

The Ann Arbor Area Chamber of Commerce supports the proposed Operating Millage restoration by the Ann Arbor Public Schools (AAPS). Vote YES on the proposal to continue the Operating Millage. This restoration proposal is on the May 6, 2008 ballot.

Facts

The proposal by the AAPS to continue the Operating Millage is a continuation of 17.9694 mills, restored to 18 mills, that have been in place since Proposal A (1994/1995).

The Operating Millage proposal:

- Authorizes an increase in the limit on operating taxes to 18 mills, of which all 18 may be levied on most non-homestead property (business, industrial, commercial property, rental and second homes) and not more than 12.4675 may be levied on principal residences. Levies are based on taxable values and will go up and down as these values fluctuate.
- Most of the authority is not levied on primary residences; of the 18 mills, currently 4.7232 mills are levied on primary residences to hold the AAPS harmless.
- Currently supplies 45% of AAPS' operating funds, and 51% of the AAPS foundation allowance.
- Is required so that AAPS can receive its full allocation of operating funds from the Michigan legislature.
- Is funding that goes directly to AAPS to support key district programs and operations.

In the first year of the millage, the impact on the non-homestead taxpayer would be 18.00/\$1,000 of taxable valuation which is .03 mill more than non-homestead tax payers are paying now.

For more facts and election information please visit the [AAPS Millage Restoration website](#).

Position

The Ann Arbor Area Chamber of Commerce understands the importance of quality public education not only for the opportunities it affords students but also for the caliber of the workforce it provides for business. With the expiration of the existing 18 Mills Operating millage in 2009, we believe it is reasonable for AAPS to ensure continued funding for its operations with advanced planning by requesting renewal at this early date. The question at hand is whether this renewal proposal is the right plan.

A quality education system is important to the business community, both in producing skilled workers for the future, and in enabling businesses to attract the employees of today. Through careful consideration and dialogue we believe the Ann Arbor public school system has real needs in order to meet expectations of the parents and children they directly serve and the business community.

Members of the Chamber's Board of Directors, the Chamber's Public Policy Committee, Budget/Millage Task Force and staff devoted substantial time to review and discuss information provided by the schools. Careful consideration was given to how the proposed Operating Millage

renewal meets our guidelines set forth for tax related issues. We found the proposal to meet our guidelines in several regards.

In addition to recognizing the significance of the operating millage within the AAPS budget (45%), we note several areas of progress within the AAPS that demonstrates fiduciary responsibility, while maintaining the standard of excellence expected in the community.

The schools shared data showing a reduction of over \$500,000 in legal costs over the past two years. They have also eliminated an annual operating loss in their food service program that the district experienced since 2002 and will this year have a surplus of \$500,000 based on their new food service contract. The surplus this year provides the district with an over \$900,000 positive impact to their operating budget as compared to FY 2007. The Chamber believes these actions demonstrate important steps toward sound fiscal management of district finances and operations. Additionally, the district has reduced their operating budget by over \$12 million in the past three years. These reductions come from not only personnel reductions, but also savings in their health care expenses by moving to the self-funding of all non-teacher health care and capping expenses for teach health care at 5% annually.

The AAPS recognize the benefits of collaboration with community partners, including business, and regularly seeks opportunities to achieve saving (through efforts with the WISD). Areas where efforts have been or are being pursued include: human resources, business services and operations, technology, achievement and instruction, professional development, special education, communication, and administrative services. The Chamber applauds these collaborative efforts and encourages AAPS to vigorously pursue these opportunities to increase operational efficiency while reducing cost.

All of these efforts have been made in order to maintain their core mission of providing extraordinary educational opportunities for Ann Arbor students. Efforts are proven through results seen in district averages for student achievement in areas of reading and math. Students have consistently exceeded the state averages among 4th, 7th, and 8th graders. Student participation in the ACT is also improving with 85% of 11th grade students taking the ACT in 2007. The State and AAPS recognize the impact of having students take the ACT, the widely accepted test for college acceptance. With their academic rigor, AAPS was ranked first in Michigan two years in a row (2004-2006) in the number of Merit Scholarships awarded, totaling \$2.93 million. These are just a few of highlights of excellence seen throughout the AAPS system and do not touch on the many offerings in the areas of foreign language, arts and music, athletics, and career and technical education.

For these reasons the Ann Arbor Area Chamber of Commerce urges your support and YES vote for the AAPS 18 Mills Operating millage restoration.