

Operating Millage Election

October 7, 2019

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Executive Director of Business Services*



Why We Need Another Operating Millage Election

- **NO COST INCREASE TO HOMEOWNERS**
- The past 3 years have had rollback each year declining from 19.2491 to 18.56
- Same rollback next year - approx. 18.30 mills
- CCS Renewal Operating Millage Election is not until 2025
- To Maintain full per student operational dollars (\$7,871) that the state authorizes
- If fall below 18 Mills, the district may lose approx. \$100,000 or more operational dollars

SOLUTION

- CCS can never levy more than 18 mills on non-homestead (commercial and second residence) properties.
- CCS can ask voters to approve a separate hedge millage to provide a cushion against future rollbacks until 2025 operating millage renewal.
- Guarantee levy of 18 mills



How it Works

A non-homestead millage tax rollback occurs primarily when SEV for existing property is growing at a faster rate than the rate of inflation. The rollback is triggered when property is sold and then re-valued at a level much higher than the rate of inflation.

This causes the mills to be “rolled back” (currently at 18.5286 mills in Clarkston).

It is imperative for General Fund operating dollars that we never fall below the 18 Mills allowed under Proposal A.

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2018-2019 Sources of Revenue for Per Pupil Foundation Allowance



**Non-homestead properties include: apartment buildings, rental homes, vacation property, vacant land, commercial / industrial property*

Projections Based on a 3.5% Annual Rollback with Hedge Mills

	Current Mills	Projected Hedge Mills	Total Mills
2019	18.5	4.0	22.5
2020	17.85	3.86	21.71
2021	17.23	3.72	20.95
2022	16.62	3.59	20.22
2023	16.04	3.47	19.51
2024	15.48	3.35	18.83
2025	14.94	3.23	18.17

Potential Ballot Language

Clarkston Community Schools Operating Millage Proposal

This proposal will allow the school district 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.

Shall the limitation on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in Clarkston Community Schools, Oakland County, Michigan, be increased by 4.0 mills (\$4.00 on each \$1,000 of taxable valuation) for a period of 6 years, 2020 to 2025, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and levied in 2020 is approximately \$_____ (this millage is to restore millage lost as a result of the reduction required by the Michigan Constitution of 1963 and will be levied only to the extent necessary to restore that reduction)?



Calendar for Special Election on March 10, 2020

- **November 25, 2019** - Board of Education regular meeting to adopt the resolution calling the election.
- **On or before 4:00 p.m. on Tuesday, December 17, 2019** - Forward ballot wording and resolution to Election Coordinator.
- **On or before Saturday, January 25, 2020** - Absent voter ballots must be available.
- **On or before Monday, February 10, 2020** - Registration notice must be published by the Election Coordinator once in a newspaper of general circulation in the School District.
- **On or before Monday, February 24, 2020** - Last day for voters to register by mail. Voters may register in person through Tuesday, March 10, 2020 (election day) with the required documentation.
- **On or before Tuesday, March 3, 2020** - Election notice must be published by the Election Coordinator once in a newspaper of general circulation in the School District.
- Election clerk offices must be open for at least 8 hours on the last Saturday (March 7, 2020) and/or Sunday (March 8, 2020) before the election to issue and receive absent voter ballots. The election clerk must post notice of those date(s) and time(s) at least 30 days before the election.
- **Tuesday, March 10, 2020** - The polls of election will open at 7:00 a.m. and close at 8:00 p.m.