



ORCHARD VIEW SCHOOLS

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Orchard View Early Elementary
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Orchard View Cardinal Elementary
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Orchard View Middle School
231-760-1500
Orchard View High School
231-760-1400
Orchard View Adult Education
Program
231-760-1948
Orchard View Head Start
231-760-1787
Orchard View Central Office
231-760-1300
Orchard View Community Education
231-760-1350

October 8, 2022

Dear Orchard View Community:

In Michigan, most public school districts, including Orchard View Schools, are required by law to levy 18 mills on non-homestead property for operating purposes in order to receive full per pupil funding from the State of Michigan. The State of Michigan expects and assumes that a school district will levy 18 mills as a component of the funding that schools receive, and a school district that levies less than 18 mills will lose funding for its operating budget. The State will not replace this funding through the per pupil foundation allowance that the school district receives.

Through last year, Orchard View has been able to levy 18 mills for its operating millage in order to receive full per pupil funding from the State. However, for 2022, due to a "quirk" of Michigan law, the 18 mills has been "rolled back" (reduced). This is caused by the 1978 Headlee Amendment to the Michigan Constitution. In a nutshell, the Headlee Amendment requires a local government to reduce a millage rate ("roll it back") when annual growth to its tax base is greater than the rate of inflation. In 2021, Orchard View's tax base grew by a rate greater than inflation, so the 18 mills operating millage has been "rolled back" by the Headlee Amendment to 17.9118 mills.

The only way to address a Headlee rollback is to ask voters to consider a "Headlee override" millage proposal. Orchard View's operating millage proposal on the November 2022 ballot is such a proposal, as it will allow Orchard View to continue to levy 18 mills for operating purposes if it is approved by the voters. It is important to note that the operating millage is a tax that is paid by owners of commercial and industrial property, as well as owners of rental property and second/vacation homes. Homestead properties (primary households) are exempt from the operating millage – the tax is not levied on a homeowner's primary residence. This means that Orchard View residents who own one home in the district do not and will not pay this tax.

Please consider the following points of emphasis as you make your decision regarding Orchard View's operating millage proposal on the November 8, 2022 ballot:

- Orchard View's voters last approved the school district's 18 mills operating millage in 2006
- From 2006-2021, Orchard View was able to levy the full 18 mills required by law, so that it received its full per pupil funding from the State during those years
- Unless the operating millage proposal is approved by the voters at the upcoming November election, Michigan law will only allow Orchard View to levy 17.9118 mills for operating purposes in 2022
- Levying only 17.9118 mills will result in the school district losing approximately \$12,200 in per pupil funding in 2022, and each year thereafter
- The operating millage proposal, if approved by the voters, would allow Orchard View to continue to levy 18 mills in 2022 and thereafter, just as it has in previous years, in order for the school district to continue to receive its full per pupil funding from the State
- The operating millage is a tax that is not levied on homesteads (primary residences) – it is only levied on non-homestead property.

Please be sure to visit our website at www.orchardview.org for more information. Also, please feel free to contact me at 231-760-1310.

Thank you for your time and consideration!

Jim Nielsen, Superintendent
Orchard View Schools

It's a Great Day to be a Cardinal!