

The Basics of Public School Funding

Okemos Board of Education
October 17, 2022



School Funding

1. Daily Operations
2. Building & Facilities



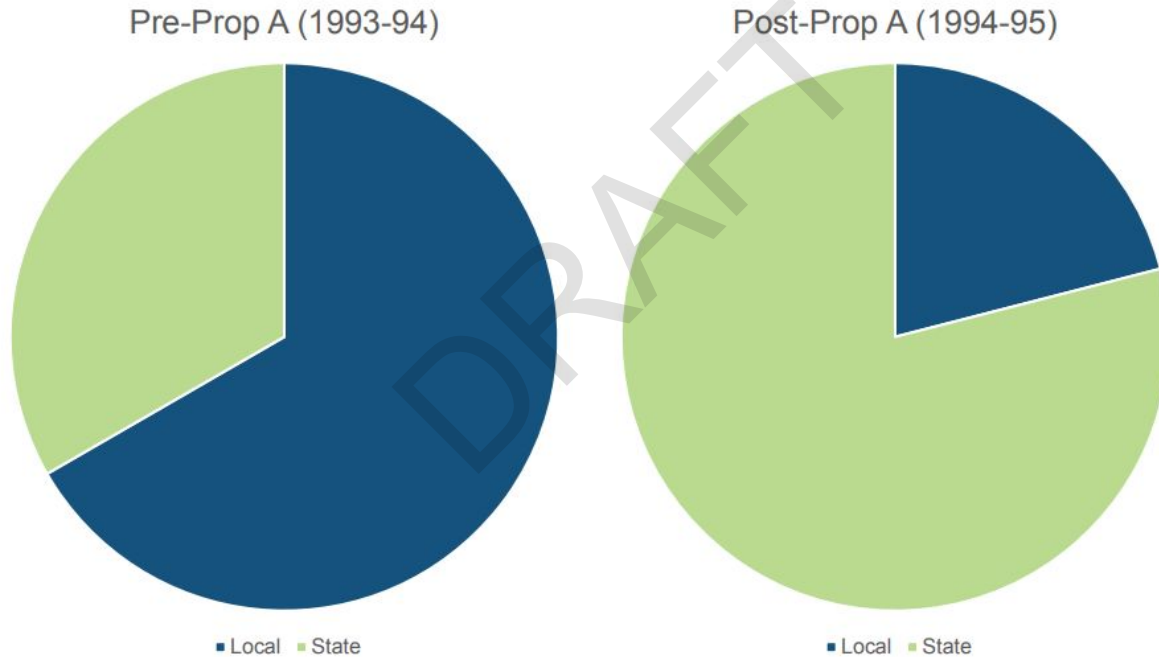
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SCHOOL FUNDING DAY TO DAY OPERATIONS



Proposal A Impact

Shifted revenue for day to day operations from local to state resources



Proposal A

Primary Goals

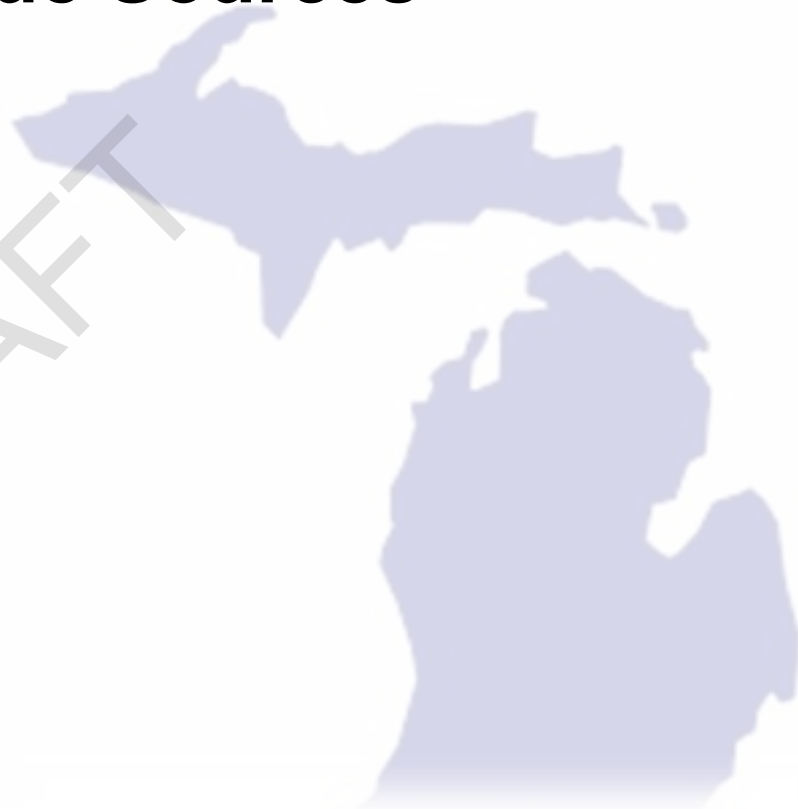


- Reduce local school operating property taxes
- Increase state share of support for schools
- Guaranteed minimum level of per pupil funding
- Provide more equity amongst school districts
 - 93-94: \$3,398 - \$10,294

School Aid Fund Revenue Sources

- 6 mills state education tax
- 4.4% of the 6% sales tax
- 28.4% of income taxes
- Profits from state lottery
- Real estate transfer tax
- Various other taxes

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School Aid Fund Uses

- 63% - Foundation Allowance
- 10% - Special Education
- 9% - Federal programs
- 9% - Retirement
- 3% - At-Risk
- 2% - Early Childhood
- 4% - Other programs

%'s are approximate

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Per Pupil Foundation Allowance

2022-23 = \$9,150

- Primary source of operating revenue
- Combination of state and local funds
- State “assumes” districts levy 18 mills non-homestead
- Changes determined through legislative process
- 1994 to 2022 some years 2x’s based to lowest foundations
- 2022-23 funding gap closed

Per Pupil Foundation Allowance **Uses**

- Employing all staff (salaries & benefits - 88%+ of budget)
- Materials & supplies
- Textbooks
- School buses
- Contracted services
- Utilities
- Athletics
- Community education

SCHOOL FUNDING BUILDINGS & FACILITIES



Building & Facilities Funding - Local Control

Bond Millage Request

Borrow and receive funds

- Construction of new buildings or additions
- Renovations of existing buildings
- School bus purchases
- Furniture & equipment
- Technology

Sinking Fund Millage

Annual revenue stream

- Construction of new buildings or additions
- Renovations of existing buildings
- Repairs
- Instructional Technology
- Security Improvements

Unallowable Uses of Bond & Sinking Funds



- Operating costs
- Uniforms
- Maintenance
- Portable classrooms
- Automobiles, trucks, vans
- Textbooks



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