

Hold Harmless Renewal- Points of Information

- The Hold Harmless Millage will expire in the spring of 2015. The district is asking residents to RENEW this millage for another 10 years. This is not a new tax, only a RENEWAL of an existing millage.
- The Hold Harmless Millage is made up of two parts-
 - 18 mills on business and commercial property generating \$27.8 million.
 - 6.17 mills on homeowners generating \$11.5 millionCombined the Hold Harmless Millage generates \$39.3 million or 22% of the District's total \$178.7 million budget.
- The Hold Harmless millage was first approved in 1995 then renewed in 2004.
- Prior to 1994 local property taxes paid for local schools, tax money collected in Dearborn stayed in Dearborn. This method of school funding creating some inequities in school funding across the state. Larger districts with more residents and business would collect more revenue than smaller districts with fewer homes and little business.
- In an attempt to equalize school funding across the state, and reduce property tax, a law was passed in 1994 that changed school funding. Local property taxes were sent directly to Lansing and evenly distributed on a per-student basis. This method of school funding created a guaranteed per-student funding amount for all students across the state. No more could local districts hold elections to ask voters to support the operational expense of running a district.
- The Problem with the new law was that some districts received less money per-student than what they were receiving before the passage of the law, including Dearborn.
- To correct this problem the state allowed districts to ask voters to approve a Hold Harmless Millage that would make up the difference in funding from the old method to the new method.
- The original difference between what Dearborn was receiving locally per student and what Dearborn would receive per-student from the state was \$593. School district residents approved a 10- year, 6.17 mill Hold Harmless millage that would generate \$593 per student in revenue. The \$593 per student amount cannot change.
- Without the renewal of the millage on November 4, 2014 the Dearborn Public Schools would face draconian reductions in services to students.

- Clearly a 22% reduction in the budget would force the administration and Board of Education to make dramatic reductions across the spectrum of opportunities now offered to students. Services such as busing, programs such as art, music, and sports, co-curricular and extra-curricular activities and numerous elective classes would come under scrutiny and might need to be cut or drastically reduced.
- With a 1/5 reduction in the total budget classrooms would become places where only the very basic instruction would be available.
- Simple way to remember the significance of this millage-
 - **HOLD**- This is not a new tax, only a RENEWAL. This would HOLD the Funding at current levels.
 - **HARM**- Without Hold Harmless funding, the district would face massive cuts that would HARM the quality of education and the level of service provided to students.
 - **LESS**-Can you live with 1/5 less funding for the district? 1/5 less teachers, programs, services to students, and maintenance to buildings?
- Are you registered to vote?
 - If you are 18 years old and a U.S. citizen, you can register to vote.
 - To be eligible to vote in the November 4 election, you must register by October 6, 2014.
- Voters approved a \$76 million SMART Bond in November of 2013. By law the money from the SMART Bond can only be used for the specific projects outlined in the application to the state. These projects include capital improvements at several schools, new busses, and new technology. Bond money cannot be used for the day-to-day operation of the district such as buying supplies, paying employees, or other operational expenses. Hold Harmless funds are used to cover the cost of running the district.