

TO: Robin Moore, Board President  
Dr. Caitlin Cavanagh, Board Treasurer  
Dr. Deyanira Nevárez Martinez, Trustee  
Lavonté L. Heard

CC: Ben Shuldiner, Superintendent

DATE: June 10, 2025

RE: Property Tax Levy Discussion

**Superintendent**

Ben Shuldiner

**Executive Team**

Sergio Keck

**Deputy Superintendent  
of Special Populations  
and Programs**

Jessica Benavides

**Deputy Superintendent  
of Schools**

Cordelia Black

**Executive Director  
of Culture and Climate**

Kim Adams

**Assistant Superintendent  
of Finance and Budget**

Kristina Tokar

**Chief Operating Officer**

**Background**

In advance of the June 5 Board of Education meeting, Trustee Nowiski submitted questions regarding the district's varying tax levy practices across municipalities. District administration and legal counsel collaborated to provide a comprehensive response and background to support informed discussion on the L-4029 forms and the timing of property tax collections.

**Summary of Questions and Responses**

**Why does the district levy taxes differently across municipalities?**

The current structure—where some municipalities collect 100% in summer, others collect in a 50/50 split, and some collect only in winter—was established prior to the current administration. It reflects a combination of historical practice, cash flow needs, and administrative feasibility based on the collection capabilities of each jurisdiction.

- **100% Summer:** City of Lansing, City of East Lansing
- **50% Summer / 50% Winter:** Delta, Dewitt, Lansing Townships
- **100% Winter:** Delhi, Watertown, Windsor Townships

This approach helps align with local collection patterns and taxpayer expectations. Townships tend to focus on winter collections, while cities more commonly handle summer levies or a split.

**Were the differences requested by the district or the municipalities?**

There is no formal record identifying the origin of the split. However, it appears to be a product of mutual accommodation, local practices, and cost management considerations. Legal counsel suggests the current approach was likely influenced by both fiscal strategy and administrative realities.

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**What is the impact on district cash flow or interest earnings?**

Collecting 100% of taxes in the summer from Lansing and East Lansing—which generate most of the district's property tax revenue—provides essential operating cash during July through September, prior to receiving the first State Aid payment. Although delaying some revenue (from winter-only or split jurisdictions) may modestly reduce interest earnings or create tighter cash flows, the district has historically managed this without major issue.

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**Chief Operating Officer****What does legal counsel advise?**

Legal confirms that under **MCL 380.1613**, the district has full authority to establish summer, winter, or split tax levies in all jurisdictions. However, to expand summer collections, the following are required:

- A public hearing process
- A Board resolution (typically in December of the prior calendar year)
- New collection agreements with each affected local unit

Legal also notes that districts are responsible for covering collection costs if they initiate a summer levy in a jurisdiction that does not already perform summer collections (excluding the 6-mill State Education Tax, which cannot be used to offset district collection costs).

**Cost and Timing Considerations**

Adjusting the tax collection schedule is not a near-term option. By statute, summer levies must be approved by the Board in December preceding the tax year. Therefore, no changes could take effect before **December 2025**, for implementation in **2026**.

Furthermore, expanding summer collections could incur **significant costs**, particularly in smaller jurisdictions like **Windsor Township**, which currently collect only in winter. Instituting a summer collection in such areas may require the township to run a separate billing cycle solely for district taxes—a potentially **cost-prohibitive** move given the limited revenue collected from those areas.

**Conclusion and Recommendation**

The district's current property tax collection structure continues to provide strong operational and fiscal support. Collecting 100% of taxes in the summer from the City of Lansing and East Lansing ensures adequate cash flow during the early months of the fiscal year, when State Aid payments are not yet distributed. In contrast, other jurisdictions follow split or winter-only collection schedules that reflect historical practices and likely cost considerations.

While legal authority exists to shift the timing of collections under **MCL 380.1613**, such changes would require formal Board action in **December** of the year prior to implementation, public hearings, and new collection agreements with each affected unit.

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Additionally, the presence of the **6 mill State Education Tax (SET)** further complicates changes in some jurisdictions. Although SET is always levied in the summer, the **state currently pays the administrative cost of collection when no local summer taxes are assessed**. If the district were to initiate a summer collection in those jurisdictions—such as Windsor Township—the **state would no longer pay those costs, and the district would assume the full financial burden**. This shift could be **cost-prohibitive**, especially in areas that represent a small portion of the district's total tax base.

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Given these timing constraints, administrative complexities, and potential cost increases, we recommend the Board of Education continue with the current tax collection schedule.

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