



Beaverton Rural Schools

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NEWS RELEASE

For Immediate Release
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BEAVERTON SCHOOLS' 'CRITICAL' OPERATIONAL MILLAGE RENEWAL ON AUGUST 7 BALLOT

On August 7, voters will be asked to consider the renewal of the school operating millage that represents almost a quarter of the Beaverton Rural School District's operating budget. School officials are doing their best to make sure people know what is at stake.

The August 7 ballot question will ask voters whether to renew the operating millage applied to non-principal residence (non-homestead), non-qualified agricultural properties, and other non-exempt properties. Superintendent Susan Wooden said the board of education is determined to make sure voters understand the gravity of the issue.

"The funds generated from this millage are critical to Beaverton Rural Schools," Wooden said. "If the millage is not renewed, the dramatic reduction in funding would result in major cuts to key programs and services, delivering a profound blow to learning opportunities for our students. There is no safety net; if this millage is not passed, the state does not replace the missing funds."

The operating millage accounts for about \$2,495,640 or 22 percent of the district's annual operating budget. The funding is used for instructional and operational purposes. Additionally, since the state's per-pupil funding is based on this levy, its failure would mean that BRS does not receive the full per-pupil allowance, Wooden said.

For homeowners whose homes are considered their principal residence (homestead), there would be no cost, as this millage is levied only on non-homestead properties. For landowners (typically farmers) whose land is classified as qualified agricultural property, there would be no cost, as this millage is levied only on non-qualified agricultural properties. Other types of property exempt from the tax are qualified forest property, supportive housing property, industrial personal property, and a portion of commercial personal property.

"This is millage that is generally assessed against second homes, rental property and businesses that are not otherwise exempt," Wooden said. "In 2013, the voters of BRS approved this same operating millage request for a period of five years. This ballot request continues that pattern."

For the August 7 millage election, district residents will vote at the same precinct used for federal and state elections. In almost all cases, this would be at the township or city hall of residency. Polls will open at 7 a.m. and close at 8 p.m. Absentee ballots can be obtained from your township or city clerk.

"History tells us that voters understand the importance of such ballot measures, but in today's economic climate, we take nothing for granted," Wooden said. "Our board and the entire BRS staff are appealing to friends and

neighbors in our community to get out and vote on August 7.”

For additional information, call Susan Wooden at 989.246.3068 or visit the BRS website at www.beavertonruralschools.com for a list of frequently-asked questions about the millage proposal.

BALLOT LANGUAGE

BEAVERTON RURAL SCHOOLS OPERATING MILLAGE RENEWAL 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 revenue per pupil foundation allowance and renews millage that will expire with the 2018 tax levy.

Shall the currently authorized millage rate limitation of 18.2 mills (\$18.20 on each \$1,000 of taxable valuation) on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in Beaverton Rural Schools, Gladwin and Clare Counties, Michigan, be renewed for a period of 6 years, 2019 to 2024, 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 2019 is approximately \$2,495,640 (this is a renewal of millage that will expire with the 2018 tax levy)?

FREQUENTLY ASKED QUESTIONS

The Beaverton Rural Schools Board of Education is seeking renewal of its operating millage to levy the full statutory limit of 18 mills on non-principal residence and non-qualified agricultural properties in the election to be held on August 7, 2018.

The following is an attempt to address the most frequently asked questions about the renewal vote:

1. How much will this millage request cost me?

- ✓ For homeowners whose homes are considered their principal residence (homestead), there would be no additional cost, as this millage is levied only on non-homestead properties.
- ✓ For landowners (typically farmers) whose land is classified as qualified agricultural property, there would be no additional cost, as this millage is levied only on non-qualified agricultural properties.
- ✓ The ballot language will request the renewal of the 18.2 mills. However, **only** the statutory limit of 18 mills can be levied in each year of the millage request. The excess .2 serves only as a reserve should the 18 mills be reduced through property value increases during the life of the renewal.
- ✓ For owners of non-homestead properties and landowners of non-qualified agricultural properties, this request would cost 18 dollars per thousand dollars of taxable value per year.

2. What will the school do with the money generated by this millage?

The school district will continue to use the funds generated by the millage to provide basic instructional programs, supplies, as well as to pay for other general operating costs.

3. Why renew 18.2 mills rather than just 18 mills?

The Michigan Constitution requires a reduction in approved millage if property values rise too fast. However, the State’s school funding assumes that the School District levies a full 18 mills each year. If only 18 mills were approved and there was a reduction because of rising property values, the district would have to come back to

the voters earlier than the end of this millage to get the millage back to 18 mills. Elections are expensive and time consuming. If voters approve 18.2 mills, the .02 mills is held in reserve to offset potential millage reductions without having to hold an early vote. The 18.2 millage rate was approved by the voters in 2009. Even if the 18.2 mills is approved, by law the District cannot levy more than 18 mills.

4. How critical is the operating millage to the general fund of the district?

This millage accounts for about \$2,495,640 or 22% of the district operating budget. The millage is a major part of the funding structure for the district. Since the State's per-pupil funding is predicated upon this levy, its failure would mean the district would not receive its full per pupil foundation allowance (\$7,871/pupil).

5. Why is the district seeking a millage that will only affect some but not all property?

Local school districts can no longer request general operating millage from all local property owners. We are working within the guidelines of the state school funding system. Since the passage of proposal A in 1994, there has been a new system of funding schools in the state of Michigan. The state requires local school districts to levy 18 mills on all non-homestead and non-qualified agricultural properties to receive their full funding per pupil. Some businesses are non-homestead properties, and are taxed by these 18 mills. Many of our non-homestead properties are summer homes and recreational properties.

6. The people that own vacation and summer homes here can't even vote on the issue. Don't you think that is taxation without representation?

Every resident of Michigan votes in the district of their residence. This is the legislative system with which we have to work. All voting residents of Michigan have had input into how our system works. These property owners knew of this system when they purchased their summer homes. The same situation holds true for some of our permanent residents who have purchased vacation properties in other districts.

7. Is our school district in financial trouble?

The district continues to be under financial stress, as do many school districts in Michigan. Based upon longitudinal student enrollment data, it is anticipated that district enrollment will decrease by at least 50 students which will represent a decline of \$393,550 in revenue. With declining revenues, the district will be planning to implement budget reductions of nearly \$400,000 for the coming school year. Therefore, to better maintain much of the current programs and services, the district must seek all appropriate and important funding sources.

8. When is the vote?

The vote is Tuesday, August 7, 2018. Polls will be open from 7:00 a.m. until 8:00 p.m.

9. Where do I vote?

You will vote at your township or city precinct where you vote for state and federal elections. Absentee ballots may be obtained from your township/city clerk.

Should you have questions that require further information on this renewal, please contact Susan Wooden, Superintendent, at 989.246.3068.