



**A2Y Regional Chamber Statement of Support for the
May 8th, 2018 Ann Arbor Public Schools Operating Millage**

March 22, 2018

On Tuesday, May 8th, voters in the Ann Arbor Public Schools (AAPS) District have an important millage renewal on the ballot. This millage seeks authorization to levy 21 mills, but not collect more than 18 mills, on non-homestead properties for 20 years. The AAPS District is currently authorized (by the millage which was approved by voters in 2009) to collect 18 mills on non-homestead properties. However, AAPS is currently only collecting 17.5957mills. This difference in amount comes from the original authorized amount being “rolled back” by a Headlee Rollback. The A2Y Chamber is supportive of this millage and wants to highlight three important facts about it and its complexity:

1. It is vital to the success of the school district;
2. It is complicated because of state law; and
3. To ensure fiscal stability and deal with the complexity of state law, it prudently seeks an authorized tax rate that is higher than it can ever legally collect.

This millage provides roughly 35% of the total general operating fund for the AAPS system, and is by far the largest single source of funding it receives from voter approval. It is the millage which makes the actual operation and work of the district viable. This funding also allows AAPS to access full revenue from the State of Michigan.

The millage is complex because of state law. This millage will only apply to non-homestead properties, which means it will not be paid by homeowners but will be paid by those who own commercial property, principally industrial and commercial real property and residential rental property. That is not a decision the district can control, but rather something that must happen per state law.

In a complicated but logical way, this millage will result in the same amount of taxes being collected which were last authorized by voters. The millage renewal on the May ballot seeks to ensure AAPS collects no more, or less, than 18 mills for the life of the millage. To ensure this outcome, AAPS is seeking authorization for 21 mills, but with the reality that it can never legally (per state law) collect more than 18 mills. This complex language basically means the amount collected will not change from 18 mills as new Headlee Rollbacks take effect. It also means the tax paid will remain at the same amount (18 mills) last authorized by voters in 2009.

This millage is complex because of factors beyond AAPS’ control. It is also vital to the success of AAPS and the work it does to prepare our children to be ready to succeed in their careers. While the millage language and the laws governing it are complex, its need is clear. The A2Y Chamber supports the May 8th AAPS Operating Millage.