



Headlee Rollback Millage Hits Again for Year 2

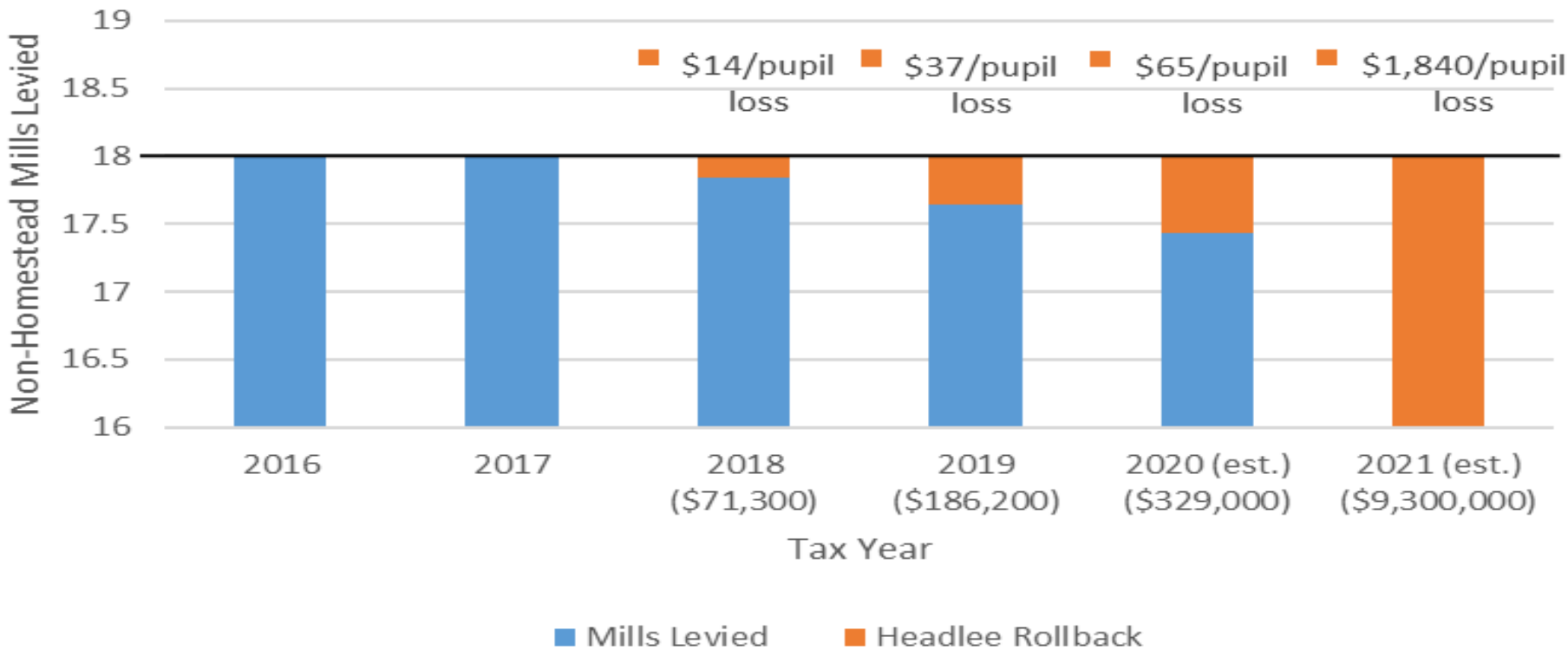
MAY 20, 2019

Operating Millage - Headlee Rollback

- When property values rise at a greater pace than the rate of inflation the non-homestead tax levy will be Headlee reduced, known as a Headlee Rollback.
- In order to receive the full per pupil foundation allowance the state requires school districts to collect the full 18 mills on non-homestead properties.
- For 2018-2019, the non-homestead tax levy for Caledonia was Headlee reduced to 17.8452 mills and was a loss to the district of \$71,300 (\$14 per pupil).
- For 2019-2020, Caledonia is experiencing another Headlee Rollback totaling 0.3601 mills of non-homestead funding. Our projected loss was \$156,700, however, the actual loss is \$186,200.

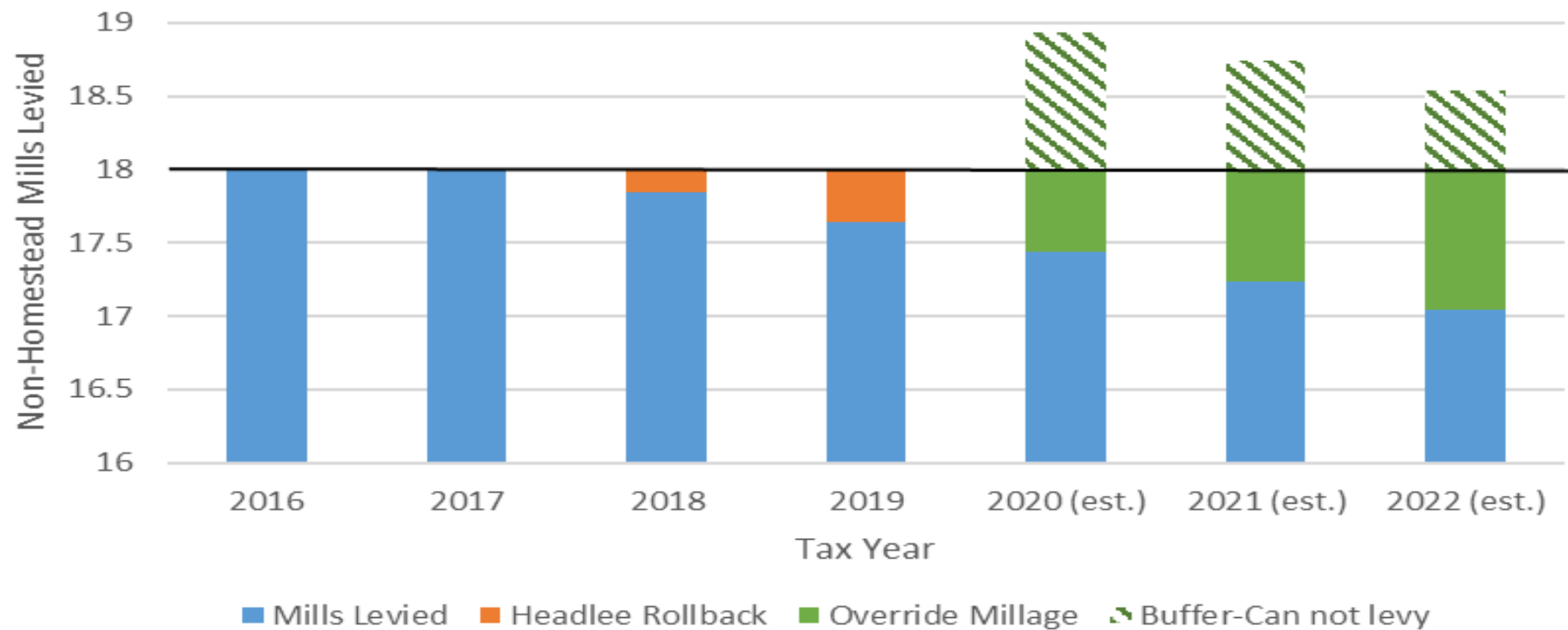
Headlee Rollback Implications

Headlee Impact on Local Non-Homestead Operating Millage Receipts



Headlee Restoration Millage

Headlee Impact on Non-Homestead Millage with Additional Authorization



Option One

- Return to the voters (**November 2019**, March 2020, or May 2020) for another attempt at the non-homestead restoration millage of 1.5 mills for 1 year, 2020, allowing the district to return to collecting the full 18 mills as part of the State's funding formula and providing a buffer in the event there are future Headlee rollbacks. Again the district can NEVER collect more than the 18 mills.
- This would require an action from the Board to approve the ballot language no later than the Board Meeting scheduled on July 15, 2019. (Ballot language due August 13 for November election.)
- If passed this would allow the district to levy the full 18 mills on non-homestead properties for the 2020/2021 school year.

Option One Results

If Successful:

- The district is restored at the full 18 mills for 2020/2021 and will be able to collect the est. \$329,000 of otherwise lost revenue.
- Return to voters in 2020 for a renewal of both the current Headlee reduced operating millage and the additional restoration millage for a period of 5 years.
- Regular elections in 2020 are March, May, August, and November.

If Unsuccessful:

- The district experiences a third year of consecutive lost revenue.
 - 2018-2019 loss was \$71,300
 - 2019-2020 loss will be \$186,200
 - 2020-2021 est. loss will be \$329,000(Combined 3 year loss equates to \$586,500)
- In year 2021-2022 est. loss will be \$9,300,000

Option Two

Wait for the current Headlee reduced millage to expire in December 2020. Return to the voters in May 2021 for a new increase of 18 mills non-homestead operating millage.

If Successful:

- The district is restored at the full 18 mills for at least one year 2021-2022.
- In the event there are future Headlee rollbacks the district will continue to lose operating dollars as we have experienced now for the last two years.

If Unsuccessful:

- The district would lose its full 18 mills of operational funds currently at \$9,300,000.