



SCHOOL FUNDING FAQ'S*

Doesn't our property taxes pay for our schools?

Before 1994, property taxes were used to fund schools. When Proposal A was passed, that changed. The state now funds Michigan's school districts through a "foundation allowance." Instead of local property values dictating the funding level for the individual districts, a combination of funding sources are collected by the state and redistributed as a per pupil foundation allowance. Therefore, a rise in taxable values of properties in Northville, all else being equal, does not generate additional operating dollars for the district because they are no longer related.

Doesn't the lottery cover the costs for schools?

There is a perception that lottery revenue significantly funds the School Aid Fund. In fact, in 1995, lottery revenue contributed only 5%. In 2018-19, it was estimated to contribute 7% of the School Aid Fund.

We passed a bond in 2017, shouldn't that help cover expenses?

While the district is incredibly thankful to the Northville community for passing the bond, the money from a bond can only be used for what was outlined in the ballot language, in this case, for upgrading our facilities. We have seen the results of this bond in the improvements made to our schools as well as the new Hillside Middle School. By law, however, none of that money can be used for operating costs, i.e. staffing, books, utilities, etc.

I heard that enrollment is going down. Why aren't we cutting costs to match?

Because over 80% of school districts' operating costs are fixed (salaries and benefits), districts are unable to shed costs as quickly as the decline in revenue when enrollment goes down. In addition, although overall enrollment may go down, the decreases are spread across all of the grades and does not always allow for decreasing staff size. Two-thirds of Michigan school districts have seen enrollment declines.

Why does Birmingham, West Bloomfield and Farmington get more money per pupil?

When the state passed Proposal A, there were districts where the new funding model would have resulted in a lower per-student amount. In order to guarantee that those districts would sustain their funding level, they were designated as "Hold Harmless" districts. These districts were allowed to tax their community to make up the difference in their operating budget. Northville is not a "Hold Harmless" district and therefore is not legally allowed to tax its citizens to provide additional funds for their operating costs. Although, the state has been steadily closing the gap between the districts, economic change in our community is not considered. In fact, we are currently at the highest foundation allowance amount.

Can't we just repeal Proposal A? or ask the State to reconsider our foundation allowance?

Changing Proposal A or asking the state to reconsider our foundation allowance would require changing the Constitution—not an easy task. School funding would have to be completely reconsidered. A study published in January 2018 by the Michigan School Finance Research Collaborative has recommended that schools receive a base cost of \$9,590 per pupil, with additional funding weighted by factors such as number of English language learners, district size, etc., up to a maximum of \$11,482 per pupil — far above our current \$8,529 per pupil funding.

Is this why Northville has an Educational Foundation?

Yes! We help because school funding falls short. We can not do it without you. Please consider donating now!

**For more information, go to our website: www.SupportNEF.org and click on the "About -> School Funding" menu.*