

Dexter Community Schools Funding Explained

1. Every Dexter homeowner pays a 6 mill State Education Tax.



2. The State Education Tax, combined with these other taxes, makes up the Michigan School Aid Fund.



2% of Sales Tax

Portion of Income Tax

State Education Tax

Portion of Lottery

Portion of Use Tax

Portion of Tobacco Tax

Real Estate Transfer Tax

Other

Michigan School Aid Fund

3.

The state determines how much money each school district is allowed to have for operating expenses (things like teacher salaries, supplies, technology, school programs, etc.).

This amount, called the Foundation Allowance, was set for each district in 1994 based on how much money districts were spending at that time.



Dexter Community Schools

5.

There is massive inequality in this system

4.

The School Aid Fund and an 18 mill tax on Dexter businesses and non-principal residence property provides money for Dexter Schools, but only up to the Foundation Allowance limit.

State law prohibits most districts, including Dexter Schools, from passing new taxes to fund operational expenses.



Ann Arbor Schools receives ~\$1,300 more per student than Dexter Schools



Bloomfield Hills Schools receives ~\$4,100 more per student than Dexter Schools

Dexter Schools gets a bill from the state for things like teacher retirement, which Dexter Schools then pays from their Foundation Allowance. The percentage of that bill has continued to grow. While in 1995 they only had to send back 14%, they now send back 38%.



How can we level the playing field?

This is where E4DS comes in. E4DS, or Excellence 4 Dexter Students, is a community-led 501(c)(3) non-profit that raises funds to be donated to Dexter Community Schools. This money can be used for things like more programs, camps, and additional teachers.

Why does Dexter Schools need more money?

Compared to other districts, Dexter Schools does a very good job managing their operating expenses, devoting ~75% of the budget to classroom instruction and student support, and keeping administrative expenses low. However, we want the best possible education for our kids. Where a child lives should not determine how much is spent on their education.

What is Proposal A?

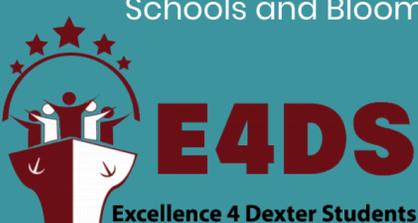
In 1994, Proposal A was signed into law. The goal was to equalize school funding between districts and to reduce taxes. The statewide School Aid Fund grew, with money coming from an increase to the sales tax rate, plus additional sources including the 6 mill State Education Tax that all homeowners pay today. In addition, the state calculated a funding level for each school district, based on the revenue per district in 1994-95. The effect of this is that school districts are essentially stuck with their past funding levels. Districts like Bloomfield Hills Schools and Ann Arbor Schools, which had high revenue in 1994, are given much higher funding today than Dexter Schools.

Where did the money come from for the new elementary school and athletic fields?

Dexter Community Schools is allowed to ask voters to authorize the sale of bonds to provide funding for capital infrastructure, such as buildings, site improvements, renovations, furniture, buses, and computers. Beacon Elementary School was funded with proceeds from the August 2017 Bond Proposal. The bonds are repaid out of the 8.5 mills debt levy.

Why doesn't Dexter just pass an extra school operating millage?

Proposal A prohibits most communities from passing additional millages for operating expenses (e.g. teacher salaries, supplies, technology, school programs, etc.). There are about 40 districts in Michigan that are allowed to raise the funds locally because the Foundation Allowance set in 1994-95 would have significantly reduced their operating budgets. Dexter Schools is not one of those districts; Ann Arbor Schools and Bloomfield Hills Schools are.



For more information, please visit: www.E4DS.org