

SCHOOL FINANCE REFORM IN MICHIGAN PROPOSAL A: RETROSPECTIVE



**Office of Revenue and Tax Analysis
Michigan Department of Treasury
December 2002**

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I. EXECUTIVE SUMMARY

For years, Michigan residents have wanted property tax relief along with more equal educational funding across the state's local school districts. Michigan property taxes were above the national average. Funding inequities among school districts continued to grow plus an increasing number of millage elections were being defeated due to voter discontent with high property taxes. Frustration with these issues peaked in August 1993 when the Michigan Legislature repealed property taxes as the primary funding source for K-12 education.

In response to the elimination of property taxes for school funding, Governor Engler proposed a new funding approach to be placed on the ballot for voter approval. On March 15, 1994, Michigan voters approved Proposal A, which revamped how schools would be funded and also provided educational reforms. Proposal A promised a minimum per pupil foundation allowance, more equity among local school districts, lower property taxes, and more school accountability.

Different from other proposals to change school funding, voters were not able to keep the status quo if the proposal did not pass. Essentially, voters were asked to increase the sales tax rate (Proposal A) or increase the income tax rate if Proposal A failed (Statutory Plan). Going back to the old system was not an option. Proposal A also provided a new mix of other tax changes that would provide funding for Michigan schools. State taxes, instead of local property taxes, would now fund local school district operating costs.

Before Proposal A, Michigan's property tax burden was more than 33 percent above the national average with the sales tax 32 percent below the national average. Both are now near the national average.

All local school districts are provided a minimum foundation allowance per pupil which has lowered the spending gap between low and high spending school districts. For FY 2003, the minimum foundation allowance is \$6,700 per pupil. Before Proposal A, the top ten spending districts outspent the lowest ten spending school districts by almost a 3:1 ratio. Currently, this ratio between the top ten highest and lowest spending districts is less than a 2:1 ratio.

Publicly chartered schools and "schools of choice" were another part of the reforms enacted with Proposal A. Charter schools are considered public schools that are organized by teachers, parents, universities, etc., and chartered by a public entity. Schools of choice allow students to attend a public school in a district other than where the student resides.

Proposal A dramatically decreased the amount of property taxes paid by Michigan residents and limited future increases. Starting in calendar year 1995, property taxes have been levied on taxable value instead of state equalized value. Taxable value increases are constitutionally limited to 5 percent or the rate of inflation, whichever is less. When a property is sold, the tax base reverts to state equalized value and annual taxable values are then capped once again.

Property is now classified as homestead and nonhomestead. Homestead property is considered to be a Michigan resident's home. Business property, rental housing, and vacation homes are

considered to be nonhomestead property. Property that is not a homestead and not qualified agricultural property can be assessed up to an additional 18 mills for local school operating purposes.

Michigan residents and businesses have seen large decreases in the millage rates assessed on their property. In 1993, the average statewide millage rate for all property was 56.64 mills. In 2000, the statewide average homestead millage rate was 31.54 mills and the nonhomestead rate was 50.10 mills.

Local school debt millage has increased since Proposal A. The number of school districts participating and the amount of new bonds issued through Michigan's School Bond Loan Program have increased dramatically. Since 1994, the number of school districts participating has jumped from 42 to 130 districts, an increase of 210 percent. The total amount of qualified debt outstanding increased from \$4.1 billion in 1994 to \$11.1 billion in 2001.

II. INTRODUCTION

It has been nine years since August 1993, when Public Act 145 of 1993 became law, which effectively eliminated local property taxes as a source for K-12 and intermediate school district operating revenues. Public Act 145 of 1993 eliminated approximately \$7 billion in school operating funds and did not provide any alternative funding source.

In October 1993, Governor Engler delivered a message to a joint session of the Michigan Legislature based on a report entitled *Our Kids Deserve Better, New Schools for a New Century*. In this report, the Governor outlined his plan to reform Michigan's schools and the K-12 school finance system. The Governor's plan had four basic goals:

1. Reduce property taxes.

An immediate and substantial cut in property taxes to most property taxpayers.

2. Improve school funding equity.

A new system of school funding: the foundation grant system. Under the foundation grant system, the State would take responsibility for a greater share of school funding in an attempt to improve funding equity across school districts. School funding equity would be enhanced through a constitutionally-guaranteed minimum funding level per student.

3. Implement various reforms to improve the quality of education.

Reforms included allowing parents and children to choose among competing public schools, lengthening the school year and the creation of charter public schools. A student's foundation allowance would follow the student to his or her school of choice.

4. Redefine state and local government relations.

State law would be modified to limit the number of property tax millage elections and eliminate the tie between state aid and local tax effort.

On December 24, 1993, legislation was enacted to allow for distribution of state School Aid Fund (SAF) revenues through the new foundation grant funding system. However, it was still unknown how the necessary revenue would be raised. To determine the new funding source(s), the legislature presented Michigan voters with two options. The first option, known generally as Proposal A, replaced most property taxes levied for local school operating purposes with a two-percentage point increase in the sales tax rate. The second option, known generally as the Statutory Plan (which would take effect if Proposal A was rejected), replaced most property taxes levied for local school operating purposes with a 1.4 percentage point increase in the Michigan individual income tax rate. Both plans included numerous other tax modifications, the most significant being a new state education tax (SET) levied on property. (The details are provided later in this chapter.)

Proposal A dedicated new revenue sources to the SAF including: the two percentage point increase in the sales and use tax rate, the 6-mill SET, the 50 cent per package increase in the cigarette tax rate, and the 0.75 percent real estate transfer tax. A percentage of income tax collections are also earmarked to the SAF.

In March 1994, Michigan residents approved Proposal A. Schools would now be funded through higher sales taxes rather than higher income taxes. All tax increases were levied on consumption except the new 6-mill SET. The increase in the sales and use tax rate and the cigarette excise tax became effective May 1, 1994. The new real estate transfer tax became effective January 1, 1995. The 6-mill SET was first levied in July 1994. Because the State of Michigan's fiscal year begins October 1, only about half of the 6 mills were levied in FY 1994.

This report provides an updated retrospective of the significant changes that have occurred from 1993 to 2002. Specifically, this report focuses on Proposal A's effect on property tax millage rates, tax revenues, per pupil funding levels, and state and local tax burdens. This report is *not* intended to provide the reader with a detailed explanation of all school finance reform issues. Rather, it is best used to provide a general overview of changes to the Michigan tax system as a result of Proposal A.

Chapter III presents Proposal A's impact on millage rates and the property tax base. Chapter IV discusses Proposal A's impact on Michigan's major taxes and the shift in the tax burden from property toward consumption taxes. Chapter V examines how per pupil funding and SAF revenues have changed since 1993.

Proposal A Objectives: Property Tax Relief and School Finance Reform

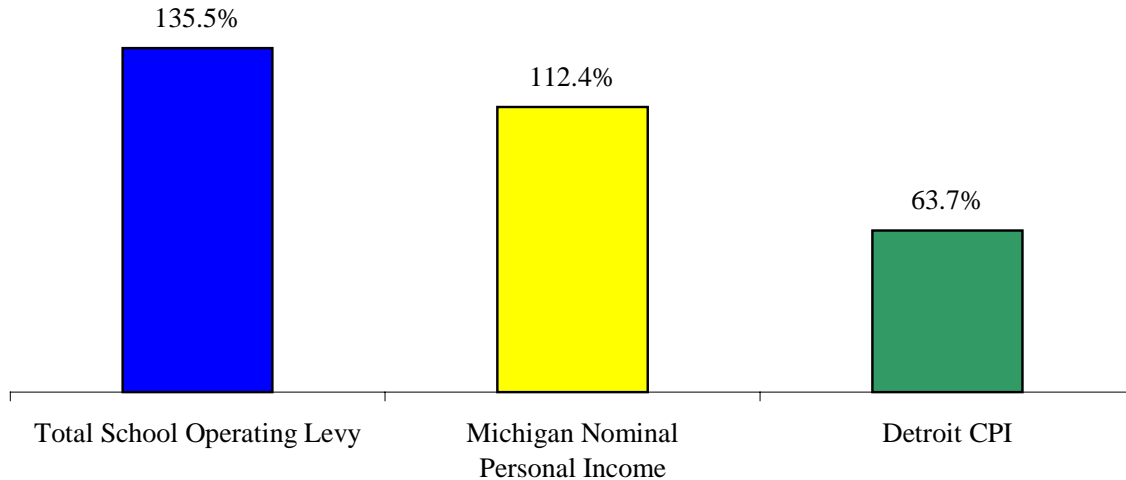
While a variety of factors contributed to the sweeping changes made in March 1994, a primary force was the need to provide property tax relief to Michigan residents. In 1993, the Michigan property tax burden was 7th highest among all states. Compared to the typical property taxpayer in the U.S., Michigan residents paid nearly one-third more in property taxes. Property tax reform was a perennial topic of debate until the passage of Proposal A.

The relatively high Michigan property tax burden could be traced to two factors. The first factor was the rapid growth in property tax rate levies for local schools. Between 1980 and 1993, the total property tax rate for school operating purposes (excluding debt) increased 135.5 percent, outpacing both inflation at a 63.7 percent increase and even an "ability to pay" measure such as nominal Michigan personal income at an 112.4 percent increase (see Exhibit 1). Over this same time period, enrollment in Michigan public elementary and secondary schools actually declined from 1,797,052 to 1,599,377 students, an 11 percent reduction. Had pupil enrollment increased, it is likely that the property tax burden would have been much greater.

The second factor contributing to high property taxes was local school districts' heavy reliance on local property taxes as their primary source of funding for both operating expenses and capital financing. For the 1992-93 school year, approximately 61.4 percent of total local school revenues (including debt) originated from local and intermediate sources (i.e., local property

taxes). Only three states relied more heavily on local property taxes as a source of funding for K-12 schools: New Hampshire (86.6 percent), Illinois (62.0 percent), and Vermont (61.6 percent). Nationally, local and intermediate school financing comprised only 44.7 percent of total school funding compared to Michigan's 61.4 percent.

Exhibit 1
School Funding Growth Outpaces Inflation and Income
1980-1993



Sources: State Tax Commission, Bureau of Labor Statistics and Bureau of Economic Analysis.

March 1994 Voter Options

Proposal A was not the first attempt to implement property tax reform in Michigan; prior attempts for school reforms had failed on numerous occasions. From 1972 to 1993, Michigan voters rejected property tax reform ballot proposals on eight occasions (two votes each in November 1972 and November 1989). After facing double-digit property tax assessment increases in 1993 (due to the 1992 assessment freeze), voters were more receptive to property tax reform. Due to Public Act 145 of 1993, tax reform would occur because of the elimination of all local school and intermediate school operating taxes (approximately half of all millages levied). This time, voters could not reject major reform because a vote for the status quo was not an option. The only decision left to voters was which of two new funding options would replace K-12 school operating revenues that had been eliminated.

Voters were presented with a choice between a sales tax increase or an income tax increase as a replacement for local property taxes (see Exhibit 2). Both plans made a new distinction between homestead (primary residence) and nonhomestead property (business property, rental housing, and vacation homes) and taxed the two classes of property at different rates. Under Proposal A (a “yes” vote), both homestead and nonhomestead property would be subject to a 6-mill SET; nonhomestead property would also be subject to an 18-mill tax collected by the local

Exhibit 2
Proposal A
Funding Alternatives for Local School Operating Levies

| <u>Revenue Source</u> | <u>1993 Law</u> | <u>1994 Voter Options</u> | |
|------------------------------|-------------------|-----------------------------------|-------------------------------------|
| | | <u>Proposal A Vote "Yes"</u> | <u>Statutory Plan Vote "No"</u> |
| Sales & Use Tax | 4.0% | 6.0% | 4.0% |
| Income Tax | 4.6% | 4.4% | 6.0% |
| Single Business Tax | 2.35% | 2.35% | 2.75% |
| Cigarette Tax | 25 cents/pack | 75 cents/pack | 40 cents/pack |
| Other Tobacco Products | None | 16% | 16% |
| Real Estate Transfer Tax | None | 0.75% | 1.00% |
| Personal Exemption | \$2,100 | \$2,100 | \$3,000 |
| State Education Tax | | | |
| Homestead Property | None | 6 mills | None |
| Nonhomestead Property | None | 6 mills | 12 mills |
| Local School Operating | | | |
| Homestead Property | Statewide Average | None | 12 mills |
| Nonhomestead Property | equals 34 mills | 18 mills | 12 mills |
| Annual Cap on Property Value | None | Lesser of 5% or inflation | None |
| Local Enhancement Mills | None | Up to 3 mills for only 3 years | Up to 3 mills permanent |

school district. Under the Statutory Plan (a “no” vote), only nonhomestead property would be subject to a 12-mill SET; all property owners would pay a 12-mill tax to the local school district. Thus, the difference was the rate on homesteads as businesses paid 24 mills under either plan.

Also, Proposal A allowed intermediate school districts (ISD) the opportunity to levy up to three mills district wide with voter approval to be divided among the local school districts in the ISD. This was a mechanism put in place to allow the opportunity for local school districts to levy additional millage while helping to keep per pupil spending levels more equal. Currently, only one ISD levies this type of millage.

While results from the March 1994 election indicated that a majority (69 percent) of Michigan voters preferred the sales tax increase as a means to fund local schools, three other factors also contributed to Proposal A’s success. First, Proposal A cut homeowner millage rates more than the Statutory Plan. Second, Proposal A increased the cigarette tax more than the Statutory Plan (voter sentiment was anti-tobacco). Third, Proposal A placed a constitutional cap on property tax increases in taxable value; the Statutory Plan did not.

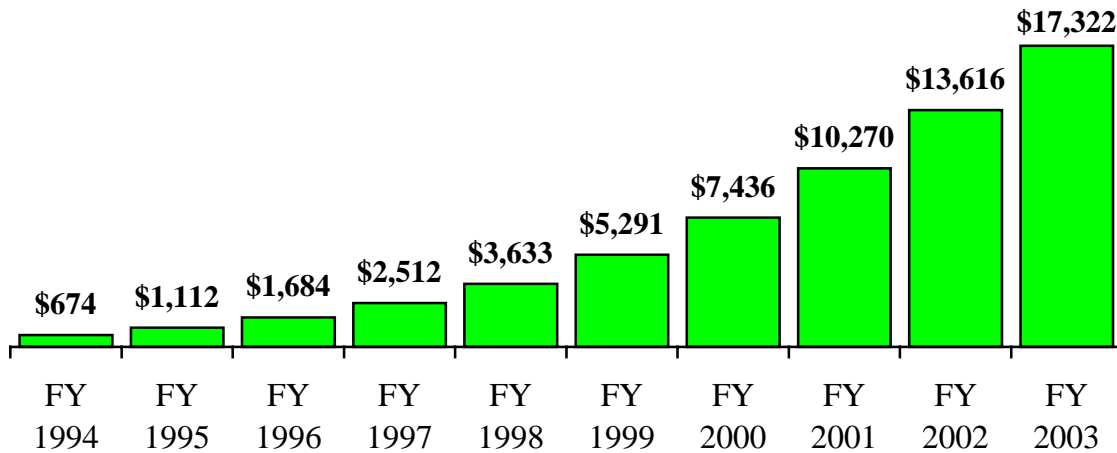
Exhibit 3
Michigan Voters Approve Proposal A
69 Percent Vote Yes

| Date of Vote | Percent Yes Vote | Percent No Votes |
|-------------------|------------------|------------------|
| November 1972 | 42 | 58 |
| November 1980 | 26 | 74 |
| May 1981 | 28 | 72 |
| November 1989 | 24 | 76 |
| November 1992 | 41 | 59 |
| Legislative 1992 | 37 | 63 |
| June 1993 | 46 | 54 |
| March 1994 | 69 | 31 |

III. PROPOSAL A's IMPACT ON PROPERTY TAXES

Proposal A cut Michigan taxes by \$17 billion from FY 1993 to FY 2003. (See Exhibit 4.) The large reduction in local property taxes outpaced the increased and new state taxes. Local property taxes were cut \$63 billion from 1994 through 2003 while state taxes were increased \$46 billion for a net cut of \$17 billion over the ten years. (See Exhibit 13.)

Exhibit 4
Proposal A Reduces Net Taxes by \$17 Billion
Cumulative Tax Cut
(millions)



For property owners, the most noticeable impact of Proposal A was the immediate reduction in millage rates (see Exhibit 5). From 1993 to 2000 average statewide millage rates for all property (weighted average of homestead and nonhomestead property) decreased 17.32 mills, a 30.6 percent reduction. This decline can be attributed solely to the reduction in local school operating millage rates. Local school operating mills have declined since 1994. From 1994 to 2000, average local school operating mills (for all property) declined from 9.26 mills to 8.41 mills, or 9.2 percent. This decline is attributable to the sunset of the local 3-mill enhancement option after calendar year (CY) 1996. Voters were allowed to approve enhancement millages up to 3 mills that were levied on all property from 1994 through 1996. Enhancement millage now may only be levied ISD wide and distributed on a per pupil basis.

Since 1994, this reduction in school operating millages has been partially offset by increases in other millage rates. While all average millage rates have increased since 1994, except for local school operating mills, the trend in local school debt, and sinking fund, mills is especially noticeable. In 1994, the average statewide local school debt millage for all property was 2.56 mills and has since increased to 4.01 mills in 2000, a 57 percent increase.

Exhibit 5
Average Statewide Millage Rates, All Property ⁽¹⁾

| <u>Purpose</u> | <u>1993</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>Change, 1993-1994</u> | | <u>Change, 1994-2000</u> | | <u>Change, 1993-2000</u> | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
| | | | | | | | | | <u>Mills</u> | <u>Percent</u> | <u>Mills</u> | <u>Percent</u> | <u>Mills</u> | <u>Percent</u> |
| County | 6.22 | 6.27 | 6.28 | 6.36 | 6.32 | 6.30 | 6.28 | 6.27 | 0.05 | 0.8% | 0.00 | 0.0% | 0.05 | 0.8% |
| Township | 3.36 | 3.56 | 3.68 | 3.74 | 3.87 | 4.02 | 3.99 | 4.09 | 0.20 | 6.0% | 0.53 | 14.9% | 0.73 | 21.7% |
| City | 15.45 | 15.75 | 15.95 | 16.06 | 16.18 | 16.23 | 16.17 | 16.36 | 0.30 | 1.9% | 0.61 | 3.9% | 0.91 | 5.9% |
| Village | <u>11.94</u> | <u>12.13</u> | <u>12.34</u> | <u>12.54</u> | <u>12.57</u> | <u>12.22</u> | <u>12.37</u> | <u>12.20</u> | <u>0.19</u> | <u>1.6%</u> | <u>0.07</u> | <u>0.6%</u> | <u>0.26</u> | <u>2.2%</u> |
| Total Non-School | 15.89 | 16.13 | 16.23 | 16.37 | 16.40 | 16.41 | 16.30 | 16.37 | 0.24 | 1.5% | 0.24 | 1.5% | 0.48 | 3.0% |
| Local School Operating | 33.91 | 9.26 | 9.26 | 9.28 | 8.79 | 8.74 | 8.59 | 8.41 | -24.65 | -72.7% | -0.85 | -9.2% | -25.50 | -75.2% |
| Local School Debt ⁽²⁾ | 2.54 | 2.56 | 3.03 | 3.27 | 3.57 | 3.63 | 3.80 | 4.01 | 0.02 | 0.8% | 1.45 | 56.6% | 1.47 | 57.9% |
| ISD/Comm College ⁽³⁾ | 4.30 | 4.24 | 4.36 | 4.40 | 4.48 | 4.48 | 4.47 | 4.51 | -0.06 | -1.4% | 0.27 | 6.4% | 0.21 | 4.9% |
| State Education Tax (SET) | 0.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | NA | 0.00 | 0.0% | 6.00 | NA |
| Total School | <u>40.75</u> | <u>22.06</u> | <u>22.65</u> | <u>22.95</u> | <u>22.85</u> | <u>22.86</u> | <u>22.86</u> | <u>22.95</u> | <u>-18.69</u> | <u>-45.9%</u> | <u>0.89</u> | <u>4.0%</u> | <u>-17.80</u> | <u>-43.7%</u> |
| TOTAL MILLS | 56.64 | 38.19 | 38.88 | 39.32 | 39.25 | 39.27 | 39.16 | 39.32 | -18.45 | -32.6% | 1.13 | 3.0% | -17.32 | -30.6% |
| Local School Operating and SET | 33.91 | 15.26 | 15.26 | 15.28 | 14.79 | 14.74 | 14.59 | 14.41 | -18.65 | -55.0% | -0.85 | -5.6% | -19.50 | -57.5% |

⁽¹⁾ Does not include special assessments.

⁽²⁾ Includes sinking fund mills for all years. Includes 1993 building and site mills.

⁽³⁾ Includes intermediate school district and community college debt mills.

Source: 1993-2000 county, township, city, village mills; 1993, 1995-2000 total school and total mills: State Tax Commission.

Other mills from Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Homestead and Nonhomestead Property

Proposal A separated property into homestead and nonhomestead property for tax purposes. Homestead property is property that a taxpayer declares as his or her primary residence. Qualified agricultural property is taxed like homestead property. All other property such as business property, rental housing, or vacation homes are considered nonhomestead property. Following school finance reform, nonhomestead property is assessed up to 18 additional mills for local K-12 school operating purposes, subject to voter approval. If additional revenues are required to enable a school district to maintain its pre-Proposal A funding level, up to 18 additional mills may be levied on homesteads (“hold harmless” millage; very few school districts levy this millage). If these revenues are not sufficient, then additional mills are levied against all property.

While the statewide millage rate for all property declined significantly from 1993 to 2001 (16.86 mills, 29.8 percent), the reduction for homestead property was much greater (24.52 mills, 43.3 percent) because most homeowners no longer pay any property tax to local school districts for operating purposes. In contrast, the reduction in the nonhomestead average millage rate from 1993 to 2001 (5.92 mills, 10.5 percent) is much smaller because most nonhomestead owners must pay 18 mills to their local school district (see Exhibit 6).

Taxable Value

Before Proposal A, property taxes were levied on a property’s state equalized value (SEV). SEV is equal to 50 percent of the true cash value of the property. Beginning in CY 1995, Michigan property taxes are levied on taxable value. A constitutional amendment requires that the taxable value of a residence or business cannot increase in any one year by more than 5 percent or the rate of inflation, whichever is less (excluding the value of new construction). Therefore, if the true cash value of a property increased by 8 percent, SEV would also increase by 8 percent but the taxable value would increase by 5 percent or the rate of inflation. (When property is sold, the tax base reverts to SEV and the subsequent annual growth is capped once again.) Due to low inflation rates since 1994, annual taxable value increases on most existing property ranged from 1.6 percent to 3.2 percent. The annual inflation rate used for assessment increases is calculated by dividing the average U.S. CPI for all urban consumers for the relevant fiscal year by the average U.S. CPI from the previous fiscal year.

The cap on taxable value creates an ever-widening gap between SEV and taxable value and clearly results in substantial tax savings. By CY 2002, taxable value was approximately \$68.7 billion (20.0 percent) less than SEV as a result of the assessment cap (see Exhibit 7). Thus, the taxable cap savings will reach nearly \$2.3 billion for 2002 (see Exhibit 8). Also, the cap creates situations where a new homeowner living next to a person who has owned an identical house for several years could pay substantially higher property taxes than his or her neighbor whose taxable value is below their SEV.

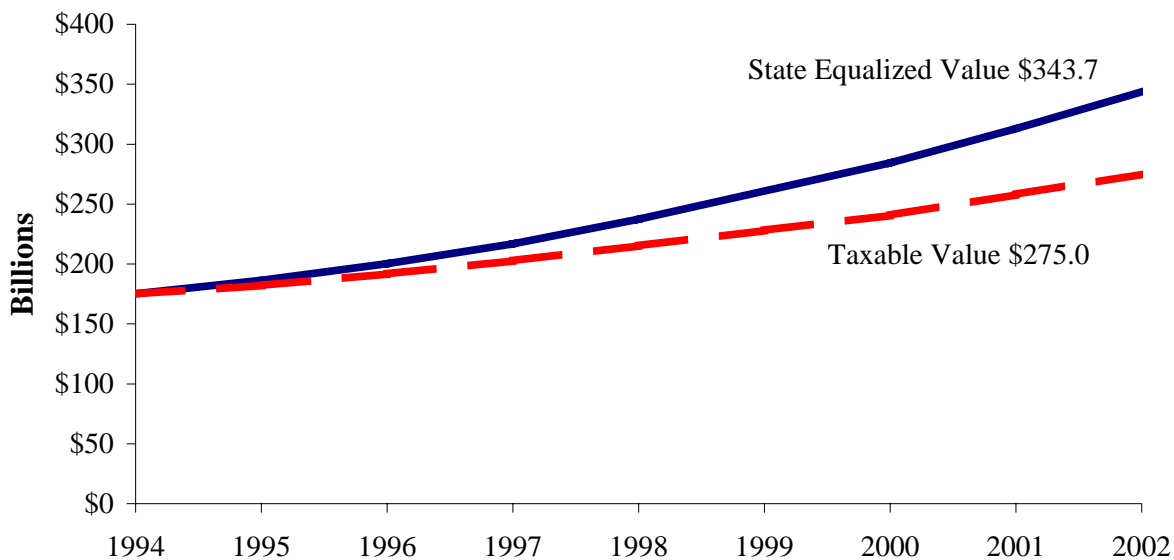
Exhibit 6
Estimated Statewide Average Millage Rates

| | <u>1993</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| All Property | 56.64 | 38.19 | 38.88 | 39.32 | 39.25 | 39.27 | 39.16 | 39.32 | 39.78 |
| Homestead | NA | 30.22 | 31.00 | 31.36 | 31.36 | 31.43 | 31.40 | 31.54 | 32.12 |
| Nonhomestead | NA | 48.17 | 48.79 | 49.54 | 49.63 | 49.68 | 49.76 | 50.10 | 50.72 |

Sources: State Tax Commission: All Property Rates, 1993, 1995-2000.

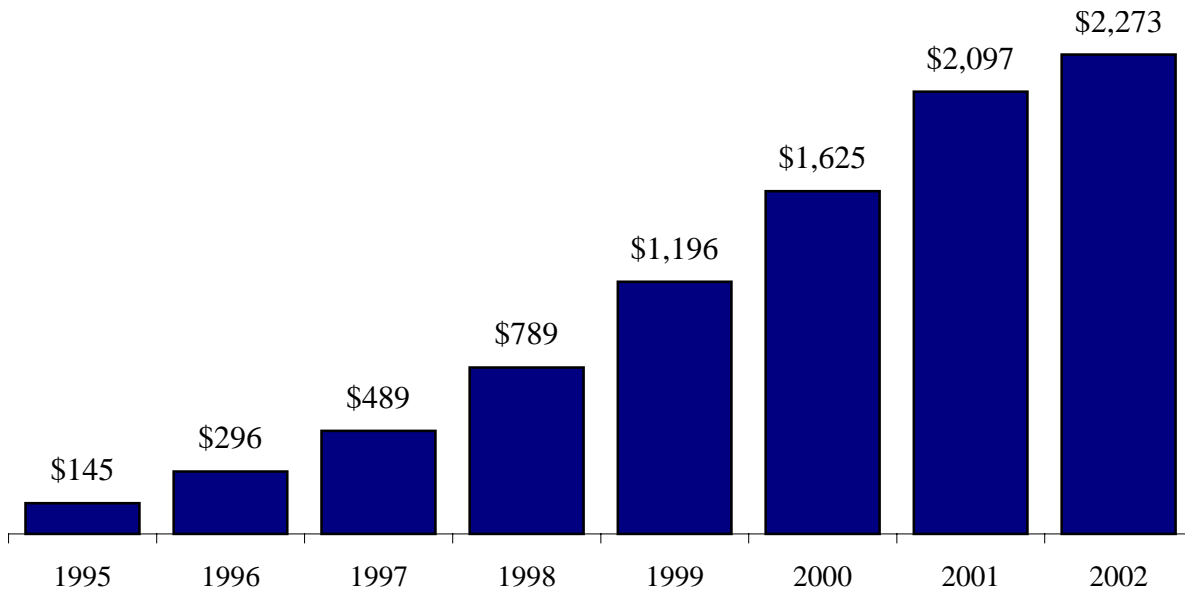
Office of Revenue and Tax Analysis: 1994 all property rate and homestead and nonhomestead rate estimates.

Exhibit 7
SEV and Taxable Property Value Gap Grows



Source: Michigan State Tax Commission.

Exhibit 8
Tax Savings From Cap on Taxable Value
millions



Source: Michigan Department of Treasury.

Average 2000 Homestead Millage Rates by County

While all homeowners benefited from the reduction in millage rates following Proposal A, average reductions varied widely across the state. Exhibit 9 provides the total millage rate reductions by county. For homestead millage rates from 1993 to 2000, Genesee County recorded the largest millage rate reduction at 32.64 mills while Leelanau County registered the smallest millage rate reduction at 8.65 mills. As a percent reduction in homestead millage rates from 1993 to 2000, Livingston County reported a 54.4 percent reduction in homestead millage rates, while Keweenaw County recorded a 29.8 percent reduction in homestead millage rates.

Generally, counties located in northern Michigan realized smaller millage reductions because their pre-1994 local school operating millage rate was relatively low. Conversely, counties located in mid- and southern Michigan realized greater millage reductions due to their relatively high pre-1994 millage rate for local school operating purposes.

Exhibit 9
Average Millage Rates by County
Pre-and Post-Proposal A

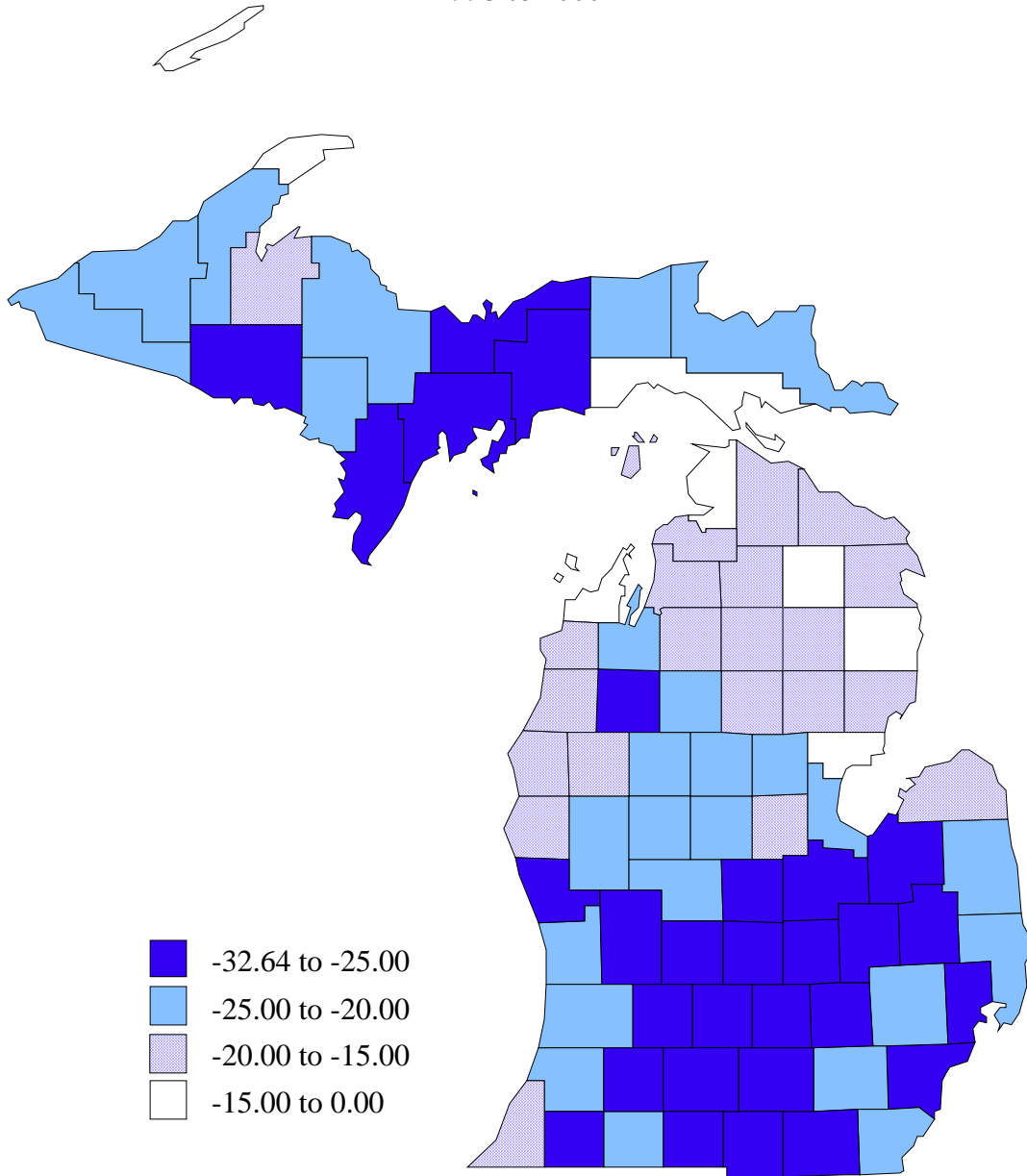
| <u>County</u> | <u>1993</u> <u>Rate</u> | <u>2000 Rates</u> | | <u>Homestead Difference</u> | | <u>Nonhomestead Difference</u> | |
|----------------|----------------------------|-------------------|---------------------------------|-----------------------------|----------------|--------------------------------|----------------|
| | | <u>Homestead</u> | <u>Non-</u> <u>homestead</u> | <u>Mills</u> | <u>Percent</u> | <u>Mills</u> | <u>Percent</u> |
| Alcona | 31.32 | 18.15 | 36.45 | -13.17 | -42.0% | 5.13 | 16.4% |
| Alger | 51.46 | 26.43 | 44.90 | -25.03 | -48.6 | -6.56 | -12.7 |
| Allegan | 52.40 | 29.52 | 50.11 | -22.88 | -43.7 | -2.29 | -4.4 |
| Alpena | 47.42 | 27.59 | 46.62 | -19.83 | -41.8 | -0.80 | -1.7 |
| Antrim | 37.45 | 21.50 | 39.52 | -15.95 | -42.6 | 2.07 | 5.5 |
| Arenac | 43.26 | 28.33 | 48.37 | -14.93 | -34.5 | 5.11 | 11.8 |
| Baraga | 54.21 | 37.25 | 52.57 | -16.96 | -31.3 | -1.64 | -3.0 |
| Barry | 52.13 | 26.20 | 46.34 | -25.93 | -49.7 | -5.79 | -11.1 |
| Bay | 57.24 | 32.81 | 52.54 | -24.43 | -42.7 | -4.70 | -8.2 |
| Benzie | 38.90 | 22.72 | 40.02 | -16.18 | -41.6 | 1.12 | 2.9 |
| Berrien | 42.61 | 24.66 | 40.07 | -17.95 | -42.1 | -2.54 | -6.0 |
| Branch | 56.78 | 28.44 | 50.11 | -28.34 | -49.9 | -6.67 | -11.7 |
| Calhoun | 65.35 | 34.88 | 56.76 | -30.47 | -46.6 | -8.59 | -13.1 |
| Cass | 49.93 | 24.66 | 43.83 | -25.27 | -50.6 | -6.10 | -12.2 |
| Charlevoix | 43.57 | 25.10 | 43.88 | -18.47 | -42.4 | 0.31 | 0.7 |
| Cheboygan | 40.30 | 20.32 | 39.19 | -19.98 | -49.6 | -1.11 | -2.8 |
| Chippewa | 49.15 | 28.26 | 47.52 | -20.89 | -42.5 | -1.63 | -3.3 |
| Clare | 46.04 | 23.07 | 41.95 | -22.97 | -49.9 | -4.09 | -8.9 |
| Clinton | 57.56 | 29.47 | 48.91 | -28.09 | -48.8 | -8.65 | -15.0 |
| Crawford | 43.54 | 23.78 | 42.81 | -19.76 | -45.4 | -0.73 | -1.7 |
| Delta | 55.65 | 29.54 | 45.49 | -26.11 | -46.9 | -10.16 | -18.3 |
| Dickinson | 57.48 | 33.51 | 49.70 | -23.97 | -41.7 | -7.78 | -13.5 |
| Eaton | 59.83 | 32.32 | 51.07 | -27.51 | -46.0 | -8.76 | -14.6 |
| Emmet | 36.77 | 24.21 | 41.27 | -12.56 | -34.2 | 4.50 | 12.2 |
| Genesee | 61.59 | 28.95 | 49.42 | -32.64 | -53.0 | -12.17 | -19.8 |
| Gladwin | 48.70 | 26.03 | 44.91 | -22.67 | -46.6 | -3.79 | -7.8 |
| Gogebic | 55.64 | 34.90 | 49.76 | -20.74 | -37.3 | -5.88 | -10.6 |
| Grand Traverse | 48.44 | 26.81 | 46.07 | -21.63 | -44.7 | -2.37 | -4.9 |
| Gratiot | 54.37 | 25.71 | 49.61 | -28.66 | -52.7 | -4.76 | -8.8 |
| Hillsdale | 50.95 | 24.69 | 46.56 | -26.26 | -51.5 | -4.39 | -8.6 |
| Houghton | 55.17 | 34.55 | 52.64 | -20.62 | -37.4 | -2.53 | -4.6 |
| Huron | 44.36 | 26.10 | 44.76 | -18.26 | -41.2 | 0.40 | 0.9 |
| Ingham | 72.27 | 40.46 | 59.75 | -31.81 | -44.0 | -12.52 | -17.3 |
| Ionia | 53.80 | 25.60 | 46.67 | -28.20 | -52.4 | -7.13 | -13.3 |
| Iosco | 39.48 | 21.28 | 38.77 | -18.20 | -46.1 | -0.71 | -1.8 |
| Iron | 57.55 | 32.50 | 48.11 | -25.05 | -43.5 | -9.44 | -16.4 |
| Isabella | 53.43 | 29.27 | 52.15 | -24.16 | -45.2 | -1.28 | -2.4 |
| Jackson | 59.42 | 28.69 | 48.80 | -30.73 | -51.7 | -10.62 | -17.9 |
| Kalamazoo | 62.00 | 31.24 | 53.82 | -30.76 | -49.6 | -8.18 | -13.2 |
| Kalkaska | 41.89 | 24.18 | 41.29 | -17.71 | -42.3 | -0.60 | -1.4 |
| Kent | 54.76 | 29.19 | 47.39 | -25.57 | -46.7 | -7.37 | -13.5 |
| Keweenaw | 38.40 | 26.94 | 39.24 | -11.46 | -29.8 | 0.84 | 2.2 |

Exhibit 9 – Continued

| <u>County</u> | <u>1993 Rate</u> | <u>2000 Rates</u> | | <u>Homestead Difference</u> | | <u>Nonhomestead Difference</u> | |
|---------------|----------------------|-------------------|---------------------------|-----------------------------|----------------|--------------------------------|----------------|
| | | <u>Homestead</u> | <u>Non- homestead</u> | <u>Mills</u> | <u>Percent</u> | <u>Mills</u> | <u>Percent</u> |
| | | | | | | | |
| Lake | 46.45 | 27.85 | 45.03 | -18.60 | -40.0% | -1.42 | -3.1% |
| Lapeer | 50.21 | 22.94 | 44.09 | -27.27 | -54.3 | -6.12 | -12.2 |
| Leelanau | 27.99 | 19.34 | 32.63 | -8.65 | -30.9 | 4.64 | 16.6 |
| Lenawee | 56.58 | 28.32 | 48.19 | -28.26 | -49.9 | -8.39 | -14.8 |
| Livingston | 52.56 | 23.95 | 43.94 | -28.61 | -54.4 | -8.62 | -16.4 |
| Luce | 45.07 | 21.47 | 38.17 | -23.60 | -52.4 | -6.90 | -15.3 |
| Mackinac | 33.71 | 22.51 | 36.84 | -11.20 | -33.2 | 3.13 | 9.3 |
| Macomb | 59.79 | 30.04 | 48.07 | -29.75 | -49.8 | -11.72 | -19.6 |
| Manistee | 48.28 | 30.68 | 48.72 | -17.60 | -36.5 | 0.44 | 0.9 |
| Marquette | 51.88 | 29.27 | 48.00 | -22.61 | -43.6 | -3.88 | -7.5 |
| Mason | 43.11 | 27.19 | 43.82 | -15.92 | -36.9 | 0.71 | 1.6 |
| Mecosta | 48.59 | 26.49 | 46.21 | -22.10 | -45.5 | -2.38 | -4.9 |
| Menominee | 57.02 | 29.08 | 49.92 | -27.94 | -49.0 | -7.10 | -12.5 |
| Midland | 46.96 | 29.81 | 47.30 | -17.15 | -36.5 | 0.34 | 0.7 |
| Missaukee | 47.12 | 25.83 | 44.12 | -21.29 | -45.2 | -3.00 | -6.4 |
| Monroe | 49.25 | 27.29 | 47.61 | -21.96 | -44.6 | -1.64 | -3.3 |
| Montcalm | 52.06 | 28.62 | 49.32 | -23.44 | -45.0 | -2.74 | -5.3 |
| Montmorency | 36.97 | 22.31 | 40.04 | -14.66 | -39.7 | 3.07 | 8.3 |
| Muskegon | 58.23 | 30.31 | 50.71 | -27.92 | -47.9 | -7.52 | -12.9 |
| Newaygo | 53.55 | 31.14 | 51.54 | -22.41 | -41.8 | -2.01 | -3.8 |
| Oakland | 55.17 | 33.92 | 48.88 | -21.25 | -38.5 | -6.29 | -11.4 |
| Oceana | 46.01 | 28.82 | 46.26 | -17.19 | -37.4 | 0.25 | 0.5 |
| Ogemaw | 42.63 | 24.98 | 43.92 | -17.65 | -41.4 | 1.29 | 3.0 |
| Ontonagon | 54.16 | 33.34 | 49.95 | -20.82 | -38.4 | -4.21 | -7.8 |
| Osceola | 50.42 | 27.12 | 46.66 | -23.30 | -46.2 | -3.76 | -7.5 |
| Oscoda | 40.06 | 21.73 | 39.74 | -18.33 | -45.8 | -0.32 | -0.8 |
| Otsego | 38.67 | 21.52 | 41.91 | -17.15 | -44.3 | 3.24 | 8.4 |
| Ottawa | 49.06 | 26.65 | 45.75 | -22.41 | -45.7 | -3.31 | -6.7 |
| Presque Isle | 39.95 | 20.73 | 38.28 | -19.22 | -48.1 | -1.67 | -4.2 |
| Roscommon | 40.65 | 21.48 | 39.02 | -19.17 | -47.2 | -1.63 | -4.0 |
| Saginaw | 54.34 | 25.76 | 45.35 | -28.58 | -52.6 | -8.99 | -16.5 |
| Saint Clair | 50.34 | 27.79 | 46.84 | -22.55 | -44.8 | -3.50 | -7.0 |
| Saint Joseph | 52.07 | 27.30 | 49.52 | -24.77 | -47.6 | -2.55 | -4.9 |
| Sanilac | 47.79 | 25.36 | 46.48 | -22.43 | -46.9 | -1.31 | -2.7 |
| Schoolcraft | 52.24 | 23.94 | 42.79 | -28.30 | -54.2 | -9.45 | -18.1 |
| Shiawassee | 53.29 | 27.71 | 50.01 | -25.58 | -48.0 | -3.28 | -6.2 |
| Tuscola | 52.53 | 27.07 | 50.78 | -25.46 | -48.5 | -1.75 | -3.3 |
| Van Buren | 53.25 | 31.34 | 50.03 | -21.91 | -41.1 | -3.22 | -6.0 |
| Washtenaw | 59.97 | 37.29 | 53.59 | -22.68 | -37.8 | -6.38 | -10.6 |
| Wayne | 67.77 | 39.45 | 60.83 | -28.32 | -41.8 | -6.94 | -10.2 |
| Wexford | 56.78 | 31.64 | 51.66 | -25.14 | -44.3 | -5.12 | -9.0 |
| State Average | 56.64 | 31.54 | 50.10 | -25.10 | -44.3% | -6.54 | -11.5% |
| State Median | 50.95 | 27.29 | 46.66 | | | | |

Source: 1993 average millage rates from State Tax Commission; 2000 average millage rates from Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 10
Reduction in Average Homestead Millage Rates
1993 to 2000



State Average = 25.10 Mill Reduction

School Bond Loan Program

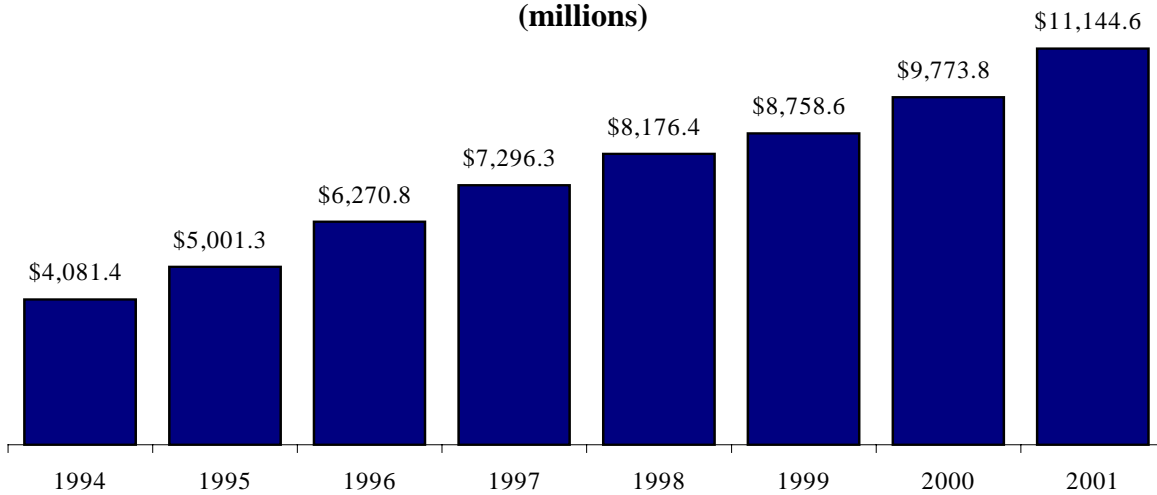
Increased local school bonding has not only resulted in higher debt mills, but has also increased borrowing from the School Bond Loan Program (SBL). The SBL program provides a state credit enhancement mechanism for school district bonds issued for capital expenditure purposes and provides for loans to school districts that need funds to pay debt service obligations. Essentially, the program provides a constitutional guarantee that pledges that states' full resources to repay K-12 school districts debt obligation if their debt mill levy is insufficient to service debt obligations. The SBL program allows local school districts to increase bonding without raising local debt mills.

School districts that are accepted into the program have their new bond issues qualified by the State. By qualifying the bonds, the State guarantees the bonded debt service and the qualified bonds benefit from the State's credit rating and allows school districts to borrow from the State an amount sufficient to enable the district to pay principal and interest requirements on its outstanding qualified bonds.

To qualify for the program, the school district must levy a minimum of seven debt mills, must demonstrate a need for increased classroom space based on enrollment, and must complete repayment within certain statutory time frames. Bond proceeds from the SBL program may be used for new school buildings, renovation of existing buildings, land, playgrounds, buses, and furniture. Bond proceeds may not be used for repairs, maintenance, salaries, or textbooks.

Since 1994, the number of school districts borrowing from and/or repaying the SBL program has increased from 42 to 130 districts. Over the same time period, newly qualified bonds issued by the SBL program increased from \$637.9 million in 1994 to \$2,151 million in 2001, an increase of 237 percent. The total amount of qualified debt outstanding increased from \$4.1 billion to \$11.1 billion (see Exhibits 11 and 12).

Exhibit 11
School Bond Loan Fund Program
Qualified Bonds Outstanding
(millions)



Source: Michigan Department of Treasury.

Exhibit 12
School Bond Loan Program
(millions)

| <u>Year</u> | <u>Local School Bond Propositions</u> | <u>Propositions Passed</u> | <u>New Qualified Bonds Issued</u> | <u>Qualified Bonds Outstanding</u> |
|-------------|---|--------------------------------|---------------------------------------|--|
| 1991 | 87 | 39 | \$892.6 | \$3,146.8 |
| 1992 | 79 | 28 | \$905.6 | \$3,536.5 |
| 1993 | 59 | 24 | \$1,342.3 | \$3,818.4 |
| 1994 | 94 | 34 | \$637.9 | \$4,081.4 |
| 1995 | 182 | 84 | \$1,323.2 | \$5,001.3 |
| 1996 | 164 | 83 | \$1,614.6 | \$6,270.8 |
| 1997 | 149 | 64 | \$1,606.0 | \$7,296.3 |
| 1998 | 107 | 44 | \$2,064.0 | \$8,176.4 |
| 1999 | 117 | 56 | \$1,232.0 | \$8,758.6 |
| 2000 | 117 | 57 | \$1,382.6 | \$9,773.8 |
| 2001 | 108 | 67 | \$2,150.5 | \$11,144.6 |

Source: Michigan Department of Treasury.

IV. PROPOSAL A's IMPACT ON MICHIGAN TAX BURDEN

Proposal A provided a net tax cut of \$17 billion from 1994 to 2003 (see Exhibit 13). A variety of state taxes replaced local school operating property taxes eliminated by Public Act 145 of 1993. Replacement revenues are deposited into the SAF for redistribution to local schools through their foundation grants. Because state taxes mainly replaced the local property taxes levied for local school operating revenues, the amount of state taxes collected since Proposal A has increased while the amount of local taxes has decreased significantly.

State and Local Tax Burden

The state and local tax burden imposed on state residents is typically quantified using two measures. The first measure is tax burden per capita. This measure divides total taxes collected by state and local governments in a given fiscal year by the state population. The second measure is tax burden as a percent of Michigan's personal income. This measure divides total state and local taxes paid by state personal income for the fiscal year. Using either measure, the total state and local tax burden includes all taxes, even business taxes, because these are ultimately paid by individuals. (Miscellaneous fees, such as hunting fees, are not included. Vehicle registration fees are included.)

A few cautionary notes regarding tax burden measures should be noted. This simple analysis is *not* meant to suggest that Michigan taxes are "too high" or "too low." A simple comparison of tax burdens across states does not take into consideration the goods and services residents receive in return.

A comparison of tax burdens across states also ignores the process of tax shifting and the exporting and importing of taxes. Tax shifting refers to the process by which a tax burden is transferred from the person who has legal responsibility to the person who ultimately pays the tax. For example, a tourist from Ohio vacationing in the Upper Peninsula pays Michigan sales tax, business tax, and possibly some property taxes, depending on the seller's ability to pass the taxes through to the final price of the good. The measures used in this section ignore this concept.

Finally, while both tax burden measures are relatively easy to compute, each has shortcomings. The personal income measure is a better measure of "ability to pay" than the per capita tax burden measure. For example, two states may have the same population and levy the same amount of taxes while one state has twice the income. The per capita measure would suggest equal tax burdens. The per capita measure also implicitly ignores the income and age distribution of a state. This can be a crucial factor in tax burden calculations, because younger residents typically have no income and pay no tax, but place demands on the system through school attendance. Some of these shortcomings can be corrected using a personal income tax burden measure. Therefore, the analysis in this section relies more on the personal income tax burden measure, though both measures are listed.

Exhibit 13
Estimated Proposal A Tax Changes
millions

| <u>State Tax Increases</u> | <u>FY 1994</u> | <u>FY 1995</u> | <u>FY 1996</u> | <u>FY 1997</u> | <u>FY 1998</u> | <u>FY 1999</u> | <u>FY 2000</u> | <u>FY 2001</u> | <u>FY 2002</u> | <u>FY 2003</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Sales Tax | \$641.7 | \$1,624.9 | \$1,683.4 | \$1,733.2 | \$1,818.4 | \$1,901.1 | \$2,042.6 | \$2,065.2 | \$2,121.5 | \$2,203.4 |
| Use Tax | \$155.0 | \$351.1 | \$384.7 | \$403.9 | \$426.4 | \$468.7 | \$491.8 | \$486.4 | \$511.0 | \$522.3 |
| State Education Tax | \$508.7 | \$1,064.5 | \$1,110.6 | \$1,156.0 | \$1,256.9 | \$1,273.5 | \$1,381.4 | \$1,489.6 | \$1,555.0 | \$1,630.0 |
| Real Estate Transfer Tax | \$0.0 | \$91.1 | \$161.0 | \$192.8 | \$227.9 | \$261.7 | \$257.1 | \$252.9 | \$262.0 | \$264.0 |
| Tobacco Products | \$156.0 | \$383.7 | \$349.0 | \$318.0 | \$341.8 | \$414.9 | \$408.2 | \$404.0 | \$393.3 | \$385.4 |
| Homestead Property Tax Credit and Renters Credit | <u>\$0.0</u> | <u>\$639.6</u> | <u>\$740.7</u> | <u>\$824.2</u> | <u>\$926.1</u> | <u>\$1,031.1</u> | <u>\$1,138.5</u> | <u>\$1,247.2</u> | <u>\$1,356.1</u> | <u>\$1,464.0</u> |
| Total State Tax Increases | \$1,461.4 | \$4,154.9 | \$4,429.4 | \$4,628.1 | \$4,997.5 | \$5,351.0 | \$5,719.6 | \$5,945.3 | \$6,198.9 | \$6,469.1 |
| Income Tax Rate Decrease | <u>(\$102.5)</u> | <u>(\$262.5)</u> | <u>(\$271.0)</u> | <u>(\$293.2)</u> | <u>(\$313.4)</u> | <u>(\$345.4)</u> | <u>(\$363.2)</u> | <u>(\$369.0)</u> | <u>(\$370.8)</u> | <u>(\$385.6)</u> |
| Subtotal of State Tax Increases | \$1,358.9 | \$3,892.4 | \$4,158.4 | \$4,334.9 | \$4,684.1 | \$5,005.6 | \$5,356.4 | \$5,576.3 | \$5,828.1 | \$6,083.5 |
| Local Property Tax Cut | <u>(\$2,032.8)</u> | <u>(\$4,330.2)</u> | <u>(\$4,730.7)</u> | <u>(\$5,163.1)</u> | <u>(\$5,804.5)</u> | <u>(\$6,664.2)</u> | <u>(\$7,501.3)</u> | <u>(\$8,410.5)</u> | <u>(\$9,174.2)</u> | <u>(\$9,788.7)</u> |
| Proposal A Change | <u>(\$673.9)</u> | <u>(\$437.8)</u> | <u>(\$572.3)</u> | <u>(\$828.2)</u> | <u>(\$1,120.4)</u> | <u>(\$1,658.6)</u> | <u>(\$2,144.9)</u> | <u>(\$2,834.2)</u> | <u>(\$3,346.1)</u> | <u>(\$3,705.2)</u> |
| Cumulative Proposal A Change | <u>(\$673.9)</u> | <u>(\$1,111.7)</u> | <u>(\$1,684.0)</u> | <u>(\$2,512.1)</u> | <u>(\$3,632.5)</u> | <u>(\$5,291.1)</u> | <u>(\$7,436.0)</u> | <u>(\$10,270.2)</u> | <u>(\$13,616.3)</u> | <u>(\$17,321.5)</u> |

Source: Michigan Department of Treasury.

Comparison to U.S. Average Tax Burden

One significant impact of Proposal A is that now the Michigan tax system more closely resembles the “typical” state tax system in the U.S. In FY 1993, Michigan had a relatively low sales and use tax burden and a substantially higher property tax burden compared to the national average. When all tax revenues were included, Michigan was 3.4 percent above the overall U.S. average (see Exhibit 15).

With Proposal A, a substantial shift had occurred by FY 2000. The two percentage point increase in the sales and use tax rate had pushed Michigan slightly above the national average sales and use tax burden. The elimination of most local school operating levies reduced the Michigan property tax burden to 6.1 percent above the U.S. average (see Exhibit 16). Overall, the state and local tax burden fell to 0.5 percent above the U.S. average using taxes as a percent of personal income. Using the per capita tax burden measure, the Michigan state and local tax burden was 2.4 percent above the U.S. average.

The most recent U.S. Census data for state and local taxes (FY 2000), as shown by Exhibits 16 and 17, indicate that Proposal A had an impact on the Michigan tax structure compared to pre-Proposal A (FY 1993). In FY 1993, the total state and local tax burden in Michigan ranked 14th highest using a personal income measure. Using a per capita measure, the state and local tax burden also ranked 14th highest (see Exhibit 18). For property taxes, Michigan ranked 7th (personal income and per capita) highest (see Exhibit 19). For sales and use taxes, Michigan ranked 41st (personal income and per capita) highest (see Exhibit 20).

In FY 2000, the total state and local tax burden in Michigan ranked 20th highest using a personal income measure. Using a per capita measure, the state and local tax burden ranked 16th highest (see Exhibit 21). For property taxes, Michigan ranked 20th (personal income) or 14th (per capita) highest (see Exhibit 22). For sales and use taxes, Michigan ranked 24th (personal income) or 21st (per capita) highest (see Exhibit 23).

Estimated Tax Cut

Through FY 2003, Proposal A cut Michigan taxes by an estimated \$17 billion (see Exhibits 4 and 13). Exhibit 13 provides a summary of the state tax increases and local property tax cut due to the changes from Proposal A. The large reduction in local property taxes outpaces the increased and new state taxes by a large margin.

As shown by previous exhibits, Michigan’s property tax burden currently mirrors the national average compared to being significantly above the national average pre-Proposal A. The revenue impact estimate assumes that state equalized value (SEV) without Proposal A would continue to increase faster than the current law taxable value limits. It was assumed that millage rates without Proposal A would remain approximately around 1993 levels (pre-Proposal A). The overall property tax cut was calculated by the difference in local property tax pre-Proposal A (Statewide SEV multiplied by Pre-Proposal A Millage Rate) less current law local property tax (Statewide Taxable Value multiplied by Current Law Millage Rate) less the SET.

The estimated FY 2000 Proposal A tax cut of \$2.14 billion suggests a state/local tax cut equal to 0.7 percent of personal income. Exhibits 18 and 21 suggest a tax cut of only four-tenths that amount. There are several explanations for this discrepancy. The most likely explanation is that Proposal A, by limiting the increase in property taxable values, prevented a large future increase in property taxes, rather than significantly cutting pre-Proposal A level of taxes. It is possible that the estimates overstate the Proposal A property tax cut for one or more of three possible reasons:

- Had Proposal A not passed, average millage rates would likely have dropped as taxpayers' property value increases would have triggered millage rollbacks that voters would not have overridden.
- Without Proposal A, the level of new construction would likely have been significantly lower than actually occurred. This means that Proposal A's lower tax burden resulted in increased construction activity and a stronger Michigan economy.
- Without Proposal A, the value of existing property in Michigan would have increased less than actually occurred, i.e., a portion of the Proposal A tax cut was capitalized into higher property values. This means that Proposal A has created billions of dollars of additional wealth for Michigan property owners.

Over one-third of Michigan residents itemize deductions on their federal income tax returns. Proposal A cut property taxes and the state income tax, which are deductible on federal income tax returns, and increased the state sales tax, which is not deductible. Proposal A increased federal income tax paid by Michigan residents by an estimated \$899 million for tax year 2003, and by \$5.9 billion for 1994-2003, but still resulted in a substantial net tax cut to Michigan taxpayers.

The combination of the taxable value cap along with a reduced homestead millage rate have allowed homeowners to see reduced property tax bills. It is estimated that the typical Michigan homeowner saved a little over \$2,000 on their 2002 property tax bill due to the property tax changes from Proposal A (see Exhibit 14).

Exhibit 14
State of Michigan Typical Homeowner's Property Tax
Pre- and Post-Proposal A
2002

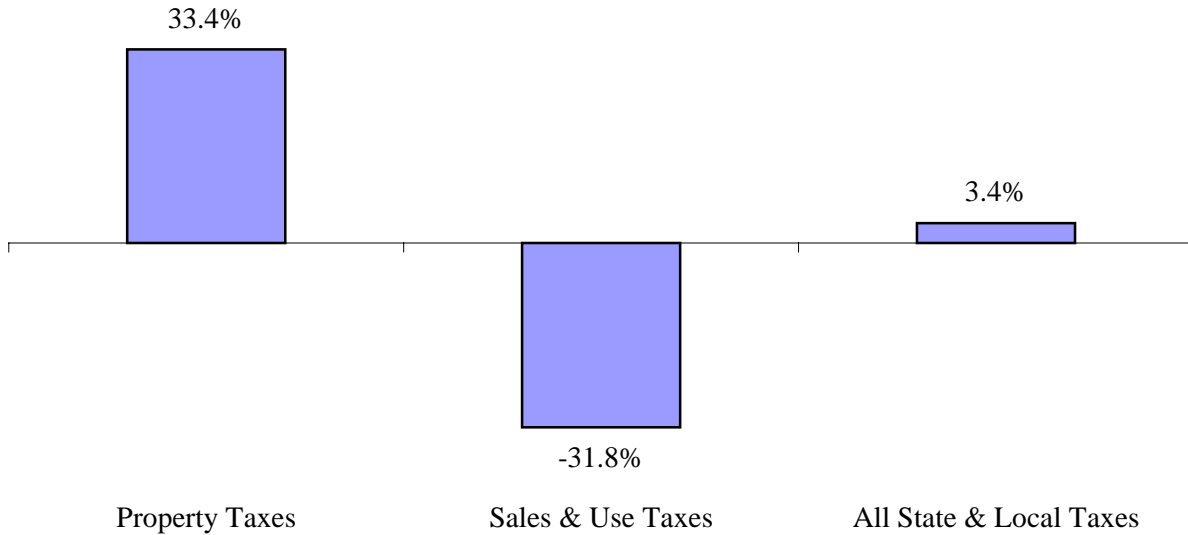
| | <u>1993</u> | <u>2002</u> | |
|---------------|--------------|------------------------|----------------|
| | | <u>With Proposal A</u> | <u>Without</u> |
| Home Value | \$71,764 | \$127,449 | \$127,449 |
| (SEV) | \$35,882 | \$63,725 | \$63,725 |
| Taxable Value | -- | \$49,635 | -- |
| Millage Rate | <u>56.64</u> | <u>32.12</u> | <u>56.64</u> |
| Property Tax | \$2,032 | \$1,594 | \$3,609 |
| | | | 126% |

| | |
|--|------------------|
| Difference in 2002 Property Taxes | (\$2,015) |
|--|------------------|

Sources: Bureau of the Census.
State Tax Commission Data.
Office of Revenue and Tax Analysis, Michigan Department of Treasury.

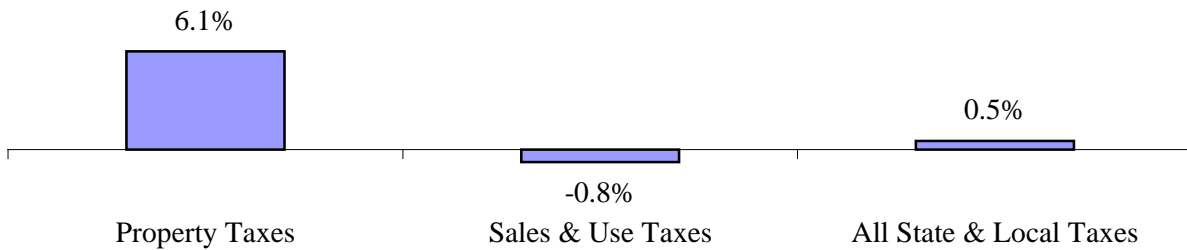
Note: 2002 Homestead Millage Rate unchanged from 2001.

Exhibit 15
Michigan Tax Structure Compared to the National Average, FY 1993
Taxes as a Percent of State Personal Income



Source: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 16
Michigan Tax Structure Compared to the National Average, FY 2000
Taxes as a Percent of State Personal Income



Source: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 17
Relative State and Local Tax Burdens, FY 1993 and FY 2000 ⁽¹⁾

| <u>Fiscal Year 1993</u> | <u>All State/Local Taxes</u> | | <u>Property Taxes</u> | | <u>Sales and Use Taxes</u> ⁽²⁾ | |
|-------------------------------------|-------------------------------------|------------------------|------------------------------|------------------------|--|------------------------|
| | <u>US Avg.</u> | <u>Michigan</u> | <u>US Avg.</u> | <u>Michigan</u> | <u>US Avg.</u> | <u>Michigan</u> |
| % of Personal Income ⁽³⁾ | 10.79% | 11.16% | 3.45% | 4.60% | 2.53% | 1.72% |
| Relative State Rank | | 14 | | 7 | | 41 |
| Amount per Capita | \$2,276.23 | \$2,350.48 | \$727.78 | \$969.25 | \$533.74 | \$363.44 |
| Relative State Rank | | 14 | | 7 | | 41 |
| <u>Fiscal Year 2000</u> | | | | | | |
| % of Personal Income ⁽³⁾ | 10.79% | 10.85% | 3.08% | 3.27% | 2.66% | 2.64% |
| Relative State Rank | | 20 | | 20 | | 24 |
| Amount per Capita | \$3,086.93 | \$3,162.59 | \$882.55 | \$954.45 | \$761.75 | \$770.34 |
| Relative State Rank | | 16 | | 14 | | 21 |

⁽¹⁾ Does not include revenues from miscellaneous fees.

⁽²⁾ Does not include excise taxes on alcohol, gasoline, or tobacco.

⁽³⁾ As measured by personal income for relevant fiscal year.

Exhibit 18
State and Local Total Tax Burden for FY 1993
Per Person and Percent of Personal Income

| State | FY 1993 State & Local Taxes (thousands) | 1993 Population | FY 1993 State & Local Taxes Per Person | Rank | FY 1993 Personal Income (millions) | FY 1993 Total Tax as a % of Personal Income | Rank |
|-----------------|--|----------------------------|---|-------------|---|--|-------------|
| Alabama | \$6,494,549 | 4,214,202 | \$1,541.11 | 49 | \$74,703 | 8.69% | 49 |
| Alaska | \$2,948,181 | 599,432 | \$4,918.29 | 1 | \$14,441 | 20.42% | 1 |
| Arizona | \$8,312,603 | 4,065,440 | \$2,044.70 | 29 | \$72,368 | 11.49% | 11 |
| Arkansas | \$3,856,346 | 2,456,303 | \$1,569.98 | 48 | \$40,298 | 9.57% | 45 |
| California | \$75,480,366 | 31,274,928 | \$2,413.45 | 11 | \$708,367 | 10.66% | 22 |
| Colorado | \$7,463,456 | 3,613,734 | \$2,065.30 | 26 | \$77,067 | 9.68% | 44 |
| Connecticut | \$10,928,703 | 3,309,175 | \$3,302.55 | 3 | \$95,182 | 11.48% | 12 |
| Delaware | \$1,632,999 | 706,378 | \$2,311.79 | 15 | \$16,297 | 10.02% | 36 |
| Florida | \$28,003,037 | 13,927,185 | \$2,010.67 | 30 | \$286,901 | 9.76% | 42 |
| Georgia | \$13,791,490 | 6,978,240 | \$1,976.36 | 31 | \$134,766 | 10.23% | 32 |
| Hawaii | \$3,478,859 | 1,172,838 | \$2,966.19 | 5 | \$28,427 | 12.24% | 6 |
| Idaho | \$1,995,796 | 1,108,768 | \$1,800.01 | 39 | \$19,227 | 10.38% | 29 |
| Illinois | \$27,265,125 | 11,809,579 | \$2,308.73 | 16 | \$270,035 | 10.10% | 34 |
| Indiana | \$10,955,126 | 5,739,019 | \$1,908.88 | 36 | \$111,907 | 9.79% | 41 |
| Iowa | \$6,207,483 | 2,836,972 | \$2,188.07 | 22 | \$53,633 | 11.57% | 10 |
| Kansas | \$5,384,326 | 2,556,547 | \$2,106.09 | 25 | \$51,405 | 10.47% | 25 |
| Kentucky | \$6,890,129 | 3,812,206 | \$1,807.39 | 38 | \$66,295 | 10.39% | 28 |
| Louisiana | \$7,224,943 | 4,316,428 | \$1,673.82 | 46 | \$74,171 | 9.74% | 43 |
| Maine | \$2,824,807 | 1,242,302 | \$2,273.85 | 19 | \$22,976 | 12.29% | 4 |
| Maryland | \$12,705,035 | 4,971,889 | \$2,555.37 | 8 | \$121,631 | 10.45% | 26 |
| Massachusetts | \$16,028,532 | 6,060,569 | \$2,644.72 | 7 | \$151,166 | 10.60% | 24 |
| Michigan | \$22,423,890 | 9,540,114 | \$2,350.48 | 14 | \$201,015 | 11.16% | 14 |
| Minnesota | \$12,090,244 | 4,555,954 | \$2,653.72 | 6 | \$98,955 | 12.22% | 7 |
| Mississippi | \$4,050,846 | 2,655,100 | \$1,525.68 | 50 | \$39,502 | 10.25% | 31 |
| Missouri | \$9,008,827 | 5,271,175 | \$1,709.07 | 44 | \$103,894 | 8.67% | 50 |
| Montana | \$1,558,799 | 844,761 | \$1,845.25 | 37 | \$14,640 | 10.65% | 23 |
| Nebraska | \$3,434,872 | 1,625,590 | \$2,113.00 | 24 | \$32,030 | 10.72% | 20 |
| Nevada | \$3,143,637 | 1,411,215 | \$2,227.61 | 21 | \$31,342 | 10.03% | 35 |
| New Hampshire | \$2,587,820 | 1,129,458 | \$2,291.21 | 17 | \$24,884 | 10.40% | 27 |
| New Jersey | \$23,977,132 | 7,948,915 | \$3,016.40 | 4 | \$210,738 | 11.38% | 13 |
| New Mexico | \$3,155,473 | 1,636,453 | \$1,928.24 | 33 | \$26,821 | 11.76% | 8 |
| New York | \$66,347,397 | 18,374,954 | \$3,610.75 | 2 | \$455,697 | 14.56% | 2 |
| North Carolina | \$13,728,744 | 7,042,818 | \$1,949.33 | 32 | \$134,813 | 10.18% | 33 |
| North Dakota | \$1,224,600 | 641,216 | \$1,909.81 | 35 | \$11,397 | 10.74% | 19 |
| Ohio | \$22,773,069 | 11,101,140 | \$2,051.42 | 28 | \$227,352 | 10.02% | 38 |
| Oklahoma | \$5,743,482 | 3,252,285 | \$1,765.98 | 41 | \$57,335 | 10.02% | 37 |
| Oregon | \$6,577,320 | 3,060,367 | \$2,149.19 | 23 | \$60,043 | 10.95% | 17 |
| Pennsylvania | \$27,195,790 | 12,119,724 | \$2,243.93 | 20 | \$262,397 | 10.36% | 30 |
| Rhode Island | \$2,402,313 | 1,015,112 | \$2,366.55 | 13 | \$21,665 | 11.09% | 15 |
| South Carolina | \$6,297,766 | 3,663,314 | \$1,719.14 | 43 | \$63,315 | 9.95% | 39 |
| South Dakota | \$1,195,450 | 722,159 | \$1,655.38 | 47 | \$13,047 | 9.16% | 47 |
| Tennessee | \$8,690,523 | 5,137,584 | \$1,691.56 | 45 | \$97,448 | 8.92% | 48 |
| Texas | \$34,883,070 | 18,161,612 | \$1,920.70 | 34 | \$350,876 | 9.94% | 40 |
| Utah | \$3,353,078 | 1,898,404 | \$1,766.26 | 40 | \$30,851 | 10.87% | 18 |
| Vermont | \$1,370,160 | 577,748 | \$2,371.55 | 12 | \$11,176 | 12.26% | 5 |
| Virginia | \$13,425,365 | 6,509,630 | \$2,062.39 | 27 | \$143,795 | 9.34% | 46 |
| Washington | \$12,773,686 | 5,278,842 | \$2,419.79 | 10 | \$115,417 | 11.07% | 16 |
| West Virginia | \$3,185,407 | 1,817,539 | \$1,752.59 | 42 | \$29,839 | 10.68% | 21 |
| Wisconsin | \$12,732,057 | 5,084,889 | \$2,503.90 | 9 | \$101,992 | 12.48% | 3 |
| Wyoming | <u>\$1,078,021</u> | <u>473,081</u> | <u>\$2,278.72</u> | 18 | <u>\$9,276</u> | <u>11.62%</u> | 9 |
| U.S. Average | \$590,280,729 | 259,323,287 | \$2,276.23 | | \$5,472,811 | 10.79% | |

Sources:

- 1) Tax data from Government Finances, Bureau of the Census, U.S. Department of Commerce.
- 2) Population data from Bureau of the Census.
- 3) Personal income data from Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 19
State and Local Property Tax Burden for FY 1993
Per Person and Percent of Personal Income

| <u>State</u> | <u>FY 1993</u> | <u>1993</u> | <u>FY 1993</u> | <u>Rank</u> | <u>FY 1993</u> | <u>FY 1993</u> | <u>Rank</u> |
|-----------------|--------------------------|------------------|-------------------|-------------|--------------------------|------------------|-------------|
| | <u>State & Local</u> | | <u>Population</u> | | <u>State & Local</u> | <u>Personal</u> | |
| | <u>(thousands)</u> | | <u>Per Person</u> | | <u>(millions)</u> | <u>as a % of</u> | |
| | | | | | | <u>Personal</u> | |
| | | | | | | <u>Income</u> | <u>Rank</u> |
| Alabama | \$768,652 | 4,214,202 | \$182.40 | 50 | \$74,703 | 1.03% | 50 |
| Alaska | \$673,113 | 599,432 | \$1,122.92 | 5 | \$14,441 | 4.66% | 6 |
| Arizona | \$2,742,049 | 4,065,440 | \$674.48 | 25 | \$72,368 | 3.79% | 19 |
| Arkansas | \$633,744 | 2,456,303 | \$258.01 | 48 | \$40,298 | 1.57% | 47 |
| California | \$20,904,055 | 31,274,928 | \$668.40 | 26 | \$708,367 | 2.95% | 32 |
| Colorado | \$2,541,764 | 3,613,734 | \$703.36 | 23 | \$77,067 | 3.30% | 25 |
| Connecticut | \$4,219,389 | 3,309,175 | \$1,275.06 | 3 | \$95,182 | 4.43% | 12 |
| Delaware | \$241,836 | 706,378 | \$342.36 | 43 | \$16,297 | 1.48% | 48 |
| Florida | \$10,228,512 | 13,927,185 | \$734.43 | 20 | \$286,901 | 3.57% | 22 |
| Georgia | \$4,026,189 | 6,978,240 | \$576.96 | 32 | \$134,766 | 2.99% | 28 |
| Hawaii | \$603,125 | 1,172,838 | \$514.24 | 34 | \$28,427 | 2.12% | 40 |
| Idaho | \$517,743 | 1,108,768 | \$466.95 | 37 | \$19,227 | 2.69% | 36 |
| Illinois | \$10,762,627 | 11,809,579 | \$911.35 | 10 | \$270,035 | 3.99% | 15 |
| Indiana | \$3,606,318 | 5,739,019 | \$628.39 | 30 | \$111,907 | 3.22% | 26 |
| Iowa | \$2,182,471 | 2,836,972 | \$769.30 | 17 | \$53,633 | 4.07% | 14 |
| Kansas | \$1,753,295 | 2,556,547 | \$685.81 | 24 | \$51,405 | 3.41% | 23 |
| Kentucky | \$1,145,077 | 3,812,206 | \$300.37 | 45 | \$66,295 | 1.73% | 44 |
| Louisiana | \$1,190,008 | 4,316,428 | \$275.69 | 47 | \$74,171 | 1.60% | 46 |
| Maine | \$1,104,476 | 1,242,302 | \$889.06 | 12 | \$22,976 | 4.81% | 5 |
| Maryland | \$3,613,523 | 4,971,889 | \$726.79 | 22 | \$121,631 | 2.97% | 29 |
| Massachusetts | \$5,497,034 | 6,060,569 | \$907.02 | 11 | \$151,166 | 3.64% | 21 |
| Michigan | \$9,246,788 | 9,540,114 | \$969.25 | 7 | \$201,015 | 4.60% | 7 |
| Minnesota | \$3,843,498 | 4,555,954 | \$843.62 | 14 | \$98,955 | 3.88% | 18 |
| Mississippi | \$1,021,327 | 2,655,100 | \$384.67 | 41 | \$39,502 | 2.59% | 37 |
| Missouri | \$2,148,120 | 5,271,175 | \$407.52 | 40 | \$103,894 | 2.07% | 41 |
| Montana | \$667,208 | 844,761 | \$789.82 | 16 | \$14,640 | 4.56% | 9 |
| Nebraska | \$1,248,364 | 1,625,590 | \$767.95 | 18 | \$32,030 | 3.90% | 17 |
| Nevada | \$681,349 | 1,411,215 | \$482.81 | 36 | \$31,342 | 2.17% | 39 |
| New Hampshire | \$1,578,768 | 1,129,458 | \$1,397.81 | 1 | \$24,884 | 6.34% | 1 |
| New Jersey | \$11,012,116 | 7,948,915 | \$1,385.36 | 2 | \$210,738 | 5.23% | 2 |
| New Mexico | \$378,471 | 1,636,453 | \$231.28 | 49 | \$26,821 | 1.41% | 49 |
| New York | \$22,413,158 | 18,374,954 | \$1,219.77 | 4 | \$455,697 | 4.92% | 4 |
| North Carolina | \$2,962,701 | 7,042,818 | \$420.67 | 39 | \$134,813 | 2.20% | 38 |
| North Dakota | \$355,733 | 641,216 | \$554.78 | 33 | \$11,397 | 3.12% | 27 |
| Ohio | \$6,690,900 | 11,101,140 | \$602.72 | 31 | \$227,352 | 2.94% | 33 |
| Oklahoma | \$939,861 | 3,252,285 | \$288.98 | 46 | \$57,335 | 1.64% | 45 |
| Oregon | \$2,549,537 | 3,060,367 | \$833.08 | 15 | \$60,043 | 4.25% | 13 |
| Pennsylvania | \$7,743,760 | 12,119,724 | \$638.94 | 29 | \$262,397 | 2.95% | 31 |
| Rhode Island | \$966,150 | 1,015,112 | \$951.77 | 8 | \$21,665 | 4.46% | 11 |
| South Carolina | \$1,833,679 | 3,663,314 | \$500.55 | 35 | \$63,315 | 2.90% | 34 |
| South Dakota | \$476,496 | 722,159 | \$659.82 | 27 | \$13,047 | 3.65% | 20 |
| Tennessee | \$1,890,943 | 5,137,584 | \$368.06 | 42 | \$97,448 | 1.94% | 43 |
| Texas | \$13,895,659 | 18,161,612 | \$765.11 | 19 | \$350,876 | 3.96% | 16 |
| Utah | \$862,522 | 1,898,404 | \$454.34 | 38 | \$30,851 | 2.80% | 35 |
| Vermont | \$566,317 | 577,748 | \$980.21 | 6 | \$11,176 | 5.07% | 3 |
| Virginia | \$4,251,962 | 6,509,630 | \$653.18 | 28 | \$143,795 | 2.96% | 30 |
| Washington | \$3,869,992 | 5,278,842 | \$733.11 | 21 | \$115,417 | 3.35% | 24 |
| West Virginia | \$581,747 | 1,817,539 | \$320.07 | 44 | \$29,839 | 1.95% | 42 |
| Wisconsin | \$4,679,753 | 5,084,889 | \$920.33 | 9 | \$101,992 | 4.59% | 8 |
| Wyoming | \$419,592 | 473,081 | \$886.93 | 13 | \$9,276 | 4.52% | 10 |
| U.S. Average | \$188,731,471 | 259,323,287 | \$727.78 | | \$5,472,811 | 3.45% | |

Sources:

- 1) Tax data from Government Finances, Bureau of the Census, U.S. Department of Commerce.
- 2) Population data from Bureau of the Census.
- 3) Personal income data from Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 20
State and Local Sales Tax Burden for FY 1993
Per Person and Percent of Personal Income

| <u>State</u> | <u>FY 1993 State & Local Sales Taxes (thousands)</u> | <u>1993 Population</u> | <u>FY 1993 State & Local Sales Taxes Per Person</u> | <u>Rank</u> | <u>FY 1993 Personal Income (millions)</u> | <u>FY 1993 Sales Taxes as a % of Personal Income</u> | <u>Rank</u> |
|-----------------|--|----------------------------|---|-------------|---|--|-------------|
| Alabama | \$1,968,047 | 4,214,202 | \$467.00 | 28 | \$74,703 | 2.63% | 21 |
| Alaska | \$88,013 | 599,432 | \$146.83 | 46 | \$14,441 | 0.61% | 46 |
| Arizona | \$2,741,409 | 4,065,440 | \$674.32 | 7 | \$72,368 | 3.79% | 5 |
| Arkansas | \$1,329,048 | 2,456,303 | \$541.08 | 19 | \$40,298 | 3.30% | 11 |
| California | \$20,250,435 | 31,274,928 | \$647.50 | 9 | \$708,367 | 2.86% | 15 |
| Colorado | \$2,019,119 | 3,613,734 | \$558.73 | 15 | \$77,067 | 2.62% | 22 |
| Connecticut | \$2,056,269 | 3,309,175 | \$621.38 | 11 | \$95,182 | 2.16% | 34 |
| Delaware | \$0 | 706,378 | \$0.00 | 47 | \$16,297 | 0.00% | 47 |
| Florida | \$9,569,016 | 13,927,185 | \$687.07 | 6 | \$286,901 | 3.34% | 9 |
| Georgia | \$3,983,923 | 6,978,240 | \$570.91 | 14 | \$134,766 | 2.96% | 14 |
| Hawaii | \$1,302,919 | 1,172,838 | \$1,110.91 | 2 | \$28,427 | 4.58% | 3 |
| Idaho | \$488,777 | 1,108,768 | \$440.83 | 32 | \$19,227 | 2.54% | 24 |
| Illinois | \$5,332,032 | 11,809,579 | \$451.50 | 31 | \$270,035 | 1.97% | 37 |
| Indiana | \$2,300,233 | 5,739,019 | \$400.81 | 38 | \$111,907 | 2.06% | 35 |
| Iowa | \$1,301,909 | 2,836,972 | \$458.91 | 30 | \$53,633 | 2.43% | 28 |
| Kansas | \$1,417,522 | 2,556,547 | \$554.47 | 17 | \$51,405 | 2.76% | 19 |
| Kentucky | \$1,465,634 | 3,812,206 | \$384.46 | 40 | \$66,295 | 2.21% | 33 |
| Louisiana | \$2,827,054 | 4,316,428 | \$654.95 | 8 | \$74,171 | 3.81% | 4 |
| Maine | \$641,580 | 1,242,302 | \$516.44 | 23 | \$22,976 | 2.79% | 17 |
| Maryland | \$1,718,152 | 4,971,889 | \$345.57 | 43 | \$121,631 | 1.41% | 44 |
| Massachusetts | \$2,124,164 | 6,060,569 | \$350.49 | 42 | \$151,166 | 1.41% | 45 |
| Michigan | \$3,467,303 | 9,540,114 | \$363.44 | 41 | \$201,015 | 1.72% | 41 |
| Minnesota | \$2,391,486 | 4,555,954 | \$524.91 | 21 | \$98,955 | 2.42% | 29 |
| Mississippi | \$1,419,650 | 2,655,100 | \$534.69 | 20 | \$39,502 | 3.59% | 7 |
| Missouri | \$2,764,269 | 5,271,175 | \$524.41 | 22 | \$103,894 | 2.66% | 20 |
| Montana | \$0 | 844,761 | \$0.00 | 47 | \$14,640 | 0.00% | 47 |
| Nebraska | \$812,100 | 1,625,590 | \$499.57 | 25 | \$32,030 | 2.54% | 25 |
| Nevada | \$1,041,911 | 1,411,215 | \$738.31 | 4 | \$31,342 | 3.32% | 10 |
| New Hampshire | \$0 | 1,129,458 | \$0.00 | 47 | \$24,884 | 0.00% | 47 |
| New Jersey | \$3,651,123 | 7,948,915 | \$459.32 | 29 | \$210,738 | 1.73% | 40 |
| New Mexico | \$1,309,634 | 1,636,453 | \$800.29 | 3 | \$26,821 | 4.88% | 2 |
| New York | \$11,739,258 | 18,374,954 | \$638.87 | 10 | \$455,697 | 2.58% | 23 |
| North Carolina | \$3,319,930 | 7,042,818 | \$471.39 | 26 | \$134,813 | 2.46% | 27 |
| North Dakota | \$267,523 | 641,216 | \$417.21 | 35 | \$11,397 | 2.35% | 31 |
| Ohio | \$4,632,528 | 11,101,140 | \$417.30 | 34 | \$227,352 | 2.04% | 36 |
| Oklahoma | \$1,626,510 | 3,252,285 | \$500.11 | 24 | \$57,335 | 2.84% | 16 |
| Oregon | \$0 | 3,060,367 | \$0.00 | 47 | \$60,043 | 0.00% | 47 |
| Pennsylvania | \$4,904,185 | 12,119,724 | \$404.64 | 37 | \$262,397 | 1.87% | 39 |
| Rhode Island | \$413,000 | 1,015,112 | \$406.85 | 36 | \$21,665 | 1.91% | 38 |
| South Carolina | \$1,595,501 | 3,663,314 | \$435.53 | 33 | \$63,315 | 2.52% | 26 |
| South Dakota | \$402,661 | 722,159 | \$557.58 | 16 | \$13,047 | 3.09% | 13 |
| Tennessee | \$3,656,675 | 5,137,584 | \$711.75 | 5 | \$97,448 | 3.75% | 6 |
| Texas | \$11,128,109 | 18,161,612 | \$612.73 | 12 | \$350,876 | 3.17% | 12 |
| Utah | \$1,096,311 | 1,898,404 | \$577.49 | 13 | \$30,851 | 3.55% | 8 |
| Vermont | \$161,310 | 577,748 | \$279.20 | 45 | \$11,176 | 1.44% | 43 |
| Virginia | \$2,190,349 | 6,509,630 | \$336.48 | 44 | \$143,795 | 1.52% | 42 |
| Washington | \$6,146,441 | 5,278,842 | \$1,164.35 | 1 | \$115,417 | 5.33% | 1 |
| West Virginia | \$714,369 | 1,817,539 | \$393.04 | 39 | \$29,839 | 2.39% | 30 |
| Wisconsin | \$2,377,503 | 5,084,889 | \$467.56 | 27 | \$101,992 | 2.33% | 32 |
| Wyoming | <u>\$256,990</u> | <u>473,081</u> | <u>\$543.23</u> | 18 | <u>\$9,276</u> | <u>2.77%</u> | 18 |
| U.S. Average | \$138,411,884 | 259,323,287 | \$533.74 | | \$5,472,811 | 2.53% | |

Sources:

- 1) Tax data from Government Finances, Bureau of the Census, U.S. Department of Commerce.
- 2) Population data from Bureau of the Census.
- 3) Personal income data from Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 21
State and Local Total Tax Burden for FY 2000
Per Person and Percent of Personal Income

| <u>State</u> | <u>FY 2000 State & Local Taxes (thousands)</u> | <u>2000 Population</u> | <u>FY 2000 State & Local Taxes Per Person</u> | <u>Rank</u> | <u>FY 2000 Personal Income (thousands)</u> | <u>FY 2000 Total Taxes as a % of Personal Income</u> | <u>Rank</u> |
|-----------------|--|----------------------------|---|-------------|--|--|-------------|
| Alabama | \$9,415,089 | 4,451,493 | \$2,115.04 | 50 | \$104,490,250 | 9.01% | 48 |
| Alaska | \$2,311,801 | 627,601 | \$3,683.55 | 6 | 18,131,500 | 12.75% | 3 |
| Arizona | \$13,333,612 | 5,165,274 | \$2,581.39 | 36 | 125,661,000 | 10.61% | 27 |
| Arkansas | \$5,961,335 | 2,678,030 | \$2,226.02 | 47 | 57,527,000 | 10.36% | 34 |
| California | \$120,067,581 | 34,000,446 | \$3,531.35 | 7 | 1,043,978,000 | 11.50% | 11 |
| Colorado | \$13,216,188 | 4,323,410 | \$3,056.89 | 18 | 134,820,750 | 9.80% | 43 |
| Connecticut | \$15,651,070 | 3,410,079 | \$4,589.65 | 1 | 135,835,250 | 11.52% | 10 |
| Delaware | \$2,618,628 | 786,234 | \$3,330.60 | 12 | 23,667,500 | 11.06% | 16 |
| Florida | \$41,936,682 | 16,054,328 | \$2,612.17 | 35 | 437,797,500 | 9.58% | 45 |
| Georgia | \$23,253,547 | 8,229,823 | \$2,825.52 | 26 | 222,663,000 | 10.44% | 31 |
| Hawaii | \$4,101,617 | 1,212,281 | \$3,383.39 | 10 | 33,428,500 | 12.27% | 6 |
| Idaho | \$3,294,239 | 1,299,258 | \$2,535.48 | 38 | 30,155,500 | 10.92% | 18 |
| Illinois | \$40,256,016 | 12,435,970 | \$3,237.06 | 14 | 386,124,750 | 10.43% | 32 |
| Indiana | \$16,363,430 | 6,089,950 | \$2,686.96 | 30 | 160,440,000 | 10.20% | 39 |
| Iowa | \$8,090,525 | 2,927,509 | \$2,763.62 | 27 | 75,509,500 | 10.71% | 24 |
| Kansas | \$7,616,353 | 2,691,750 | \$2,829.52 | 25 | 71,983,250 | 10.58% | 28 |
| Kentucky | \$10,172,414 | 4,047,424 | \$2,513.31 | 39 | 94,603,000 | 10.75% | 23 |
| Louisiana | \$10,887,408 | 4,469,970 | \$2,435.68 | 41 | 101,222,000 | 10.76% | 22 |
| Maine | \$4,262,142 | 1,276,961 | \$3,337.72 | 11 | 31,784,500 | 13.41% | 2 |
| Maryland | \$18,289,881 | 5,310,908 | \$3,443.83 | 9 | 173,277,250 | 10.56% | 29 |
| Massachusetts | \$24,042,067 | 6,357,072 | \$3,781.94 | 4 | 228,810,000 | 10.51% | 30 |
| Michigan | \$31,474,162 | 9,952,006 | \$3,162.59 | 16 | 290,158,000 | 10.85% | 20 |
| Minnesota | \$18,172,885 | 4,931,093 | \$3,685.37 | 5 | 152,370,500 | 11.93% | 7 |
| Mississippi | \$6,299,396 | 2,849,100 | \$2,211.01 | 48 | 58,457,750 | 10.78% | 21 |
| Missouri | \$14,313,873 | 5,603,553 | \$2,554.43 | 37 | 148,591,000 | 9.63% | 44 |
| Montana | \$2,131,839 | 903,157 | \$2,360.43 | 45 | 19,948,500 | 10.69% | 26 |
| Nebraska | \$4,972,968 | 1,712,577 | \$2,903.79 | 23 | 46,513,250 | 10.69% | 25 |
| Nevada | \$5,824,824 | 2,018,723 | \$2,885.40 | 24 | 57,518,750 | 10.13% | 40 |
| New Hampshire | \$3,278,375 | 1,239,881 | \$2,644.10 | 32 | 39,468,000 | 8.31% | 50 |
| New Jersey | \$32,837,939 | 8,429,007 | \$3,895.83 | 3 | 301,598,750 | 10.89% | 19 |
| New Mexico | \$4,800,578 | 1,821,282 | \$2,635.82 | 33 | 38,695,250 | 12.41% | 5 |
| New York | \$86,868,188 | 18,989,332 | \$4,574.58 | 2 | 625,124,250 | 13.90% | 1 |
| North Carolina | \$21,440,029 | 8,077,367 | \$2,654.33 | 31 | 209,832,000 | 10.22% | 37 |
| North Dakota | \$1,768,115 | 640,919 | \$2,758.72 | 28 | 15,468,750 | 11.43% | 13 |
| Ohio | \$34,238,674 | 11,359,955 | \$3,013.98 | 20 | 312,782,000 | 10.95% | 17 |
| Oklahoma | \$8,251,421 | 3,453,250 | \$2,389.47 | 43 | 79,890,250 | 10.33% | 35 |
| Oregon | \$9,411,783 | 3,429,293 | \$2,744.53 | 29 | 92,246,250 | 10.20% | 38 |
| Pennsylvania | \$36,581,020 | 12,282,591 | \$2,978.28 | 21 | 352,827,250 | 10.37% | 33 |
| Rhode Island | \$3,412,355 | 1,050,236 | \$3,249.13 | 13 | 29,708,750 | 11.49% | 12 |
| South Carolina | \$9,542,914 | 4,023,438 | \$2,371.83 | 44 | 94,398,250 | 10.11% | 41 |
| South Dakota | \$1,735,628 | 755,509 | \$2,297.30 | 46 | 19,010,000 | 9.13% | 47 |
| Tennessee | \$12,431,196 | 5,702,027 | \$2,180.14 | 49 | 145,783,750 | 8.53% | 49 |
| Texas | \$52,226,535 | 20,946,503 | \$2,493.33 | 40 | 571,350,833 | 9.14% | 46 |
| Utah | \$5,873,126 | 2,241,555 | \$2,620.11 | 34 | 50,791,750 | 11.56% | 9 |
| Vermont | \$1,875,546 | 609,709 | \$3,076.13 | 17 | 16,124,500 | 11.63% | 8 |
| Virginia | \$21,082,951 | 7,104,016 | \$2,967.75 | 22 | 212,910,250 | 9.90% | 42 |
| Washington | \$18,733,865 | 5,908,372 | \$3,170.73 | 15 | 182,219,750 | 10.28% | 36 |
| West Virginia | \$4,362,304 | 1,807,099 | \$2,413.98 | 42 | 38,449,250 | 11.35% | 15 |
| Wisconsin | \$18,546,574 | 5,372,243 | \$3,452.30 | 8 | 148,446,750 | 12.49% | 4 |
| Wyoming | <u>\$1,504,660</u> | <u>494,001</u> | <u>\$3,045.86</u> | 19 | <u>13,257,750</u> | 11.35% | 14 |
| U.S. Totals | 869,135,348 | 281,553,565 | \$3,086.93 | | 8,055,852,083 | 10.79% | |

Sources:

- 1) Tax data from Government Finances, Bureau of the Census, U.S. Department of Commerce.
- 2) Population data from Bureau of the Census.
- 3) Personal income data from Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 22
State and Local Property Tax Burden for FY 2000
Per Person and Percent of Personal Income

| <u>State</u> | <u>FY 2000 State & Local Property Taxes (thousands)</u> | <u>2000 Population</u> | <u>FY 2000 State & Local Property Taxes Per Person</u> | <u>Rank</u> | <u>FY 2000 Personal Income (thousands)</u> | <u>FY 2000 Property Tax as a % of Personal Income</u> | <u>Rank</u> |
|-----------------|---|----------------------------|--|-------------|--|---|-------------|
| Alabama | \$1,340,152 | 4,451,493 | \$301.06 | 50 | \$104,490,250 | 1.28% | 50 |
| Alaska | \$761,244 | 627,601 | \$1,212.94 | 8 | 18,131,500 | 4.20% | 7 |
| Arizona | \$3,905,594 | 5,165,274 | \$756.13 | 32 | 125,661,000 | 3.11% | 22 |
| Arkansas | \$965,665 | 2,678,030 | \$360.59 | 48 | 57,527,000 | 1.68% | 46 |
| California | \$26,235,331 | 34,000,446 | \$771.62 | 31 | 1,043,978,000 | 2.51% | 36 |
| Colorado | \$3,679,814 | 4,323,410 | \$851.14 | 23 | 134,820,750 | 2.73% | 33 |
| Connecticut | \$5,407,465 | 3,410,079 | \$1,585.73 | 3 | 135,835,250 | 3.98% | 9 |
| Delaware | \$382,491 | 786,234 | \$486.48 | 43 | 23,667,500 | 1.62% | 48 |
| Florida | \$14,098,490 | 16,054,328 | \$878.17 | 22 | 437,797,500 | 3.22% | 21 |
| Georgia | \$5,931,692 | 8,229,823 | \$720.76 | 33 | 222,663,000 | 2.66% | 34 |
| Hawaii | \$602,626 | 1,212,281 | \$497.10 | 42 | 33,428,500 | 1.80% | 44 |
| Idaho | \$867,068 | 1,299,258 | \$667.36 | 35 | 30,155,500 | 2.88% | 28 |
| Illinois | \$14,511,114 | 12,435,970 | \$1,166.87 | 10 | 386,124,750 | 3.76% | 12 |
| Indiana | \$5,551,586 | 6,089,950 | \$911.60 | 18 | 160,440,000 | 3.46% | 14 |
| Iowa | \$2,599,313 | 2,927,509 | \$887.89 | 21 | 75,509,500 | 3.44% | 15 |
| Kansas | \$2,173,302 | 2,691,750 | \$807.39 | 30 | 71,983,250 | 3.02% | 25 |
| Kentucky | \$1,721,607 | 4,047,424 | \$425.36 | 45 | 94,603,000 | 1.82% | 43 |
| Louisiana | \$1,742,297 | 4,469,970 | \$389.78 | 46 | 101,222,000 | 1.72% | 45 |
| Maine | \$1,598,490 | 1,276,961 | \$1,251.79 | 7 | 31,784,500 | 5.03% | 2 |
| Maryland | \$4,809,286 | 5,310,908 | \$905.55 | 19 | 173,277,250 | 2.78% | 32 |
| Massachusetts | \$7,642,521 | 6,357,072 | \$1,202.21 | 9 | 228,810,000 | 3.34% | 17 |
| Michigan | \$9,498,688 | 9,952,006 | \$954.45 | 14 | 290,158,000 | 3.27% | 20 |
| Minnesota | \$4,565,073 | 4,931,093 | \$925.77 | 17 | 152,370,500 | 3.00% | 27 |
| Mississippi | \$1,462,014 | 2,849,100 | \$513.15 | 40 | 58,457,750 | 2.50% | 37 |
| Missouri | \$3,404,879 | 5,603,553 | \$607.63 | 37 | 148,591,000 | 2.29% | 39 |
| Montana | \$907,995 | 903,157 | \$1,005.36 | 13 | 19,948,500 | 4.55% | 6 |
| Nebraska | \$1,548,923 | 1,712,577 | \$904.44 | 20 | 46,513,250 | 3.33% | 18 |
| Nevada | \$1,437,281 | 2,018,723 | \$711.98 | 34 | 57,518,750 | 2.50% | 38 |
| New Hampshire | \$2,027,817 | 1,239,881 | \$1,635.49 | 2 | 39,468,000 | 5.14% | 1 |
| New Jersey | \$14,448,857 | 8,429,007 | \$1,714.18 | 1 | 301,598,750 | 4.79% | 4 |
| New Mexico | \$620,463 | 1,821,282 | \$340.67 | 49 | 38,695,250 | 1.60% | 49 |
| New York | \$25,201,914 | 18,989,332 | \$1,327.16 | 4 | 625,124,250 | 4.03% | 8 |
| North Carolina | \$4,607,461 | 8,077,367 | \$570.42 | 39 | 209,832,000 | 2.20% | 41 |
| North Dakota | \$527,062 | 640,919 | \$822.35 | 27 | 15,468,750 | 3.41% | 16 |
| Ohio | \$9,544,118 | 11,359,955 | \$840.15 | 25 | 312,782,000 | 3.05% | 23 |
| Oklahoma | \$1,302,616 | 3,453,250 | \$377.21 | 47 | 79,890,250 | 1.63% | 47 |
| Oregon | \$2,788,611 | 3,429,293 | \$813.17 | 29 | 92,246,250 | 3.02% | 24 |
| Pennsylvania | \$10,066,526 | 12,282,591 | \$819.58 | 28 | 352,827,250 | 2.85% | 29 |
| Rhode Island | \$1,359,523 | 1,050,236 | \$1,294.49 | 5 | 29,708,750 | 4.58% | 5 |
| South Carolina | \$2,680,143 | 4,023,438 | \$666.13 | 36 | 94,398,250 | 2.84% | 30 |
| South Dakota | \$632,374 | 755,509 | \$837.02 | 26 | 19,010,000 | 3.33% | 19 |
| Tennessee | \$2,887,113 | 5,702,027 | \$506.33 | 41 | 145,783,750 | 1.98% | 42 |
| Texas | \$19,817,072 | 20,946,503 | \$946.08 | 15 | 571,350,833 | 3.47% | 13 |
| Utah | \$1,303,192 | 2,241,555 | \$581.38 | 38 | 50,791,750 | 2.57% | 35 |
| Vermont | \$782,200 | 609,709 | \$1,282.91 | 6 | 16,124,500 | 4.85% | 3 |
| Virginia | \$5,985,891 | 7,104,016 | \$842.61 | 24 | 212,910,250 | 2.81% | 31 |
| Washington | \$5,492,563 | 5,908,372 | \$929.62 | 16 | 182,219,750 | 3.01% | 26 |
| West Virginia | \$855,120 | 1,807,099 | \$473.20 | 44 | 38,449,250 | 2.22% | 40 |
| Wisconsin | \$5,689,395 | 5,372,243 | \$1,059.04 | 11 | 148,446,750 | 3.83% | 11 |
| Wyoming | <u>\$512,791</u> | <u>494,001</u> | <u>\$1,038.04</u> | 12 | <u>13,257,750</u> | <u>3.87%</u> | 10 |
| U.S. Totals | 248,484,823 | 281,553,565 | \$882.55 | | 8,055,852,083 | 3.08% | |

Sources:

- 1) Tax data from Government Finances, Bureau of the Census, U.S. Department of Commerce.
- 2) Population data from Bureau of the Census.
- 3) Personal income data from Bureau of Economic Analysis, U.S. Department of Commerce.

Exhibit 23
State and Local Sales Tax Burden for FY 2000
Per Person and Percent of Personal Income

| <u>State</u> | <u>FY 2000 State & Local Sales Taxes (thousands)</u> | <u>2000 Population</u> | <u>FY 2000 State & Local Sales Taxes Per Person</u> | <u>Rank</u> | <u>FY 2000 Personal Income (thousands)</u> | <u>FY 2000 Sales Tax as a % of Personal Income</u> | <u>Rank</u> |
|-----------------|--|----------------------------|---|-------------|--|--|-------------|
| Alabama | \$2,868,357 | 4,451,493 | \$644.36 | 31 | \$104,490,250 | 2.75% | 21 |
| Alaska | \$106,864 | 627,601 | \$170.27 | 46 | 18,131,500 | 0.59% | 46 |
| Arizona | \$4,853,286 | 5,165,274 | \$939.60 | 9 | 125,661,000 | 3.86% | 7 |
| Arkansas | \$2,199,195 | 2,678,030 | \$821.20 | 19 | 57,527,000 | 3.82% | 8 |
| California | \$30,439,691 | 34,000,446 | \$895.27 | 12 | 1,043,978,000 | 2.92% | 18 |
| Colorado | \$3,775,214 | 4,323,410 | \$873.20 | 13 | 134,820,750 | 2.80% | 19 |
| Connecticut | \$3,419,939 | 3,410,079 | \$1,002.89 | 5 | 135,835,250 | 2.52% | 27 |
| Delaware | \$0 | 786,234 | \$0.00 | 47 | 23,667,500 | 0.00% | 47 |
| Florida | \$15,556,791 | 16,054,328 | \$969.01 | 7 | 437,797,500 | 3.55% | 11 |
| Georgia | \$7,531,299 | 8,229,823 | \$915.12 | 11 | 222,663,000 | 3.38% | 13 |
| Hawaii | \$1,536,276 | 1,212,281 | \$1,267.26 | 2 | 33,428,500 | 4.60% | 3 |
| Idaho | \$747,134 | 1,299,258 | \$575.05 | 38 | 30,155,500 | 2.48% | 30 |
| Illinois | \$7,275,592 | 12,435,970 | \$585.04 | 37 | 386,124,750 | 1.88% | 40 |
| Indiana | \$3,579,416 | 6,089,950 | \$587.76 | 36 | 160,440,000 | 2.23% | 36 |
| Iowa | \$1,893,062 | 2,927,509 | \$646.65 | 30 | 75,509,500 | 2.51% | 28 |
| Kansas | \$2,211,216 | 2,691,750 | \$821.48 | 17 | 71,983,250 | 3.07% | 15 |
| Kentucky | \$2,171,723 | 4,047,424 | \$536.57 | 41 | 94,603,000 | 2.30% | 35 |
| Louisiana | \$4,324,388 | 4,469,970 | \$967.43 | 8 | 101,222,000 | 4.27% | 4 |
| Maine | \$847,358 | 1,276,961 | \$663.57 | 27 | 31,784,500 | 2.67% | 23 |
| Maryland | \$2,498,184 | 5,310,908 | \$470.39 | 43 | 173,277,250 | 1.44% | 44 |
| Massachusetts | \$3,565,267 | 6,357,072 | \$560.83 | 39 | 228,810,000 | 1.56% | 42 |
| Michigan | \$7,666,399 | 9,952,006 | \$770.34 | 21 | 290,158,000 | 2.64% | 24 |
| Minnesota | \$3,757,366 | 4,931,093 | \$761.97 | 22 | 152,370,500 | 2.47% | 31 |
| Mississippi | \$2,333,384 | 2,849,100 | \$818.99 | 20 | 58,457,750 | 3.99% | 5 |
| Missouri | \$4,107,718 | 5,603,553 | \$733.06 | 23 | 148,591,000 | 2.76% | 20 |
| Montana | \$0 | 903,157 | \$0.00 | 47 | 19,948,500 | 0.00% | 48 |
| Nebraska | \$1,216,962 | 1,712,577 | \$710.60 | 24 | 46,513,250 | 2.62% | 26 |
| Nevada | \$2,061,496 | 2,018,723 | \$1,021.19 | 4 | 57,518,750 | 3.58% | 10 |
| New Hampshire | \$0 | 1,239,881 | \$0.00 | 47 | 39,468,000 | 0.00% | 49 |
| New Jersey | \$5,508,046 | 8,429,007 | \$653.46 | 29 | 301,598,750 | 1.83% | 41 |
| New Mexico | \$1,867,700 | 1,821,282 | \$1,025.49 | 3 | 38,695,250 | 4.83% | 2 |
| New York | \$16,473,484 | 18,989,332 | \$867.51 | 14 | 625,124,250 | 2.64% | 25 |
| North Carolina | \$4,519,995 | 8,077,367 | \$559.59 | 40 | 209,832,000 | 2.15% | 37 |
| North Dakota | \$381,401 | 640,919 | \$595.08 | 33 | 15,468,750 | 2.47% | 32 |
| Ohio | \$7,431,610 | 11,359,955 | \$654.19 | 28 | 312,782,000 | 2.38% | 34 |
| Oklahoma | \$2,403,829 | 3,453,250 | \$696.11 | 25 | 79,890,250 | 3.01% | 17 |
| Oregon | \$0 | 3,429,293 | \$0.00 | 47 | 92,246,250 | 0.00% | 50 |
| Pennsylvania | \$7,220,639 | 12,282,591 | \$587.88 | 35 | 352,827,250 | 2.05% | 39 |
| Rhode Island | \$621,066 | 1,050,236 | \$591.36 | 34 | 29,708,750 | 2.09% | 38 |
| South Carolina | \$2,557,733 | 4,023,438 | \$635.71 | 32 | 94,398,250 | 2.71% | 22 |
| South Dakota | \$627,225 | 755,509 | \$830.20 | 15 | 19,010,000 | 3.30% | 14 |
| Tennessee | \$5,701,043 | 5,702,027 | \$999.83 | 6 | 145,783,750 | 3.91% | 6 |
| Texas | \$17,348,954 | 20,946,503 | \$828.25 | 16 | 571,350,833 | 3.04% | 16 |
| Utah | \$1,841,327 | 2,241,555 | \$821.45 | 18 | 50,791,750 | 3.63% | 9 |
| Vermont | \$215,423 | 609,709 | \$353.32 | 45 | 16,124,500 | 1.34% | 45 |
| Virginia | \$3,214,162 | 7,104,016 | \$452.44 | 44 | 212,910,250 | 1.51% | 43 |
| Washington | \$8,918,781 | 5,908,372 | \$1,509.52 | 1 | 182,219,750 | 4.89% | 1 |
| West Virginia | \$917,050 | 1,807,099 | \$507.47 | 42 | 38,449,250 | 2.39% | 33 |
| Wisconsin | \$3,695,182 | 5,372,243 | \$687.83 | 26 | 148,446,750 | 2.49% | 29 |
| Wyoming | \$463,975 | 494,001 | \$939.22 | 10 | 13,257,750 | 3.50% | 12 |
| U.S. Totals | 214,472,202 | 281,553,565 | \$761.75 | | 8,055,852,083 | 2.66% | |

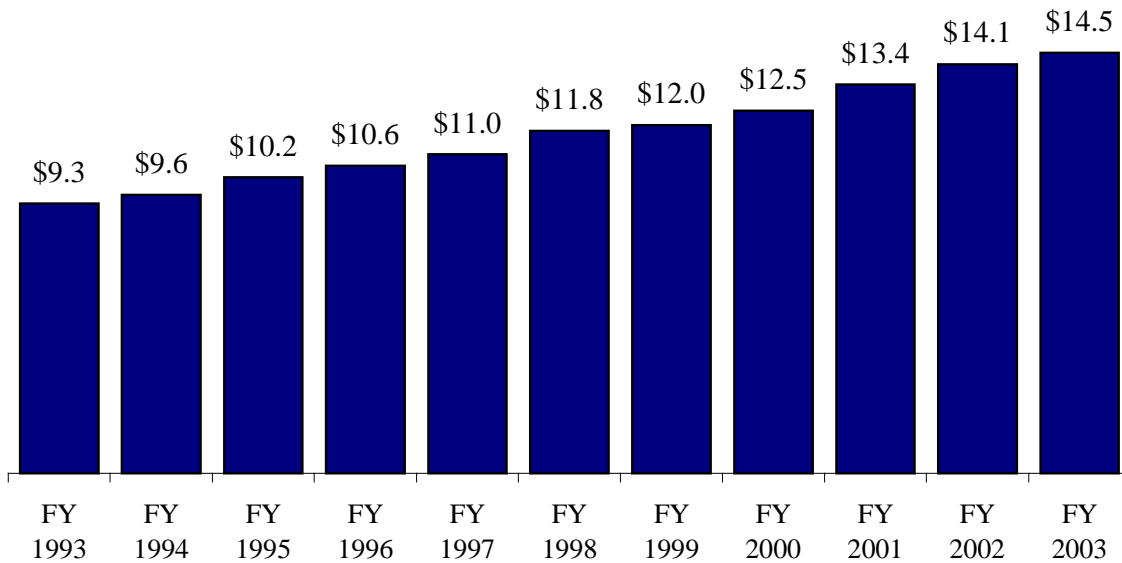
Sources:

- 1) Tax data from Government Finances, Bureau of the Census, U.S. Department of Commerce.
- 2) Population data from Bureau of the Census.
- 3) Personal income data from Bureau of Economic Analysis, U.S. Department of Commerce.

V. PROPOSAL A's IMPACT ON MICHIGAN SCHOOLS

School funding has increased from \$9.3 billion in FY 1993 to over \$14.5 billion in FY 2003 as a result of Proposal A (see Exhibit 24). This increase outpaced inflation as measured by the Detroit Consumer Price Index (CPI).

Exhibit 24
State and Local School Funding Grows to Over \$14 Billion
(billions)



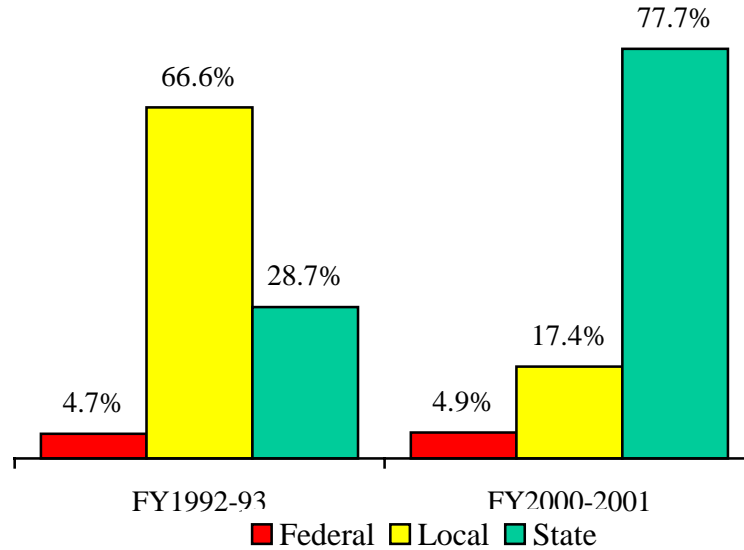
Source: Michigan Department of Treasury.

Proposal A was a shift away from local property taxes toward state levied consumption taxes to support K-12 education in Michigan. Prior to Proposal A about two-thirds of support of K-12 education was raised from local property taxes and about 29 percent came from state resources. In FY 2001, the state share was nearly 78 percent and the local share had dropped to 17 percent (see Exhibit 25).

FY 2002 and FY 2003 SAF revenues are estimated from the May 2002 Consensus Revenue Estimating Conference. The additional revenues deposited into the SAF allow the State to provide more funding for schools. These amounts do not include revenues for debt, which are generated locally (see Exhibit 26).

The original income tax earmarking from Proposal A was 14.4 percent. Public Act 141 of 1995 increased the income tax collections earmarking percentage to 23.0 percent. In 1999, a five-year phased-in reduction of the income tax rate was passed which reduced the income tax rate 0.1 of a percentage point each year beginning in tax year 2000 but schools are hold harmless from this cut. In tax year 2000 the Michigan personal income tax was reduced to 4.3 percent and will be lowered to 3.9 percent by tax year 2004. In 2000, Public Act 40 of 2000 accelerated the rate

Exhibit 25
More State Support for Education
Percent of K-12 General Funding



Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

reduction to 4.2 percent in tax year 2000. In tax year 2001 the income tax rate remained at 4.2 percent with the scheduled reductions to keep going forward. To offset the rate reductions, the percentage of income tax collections dedicated to the SAF is increased so the SAF continues to receive the revenue it would have received had there been no rate cut.

Per Pupil Funding

Proposal A dramatically improved funding equity among school districts by creating a minimum per pupil foundation allowance and by accelerating funding for the low-revenue school districts more quickly than the other school districts. Funding for the lowest-revenue districts was immediately increased to the minimum foundation allowance, which was \$4,200 for school year 1994-95. At the same time, increases in the foundation allowance for most other school districts were limited to approximately one half the dollar increase for low-revenue districts. As a result, Proposal A has reduced the funding gap between rich and poor districts in absolute dollar and percentage terms.

Exhibit 27 shows how the minimum foundation allowance has increased over the years. From FY 1994-95 to FY 2002-03, the minimum foundation allowance has grown 60 percent. Over this same time period, the Detroit CPI is forecasted to grow 23 percent based on the State’s latest economic forecast (see Exhibit 28). Exhibit 29 and Exhibit 30 illustrate the impact of the per pupil funding floor. For the 1993-94 school year, 512 school districts (92 percent) received less than the \$6,700 state and local funding per pupil (please see the Appendix for a listing of all school districts).

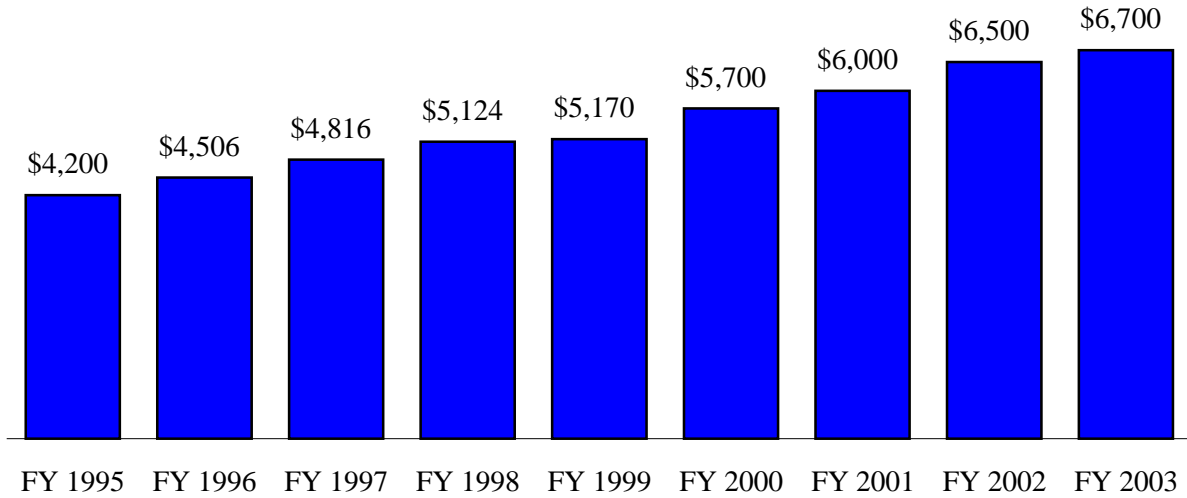
Exhibit 26
State School Aid Fund
(millions)

| <u>Funding Source</u> | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> | <u>FY 1996</u> | <u>FY 1997</u> | <u>FY 1998</u> | <u>FY 1999</u> | <u>FY 2000</u> | <u>FY 2001</u> | <u>Estimated ⁽¹⁾</u> | |
|------------------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|---------------------------------|-------------------|
| | | | | | | | | | | <u>FY 2002</u> | <u>FY 2003</u> |
| Sales Tax | \$1,743.4 | \$2,529.6 | \$3,564.6 | \$3,778.8 | \$3,933.5 | \$4,094.2 | \$4,301.5 | \$4,577.2 | \$4,631.4 | \$4,734.8 | \$4,957.5 |
| Use Tax | \$0.0 | \$132.0 | \$318.9 | \$341.6 | \$362.0 | \$386.4 | \$427.5 | \$452.9 | \$444.5 | \$456.0 | \$478.3 |
| State Education Tax | \$0.0 | \$446.9 | \$1,064.5 | \$1,111.1 | \$1,156.1 | \$1,256.9 | \$1,273.5 | \$1,381.4 | \$1,489.6 | \$1,558.0 | \$1,622.8 |
| Income Tax | \$0.0 | \$0.0 | \$882.5 | \$918.2 | \$1,582.9 | \$1,699.4 | \$1,848.1 | \$1,968.4 | \$1,955.3 | \$1,884.1 | \$1,963.6 |
| Tobacco Tax | \$19.5 | \$163.1 | \$397.2 | \$371.4 | \$350.5 | \$363.0 | \$394.4 | \$387.7 | \$383.1 | \$378.6 | \$371.0 |
| Liquor Tax | \$21.9 | \$21.8 | \$21.9 | \$22.6 | \$22.4 | \$23.9 | \$25.4 | \$27.2 | \$28.4 | \$29.6 | \$29.8 |
| IFT/CFT | \$52.1 | \$86.8 | \$106.6 | \$121.8 | \$117.0 | \$115.3 | \$136.5 | \$152.5 | \$131.3 | \$140.0 | \$143.0 |
| Real Estate Transfer Tax | \$0.0 | \$0.0 | \$91.1 | \$161.2 | \$192.8 | \$227.9 | \$261.7 | \$257.1 | \$252.9 | \$241.0 | \$254.0 |
| Other Tax Revenues | Included in Other Revenue | | \$7.3 | \$18.1 | \$14.9 | \$13.4 | \$14.2 | \$13.4 | \$15.2 | \$14.7 | \$14.7 |
| General Fund Transfer | \$1,086.2 | \$709.6 | \$664.9 | \$621.0 | \$277.9 | \$376.0 | \$420.7 | \$420.1 | \$385.2 | \$198.4 | \$198.4 |
| Lottery | \$427.6 | \$510.7 | \$547.8 | \$548.3 | \$587.7 | \$616.1 | \$621.1 | \$618.5 | \$587.0 | \$605.0 | \$595.0 |
| Casino Wagering Tax | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$6.0 | \$53.1 | \$75.4 | \$92.0 | \$96.0 |
| Federal Funds | \$57.2 | \$62.6 | \$63.1 | \$69.7 | \$70.2 | \$84.7 | \$106.8 | \$121.6 | \$148.6 | \$235.0 | \$235.0 |
| Other Revenue ⁽²⁾ | <u>\$3.2</u> | <u>\$13.2</u> | <u>\$8.0</u> | <u>\$179.7</u> | <u>\$22.7</u> | <u>\$212.0</u> | <u>\$112.3</u> | <u>\$48.3</u> | <u>\$149.4</u> | <u>\$382.0</u> | <u>\$32.7</u> |
| TOTAL | \$3,411.1 | \$4,676.1 | \$7,738.4 | \$8,263.5 | \$8,690.7 | \$9,469.1 | \$9,949.7 | \$10,479.3 | \$10,677.3 | \$10,949.2 | \$10,991.8 |

⁽¹⁾ Figures are from various Executive Budgets and May 2002 Consensus Revenue Conference.

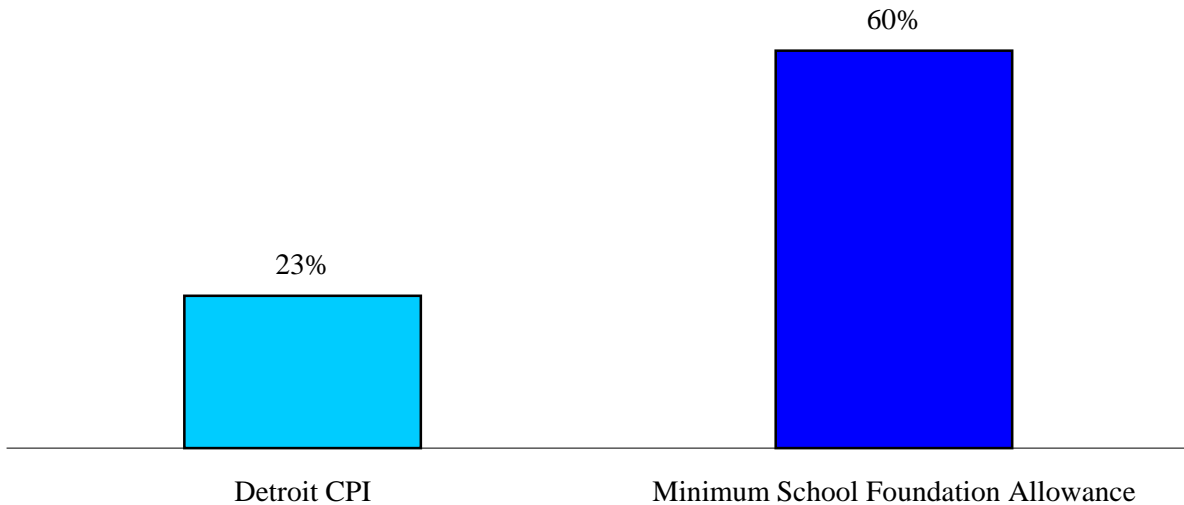
⁽²⁾ Other revenue includes transfers from Budget Stabilization Fund, etc.

Exhibit 27
Minimum School Foundation Allowance Per Pupil
Has Grown 60 Percent



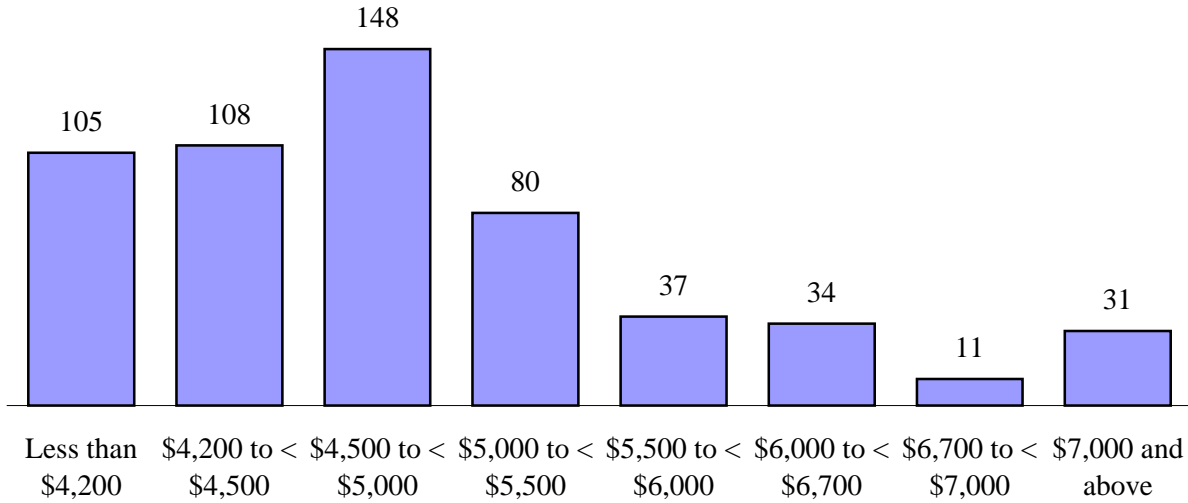
Source: Michigan Department of Education.

Exhibit 28
Minimum School Foundation Grows Faster Than Inflation
FY 1995 to FY 2003



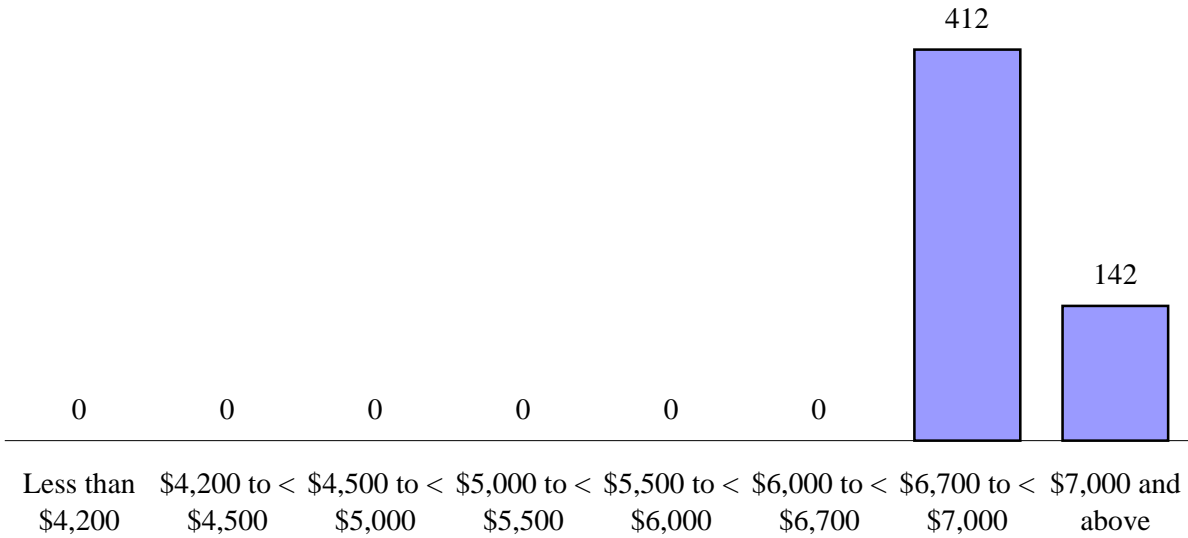
Sources: Michigan Department of Education, Michigan Department of Treasury, and Bureau of Labor Statistics.

Exhibit 29
Before School Finance Reform
512 Districts Below \$6,700 Per Pupil in FY 1994



Source: Michigan Department of Education.

Exhibit 30
After School Finance Reform
No Districts Below \$6,700 Per Pupil in FY 2003



Source: Michigan Department of Education.

Proposal A has substantially reduced school funding inequities. In FY 1994, the ten lowest-revenue school districts had weighted average per pupil revenues of \$3,476, while the ten highest-revenue school districts had weighted average per pupil revenues of \$9,726, nearly three times more than the ten lowest-revenue school districts (see Exhibit 31). By FY 2003, the ten lowest revenue school districts had a weighted average per pupil foundation allowance of \$6,700 (minimum guarantee), while the ten highest revenue districts had a weighted average foundation allowance of \$11,389, less than twice as much as the minimum foundation allowance (see Exhibit 32).

Charter Schools

School reform was also an integral part of Proposal A. The creation of new publicly-chartered school academies afforded parents an alternative to traditional public schools. Since the adoption of Proposal A, 189 publicly-chartered school academies are currently in operation throughout the state. Exhibit 33 illustrates the growth of the number of publicly-chartered schools since their inception. Charter schools are public schools organized by teachers, parents, or others (e.g., university, community college, or any nonprofit organization) and chartered by a public entity, such as a local school board, the State Board of Education, a public university, or a department of state government. While charter schools enjoy the operational autonomy of a private school, they are held accountable to a public governmental authority.

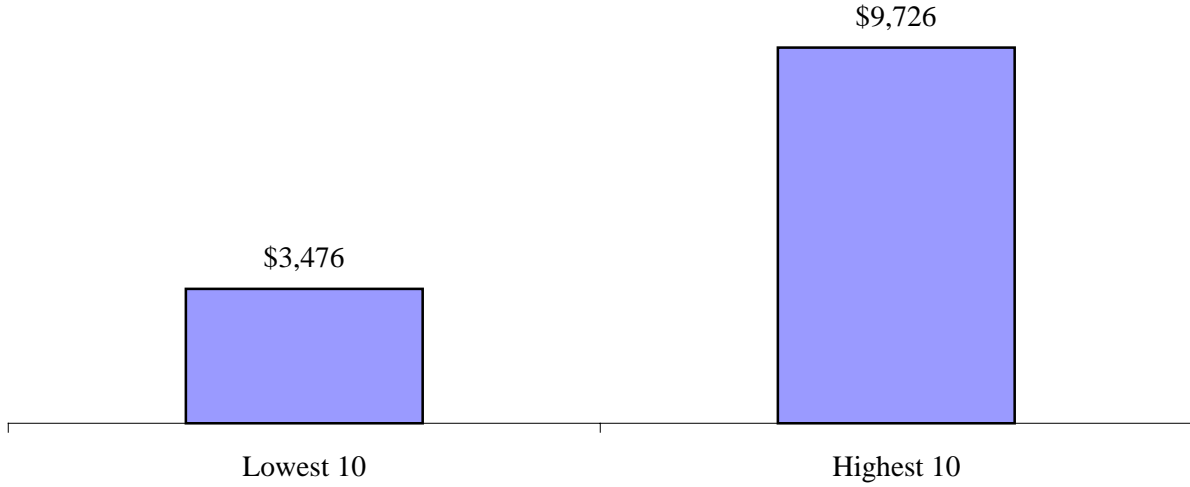
Charter schools have no prescribed local service population and no local revenue base. Pupils may select a school based on its curriculum or other criteria (e.g., location). All applicants have an equal chance of admission. The foundation grant follows the student to attend the charter school of his or her choice.

Although the number of charter schools has grown substantially since 1994, the vast majority of students still attend traditional public schools. In the FY 2002 school year, approximately 64,260 pupils attended Michigan charter schools (see Exhibit 34) while approximately 1.65 million attended Michigan K-12 public schools. Overall, charter school students comprise 3.7 percent of all public K-12 students.

Schools of Choice

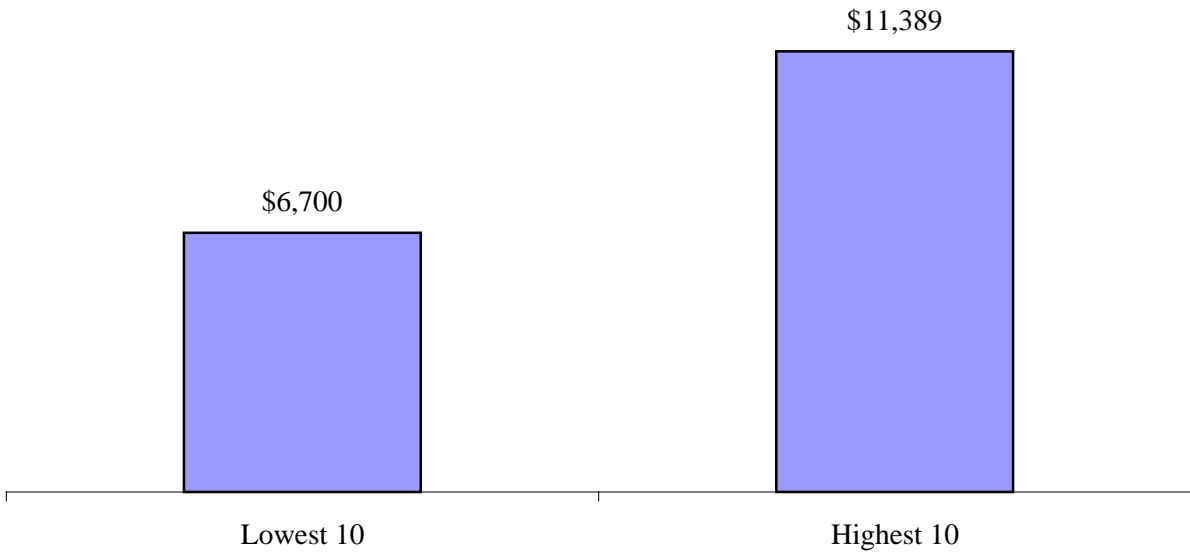
Another aspect of Proposal A was the enactment of “schools of choice” which allows students to attend a public school in a district other than the one in which he or she resides. Students are responsible for their own transportation, and all students have an equal chance of acceptance, regardless of residence. Under the current schools of choice program, local districts may opt to open their doors to students who live in other districts but reside within the same ISD. Currently, there are 554 traditional public school districts organized within 57 ISDs in Michigan. Allowing students to take their foundation grant to the public or charter school of their choice was intended to make schools more responsive to student needs and parent expectations.

Exhibit 31
Highest Spending Districts Outspent Lowest Spending Districts
Nearly 3 Times Per Pupil in 1993-94



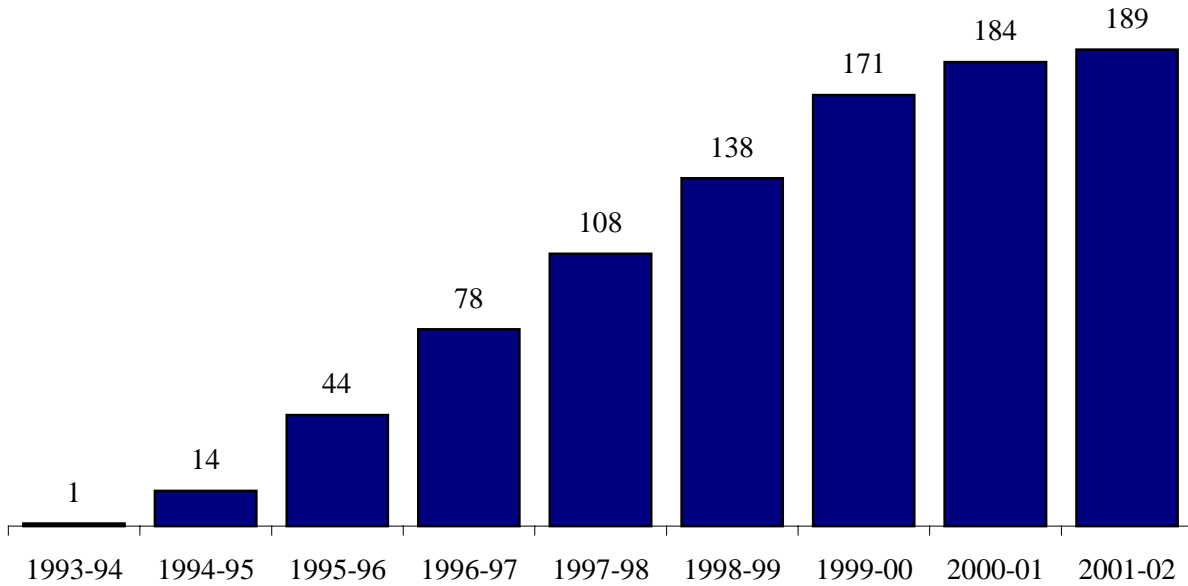
Source: Michigan Department of Education.

Exhibit 32
School Spending More Equitable Between Districts
Difference Less Than Twice Per Pupil in 2002-03



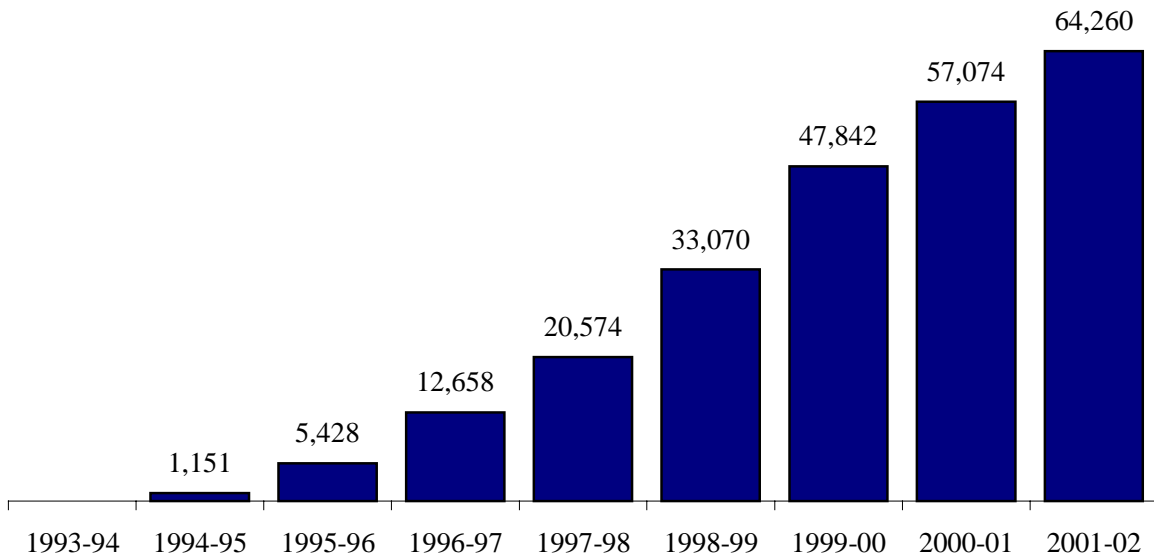
Source: Michigan Department of Education.

Exhibit 33
Michigan Charter Schools



Source: Michigan Department of Education.

Exhibit 34
Students Attending Charter Schools



Source: Michigan Department of Education.

School Vouchers

Michigan did not enact a school voucher program with its new system of charter schools, schools of choice, and foundation grants under Proposal A. Vouchers would also allow students to go to private schools. Michigan's system provides funding only for public and publicly-chartered schools.

Proposal C of 1970 amended the Michigan Constitution to prohibit direct or indirect aid to any private, denominational, or other nonpublic school. Tuition vouchers were specifically prohibited by Proposal C. Michigan voters passed Proposal C by a margin of 57 percent to 43 percent.

In November 2000, Michigan voters defeated Proposal 00-1, which would have allowed vouchers for private schools. Proposal 00-1 would have removed the general prohibition against indirect aid to a private, denominational, or other nonpublic school and remove specific prohibitions against tuition vouchers, subsidies, loans of public property or money, and other types of aid to nonpublic schools.

VI. APPENDIX
INCREASE IN SCHOOL DISTRICTS' PER PUPIL FOUNDATION
ALLOWANCES UNDER PROPOSAL A

**Increase in School Districts' Per Pupil Foundation Allowances Under Proposal A
Ranked by FY 03 Foundation Allowance**

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03 Foundation Allowance⁽¹⁾</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|--|------------------|--|---------------------------|----------|
| | | | | <u>\$</u> | <u>%</u> |
| 49020 | Bois Blanc Pines School District | 13,734 | 15,395 | 1,661 | 12.1% |
| 42030 | Grant Township Schools | 10,681 | 12,341 | 1,660 | 15.5% |
| 63080 | Bloomfield Hills School District | 10,294 | 11,954 | 1,660 | 16.1% |
| 63010 | Birmingham City School District | 10,217 | 11,877 | 1,660 | 16.2% |
| 49110 | Mackinac Island Pub Schools | 9,594 | 11,254 | 1,660 | 17.3% |
| 58080 | Jefferson Schools-Monroe Co. | 9,500 | 11,160 | 1,660 | 17.5% |
| 63060 | Southfield Public School District | 9,299 | 10,959 | 1,660 | 17.9% |
| 17160 | Whitefish Schools | 9,270 | 10,930 | 1,660 | 17.9% |
| 23490 | Oneida Twp School District #3 | 9,022 | 10,682 | 1,660 | 18.4% |
| 63280 | Lamphere Public Schools | 8,777 | 10,437 | 1,660 | 18.9% |
| 15010 | Beaver Island Comm Schools | 8,627 | 10,287 | 1,660 | 19.2% |
| 02020 | Burt Township School District | 8,428 | 10,088 | 1,660 | 19.7% |
| 63200 | Farmington Public School District | 8,407 | 10,067 | 1,660 | 19.8% |
| 11200 | New Buffalo Area School District | 8,367 | 10,027 | 1,660 | 19.8% |
| 82055 | Grosse Pointe Public Schools | 8,233 | 9,893 | 1,660 | 20.2% |
| 50010 | Centerline Public Schools | 7,885 | 9,545 | 1,660 | 21.1% |
| 80040 | Covert Public Schools | 7,727 | 9,387 | 1,660 | 21.5% |
| 81010 | Ann Arbor Public Schools | 7,574 | 9,234 | 1,660 | 21.9% |
| 50230 | Warren Consolidated Schools | 7,421 | 9,082 | 1,661 | 22.4% |
| 45040 | Northport Public School District | 7,387 | 9,047 | 1,660 | 22.5% |
| 17050 | Detour Area Schools | 7,379 | 9,039 | 1,660 | 22.5% |
| 63150 | Troy Public School District | 7,374 | 9,034 | 1,660 | 22.5% |
| 50200 | South Lake Schools | 7,298 | 8,958 | 1,660 | 22.7% |
| 32130 | Port Hope Community Schools | 7,350 | 8,958 | 1,608 | 21.9% |
| 52160 | Wells Township School District | 7,267 | 8,927 | 1,660 | 22.8% |
| 63160 | West Bloomfield School District | 7,225 | 8,886 | 1,661 | 23.0% |
| 63040 | Royal Oak School District | 7,216 | 8,851 | 1,635 | 22.7% |
| 32260 | Colfax Township School District 1F | 7,168 | 8,828 | 1,660 | 23.2% |
| 27060 | Marenisco School District | 7,116 | 8,776 | 1,660 | 23.3% |
| 82045 | Melvindale Allen Park Schools | 7,113 | 8,773 | 1,660 | 23.3% |
| 50240 | Warren Woods Public Schools | 7,069 | 8,739 | 1,670 | 23.6% |
| 33215 | Waverly Schools | 6,998 | 8,659 | 1,661 | 23.7% |
| 82130 | Romulus Community Schools | 6,990 | 8,650 | 1,660 | 23.7% |
| 82120 | River Rouge City Schools | 6,955 | 8,615 | 1,660 | 23.9% |
| 82030 | Dearborn City School District | 6,933 | 8,594 | 1,660 | 23.9% |
| 63100 | Novi Community Schools | 6,931 | 8,591 | 1,660 | 24.0% |
| 82300 | Grosse Ile Township Schools | 6,926 | 8,586 | 1,660 | 24.0% |
| 52110 | Republic Michigamme Schools | 6,922 | 8,582 | 1,660 | 24.0% |
| 82155 | Trenton Public Schools | 6,874 | 8,542 | 1,668 | 24.3% |
| 24020 | Harbor Springs School District | 6,817 | 8,477 | 1,660 | 24.4% |
| 63290 | Walled Lake Consolidated School District | 6,792 | 8,437 | 1,646 | 24.2% |
| 56010 | Midland Public Schools | 6,752 | 8,415 | 1,664 | 24.6% |
| 11340 | Bridgman Public Schools | 6,694 | 8,354 | 1,660 | 24.8% |
| 03080 | Saugatuck Public Schools | 6,671 | 8,331 | 1,660 | 24.9% |
| 80240 | Bangor Twp School District #8 | 6,652 | 8,312 | 1,660 | 25.0% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|--|------------------|---|---------------------------|----------|
| | | | <u>Foundation Allowance⁽¹⁾</u> | <u>\$</u> | <u>%</u> |
| 63070 | Avondale School District | 6,606 | 8,266 | 1,660 | 25.1% |
| 27080 | Watersmeet Township School District | 6,502 | 8,162 | 1,660 | 25.5% |
| 33010 | East Lansing School District | 6,470 | 8,132 | 1,663 | 25.7% |
| 82095 | Livonia Public Schools | 6,438 | 8,105 | 1,667 | 25.9% |
| 63090 | Clarenceville School District | 6,411 | 8,075 | 1,663 | 25.9% |
| 82390 | Northville Public Schools | 6,375 | 8,050 | 1,675 | 26.3% |
| 82320 | Harper Woods School District | 6,341 | 8,008 | 1,666 | 26.3% |
| 50090 | Fitzgerald Public Schools | 6,317 | 7,985 | 1,668 | 26.4% |
| 33170 | Okemos Public Schools | 6,298 | 7,967 | 1,669 | 26.5% |
| 66070 | White Pine School District | 6,297 | 7,965 | 1,668 | 26.5% |
| 31070 | Elm River Township School District | 6,275 | 7,944 | 1,669 | 26.6% |
| 07010 | Arvon Township School District | 6,266 | 7,936 | 1,670 | 26.7% |
| 52100 | Powell Township School District | 6,261 | 7,931 | 1,670 | 26.7% |
| 41110 | Forest Hills Public Schools | 6,257 | 7,927 | 1,670 | 26.7% |
| 50100 | Fraser Public Schools | 6,253 | 7,923 | 1,670 | 26.7% |
| 15050 | Charlevoix Public Schools | 6,216 | 7,887 | 1,671 | 26.9% |
| 50120 | Lakeshore Public Schools | 6,199 | 7,873 | 1,674 | 27.0% |
| 41050 | Caledonia Community Schools | 6,176 | 7,850 | 1,674 | 27.1% |
| 51060 | Onkama Consolidated Schools | 6,174 | 7,847 | 1,673 | 27.1% |
| 63270 | Clawson City School District | 6,145 | 7,819 | 1,674 | 27.2% |
| 63260 | Rochester Community School District | 6,132 | 7,807 | 1,675 | 27.3% |
| 46090 | Madison School District | 6,099 | 7,775 | 1,676 | 27.5% |
| 63230 | Lake Orion Community Schools | 6,081 | 7,759 | 1,678 | 27.6% |
| 50130 | Lakeview Public Schools | 6,050 | 7,732 | 1,682 | 27.8% |
| 45020 | Leland Public School District | 6,050 | 7,728 | 1,678 | 27.7% |
| 03440 | Ganges School District #4 | 6,034 | 7,713 | 1,679 | 27.8% |
| 82400 | Riverview Community School District | 6,034 | 7,713 | 1,679 | 27.8% |
| 73080 | Buena Vista School District | 6,020 | 7,700 | 1,680 | 27.9% |
| 41020 | Godwin Heights Public Schools | 6,015 | 7,695 | 1,680 | 27.9% |
| 16070 | Mackinaw City Public Schools | 6,002 | 7,682 | 1,680 | 28.0% |
| 25080 | Carman-Ainsworth Schools | 6,002 | 7,682 | 1,680 | 28.0% |
| 10025 | Frankfort-Elberta Area Schools | 5,993 | 7,673 | 1,680 | 28.0% |
| 64070 | Pentwater Public School District | 5,991 | 7,671 | 1,680 | 28.0% |
| 50220 | Van Dyke Public Schools | 5,968 | 7,650 | 1,682 | 28.2% |
| 63050 | Berkley School District | 5,966 | 7,649 | 1,683 | 28.2% |
| 82140 | South Redford School District | 5,944 | 7,626 | 1,682 | 28.3% |
| 63020 | Ferndale Public Schools | 5,926 | 7,609 | 1,683 | 28.4% |
| 63250 | Oak Park City School District | 5,902 | 7,586 | 1,684 | 28.5% |
| 82080 | Inkster City School District | 5,799 | 7,487 | 1,688 | 29.1% |
| 82150 | Taylor School District | 5,779 | 7,467 | 1,689 | 29.2% |
| 05035 | Central Lake Public Schools | 5,773 | 7,462 | 1,689 | 29.3% |
| 82180 | Flat Rock Community Schools | 5,754 | 7,444 | 1,690 | 29.4% |
| 81020 | Ypsilanti School District | 5,734 | 7,424 | 1,690 | 29.5% |
| 82240 | Westwood Community Schools | 5,719 | 7,410 | 1,691 | 29.6% |
| 50160 | Mt. Clemens Community Schools | 5,713 | 7,404 | 1,691 | 29.6% |
| 74050 | East China School District | 5,711 | 7,403 | 1,692 | 29.6% |
| 50020 | East Detroit Public Schools | 5,708 | 7,400 | 1,692 | 29.6% |
| 82160 | Wayne-Westland Community School District | 5,211 | 7,396 | 2,185 | 41.9% |

Appendix - Continued

| School Code | School District Name | FY94 Base | FY03 Foundation Allowance⁽¹⁾ | FY94-FY03 Increase | |
|--------------------|--|------------------|--|---------------------------|----------|
| | | | | \$ | % |
| 05040 | Bellaire Public Schools | 5,699 | 7,391 | 1,692 | 29.7% |
| 73190 | Frankenmuth School District | 5,690 | 7,382 | 1,692 | 29.7% |
| 81050 | Dexter Community School District | 5,684 | 7,376 | 1,692 | 29.8% |
| 82070 | Highland Park City Schools | 5,681 | 7,374 | 1,693 | 29.8% |
| 49055 | Engadine Consolidated Schools | 5,677 | 7,369 | 1,692 | 29.8% |
| 32630 | Sigel Twp School District #6 | 5,669 | 7,362 | 1,693 | 29.9% |
| 50030 | Roseville Community Schools | 5,659 | 7,352 | 1,693 | 29.9% |
| 41040 | Byron Center Public Schools | 5,624 | 7,322 | 1,698 | 30.2% |
| 11033 | River Valley School District | 5,627 | 7,321 | 1,694 | 30.1% |
| 25240 | Beecher Community School District | 5,625 | 7,319 | 1,694 | 30.1% |
| 82250 | Ecorse Public School District | 5,624 | 7,319 | 1,695 | 30.1% |
| 50140 | L'Anse Creuse Public Schools | 5,607 | 7,302 | 1,695 | 30.2% |
| 41090 | East Grand Rapids Public Schools | 5,601 | 7,301 | 1,700 | 30.4% |
| 50190 | Romeo Community Schools | 5,584 | 7,280 | 1,696 | 30.4% |
| 25010 | Flint City School District | 5,555 | 7,252 | 1,697 | 30.6% |
| 32030 | Caseville Public Schools | 5,554 | 7,251 | 1,697 | 30.6% |
| 82230 | Crestwood School District | 5,548 | 7,246 | 1,698 | 30.6% |
| 50210 | Utica Community Schools | 5,540 | 7,239 | 1,699 | 30.7% |
| 63130 | Hazel Park City School District | 5,536 | 7,234 | 1,698 | 30.7% |
| 69030 | Johannesburg-Lewiston Schools | 5,519 | 7,218 | 1,699 | 30.8% |
| 82430 | Van Buren Public Schools | 5,519 | 7,218 | 1,699 | 30.8% |
| 61020 | Muskegon Heights School District | 5,490 | 7,190 | 1,700 | 31.0% |
| 50070 | Clintondale Comm Schools | 5,487 | 7,187 | 1,700 | 31.0% |
| 82050 | Garden City School District | 5,483 | 7,184 | 1,701 | 31.0% |
| 25030 | Grand Blanc Comm Schools | 5,480 | 7,180 | 1,700 | 31.0% |
| 39010 | Kalamazoo City School District | 5,469 | 7,171 | 1,702 | 31.1% |
| 09050 | Essexville Hampton School District | 5,452 | 7,153 | 1,701 | 31.2% |
| 82365 | Woodhaven Public Schools | 5,447 | 7,149 | 1,702 | 31.2% |
| 33070 | Holt Public Schools | 5,439 | 7,141 | 1,702 | 31.3% |
| 49040 | Les Cheneaux Community School District | 5,438 | 7,140 | 1,702 | 31.3% |
| 25260 | Montrose Community Schools | 5,432 | 7,134 | 1,702 | 31.3% |
| 70010 | Grand Haven City School District | 5,428 | 7,131 | 1,703 | 31.4% |
| 33020 | Lansing Public School District | 5,401 | 7,105 | 1,704 | 31.5% |
| 25200 | Lake Fenton Schools | 5,392 | 7,096 | 1,704 | 31.6% |
| 82010 | Detroit City School District | 5,380 | 7,084 | 1,704 | 31.7% |
| 82340 | Huron School District | 5,380 | 7,084 | 1,704 | 31.7% |
| 81150 | Willow Run Community Schools | 5,378 | 7,083 | 1,705 | 31.7% |
| 02010 | Autrain-Onota Public Schools | 5,377 | 7,081 | 1,704 | 31.7% |
| 81040 | Chelsea School District | 5,367 | 7,073 | 1,706 | 31.8% |
| 63300 | Waterford School District | 5,353 | 7,068 | 1,715 | 32.0% |
| 82020 | Allen Park Public Schools | 5,364 | 7,068 | 1,704 | 31.8% |
| 81120 | Saline Area School District | 5,361 | 7,066 | 1,705 | 31.8% |
| 41145 | Kenowa Hills Public Schools | 5,338 | 7,044 | 1,706 | 32.0% |
| 11020 | St. Joseph Public Schools | 5,336 | 7,042 | 1,706 | 32.0% |
| 13090 | Lakeview School District | 5,334 | 7,040 | 1,706 | 32.0% |
| 53040 | Ludington Area School District | 5,331 | 7,037 | 1,706 | 32.0% |
| 15020 | Boyne City Public School District | 5,320 | 7,027 | 1,707 | 32.1% |
| 82100 | Plymouth Canton Community Schools | 5,317 | 7,025 | 1,708 | 32.1% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|--|------------------|---|---------------------------|----------|
| | | | <u>Foundation Allowance⁽¹⁾</u> | <u>\$</u> | <u>%</u> |
| 25230 | Bentley Community School District | 5,299 | 7,007 | 1,708 | 32.2% |
| 73010 | Saginaw City School District | 5,275 | 6,983 | 1,708 | 32.4% |
| 41160 | Kentwood Public Schools | 5,268 | 6,977 | 1,709 | 32.4% |
| 61010 | Muskegon City School District | 5,249 | 6,958 | 1,709 | 32.6% |
| 63110 | Oxford Area Community School District | 5,249 | 6,958 | 1,709 | 32.6% |
| 50170 | New Haven Community Schools | 5,238 | 6,948 | 1,710 | 32.7% |
| 63190 | Clarkston Community School District | 5,233 | 6,947 | 1,714 | 32.7% |
| 82405 | Southgate Community School District | 5,219 | 6,930 | 1,711 | 32.8% |
| 05010 | Alba Public Schools | 5,215 | 6,925 | 1,710 | 32.8% |
| 13020 | Battle Creek Public Schools | 5,213 | 6,924 | 1,711 | 32.8% |
| 05065 | Ellsworth Community Schools | 5,202 | 6,913 | 1,711 | 32.9% |
| 81080 | Manchester Community School District | 5,195 | 6,906 | 1,711 | 32.9% |
| 32090 | Owendale Gagetown Area School District | 5,192 | 6,904 | 1,712 | 33.0% |
| 19125 | Pewamo Westphalia Comm Schs | 5,186 | 6,898 | 1,712 | 33.0% |
| 63030 | Pontiac City School District | 5,172 | 6,884 | 1,712 | 33.1% |
| 46050 | Britton Macon Area School District | 5,154 | 6,867 | 1,713 | 33.2% |
| 41120 | Godfrey Lee Public School District | 5,153 | 6,866 | 1,713 | 33.2% |
| 45010 | Glen Lake Community School District | 5,146 | 6,860 | 1,714 | 33.3% |
| 33060 | Haslett Public Schools | 5,145 | 6,858 | 1,713 | 33.3% |
| 47010 | Brighton Area Schools | 5,142 | 6,856 | 1,714 | 33.3% |
| 61190 | Orchard View Schools | 5,125 | 6,839 | 1,714 | 33.4% |
| 70020 | Holland City School District | 5,119 | 6,838 | 1,719 | 33.6% |
| 49070 | Moran Township School District | 5,118 | 6,833 | 1,715 | 33.5% |
| 46130 | Sand Creek Community Schools | 5,110 | 6,825 | 1,715 | 33.5% |
| 61230 | North Muskegon Public Schools | 5,110 | 6,825 | 1,715 | 33.6% |
| 33040 | Dansville Agricultural School | 5,107 | 6,822 | 1,715 | 33.6% |
| 82290 | Gibraltar School District | 5,037 | 6,818 | 1,781 | 35.4% |
| 23060 | Grand Ledge Public Schools | 5,099 | 6,815 | 1,716 | 33.6% |
| 47060 | Hartland Consolidated Schools | 5,100 | 6,815 | 1,715 | 33.6% |
| 19070 | Fowler Public Schools | 5,098 | 6,814 | 1,716 | 33.6% |
| 43040 | Baldwin Community Schools | 5,098 | 6,814 | 1,716 | 33.6% |
| 13130 | Tekonsha Community Schools | 5,098 | 6,813 | 1,715 | 33.6% |
| 63220 | Huron Valley Schools | 5,090 | 6,806 | 1,716 | 33.7% |
| 39050 | Galesburg Augusta Community Schools | 5,086 | 6,802 | 1,716 | 33.7% |
| 25210 | Westwood Heights School District | 5,068 | 6,784 | 1,716 | 33.9% |
| 41010 | Grand Rapids City School District | 5,066 | 6,782 | 1,716 | 33.9% |
| 05060 | Elk Rapids Schools | 5,062 | 6,779 | 1,717 | 33.9% |
| 21065 | Big Bay De Noc School District | 5,062 | 6,779 | 1,717 | 33.9% |
| 24040 | Pellston Public School District | 5,061 | 6,778 | 1,717 | 33.9% |
| 33130 | Mason Public Schools | 5,059 | 6,776 | 1,717 | 33.9% |
| 50050 | Armada Area Schools | 5,056 | 6,773 | 1,717 | 34.0% |
| 37010 | Mt. Pleasant City School District | 5,044 | 6,762 | 1,718 | 34.1% |
| 63240 | South Lyon Community Schools | 5,039 | 6,756 | 1,717 | 34.1% |
| 38170 | Jackson Public Schools | 5,034 | 6,752 | 1,718 | 34.1% |
| 01010 | Alcona Community Schools | 5,027 | 6,745 | 1,718 | 34.2% |
| 33230 | Williamston Community Schools | 5,026 | 6,744 | 1,718 | 34.2% |
| 23590 | Roxand Twp School District #12 | 5,018 | 6,737 | 1,719 | 34.3% |
| 70300 | Spring Lake Public School District | 5,017 | 6,735 | 1,718 | 34.3% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|--|------------------|---|---------------------------|----------|
| | | | <u>Foundation Allowance⁽¹⁾</u> | <u>\$</u> | <u>%</u> |
| 13010 | Albion Public Schools | 5,009 | 6,728 | 1,719 | 34.3% |
| 58110 | Whiteford Agricultural School District | 5,009 | 6,728 | 1,719 | 34.3% |
| 63140 | Madison Public Schools | 5,009 | 6,728 | 1,719 | 34.3% |
| 25110 | Kearsley Community Schools | 5,008 | 6,727 | 1,719 | 34.3% |
| 46020 | Addison Community Schools | 4,998 | 6,717 | 1,719 | 34.4% |
| 23090 | Potterville Public Schools | 4,996 | 6,715 | 1,719 | 34.4% |
| 41080 | Comstock Park Public Schools | 4,995 | 6,715 | 1,720 | 34.4% |
| 82110 | Redford Union School District | 4,996 | 6,715 | 1,719 | 34.4% |
| 58010 | Monroe Public Schools | 4,991 | 6,710 | 1,719 | 34.5% |
| 02070 | Munising Public Schools | 3,875 | 6,700 | 2,825 | 72.9% |
| 02080 | Superior Central School District | 4,589 | 6,700 | 2,111 | 46.0% |
| 03010 | Plainwell Community Schools | 4,558 | 6,700 | 2,142 | 47.0% |
| 03020 | Otsego Public Schools | 4,024 | 6,700 | 2,676 | 66.5% |
| 03030 | Allegan Public Schools | 3,949 | 6,700 | 2,751 | 69.7% |
| 03040 | Wayland Union Schools | 4,362 | 6,700 | 2,338 | 53.6% |
| 03050 | Fennville Public Schools | 4,516 | 6,700 | 2,184 | 48.4% |
| 03060 | Martin Public Schools | 4,394 | 6,700 | 2,306 | 52.5% |
| 03070 | Hopkins Public Schools | 4,102 | 6,700 | 2,598 | 63.3% |
| 03100 | Hamilton Community Schools | 4,407 | 6,700 | 2,293 | 52.0% |
| 04010 | Alpena Public Schools | 3,961 | 6,700 | 2,739 | 69.2% |
| 05070 | Mancelona Public Schools | 4,768 | 6,700 | 1,932 | 40.5% |
| 06010 | Arenac Eastern School District | 3,918 | 6,700 | 2,782 | 71.0% |
| 06020 | Au Gres Sims School District | 4,716 | 6,700 | 1,984 | 42.1% |
| 06050 | Standish Sterling School District | 3,738 | 6,700 | 2,962 | 79.2% |
| 07020 | Baraga Township School District | 4,041 | 6,700 | 2,659 | 65.8% |
| 07040 | L'Anse Area Schools | 4,448 | 6,700 | 2,252 | 50.6% |
| 08010 | Delton-Kellogg School District | 4,501 | 6,700 | 2,199 | 48.8% |
| 08030 | Hastings Area School District | 4,675 | 6,700 | 2,025 | 43.3% |
| 08050 | Thornapple-Kellogg School District | 4,598 | 6,700 | 2,102 | 45.7% |
| 09010 | Bay City School District | 4,184 | 6,700 | 2,516 | 60.1% |
| 09030 | Bangor Township Schools | 4,339 | 6,700 | 2,361 | 54.4% |
| 09090 | Pinconning Area Schools | 4,386 | 6,700 | 2,314 | 52.8% |
| 10015 | Benzie County Central School | 3,836 | 6,700 | 2,864 | 74.7% |
| 11010 | Benton Harbor Area Schools | 4,364 | 6,700 | 2,336 | 53.5% |
| 11030 | Lakeshore School District | 4,187 | 6,700 | 2,513 | 60.0% |
| 11160 | Galien Township School District | 4,557 | 6,700 | 2,143 | 47.0% |
| 11210 | Brandywine Public School District | 4,206 | 6,700 | 2,494 | 59.3% |
| 11240 | Berrien Springs Public School District | 4,344 | 6,700 | 2,356 | 54.2% |
| 11250 | Eau Claire Public Schools | 4,160 | 6,700 | 2,540 | 61.1% |
| 11300 | Niles Community School District | 4,560 | 6,700 | 2,140 | 46.9% |
| 11310 | Buchanan Community School District | 4,267 | 6,700 | 2,433 | 57.0% |
| 11320 | Watervliet School District | 4,552 | 6,700 | 2,148 | 47.2% |
| 11330 | Coloma Community Schools | 3,902 | 6,700 | 2,798 | 71.7% |
| 11670 | Hagar Twp School District #6 | 3,628 | 6,700 | 3,072 | 84.7% |
| 11830 | Sodus Twp School District #5 | 3,161 | 6,700 | 3,539 | 111.9% |
| 12010 | Coldwater Comm Schools | 4,566 | 6,700 | 2,134 | 46.7% |
| 12020 | Bronson Community School District | 4,004 | 6,700 | 2,696 | 67.3% |
| 12040 | Quincy Community School District | 4,045 | 6,700 | 2,655 | 65.6% |

Appendix - Continued

| School Code | School District Name | FY94 Base | FY03 Foundation Allowance⁽¹⁾ | FY94-FY03 Increase | |
|--------------------|--|------------------|--|---------------------------|----------|
| | | | | \$ | % |
| 13050 | Athens Area Schools | 4,649 | 6,700 | 2,051 | 44.1% |
| 13070 | Harper Creek Comm Schools | 4,690 | 6,700 | 2,010 | 42.9% |
| 13080 | Homer Community Schools | 4,397 | 6,700 | 2,303 | 52.4% |
| 13095 | Mar Lee School District | 4,264 | 6,700 | 2,436 | 57.1% |
| 13110 | Marshall Public Schools | 4,664 | 6,700 | 2,036 | 43.7% |
| 13120 | Pennfield School District | 4,903 | 6,700 | 1,797 | 36.6% |
| 13135 | Union City Community School District | 4,091 | 6,700 | 2,609 | 63.8% |
| 14010 | Cassopolis Public Schools | 4,526 | 6,700 | 2,174 | 48.0% |
| 14020 | Dowagiac Union Schools | 3,997 | 6,700 | 2,703 | 67.6% |
| 14030 | Edwardsburg Public Schools | 4,226 | 6,700 | 2,474 | 58.5% |
| 14050 | Marcellus Community Schools | 4,188 | 6,700 | 2,512 | 60.0% |
| 15030 | Boyne Falls Public School District | 4,149 | 6,700 | 2,551 | 61.5% |
| 15060 | East Jordan Public School District | 4,881 | 6,700 | 1,819 | 37.3% |
| 16015 | Cheboygan Area Schools | 4,119 | 6,700 | 2,581 | 62.6% |
| 16050 | Inland Lakes School District | 4,647 | 6,700 | 2,053 | 44.2% |
| 16100 | Wolverine Community School District | 3,675 | 6,700 | 3,025 | 82.3% |
| 17010 | Sault Ste Marie Area Schools | 4,270 | 6,700 | 2,430 | 56.9% |
| 17090 | Pickford Public Schools | 4,931 | 6,700 | 1,769 | 35.9% |
| 17110 | Rudyard Area Schools | 3,951 | 6,700 | 2,749 | 69.6% |
| 17140 | Brimley Area Schools | 4,264 | 6,700 | 2,436 | 57.1% |
| 18010 | Clare Public Schools | 4,497 | 6,700 | 2,203 | 49.0% |
| 18020 | Farwell Area Schools | 3,890 | 6,700 | 2,810 | 72.2% |
| 18060 | Harrison Community Schools | 3,905 | 6,700 | 2,795 | 71.6% |
| 19010 | Dewitt Public Schools | 4,718 | 6,700 | 1,982 | 42.0% |
| 19100 | Bath Community Schools | 4,851 | 6,700 | 1,849 | 38.1% |
| 19120 | Ovid Elsie Area Schools | 4,832 | 6,700 | 1,868 | 38.7% |
| 19140 | St. Johns Public Schools | 4,924 | 6,700 | 1,776 | 36.1% |
| 20015 | Crawford Ausable Schools | 3,843 | 6,700 | 2,857 | 74.4% |
| 21010 | Escanaba Area Public Schools | 4,520 | 6,700 | 2,180 | 48.2% |
| 21025 | Gladstone Area Schools | 4,439 | 6,700 | 2,261 | 50.9% |
| 21060 | Rapid River Public Schools | 4,581 | 6,700 | 2,119 | 46.2% |
| 21090 | Bark River Harris School District | 4,246 | 6,700 | 2,454 | 57.8% |
| 21135 | Mid Peninsula School District | 4,114 | 6,700 | 2,586 | 62.9% |
| 22010 | Iron Mountain City School District | 4,289 | 6,700 | 2,411 | 56.2% |
| 22025 | Norway Vulcan Area Schools | 4,012 | 6,700 | 2,688 | 67.0% |
| 22030 | Breitung Twp School District | 4,348 | 6,700 | 2,352 | 54.1% |
| 22045 | North Dickinson County School District | 4,505 | 6,700 | 2,195 | 48.7% |
| 23010 | Bellevue Community School District | 4,435 | 6,700 | 2,265 | 51.1% |
| 23030 | Charlotte Public Schools | 4,795 | 6,700 | 1,905 | 39.7% |
| 23050 | Eaton Rapids Public Schools | 4,694 | 6,700 | 2,006 | 42.7% |
| 23065 | Maple Valley School District | 3,889 | 6,700 | 2,811 | 72.3% |
| 23080 | Olivet Community Schools | 4,466 | 6,700 | 2,234 | 50.0% |
| 24030 | Littlefield Public School District | 4,562 | 6,700 | 2,138 | 46.9% |
| 24070 | Petoskey Public Schools | 4,831 | 6,700 | 1,869 | 38.7% |
| 25040 | Mt. Morris Consolidated Schools | 4,689 | 6,700 | 2,011 | 42.9% |
| 25050 | Goodrich Area Schools | 4,449 | 6,700 | 2,251 | 50.6% |
| 25060 | Bendle Public Schools | 4,727 | 6,700 | 1,973 | 41.7% |
| 25070 | Genesee School District | 4,676 | 6,700 | 2,024 | 43.3% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|---|------------------|---|---------------------------|----------|
| | | | <u>Foundation Allowance⁽¹⁾</u> | <u>\$</u> | <u>%</u> |
| 25100 | Fenton Area Public Schools | 4,804 | 6,700 | 1,896 | 39.5% |
| 25120 | Flushing Community Schools | 4,549 | 6,700 | 2,151 | 47.3% |
| 25130 | Atherton Community School District | 4,917 | 6,700 | 1,783 | 36.2% |
| 25140 | Davison Community Schools | 4,519 | 6,700 | 2,181 | 48.2% |
| 25150 | Clio Area School District | 4,632 | 6,700 | 2,068 | 44.6% |
| 25180 | Swartz Creek Community Schs | 4,868 | 6,700 | 1,832 | 37.6% |
| 25250 | Linden Community School District | 4,400 | 6,700 | 2,300 | 52.3% |
| 25280 | Lakeville Community School District | 4,469 | 6,700 | 2,231 | 49.9% |
| 26010 | Beaverton Rural Schools | 3,779 | 6,700 | 2,921 | 77.3% |
| 26040 | Gladwin Community Schools | 4,462 | 6,700 | 2,238 | 50.1% |
| 27010 | Bessemer City School District | 4,337 | 6,700 | 2,363 | 54.5% |
| 27020 | Ironwood Area Schools | 4,332 | 6,700 | 2,368 | 54.7% |
| 27070 | Wakefield Township School District | 4,425 | 6,700 | 2,275 | 51.4% |
| 28010 | Traverse City School District | 4,588 | 6,700 | 2,112 | 46.0% |
| 28035 | Buckley Community School District | 4,612 | 6,700 | 2,088 | 45.3% |
| 28090 | Kingsley Area School | 3,834 | 6,700 | 2,866 | 74.8% |
| 29010 | Alma Public Schools | 4,691 | 6,700 | 2,009 | 42.8% |
| 29020 | Ashley Community Schools | 4,743 | 6,700 | 1,957 | 41.3% |
| 29040 | Breckenridge Community Schools | 4,477 | 6,700 | 2,224 | 49.7% |
| 29050 | Fulton Schools | 4,815 | 6,700 | 1,885 | 39.1% |
| 29060 | Ithaca Public Schools | 4,562 | 6,700 | 2,138 | 46.9% |
| 29100 | St. Louis Public Schools | 4,646 | 6,700 | 2,054 | 44.2% |
| 30010 | Camden Frontier Schools | 4,283 | 6,700 | 2,417 | 56.4% |
| 30020 | Hillsdale Community Public Schools | 4,174 | 6,700 | 2,526 | 60.5% |
| 30030 | Jonesville Community Schools | 4,384 | 6,700 | 2,316 | 52.8% |
| 30040 | Litchfield Community Schools | 4,530 | 6,700 | 2,170 | 47.9% |
| 30050 | North Adams-Jerome Public Schools | 4,077 | 6,700 | 2,623 | 64.4% |
| 30060 | Pittsford Area Schools | 4,545 | 6,700 | 2,155 | 47.4% |
| 30070 | Reading Community Schools | 4,135 | 6,700 | 2,565 | 62.0% |
| 30080 | Waldron Area Schools | 4,719 | 6,700 | 1,981 | 42.0% |
| 31010 | Hancock Public Schools | 4,096 | 6,700 | 2,605 | 63.6% |
| 31020 | Adams Township School District | 4,321 | 6,700 | 2,379 | 55.1% |
| 31030 | Calumet Public Schools | 3,858 | 6,700 | 2,842 | 73.7% |
| 31050 | Chassell Township School District | 4,092 | 6,700 | 2,608 | 63.7% |
| 31100 | Dollar Bay-Tamarack City Area Schools | 4,413 | 6,700 | 2,287 | 51.8% |
| 31110 | Houghton-Portage Township Schools | 4,248 | 6,700 | 2,452 | 57.7% |
| 31130 | Lake Linden Hubbell School District | 4,033 | 6,700 | 2,667 | 66.1% |
| 31140 | Stanton Township School District | 3,842 | 6,700 | 2,858 | 74.4% |
| 32010 | Bad Axe Public Schools | 3,590 | 6,700 | 3,110 | 86.7% |
| 32040 | Church School District | 2,826 | 6,700 | 3,874 | 137.1% |
| 32050 | Elkton Pigeon Bayport School District | 4,486 | 6,700 | 2,214 | 49.4% |
| 32060 | Harbor Beach Community Schools | 4,588 | 6,700 | 2,112 | 46.0% |
| 32080 | North Huron School District | 4,951 | 6,700 | 1,749 | 35.3% |
| 32170 | Uby Community Schools | 3,814 | 6,700 | 2,886 | 75.6% |
| 32250 | Bloomfield Township School District 7F | 4,272 | 6,700 | 2,428 | 56.8% |
| 32610 | Sigel Twp School Dist #3 - Adams School | 2,762 | 6,700 | 3,938 | 142.6% |
| 32620 | Sigel Twp School District #4 | 3,982 | 6,700 | 2,718 | 68.3% |
| 32650 | Verona Township School District 1F | 3,286 | 6,700 | 3,414 | 103.9% |

Appendix - Continued

| School Code | School District Name | FY94 Base | FY03 | FY94-FY03 Increase | |
|------------------------|--|----------------------|---|---------------------------|----------|
| | | | Foundation Allowance⁽¹⁾ | \$ | % |
| 33100 | Leslie Public Schools | 4,624 | 6,700 | 2,076 | 44.9% |
| 33200 | Stockbridge Community Schools | 4,563 | 6,700 | 2,137 | 46.8% |
| 33220 | Webberville Community Schools | 4,834 | 6,700 | 1,866 | 38.6% |
| 34010 | Ionia Public Schools | 4,229 | 6,700 | 2,471 | 58.4% |
| 34040 | Palo Community School District | 4,437 | 6,700 | 2,263 | 51.0% |
| 34080 | Belding Area School District | 4,053 | 6,700 | 2,647 | 65.3% |
| 34090 | Lakewood Public Schools | 4,323 | 6,700 | 2,377 | 55.0% |
| 34110 | Portland Public School District | 4,443 | 6,700 | 2,257 | 50.8% |
| 34120 | Saranac Community Schools | 4,020 | 6,700 | 2,680 | 66.7% |
| 34140 | Berlin Twp School District #3 | 4,513 | 6,700 | 2,187 | 48.4% |
| 34340 | Easton Twp School District 6# | 3,737 | 6,700 | 2,963 | 79.3% |
| 34360 | Ionia Twp School District #2 | 3,926 | 6,700 | 2,774 | 70.6% |
| 35010 | Oscoda Area Schools | 4,317 | 6,700 | 2,383 | 55.2% |
| 35020 | Hale Area Schools | 4,848 | 6,700 | 1,852 | 38.2% |
| 35030 | Tawas Area Schools | 4,086 | 6,700 | 2,614 | 64.0% |
| 35040 | Whittemore Prescott Area School District | 3,985 | 6,700 | 2,715 | 68.1% |
| 36015 | Forest Park School District | 4,850 | 6,700 | 1,850 | 38.1% |
| 36025 | West Iron County School District | 4,690 | 6,700 | 2,010 | 42.9% |
| 37040 | Beal City School | 4,707 | 6,700 | 1,993 | 42.3% |
| 37060 | Shepherd Public School District | 4,640 | 6,700 | 2,060 | 44.4% |
| 38010 | Western School District | 4,761 | 6,700 | 1,939 | 40.7% |
| 38020 | Vandercook Lake Public Schools | 4,437 | 6,700 | 2,263 | 51.0% |
| 38040 | Columbia School District | 4,456 | 6,700 | 2,244 | 50.3% |
| 38050 | Grass Lake Community Schools | 4,773 | 6,700 | 1,927 | 40.4% |
| 38080 | Concord Community Schools | 4,669 | 6,700 | 2,031 | 43.5% |
| 38090 | East Jackson Public Schools | 4,850 | 6,700 | 1,850 | 38.1% |
| 38100 | Hanover Horton Schools | 4,237 | 6,700 | 2,463 | 58.1% |
| 38120 | Michigan Center School District | 4,788 | 6,700 | 1,912 | 39.9% |
| 38130 | Napoleon Community Schools | 4,503 | 6,700 | 2,197 | 48.8% |
| 38140 | Northwest School District | 4,153 | 6,700 | 2,547 | 61.3% |
| 38150 | Springport Public Schools | 4,379 | 6,700 | 2,321 | 53.0% |
| 39020 | Climax Scotts Community Schools | 4,944 | 6,700 | 1,756 | 35.5% |
| 39030 | Comstock Public Schools | 4,858 | 6,700 | 1,842 | 37.9% |
| 39065 | Gull Lake Community Schools | 4,722 | 6,700 | 1,978 | 41.9% |
| 39130 | Parchment School District | 4,923 | 6,700 | 1,777 | 36.1% |
| 39140 | Portage Public Schools | 4,738 | 6,700 | 1,962 | 41.4% |
| 39160 | Schoolcraft Community Schools | 4,422 | 6,700 | 2,278 | 51.5% |
| 39170 | Vicksburg Community Schools | 4,410 | 6,700 | 2,290 | 51.9% |
| 40020 | Forest Area Community School District | 3,919 | 6,700 | 2,781 | 71.0% |
| 40040 | Kalkaska Public Schools | 3,920 | 6,700 | 2,780 | 70.9% |
| 40060 | Excelsior District #1 | 3,727 | 6,700 | 2,973 | 79.8% |
| 41025 | Northview Public School District | 4,769 | 6,700 | 1,931 | 40.5% |
| 41026 | Wyoming Public Schools | 4,952 | 6,700 | 1,748 | 35.3% |
| 41070 | Cedar Springs Public Schools | 4,172 | 6,700 | 2,528 | 60.6% |
| 41130 | Grandville Public Schools | 4,468 | 6,700 | 2,232 | 49.9% |
| 41140 | Kelloggsville Public Schools | 4,559 | 6,700 | 2,141 | 47.0% |
| 41150 | Kent City Community Schools | 4,380 | 6,700 | 2,320 | 53.0% |
| 41170 | Lowell Area School District | 4,577 | 6,700 | 2,123 | 46.4% |

Appendix - Continued

| School Code | School District Name | FY94 Base | FY03 | FY94-FY03 Increase | |
|------------------------|--------------------------------------|----------------------|---|---------------------------|----------|
| | | | Foundation Allowance⁽¹⁾ | \$ | % |
| 41210 | Rockford Public Schools | 4,402 | 6,700 | 2,298 | 52.2% |
| 41240 | Sparta Area Schools | 4,448 | 6,700 | 2,252 | 50.6% |
| 44010 | Lapeer Community Schools | 4,496 | 6,700 | 2,204 | 49.0% |
| 44020 | Almont Community Schools | 4,152 | 6,700 | 2,548 | 61.4% |
| 44050 | Dryden Community Schools | 4,785 | 6,700 | 1,915 | 40.0% |
| 44060 | Imlay City Community Schools | 4,102 | 6,700 | 2,598 | 63.3% |
| 44090 | North Branch Area Schools | 4,198 | 6,700 | 2,502 | 59.6% |
| 45050 | Suttons Bay Public School District | 4,087 | 6,700 | 2,613 | 63.9% |
| 46010 | Adrian City School District | 4,825 | 6,700 | 1,875 | 38.9% |
| 46040 | Blissfield Community Schools | 4,483 | 6,700 | 2,217 | 49.5% |
| 46060 | Clinton Community Schools | 4,225 | 6,700 | 2,475 | 58.6% |
| 46070 | Deerfield Public Schools | 4,763 | 6,700 | 1,937 | 40.7% |
| 46080 | Hudson Area Schools | 4,303 | 6,700 | 2,397 | 55.7% |
| 46100 | Morenci Area Schools | 4,525 | 6,700 | 2,175 | 48.1% |
| 46110 | Onsted Community Schools | 4,484 | 6,700 | 2,216 | 49.4% |
| 46140 | Tecumseh Public Schools | 4,874 | 6,700 | 1,826 | 37.5% |
| 47030 | Fowlerville Community Schools | 4,534 | 6,700 | 2,166 | 47.8% |
| 47070 | Howell Public Schools | 4,803 | 6,700 | 1,897 | 39.5% |
| 47080 | Pinckney Community Schools | 4,403 | 6,700 | 2,297 | 52.2% |
| 48040 | Tahquamenon Area Schools | 4,108 | 6,700 | 2,592 | 63.1% |
| 49010 | St. Ignace City School District | 4,242 | 6,700 | 2,458 | 57.9% |
| 50040 | Anchor Bay School District | 4,785 | 6,700 | 1,915 | 40.0% |
| 50080 | Chippewa Valley Schools | 4,880 | 6,700 | 1,820 | 37.3% |
| 50180 | Richmond Community Schools | 4,758 | 6,700 | 1,942 | 40.8% |
| 51020 | Bear Lake School District | 4,679 | 6,700 | 2,021 | 43.2% |
| 51045 | Kaleva Norman - Dickson Schools | 3,975 | 6,700 | 2,725 | 68.6% |
| 51070 | Manistee Area Public Schools | 3,923 | 6,700 | 2,778 | 70.8% |
| 52015 | N.I.C.E. Community Schools | 4,965 | 6,700 | 1,735 | 34.9% |
| 52040 | Gwinn Area Community Schools | 3,782 | 6,700 | 2,918 | 77.2% |
| 52090 | Negaunee Public Schools | 4,560 | 6,700 | 2,140 | 46.9% |
| 52170 | Marquette City School District | 4,153 | 6,700 | 2,547 | 61.3% |
| 52180 | Ishpeming Public School District | 4,162 | 6,700 | 2,538 | 61.0% |
| 53010 | Mason County Central School District | 4,358 | 6,700 | 2,342 | 53.7% |
| 53020 | Mason County Eastern School District | 4,418 | 6,700 | 2,282 | 51.7% |
| 53030 | Freesoil Community School District | 4,355 | 6,700 | 2,345 | 53.8% |
| 54010 | Big Rapids Public Schools | 4,406 | 6,700 | 2,294 | 52.1% |
| 54025 | Chippewa Hills School District | 4,553 | 6,700 | 2,147 | 47.2% |
| 54040 | Morley Stanwood Comm Schools | 3,962 | 6,700 | 2,738 | 69.1% |
| 55010 | Carney Nadeau Public Schools | 4,084 | 6,700 | 2,616 | 64.1% |
| 55100 | Menominee Area Public Schools | 4,417 | 6,700 | 2,283 | 51.7% |
| 55115 | North Central Area Schools | 4,349 | 6,700 | 2,351 | 54.1% |
| 55120 | Stephenson Area Public Schools | 3,992 | 6,700 | 2,708 | 67.8% |
| 56020 | Bullock Creek School District | 4,751 | 6,700 | 1,949 | 41.0% |
| 56030 | Coleman Community School District | 4,559 | 6,700 | 2,141 | 47.0% |
| 56050 | Meridian Public Schools | 4,572 | 6,700 | 2,128 | 46.5% |
| 57020 | Lake City Area School District | 3,935 | 6,700 | 2,765 | 70.3% |
| 57030 | Mcbain Agricultural School District | 4,064 | 6,700 | 2,636 | 64.9% |
| 58020 | Airport Community School District | 4,446 | 6,700 | 2,254 | 50.7% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|--|------------------|---|---------------------------|----------|
| | | | <u>Foundation Allowance⁽¹⁾</u> | <u>\$</u> | <u>%</u> |
| 58030 | Bedford Public School District | 4,378 | 6,700 | 2,322 | 53.0% |
| 58050 | Dundee Community Schools | 4,239 | 6,700 | 2,461 | 58.1% |
| 58070 | Ida Public School District | 4,429 | 6,700 | 2,271 | 51.3% |
| 58090 | Mason Consolidated School District | 4,382 | 6,700 | 2,318 | 52.9% |
| 58100 | Summerfield School District | 4,326 | 6,700 | 2,374 | 54.9% |
| 59020 | Carson City Crystal Area School District | 4,761 | 6,700 | 1,939 | 40.7% |
| 59045 | Montabella Community School District | 4,301 | 6,700 | 2,399 | 55.8% |
| 59070 | Greenville Public Schools | 4,244 | 6,700 | 2,456 | 57.9% |
| 59080 | Tri County Area Schools | 4,064 | 6,700 | 2,636 | 64.9% |
| 59090 | Lakeview Community Schools | 4,037 | 6,700 | 2,663 | 66.0% |
| 59125 | Central Montcalm Public Schools | 4,612 | 6,700 | 2,088 | 45.3% |
| 59150 | Vestaburg Community Schools | 4,246 | 6,700 | 2,454 | 57.8% |
| 60010 | Atlanta Community Schools | 4,510 | 6,700 | 2,190 | 48.6% |
| 60020 | Hillman Community Schools | 4,085 | 6,700 | 2,615 | 64.0% |
| 61060 | Mona Shores School District | 4,626 | 6,700 | 2,074 | 44.8% |
| 61065 | Oakridge Public Schools | 4,347 | 6,700 | 2,353 | 54.1% |
| 61080 | Fruitport Community Schools | 4,869 | 6,700 | 1,831 | 37.6% |
| 61120 | Holton Public Schools | 4,009 | 6,700 | 2,691 | 67.1% |
| 61180 | Montague Area Public Schools | 4,363 | 6,700 | 2,337 | 53.6% |
| 61210 | Ravenna Public Schools | 4,775 | 6,700 | 1,925 | 40.3% |
| 61220 | Reeths Puffer Schools | 4,500 | 6,700 | 2,200 | 48.9% |
| 61240 | Whitehall School District | 4,660 | 6,700 | 2,040 | 43.8% |
| 62040 | Fremont Public School District | 4,507 | 6,700 | 2,193 | 48.7% |
| 62050 | Grant Public School District | 4,418 | 6,700 | 2,282 | 51.6% |
| 62060 | Hesperia Community School District | 4,337 | 6,700 | 2,363 | 54.5% |
| 62070 | Newaygo Public School District | 4,182 | 6,700 | 2,518 | 60.2% |
| 62090 | White Cloud Public Schools | 4,482 | 6,700 | 2,218 | 49.5% |
| 62470 | Big Jackson School District | 4,552 | 6,700 | 2,148 | 47.2% |
| 63180 | Brandon School District | 4,719 | 6,700 | 1,981 | 42.0% |
| 63210 | Holly Area School District | 4,844 | 6,700 | 1,856 | 38.3% |
| 64040 | Hart Public School District | 4,236 | 6,700 | 2,464 | 58.2% |
| 64080 | Shelby Public Schools | 4,412 | 6,700 | 2,288 | 51.8% |
| 64090 | Walkerville Rural Community Schools | 4,331 | 6,700 | 2,369 | 54.7% |
| 65045 | West Branch-Rose City Area Schools | 3,978 | 6,700 | 2,722 | 68.4% |
| 66045 | Ewen-Trout Creek Consolidated Schools | 4,237 | 6,700 | 2,463 | 58.1% |
| 66050 | Ontonagon Area Schools | 4,237 | 6,700 | 2,463 | 58.1% |
| 67020 | Evart Public Schools | 4,225 | 6,700 | 2,475 | 58.6% |
| 67050 | Marion Public Schools | 4,068 | 6,700 | 2,632 | 64.7% |
| 67055 | Pine River Area Schools | 4,584 | 6,700 | 2,116 | 46.1% |
| 67060 | Reed City Area Public Schools | 4,051 | 6,700 | 2,649 | 65.4% |
| 68010 | Mio Au Sable Schools | 3,746 | 6,700 | 2,954 | 78.9% |
| 68030 | Fairview Area School District | 4,315 | 6,700 | 2,385 | 55.3% |
| 69020 | Gaylord Community Schools | 4,419 | 6,700 | 2,281 | 51.6% |
| 69040 | Vanderbilt Area School | 4,193 | 6,700 | 2,507 | 59.8% |
| 70040 | Allendale Public School District | 4,796 | 6,700 | 1,904 | 39.7% |
| 70070 | West Ottawa Public School District | 4,888 | 6,700 | 1,812 | 37.1% |
| 70120 | Coopersville Public School District | 4,013 | 6,700 | 2,687 | 67.0% |
| 70175 | Jenison Public Schools | 4,451 | 6,700 | 2,249 | 50.5% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|--|------------------|---|---------------------------|----------|
| | | | <u>Foundation Allowance⁽¹⁾</u> | <u>\$</u> | <u>%</u> |
| 70190 | Hudsonville Public School District | 3,887 | 6,700 | 2,813 | 72.4% |
| 70350 | Zeeland Public Schools | 4,653 | 6,700 | 2,047 | 44.0% |
| 71050 | Onaway Area Community School District | 3,398 | 6,700 | 3,302 | 97.2% |
| 71060 | Posen Cons School District | 4,501 | 6,700 | 2,199 | 48.9% |
| 71080 | Rogers City Area Schools | 3,943 | 6,700 | 2,757 | 69.9% |
| 72010 | Gerrish Higgins School District | 4,129 | 6,700 | 2,571 | 62.3% |
| 72020 | Houghton Lake Comm Schools | 4,797 | 6,700 | 1,903 | 39.7% |
| 73030 | Carrollton School District | 4,707 | 6,700 | 1,993 | 42.4% |
| 73040 | Saginaw Township Community Schools. | 4,797 | 6,700 | 1,903 | 39.7% |
| 73110 | Chesaning Union Schools | 4,779 | 6,700 | 1,921 | 40.2% |
| 73170 | Birch Run Area School District | 4,277 | 6,700 | 2,423 | 56.7% |
| 73180 | Bridgeport-Spaulding Community Schools | 4,858 | 6,700 | 1,842 | 37.9% |
| 73200 | Freeland Community School District | 4,249 | 6,700 | 2,451 | 57.7% |
| 73210 | Hemlock Public School District | 4,598 | 6,700 | 2,102 | 45.7% |
| 73230 | Merrill Community School District | 4,623 | 6,700 | 2,077 | 44.9% |
| 73240 | St. Charles Community Schools | 4,524 | 6,700 | 2,176 | 48.1% |
| 73255 | Swan Valley School District | 4,504 | 6,700 | 2,196 | 48.8% |
| 74010 | Port Huron Area School District | 4,554 | 6,700 | 2,146 | 47.1% |
| 74030 | Algonac Community School District | 4,914 | 6,700 | 1,787 | 36.4% |
| 74040 | Capac Community School District | 4,247 | 6,700 | 2,453 | 57.8% |
| 74100 | Marysville Public School District | 4,684 | 6,700 | 2,016 | 43.0% |
| 74120 | Memphis Community Schools | 4,833 | 6,700 | 1,867 | 38.6% |
| 74130 | Yale Public Schools | 4,552 | 6,700 | 2,148 | 47.2% |
| 75010 | Sturgis Public School District | 4,308 | 6,700 | 2,392 | 55.5% |
| 75020 | Burr Oak Community School District | 4,412 | 6,700 | 2,288 | 51.8% |
| 75030 | Centreville Public Schools | 4,967 | 6,700 | 1,733 | 34.9% |
| 75040 | Colon Community School District | 4,178 | 6,700 | 2,522 | 60.4% |
| 75050 | Constantine Public School District | 4,281 | 6,700 | 2,419 | 56.5% |
| 75060 | Mendon Community School District | 4,449 | 6,700 | 2,251 | 50.6% |
| 75070 | White Pigeon Community School District | 3,975 | 6,700 | 2,725 | 68.6% |
| 75080 | Three Rivers Community Schools. | 4,156 | 6,700 | 2,544 | 61.2% |
| 75100 | Nottawa Community School | 3,776 | 6,700 | 2,924 | 77.5% |
| 76060 | Brown City Community School District | 4,281 | 6,700 | 2,419 | 56.5% |
| 76070 | Carsonville-Port Sanilac School District | 4,024 | 6,700 | 2,676 | 66.5% |
| 76080 | Croswell Lexington Community Schools | 3,934 | 6,700 | 2,766 | 70.3% |
| 76090 | Deckerville Community School District | 4,099 | 6,700 | 2,601 | 63.4% |
| 76140 | Marlette Community Schools | 4,428 | 6,700 | 2,272 | 51.3% |
| 76180 | Peck Community School District | 4,115 | 6,700 | 2,585 | 62.8% |
| 76210 | Sandusky Community School District | 4,206 | 6,700 | 2,494 | 59.3% |
| 77010 | Manistique Area Schools | 4,329 | 6,700 | 2,371 | 54.8% |
| 78020 | Byron Area Schools | 4,504 | 6,700 | 2,196 | 48.8% |
| 78030 | Durand Area Schools | 4,559 | 6,700 | 2,141 | 47.0% |
| 78040 | Laingsburg Community School District | 4,911 | 6,700 | 1,789 | 36.4% |
| 78060 | Morrice Area Schools | 4,808 | 6,700 | 1,892 | 39.4% |
| 78070 | New Lothrop Area Public School District | 4,730 | 6,700 | 1,970 | 41.6% |
| 78080 | Perry Public School District | 4,534 | 6,700 | 2,166 | 47.8% |
| 78100 | Corunna Public School District | 4,827 | 6,700 | 1,873 | 38.8% |
| 78110 | Owosso Public Schools | 4,226 | 6,700 | 2,474 | 58.6% |

Appendix - Continued

| <u>School Code</u> | <u>School District Name</u> | <u>FY94 Base</u> | <u>FY03 Foundation Allowance⁽¹⁾</u> | <u>FY94-FY03 Increase</u> | |
|--------------------|---------------------------------------|------------------|--|---------------------------|----------|
| | | | | <u>\$</u> | <u>%</u> |
| 79010 | Akron Fairgrove Schools | 4,485 | 6,700 | 2,215 | 49.4% |
| 79020 | Caro Community Schools | 4,350 | 6,700 | 2,350 | 54.0% |
| 79030 | Cass City Public Schools | 4,048 | 6,700 | 2,652 | 65.5% |
| 79080 | Kingston Community School District | 4,193 | 6,700 | 2,507 | 59.8% |
| 79090 | Mayville Community School District | 4,607 | 6,700 | 2,093 | 45.4% |
| 79100 | Millington Community Schools | 4,710 | 6,700 | 1,990 | 42.2% |
| 79110 | Reese Public Schools | 4,250 | 6,700 | 2,450 | 57.7% |
| 79145 | Unionville Sebewaing Area Schools | 4,664 | 6,700 | 2,036 | 43.6% |
| 79150 | Vassar Public Schools | 4,185 | 6,700 | 2,515 | 60.1% |
| 80010 | South Haven Public Schools | 3,819 | 6,700 | 2,881 | 75.4% |
| 80020 | Bangor Public Schools | 3,954 | 6,700 | 2,746 | 69.5% |
| 80050 | Decatur Public Schools | 4,112 | 6,700 | 2,588 | 63.0% |
| 80090 | Bloomington Public School District | 4,087 | 6,700 | 2,613 | 63.9% |
| 80110 | Gobles Public School District | 4,588 | 6,700 | 2,112 | 46.0% |
| 80120 | Hartford Public School District | 4,521 | 6,700 | 2,179 | 48.2% |
| 80130 | Lawrence Public School District | 4,412 | 6,700 | 2,288 | 51.9% |
| 80140 | Lawton Community School District | 4,443 | 6,700 | 2,257 | 50.8% |
| 80150 | Mattawan Consolidated School District | 3,891 | 6,700 | 2,809 | 72.2% |
| 80160 | Paw Paw Public School District | 3,825 | 6,700 | 2,875 | 75.2% |
| 81070 | Lincoln Consolidated School District | 4,978 | 6,700 | 1,722 | 34.6% |
| 81100 | Milan Area Schools | 4,958 | 6,700 | 1,742 | 35.1% |
| 81140 | Whitmore Lake Public School District | 4,438 | 6,700 | 2,262 | 51.0% |
| 82040 | Dearborn Heights School District #7 | 4,771 | 6,700 | 1,929 | 40.4% |
| 82060 | Hamtramck Public Schools | 4,526 | 6,700 | 2,174 | 48.0% |
| 82090 | Lincoln Park Public Schools | 4,849 | 6,700 | 1,851 | 38.2% |
| 82170 | Wyandotte City School District | 4,810 | 6,700 | 1,890 | 39.3% |
| 83010 | Cadillac Area Public Schools | 4,270 | 6,700 | 2,430 | 56.9% |
| 83060 | Manton Consolidated Schools | 4,265 | 6,700 | 2,435 | 57.1% |
| 83070 | Mesick Consolidated School District | 3,805 | 6,700 | 2,895 | 76.1% |

(1) Includes section 20j payment

VII. REFERENCES

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