

PARENT AND

COMMUNITY

NON-HOMESTEAD FAQ

ELECTION DAY MAY 4TH

VOTE BY ABSENTEE

VOTE AT THE POLLS
7 A.M. - 8 P.M.

In recent surveys, parents have been asking these questions.

Here are the answers.

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1. What exactly is a non-homestead millage?

A non-homestead millage is levied on businesses, rental property, vacant land, and second homes. It DOES NOT apply to a family's primary residence (the home they live in). If voters approve the May 4th non-homestead millage, there will be no change in the tax rate on homes in which residents live.

2. What is the purpose of the non-homestead millage?

Several years ago the State of Michigan changed the way it funds schools. All home-owners now pay 6.0 mills on their primary residence (or homestead). Additionally, an 18-mill non-homestead tax is levied on businesses, rental property, vacant land, and second homes ("non-homesteads").

By State law, school districts must levy 18 mills on nonhomestead property to received their full share of State Aid.

3. How does the non-homestead millage affect all students?

The non-homestead millage accounts for about 12 percent of the school district's operating budget. The operating budget funds the day-to-day operation of the school district. This budget provides funding for virtually everything it takes to run a school district, including books, technology, staff salaries, lights, heat, insurance, custodial maintenance services, etc. Hence, non-homestead millage affects all students attending the West Bloomfield School District.

4. What is a Headlee roll-back?

Under certain conditions the "Headlee Amendment" to the Michigan Constitution requires roll-backs in the non-homestead millage (a Headlee rollback). If and when these roll-backs occur, a school district is forced to levy less than the 18-mill limit on non-homestead property. When a school district's non-homestead millage levy is less than 18 mills, it does not receive its full share of State Aid funding.

Headlee roll-backs that have occurred since West Bloomfield School District voters last approved the 18-mill non-homestead millage in 2014 have cost the school district \$1.3 million in funding.

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5. What have Headlee roll-backs meant to Michigan's school districts?

Every Michigan school district is forced to return to the voters every few years for approval to restore the 18-mill non-homestead millage. This is an unintended consequence (and additional cost) of the Headlee Amendment to the Michigan Constitution.

6. If I don't have kids attending the school district, why would I vote on May 4th?

All residents, including parents and residents without schoolage children, benefit from quality schools. Realtors, for example, are quick to point out that a quality school district helps maintain property values in a community.

7. What exactly will this do for the students and the schools?

Voter approval of the May 4th operating millage proposal will enable the school district to levy the 18-mill statutory limit on non-homestead properties, eliminate related reductions in the operating budget, and allow the school district to collect its full share of State Aid funding.

8. What are the non-homestead funds earmarked for?

Non-homestead millage is used to help finance the day-to-day operating expenditures of the school district. Levying the statutory 18-mill limit on non-homestead properties generates approximately \$8.2 million (or about 12 percent of the West Bloomfield School District's operating budget).

9. Why the need for more money?

The 18-mill non-homestead millage approved by West Bloomfield voters in 2014 has been "rolled back" per requirements of the Headlee Amendment to the Michigan Constitution. The result has been operating revenue losses totaling more than \$1.3 million over the past six years. The May 4th non-homestead operating millage proposal is not asking for more money; it is asking for the funding that West Bloomfield School District voters originally approved in 2014.

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10. If the mileage does not pass how will we obtain funds or how will it affect the district?

If the May 4th ballot proposal is not approved by voters, the school district will lose more than \$691,000 from its operational budget every year. Since the State Aid calculation assumes all school districts in Michigan will levy the full 18 mills on non-homestead properties, the school district's State Aid will be reduced annually by more than \$128 per student (or approximately \$691,000). Maintaining a balanced budget as required by Michigan law would likely result in significant reductions in educational programs and services if the May 4th operating millage proposal is not approved by voters.

11. How do business owners in the area feel about it?

Surveys indicate that most business owners support the law that calls for an 18-mill non-homestead levy.

12. Will the funds earned from the millage be guaranteed to increase funding for new staff and decrease school classroom sizes?

If the non-homestead millage is approved by voters, the resulting revenue will be used to support the existing operating budget. If the non-homestead millage is not approved, new staff and class size reductions will not be a feasible option.

13. What is the approximate dollar amount that each non-homestead parcel should expect to pay?

Each non-homestead parcel is different. The levy on non-homestead property will be \$2 per \$1,000 of assessed valuation.

14. Why can't you send students back in person and get some of the relief money from the state?

The school district will maintain both an in-person and virtual learning option for the balance of the year because that is what the majority of parents want. Maintaining both options also will allow the West Bloomfield School District to accommodate any COVID-related in-person closures (like those that are now affecting many Michigan school districts).

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15. How are Michigan School districts funded?

Public schools in Michigan receive most of their funding on a perpupil basis from the State. The amount a school district receives perpupil is called the Foundation Allowance. The per-pupil foundation allowance for West Bloomfield School District is \$9,156. This is funded from two sources:

- 1. local revenue millage collected on non-homestead property (currently \$1,396 which is \$85 per pupil less than allowed this year because of Headlee rollbacks); and,
- 2. state revenue (currently \$7,675 per pupil).

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