



## Kent ISD Regional Enhancement Millage 2017

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*Strong Schools, Strong Communities*

### **FREQUENTLY ASKED QUESTIONS**

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

When the legislature drafted a new funding formula for public schools, passed by voters as Proposal A in 1994, concerns existed that, over time, the new 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, or ISDs, to levy up to 3 mills for 20 years or less, to be distributed 100 percent on a per-pupil basis to every constituent K-12 school district within that ISD.

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

The FHPS board of education, along with the other 19 school boards within Kent ISD, passed a resolution asking the Kent ISD board to place the proposal on the May 2, 2017, ballot. Law prohibits FHPS from independently asking its voters for additional operating revenue.

**3. How much are districts asking for and what would it mean for FHPS?**

Districts asked Kent ISD's school board to call for an election asking voter approval of 0.9 mills for 10 years. This 0.9 mills will provide an estimated \$20 million in additional revenue for Kent County school districts in the first year of the levy, which amounts to approximately \$211 per pupil. If approved, FHPS would receive approximately \$2.1 million annually for the next 10 years.

**4. How is an enhancement millage different from a bond issue?**

An enhancement millage would be an additional local contribution to school operations that would support programs and services for kids. A bond issue is a mechanism for individual school districts to raise capital funds for technology hardware, facility improvements (such as roofs and parking lots) and equipment replacement (such as boilers and water heaters).

**5. How will FHPS use the funds?**

FHPS will dedicate 100 percent of the dollars raised from the enhancement millage to support K-12 academic achievement, attract and retain quality staff, and maintain quality programs that prepare students for college and careers.

**6. What has FHPS done to keep costs down?**

The district has cut more than \$20 million in expenses over the last 10 years. We have also had to dip into our fund reserves. As we have made reductions, we have maintained and even increased the percentage of our expenses dedicated to student instruction. Some budget adjustments FHPS has made since 2006 include reductions in costs associated with staffing and operations as well as transportation.

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

All public school districts have seen their state revenue decline over the past decade. A report from the House Fiscal Agency in January 2016 found school revenues, adjusted for inflation, are 6 percent less today than in 2000.

Because district revenue has declined, districts have cut millions in operating expenses but struggle 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. FHPS per-student funding is \$154 less today than what it was in 2007-08, nearly a decade ago. Expenses have increased and per-pupil revenue from the state has fallen.

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 factors almost entirely outside their control. Among those factors were inadequate state per-pupil funding, declining enrollment, and the increasing number of students with special needs.

**8. How will the funds be distributed?**

By law, funds will be collected by Kent ISD and 100 percent of the revenue collected will be distributed on an equal per-pupil amount to each of the 20 local public schools. Kent ISD will not receive any money from this millage. If approved, all millage dollars will be publicly reported on each school district's website and an independent audit will be conducted to ensure transparency and accountability.

**9. How is an enhancement millage approved?**

A county-wide millage must be passed by a majority of voters.

**10. How much will this cost the average homeowner?**

The proposal calls for a levy of 0.9 mills for 10 years. For the purpose of calculating a property tax increase, one mill is equal to one dollar per \$1,000 of the taxable value of a home. Because the enhancement millage proposal is for 0.9 mills, the proposal would be calculated based on 90 cents per \$1,000 taxable value.

*Examples of Annual and Monthly Increase in Taxes at Varying Property Values*

State Equalized Value	\$150,000	\$200,000	\$250,000	\$300,000	\$400,000	\$500,000
Taxable 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

**11. What is an Intermediate School District?**

An Intermediate School District is structured as a separate educational unit to provide various administrative and instructional services to area schools. Kent ISD serves the broader Kent community and helps schools prepare nearly 120,000 students for school and life success. Some of the services they provide include early childhood services, career technical education, and oversight for special education services. They also assist schools with student auditing and accounting, and provide professional development for educators and school staff.