

On April 9, 2024,
the Onaway Area School's
Board of Education passed a
resolution to place a
non-homestead operating
millage proposal on
the ballot for the upcoming
election to be held on
August 6, 2024.



*Remember to Vote
August 6th!*

This Operating Millage Proposal Would:

- Cost primary residence homeowners **ZERO** dollars (\$0).
- Allow the district to levy the full 18 mill non-homestead tax in order to receive full state funding.
- Fund the district's general operating budget.
- Allow the district to continue to provide educational and extracurricular programs and services.



WHAT DOES THIS MEAN?

The foundation allowance is the major source of funding for Michigan schools. All Michigan school districts must levy 18 mills on non-homestead property to receive their full foundation allowance.

This is levied via non-homestead operating millages. This is *not* the same as bonds that can be used for things like HVAC improvements. The non-homestead operating millage funds the district's general operating budget. It generates the funding necessary to provide educational programs and services at Onaway Area Community Schools (approximately \$3.32 million per year).

For Onaway Area Community Schools, this levy ensures the district maintains its current full per-pupil revenue of \$9,608. If the millage proposal does not pass, OACS per-pupil funding would fall to nearly \$3,620, which would equate to a loss of approximately \$3.32 million per year or approximately 43% of current budgeted general fund revenues.

If this millage does not pass, the State will not replace the funding (approximately \$3.32 million per year) and the school district would be forced to reduce or cut programs to offset the loss.

The 18-mill levy will cost primary residence homeowners zero dollars (\$0 per year).

This is because owned primary residences (homestead properties) do *not* pay the 18-mills levy. The operating millage proposal applies to commercial and industrial properties, second homes, vacant land and rental properties.

The district is proposing a millage rate of 18.8951 mills. However, the district cannot levy more than 18 mills at any one time. Therefore the additional amount above 18 mills only "kicks in" if the school district's millage rate falls below 18 mills. This helps ensure the district will continue to receive its full foundation allowance.

If approved, 18.3951 mills is a renewal of millage that expired with the 2023 tax levy and 0.5 mills is additional millage that will be levied only to the extent necessary to restore millage lost as a result of the reduction required by the "Headlee" amendment to the Michigan Constitution of 1963.