



## May 3, 2016 - Non-Homestead Annual Election Ballot

On May 3, 2016 Onsted Community Schools will hold their annual school board election. Included on the ballot will be a Non-Homestead Millage Renewal. Below find answers to frequently asked questions.

### 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 Onsted Community Schools is \$7,026. This represents the major portion of Onsted Community Schools' revenue and is funded from two sources: 1) Local Revenue – 18 mills collected on non-homestead property, and 2) State Revenue. The Foundation Allowance funding calculation is as follows:

Student Count (Current blend)	1,476.10 (Students)
Per-Pupil Foundation Allowance	x 7,026.00 (Per student)
Total Foundation Allowance	\$10,371,078.60
-0 Mills Collected on Primary Residence	+ 0.00
<b>18 Mills Collected on Non-Homestead (Local Revenue)</b>	<b>-\$2,154,211.00</b>
Amount Paid by the State	\$8,216,867.60

By law, to obtain the Total Foundation Allowance, Onsted Community 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 property to attain full funding.



# ELECTION DAY

## May 3, 2016

FOR  
MORE  
INFO

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### 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 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 has voter approval to levy 18 mills on non-homestead property through June 2016.

### How much will this cost my business?

This renewal will have little effect on your current taxes. For a business with property valued at \$200,000 the tax cost would be \$3,600 ( $\$200,000 \div 1,000 \times 18$  mills), similar to what you are paying today.

**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 \$2.0 million annually, approximately \$2,284,017 or 17% of the school district's annual budget. If this millage does not pass, the State will not replace the funding and Onsted Community 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.