ANSWERS

What does “non-homestead” mean?

Non-homestead represents second homes, industrial, commercial, and some agricultural properties. This **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?

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

Is this a new tax?

No. The operating millage has been in place since the passing of Proposal A.

Will my residential school taxes increase?

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 \$24 million annually, greater than 18% of the school district’s revenue. If this millage does not pass, the State will not replace the funding and FHPS will be forced to reduce or cut programs to offset the loss in revenue.

Can the district use bond money to cover the loss?

By law, funds received from bond issues are restricted to bond projects and cannot be used for general operating expenditures.

BALLOT LANGUAGE

FOREST HILLS PUBLIC SCHOOLS OPERATING MILLAGE PROPOSAL

This proposal will allow the school district to continue to levy the statutory rate of not to exceed 18 mills on all property, except principal residence and other property exempted by law, required for the school district to receive its full revenue per pupil foundation allowance and restores millage lost as a result of the reduction required by the Michigan Constitution of 1963.

Shall the currently authorized millage rate limitation on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in Forest Hills Public Schools, Kent County, Michigan, be renewed by 18.1297 mills (\$18.1297 on each \$1,000 of taxable valuation) for a period of 6 years, 2026 to 2031, inclusive, and also be increased by .5 mill (\$0.50 on each \$1,000 of taxable valuation) for a period of 6 years, 2026 to 2031, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and 18 mills are levied in 2026 is approximately \$24,000,000 (this is a renewal of millage that will expire with the 2025 levy and the addition of millage which will be levied only to the extent necessary to restore millage lost as a result of the reduction required by the “Headlee” amendment to the Michigan Constitution of 1963)?



VOTE by May 6, 2025.



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FOREST HILLS
PUBLIC SCHOOLS
— Cultivating Possibility —

QUESTIONS/ANSWERS CONTINUED

Does the district incur a cost for the May 6, 2025, election?

Yes, there will be a cost for the May 6, 2025, election. The cost is shared by other entities who have questions on the ballot for our voting precincts, if any.

Why doesn't the district wait to put this on the November 2026 ballot so there wouldn't be a cost?

The authorization for the operating millage expires with the 2025 levy. If the district waits, it will lose approximately \$24 million in funding for the 2026-2027 school year.

Why is the district asking for a six-year funding period?

By seeking a six-year funding period, the next renewal question would tie into the November 2030 Michigan gubernatorial election. When there is a state election, the school would be charged minimal fees to have an operating millage question on the ballot.

How are Michigan school districts funded?

Districts receive most of their 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 Forest Hills Public Schools is currently \$9,608. This represents the major portion of Forest Hills Public Schools' revenue and is funded from two sources: 1.) Local Revenue - 18 mills collected on non-homestead property for operating millage, and 2.) State Revenue. The Foundation Allowance funding calculation is as follows:

Student Count	No. of students = 8,850
Per-Pupil Foundation Allowance	Per student x <u>\$9,608</u>
Total Foundation Allowance	\$85,030,000
-0- Mills Collected on Primary Residence	+ \$0
18 Mills State Assumes FHPS Collects on Non-Homestead Properties (Local Revenue)	<u>(\$23,900,000)</u>
Amount Paid by the State	<u>\$61,130,000</u>

By law, to obtain the Total Foundation Allowance, Forest Hills Public Schools must collect a local "non-homestead" millage for this portion of its budget. The State reduces its obligation to districts by this amount and only pays the balance. Therefore it is critical to continue to collect 18 mills on non-homestead properties to attain full funding.



Learn more about the operating millage here!

Do you have additional questions?

Please call the FHPS administration office, **616-493-8800**, or email Julie Davis, assistant superintendent for finance and operations, jdavis@fhps.net.

To learn more about school funding, view the district's Community Budget Guide online, www.fhps.net.

Paid for by Forest Hills Public Schools.