

Saugatuck Public Schools  
Non-Homestead and Community Recreation Millage Renewal  
Frequently Asked Questions

On November 5, 2019 voters in the Saugatuck Public School District will have the opportunity to vote on two different millage proposals. On the ballot will be (1) an operating millage proposal and (2) a millage proposal to provide funds to operate a system of public recreation and playgrounds. The two millage proposals are virtually identical to the operating millage and public recreation millage proposals that the voters approved in 2017.

What is a non-homestead operating millage?

With the passage of Proposal A in 1994, Michigan schools are generally funded through a total of 24 mills levied on non-homestead property. This is a combination of a state wide millage rate of 6 mills on all property and 18 mills on non-homestead property when approved by local voters.

Under Proposal A, the state guarantees the district's foundation allowance per pupil and in Saugatuck, the majority of our operating funds come from the millage on non-homestead property. **To receive full funding from the state, schools must levy 18 mills on non-homestead property.**

*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.**

*Why does the operating millage proposal have a "hold harmless" provision?*

Saugatuck Public Schools has a hold harmless request of 1.5 mills built into the operating millage proposal. Under Proposal A, a qualifying district may levy a large enough homestead property tax millage to produce a total state and local revenue equal to the amount that was available to the district in 1995. The effect is to allow a hold-harmless district to continue to receive at least as much under Proposal A as it did before Proposal A. This ballot proposal, if approved by the voters, would help ensure that Saugatuck would be able to collect the full hold harmless amount locally during this three-year period of time.

*How does the operating millage proposal impact school funding for the district?*

The combination of the 18 mills on non-homestead property and the hold harmless mills would generate approximately \$6,345,221 for the 2020-21 school year, which is approximately 68% of the district's operating budget. Without this operating millage renewal, we would not be able to effectively operate the Saugatuck Public School system moving forward.

*Is this a new tax?*

No. District voters approved the operating millage most recently in 2017. The district has voter approval to levy 18 mills on non-homestead property and 1.5 mills on all property through the 2019-20 school year.

*Why does the ballot language ask for an increase of 20 mills for the Operating Millage?*

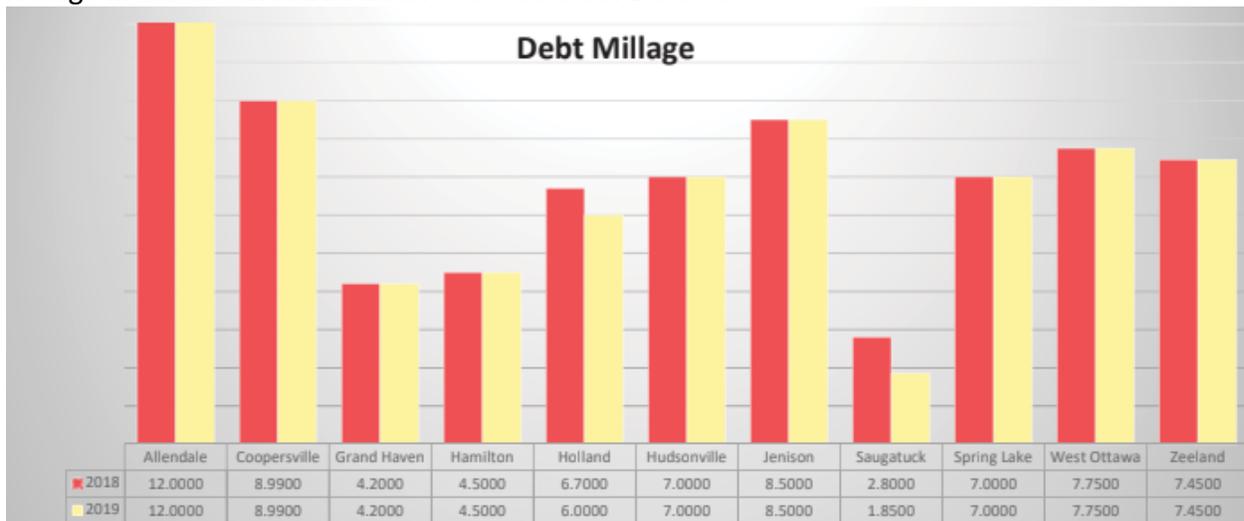
Under Proposal A, the district cannot levy more than 18 mills on non-homestead properties, even if it is voter approved. Saugatuck Public Schools is requesting an increase of 20 mills in its ballot language, with 2 additional mills included to guard against losing money due to a future Headlee Amendment roll back. Even though only 18 mills can be levied at any time, by approving more than 18 mills, voters can help guarantee a more stable budget for the district, ensuring it will be able to collect taxes on non-homestead property at the full 18 mills.

*What is the millage proposal to provide funds to operate a system of public recreation and playgrounds?*

This is a three-year renewal to allow the Saugatuck Public Schools to continue to operate the community recreation program for the next three years (through 2022). The millage rate would remain the same at 0.25 mills as the voters approved in 2017, and if approved, would raise approximately \$161,528 in 2020-21 to operate the community recreation program. This equates to 100% of community recreation funding.

*How does the district's debt millage compare to other districts in the Ottawa Area Intermediate School District?*

The following graph shows that Saugatuck Public Schools continues to have the lowest debt millage in the Ottawa Area Intermediate School District.



*How does the district's total millage for schools compare to other districts in the Ottawa Area Intermediate School District?*

Saugatuck Public Schools also has the lowest total school tax rate in the Ottawa Area Intermediate School District.

