

# SCHOOL FINANCE REFORM IN MICHIGAN PROPOSAL A: RETROSPECTIVE



Office of Revenue and Tax Analysis  
Michigan Department of Treasury  
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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 Frustration with these issues peaked in August 1993 when the Michigan Legislature repealed property taxes as the primary funding source for K-12 education.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**

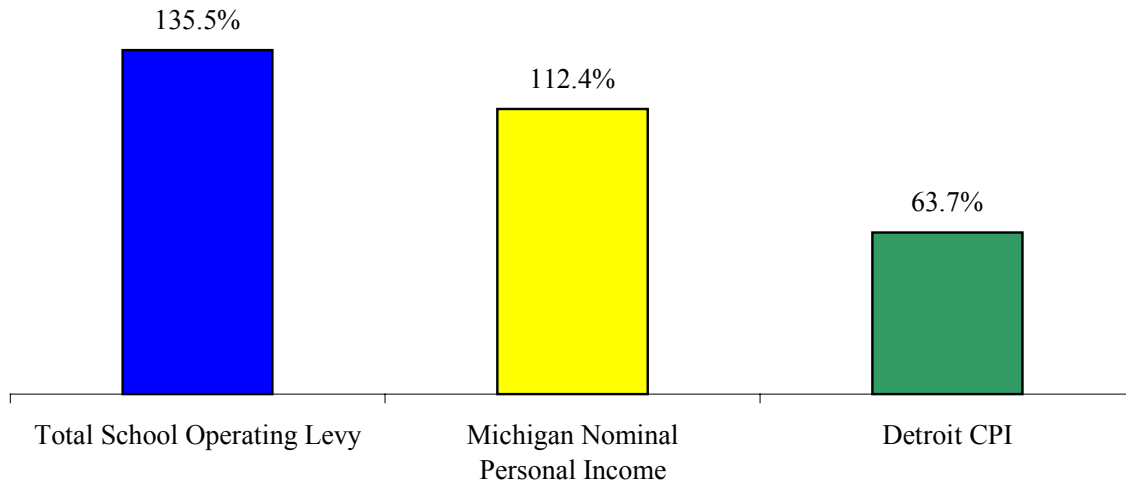
While a variety of factors contributed to the sweeping changes made in March 1994, a primary force was the need to provide property tax relief to Michigan residents. In 1993, the Michigan property tax burden was 7<sup>th</sup> highest among all states. Compared to the typical property taxpayer in the 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.

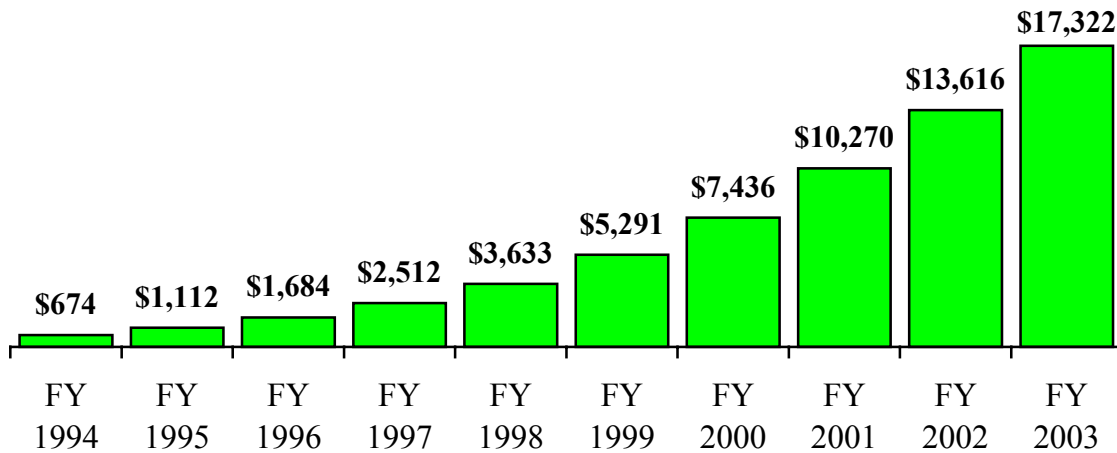
**Exhibit 3**  
**Michigan Voters Approve Proposal A**  
**69 Percent Vote Yes**

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
<b>March 1994</b>	<b>69</b>	<b>31</b>

### 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 <sup>(1)</sup>**

<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	<b>15.89</b>	<b>16.13</b>	<b>16.23</b>	<b>16.37</b>	<b>16.40</b>	<b>16.41</b>	<b>16.30</b>	<b>16.37</b>	<b>0.24</b>	<b>1.5%</b>	<b>0.24</b>	<b>1.5%</b>	<b>0.48</b>	<b>3.0%</b>
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 <sup>(2)</sup>	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 <sup>(3)</sup>	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>
<b>TOTAL MILLS</b>	<b>56.64</b>	<b>38.19</b>	<b>38.88</b>	<b>39.32</b>	<b>39.25</b>	<b>39.27</b>	<b>39.16</b>	<b>39.32</b>	<b>-18.45</b>	<b>-32.6%</b>	<b>1.13</b>	<b>3.0%</b>	<b>-17.32</b>	<b>-30.6%</b>
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%

<sup>(1)</sup> Does not include special assessments.

<sup>(2)</sup> Includes sinking fund mills for all years. Includes 1993 building and site mills.

<sup>(3)</sup> 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.



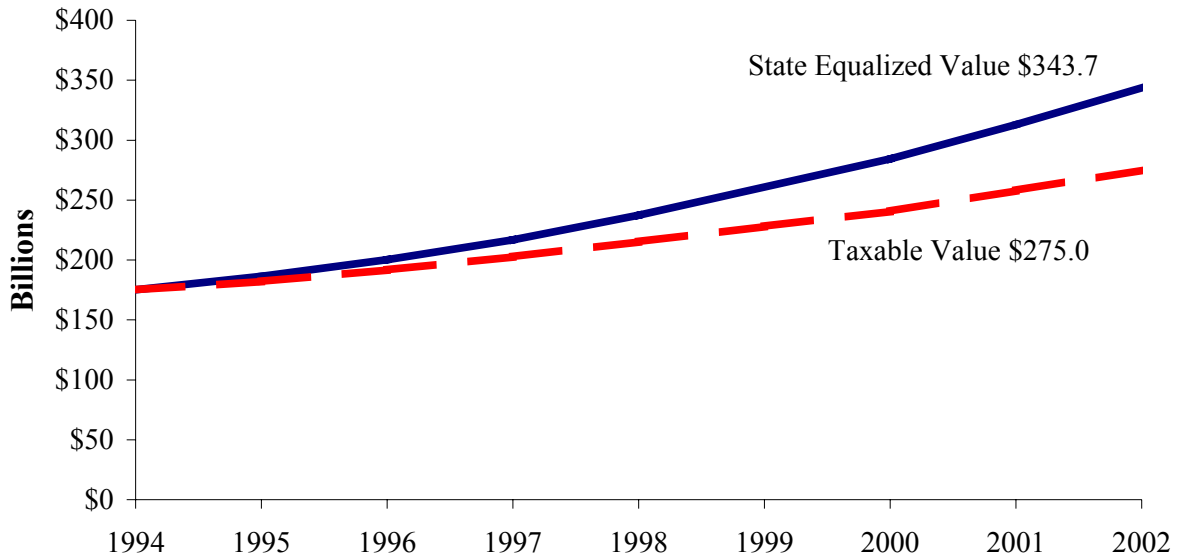
**Exhibit 6**  
**Estimated Statewide Average Millage Rates**

	<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.

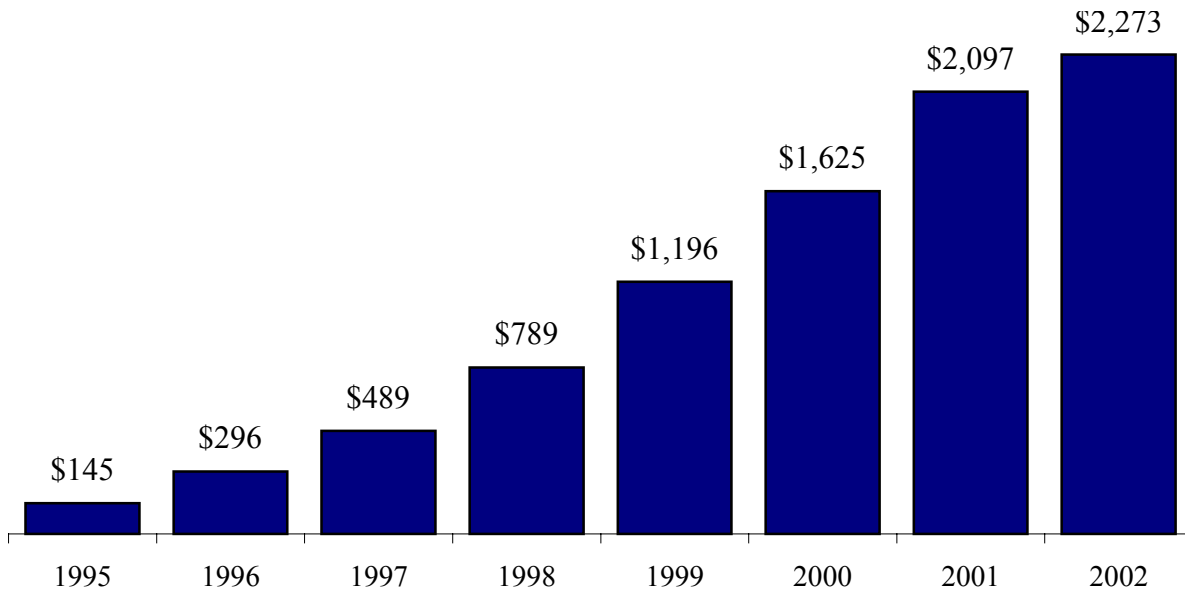
Office of Revenue and Tax Analysis: 1994 all property rate and homestead and nonhomestead rate estimates.

**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**

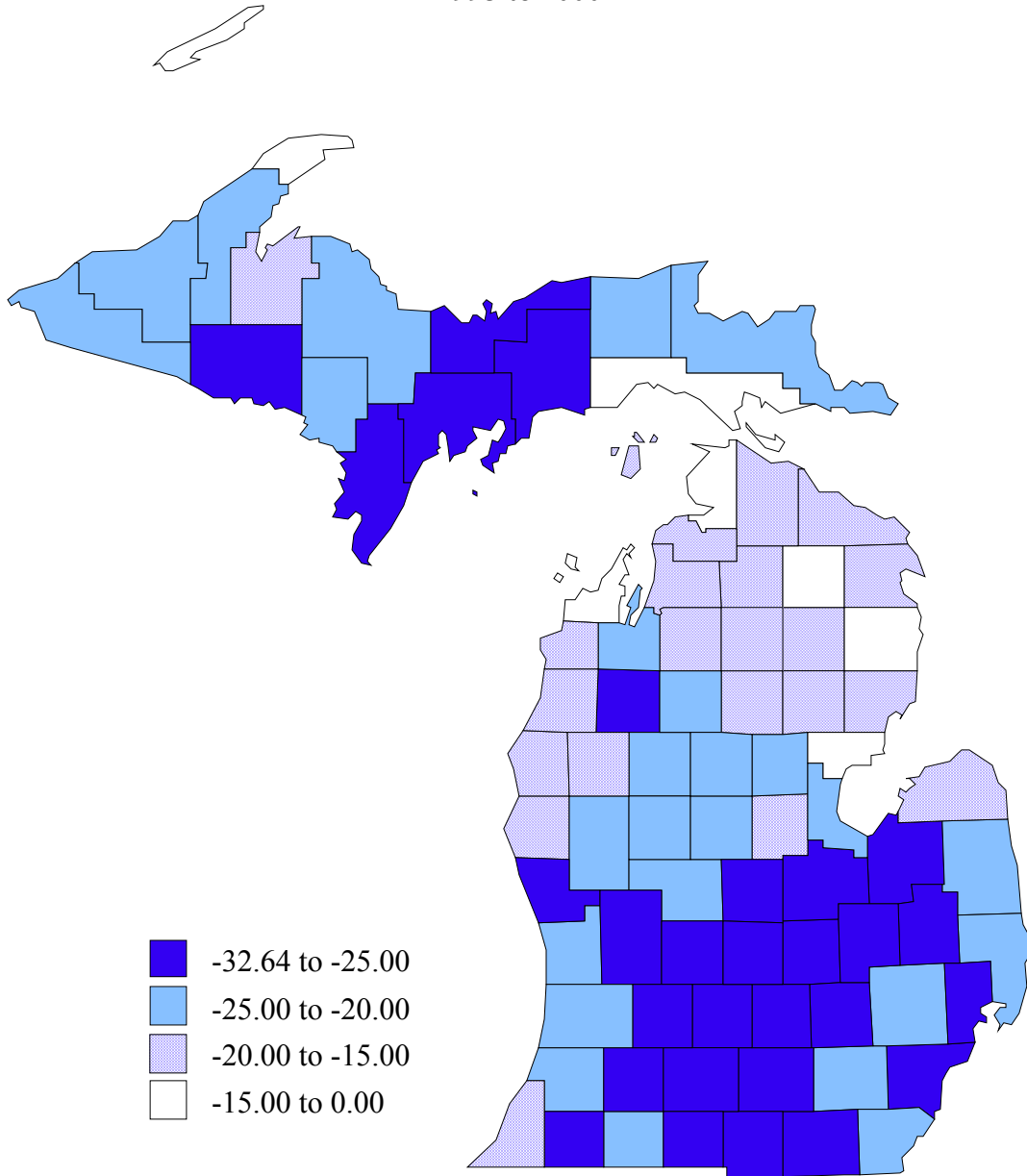
<u>County</u>	<u>1993 Rate</u>	<u>2000 Rates</u>		<u>Homestead Difference</u>		<u>Nonhomestead Difference</u>	
		<u>Homestead</u>	<u>Non- homestead</u>	<u>Mills</u>	<u>Percent</u>	<u>Mills</u>	<u>Percent</u>
Alcona	31.32	18.15	36.45	-13.17	-42.0%	5.13	16.4%
Alger	51.46	26.43	44.90	-25.03	-48.6	-6.56	-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**

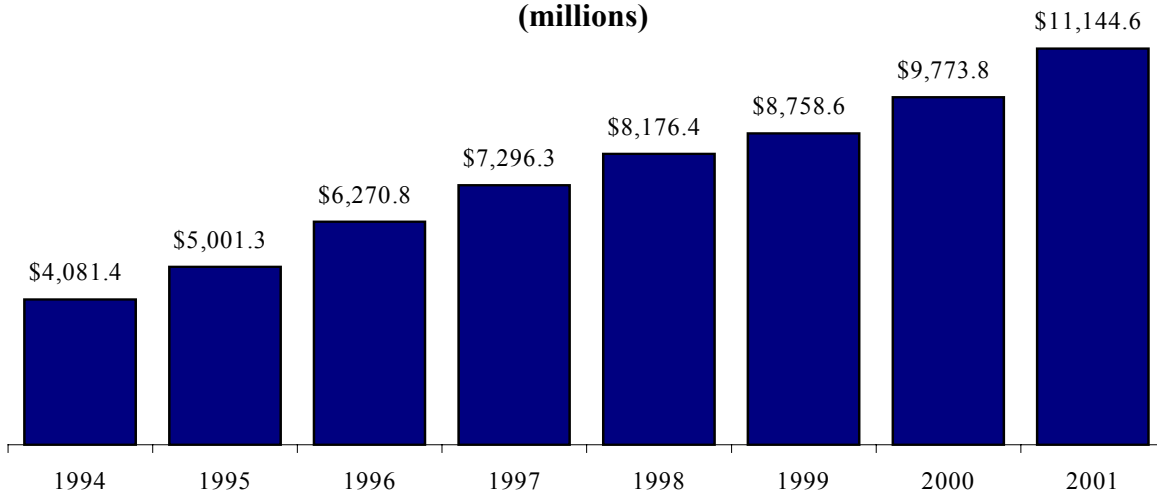
Increased local school bonding has not only resulted in higher debt mills, but has also increased borrowing from the School Bond Loan Program (SBL). The SBL program provides a state credit enhancement mechanism for school district bonds issued for capital expenditure purposes and provides for loans to 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>
19 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 14<sup>th</sup> highest using a personal income measure. Using a per capita measure, the state and local tax burden also ranked 14<sup>th</sup> highest (see Exhibit 18). For property taxes, Michigan ranked 7<sup>th</sup> (personal income and per capita) highest (see Exhibit 19). For sales and use taxes, Michigan ranked 41<sup>st</sup> (personal income and per capita) highest (see Exhibit 20).

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

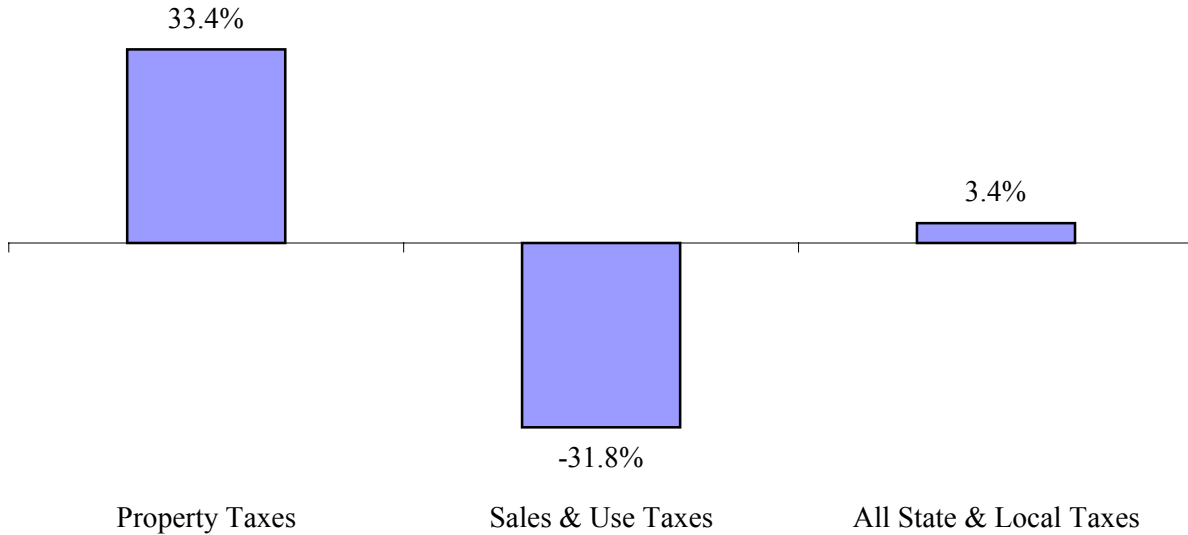
	<u>1993</u>	<u>2002</u>	
		<u>With Proposal A</u>	<u>Without</u>
Home Value	\$71,764	\$127,449	\$127,449
(SEV)	\$35,882	\$63,725	\$63,725
Taxable Value	--	\$49,635	--
Millage Rate	<u>56.64</u>	<u>32.12</u>	<u>56.64</u>
Property Tax	\$2,032	\$1,594	\$3,609 126%

<b>Difference in 2002 Property Taxes</b>	<b>(\$2,015)</b>
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Sources: Bureau of the Census.  
State Tax Commission Data.  
Office of Revenue and Tax Analysis, Michigan Department of Treasury.

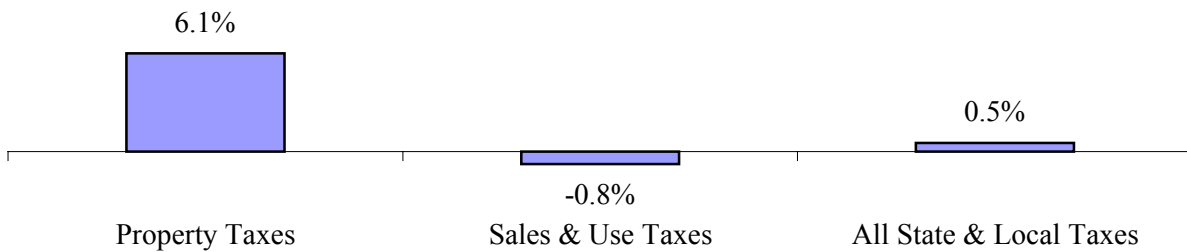
Note: 2002 Homestead Millage Rate unchanged from 2001.

**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** <sup>(1)</sup>

<b><u>Fiscal Year 1993</u></b>	<b><u>All State/Local Taxes</u></b>		<b><u>Property Taxes</u></b>		<b><u>Sales and Use Taxes</u></b> <sup>(2)</sup>	
	<b><u>US Avg.</u></b>	<b><u>Michigan</u></b>	<b><u>US Avg.</u></b>	<b><u>Michigan</u></b>	<b><u>US Avg.</u></b>	<b><u>Michigan</u></b>
% of Personal Income <sup>(3)</sup>	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
<b><u>Fiscal Year 2000</u></b>						
% of Personal Income <sup>(3)</sup>	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

<sup>(1)</sup> Does not include revenues from miscellaneous fees.

<sup>(2)</sup> Does not include excise taxes on alcohol, gasoline, or tobacco.

<sup>(3)</sup> 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**

<b>State</b>	<b>FY 1993 State &amp; Local Taxes (thousands)</b>	<b>1993 Population</b>	<b>FY 1993 State &amp; Local Taxes Per Person</b>	<b>Rank</b>	<b>FY 1993 Personal Income (millions)</b>	<b>FY 1993 Total Tax as a % of Personal Income</b>	<b>Rank</b>
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
<b>Michigan</b>	<b>\$22,423,890</b>	<b>9,540,114</b>	<b>\$2,350.48</b>	<b>14</b>	<b>\$201,015</b>	<b>11.16%</b>	<b>14</b>
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 State &amp; Local Property Taxes</u>		<u>FY 1993 State &amp; Local Property Taxes</u>		<u>Rank</u>	<u>FY 1993 Property Taxes as a % of Personal Income</u>		<u>Rank</u>
	<u>(thousands)</u>	<u>1993 Population</u>	<u>Per Person</u>	<u>Rank</u>		<u>(millions)</u>	<u>Income</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	
<b>Michigan</b>	<b>\$9,246,788</b>	<b>9,540,114</b>	<b>\$969.25</b>	<b>7</b>	<b>\$201,015</b>	<b>4.60%</b>	<b>7</b>	
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 &amp; Local Sales Taxes (thousands)</u>	<u>1993 Population</u>	<u>FY 1993 State &amp; 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
<b>Michigan</b>	<b>\$3,467,303</b>	<b>9,540,114</b>	<b>\$363.44</b>	<b>41</b>	<b>\$201,015</b>	<b>1.72%</b>	<b>41</b>
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 &amp; Local Taxes (thousands)</u>	<u>2000 Population</u>	<u>FY 2000 State &amp; 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
<b>Michigan</b>	<b>\$31,474,162</b>	<b>9,952,006</b>	<b>\$3,162.59</b>	<b>16</b>	<b>290,158,000</b>	<b>10.85%</b>	<b>20</b>
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 &amp; Local Property Taxes (thousands)</u>	<u>2000 Population</u>	<u>FY 2000 State &amp; 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
<b>Michigan</b>	<b>\$9,498,688</b>	<b>9,952,006</b>	<b>\$954.45</b>	<b>14</b>	<b>290,158,000</b>	<b>3.27%</b>	<b>20</b>
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 &amp; Local Sales Taxes (thousands)</u>	<u>2000 Population</u>	<u>FY 2000 State &amp; 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
<b>Michigan</b>	<b>\$7,666,399</b>	<b>9,952,006</b>	<b>\$770.34</b>	<b>21</b>	<b>290,158,000</b>	<b>2.64%</b>	<b>24</b>
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%	

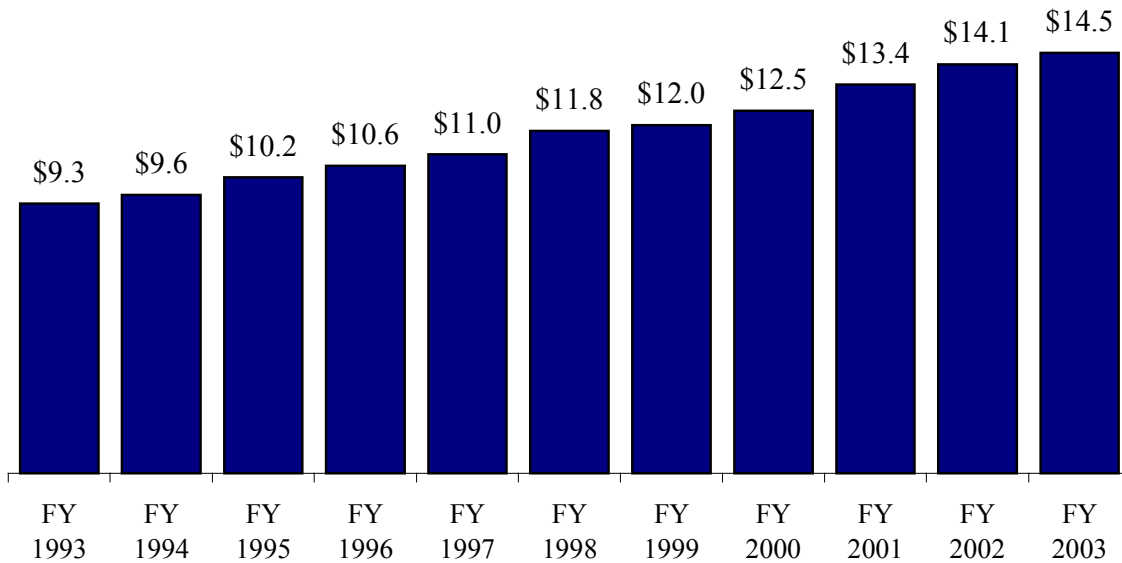
Sources:

- 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)**



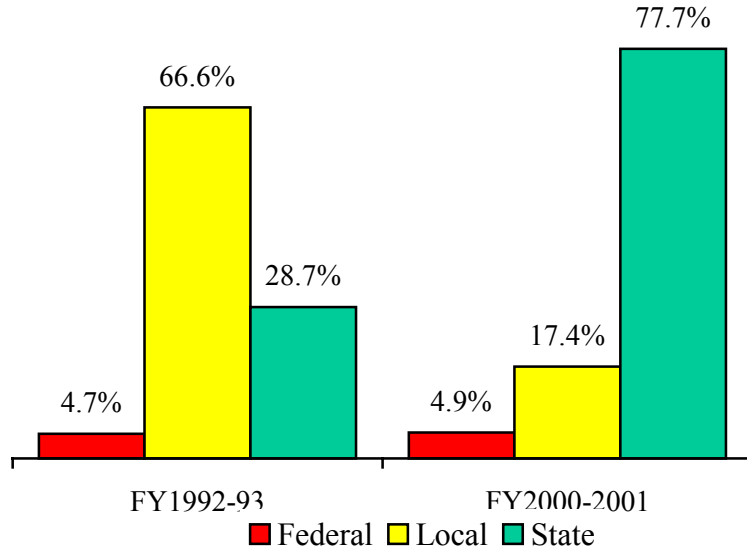
Source: Michigan Department of Treasury.

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).

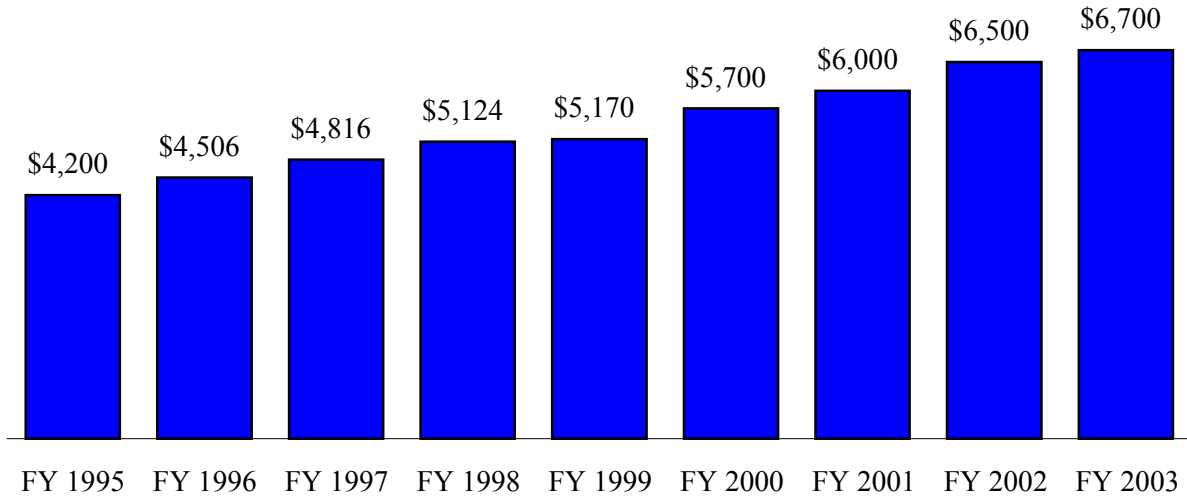
**Exhibit 26**  
**State School Aid Fund**  
**(millions)**

<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 <sup>(1)</sup></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 <sup>(2)</sup>	<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>
<b>TOTAL</b>	<b>\$3,411.1</b>	<b>\$4,676.1</b>	<b>\$7,738.4</b>	<b>\$8,263.5</b>	<b>\$8,690.7</b>	<b>\$9,469.1</b>	<b>\$9,949.7</b>	<b>\$10,479.3</b>	<b>\$10,677.3</b>	<b>\$10,949.2</b>	<b>\$10,991.8</b>

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

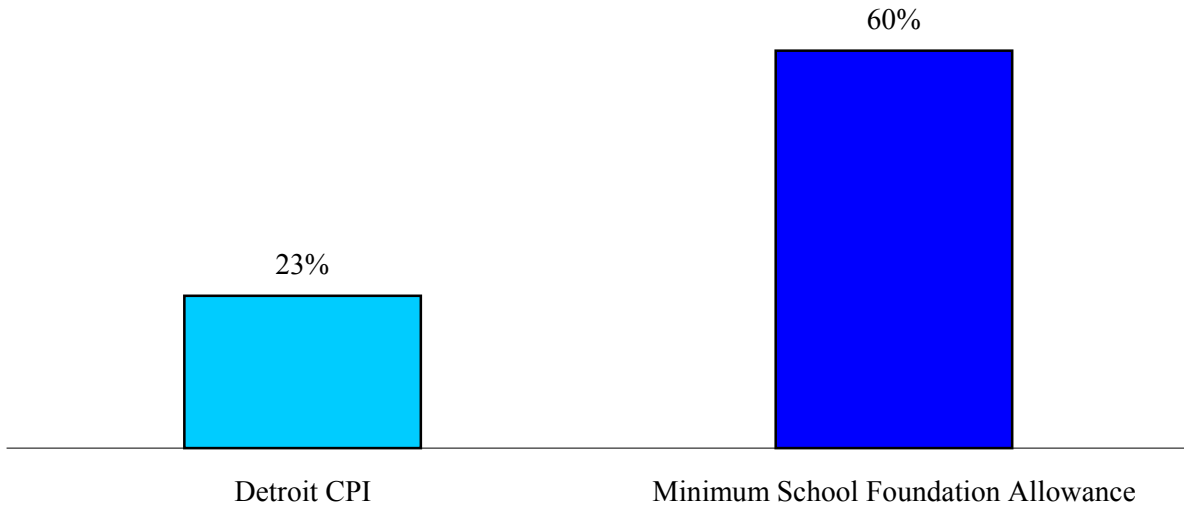
<sup>(2)</sup> Other revenue includes transfers from Budget Stabilization Fund, etc.

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



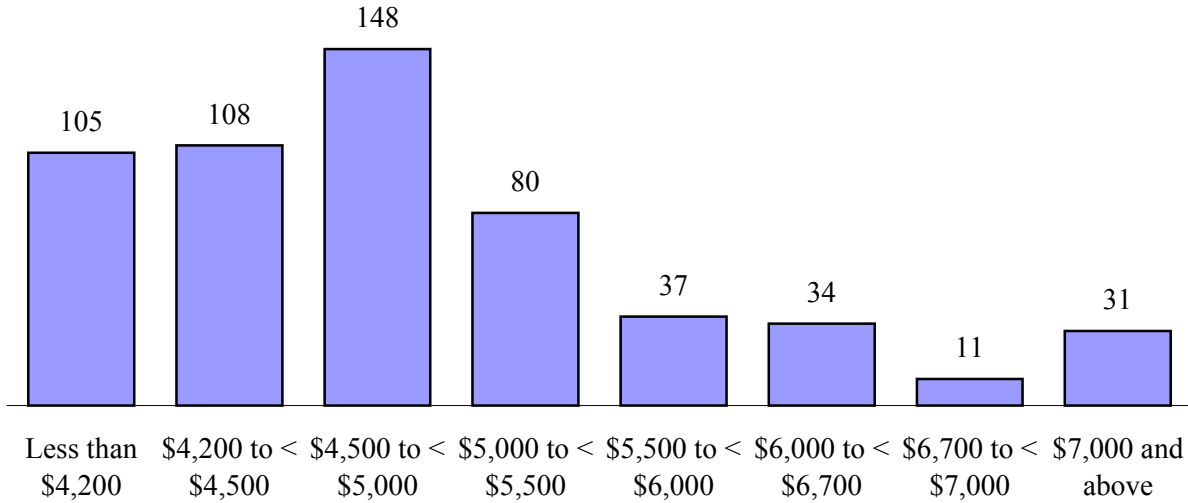
Source: Michigan Department of Education.

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



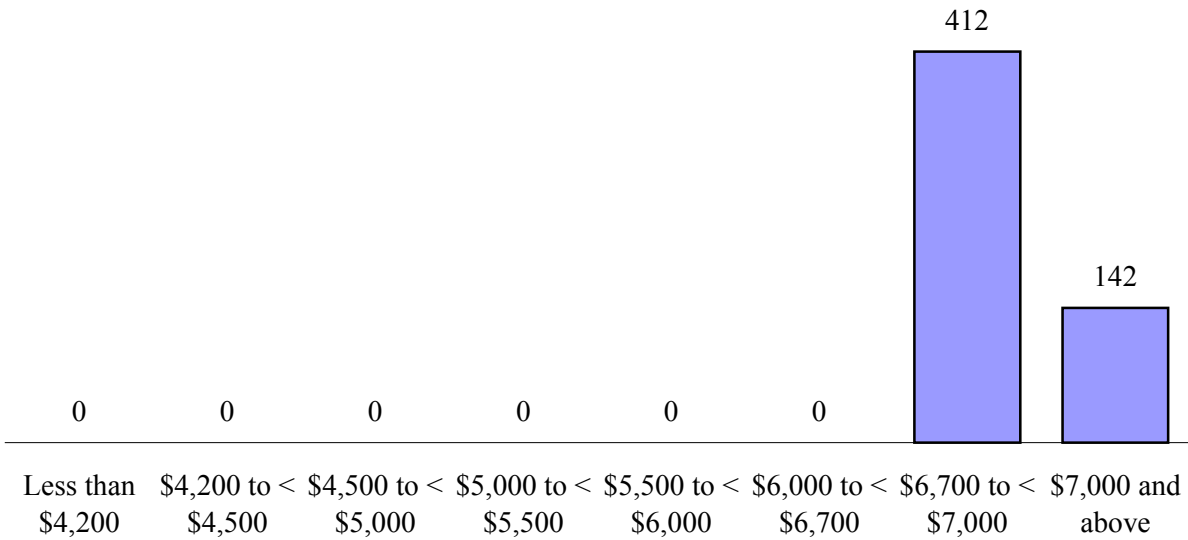
Sources: Michigan Department of Education, Michigan Department of Treasury, and Bureau of Labor Statistics.

**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.

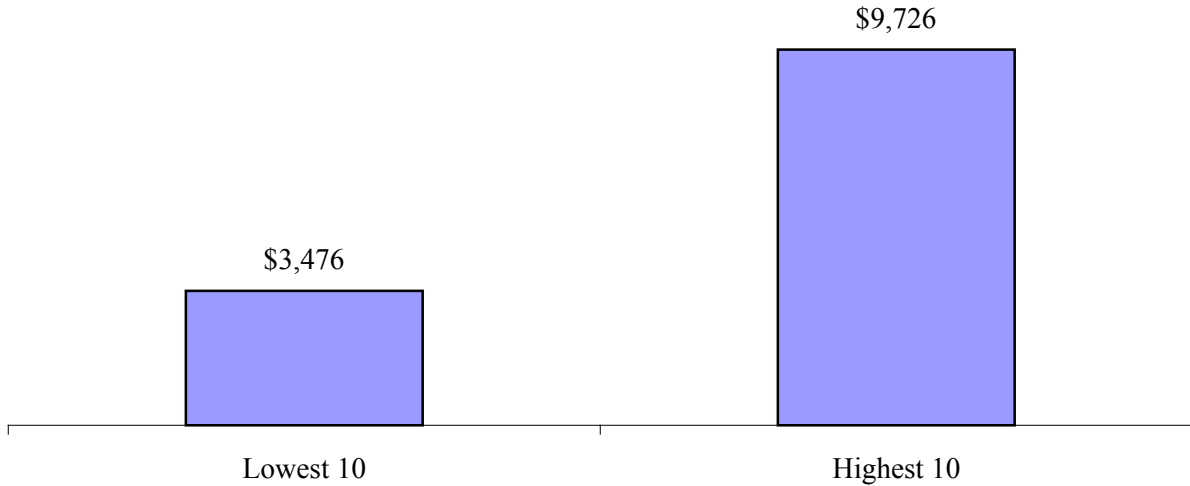
Charter schools have no prescribed local service population and no local revenue base. Pupils may select a school based on its curriculum or other criteria (e.g., location). All applicants have an equal chance of admission. The foundation grant follows the student to attend the charter school of his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

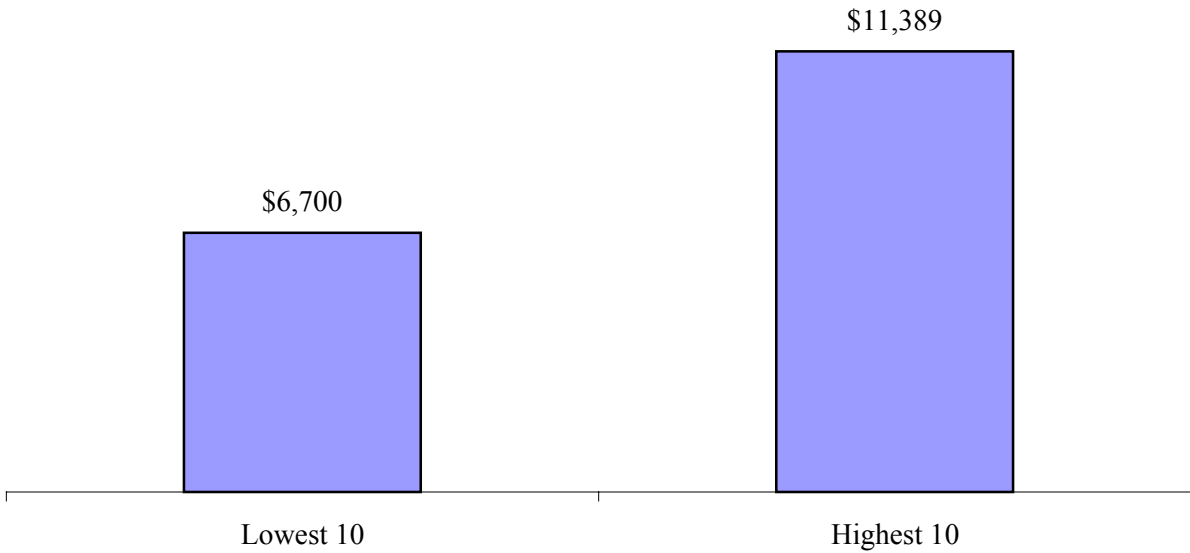
Another aspect of Proposal A was the enactment of “schools of choice” which allows students to attend a public school in a district other than the one in which he or she resides. Students are responsible for their own transportation, and all students have an equal chance of acceptance, regardless of 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**



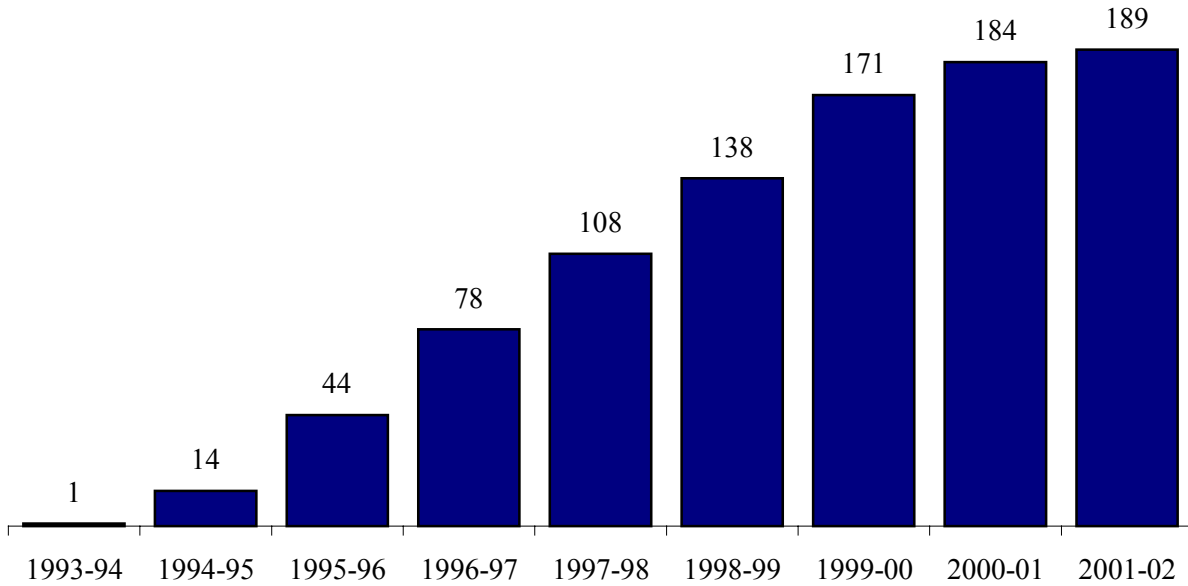
Source: Michigan Department of Education.

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



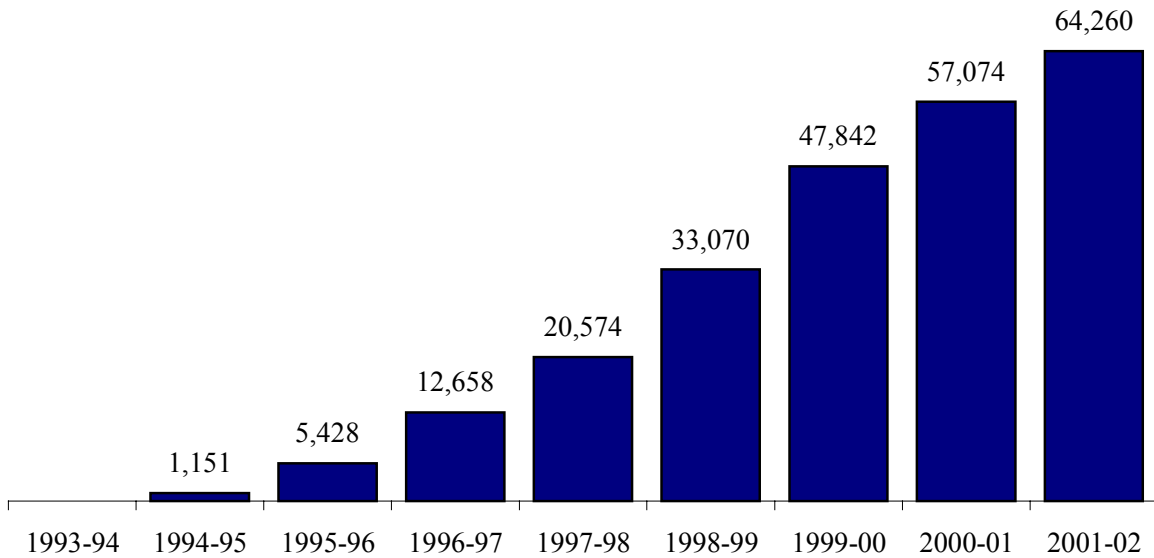
Source: Michigan Department of Education.

**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<sup>(1)</sup></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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03</b>	<b>FY94-FY03 Increase</b>	
			<b>Foundation Allowance<sup>(1)</sup></b>	<b>\$</b>	<b>%</b>
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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03</b>	<b>FY94-FY03 Increase</b>	
			<b>Foundation Allowance<sup>(1)</sup></b>	<b>\$</b>	<b>%</b>
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<sup>(1)</sup></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<sup>(1)</sup></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

<u>School Code</u>	<u>School District Name</u>	<u>FY94 Base</u>	<u>FY03</u>	<u>FY94-FY03 Increase</u>	
			<u>Foundation Allowance<sup>(1)</sup></u>	<u>\$</u>	<u>%</u>
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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03 Foundation Allowance<sup>(1)</sup></b>	<b>FY94-FY03 Increase</b>	
				<b>\$</b>	<b>%</b>
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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03 Foundation Allowance<sup>(1)</sup></b>	<b>FY94-FY03 Increase</b>	
				<b>\$</b>	<b>%</b>
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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03</b>	<b>FY94-FY03 Increase</b>	
			<b>Foundation Allowance<sup>(1)</sup></b>	<b>\$</b>	<b>%</b>
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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03</b>	<b>FY94-FY03 Increase</b>	
			<b>Foundation Allowance<sup>(1)</sup></b>	<b>\$</b>	<b>%</b>
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**

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03 Foundation Allowance<sup>(1)</sup></b>	<b>FY94-FY03 Increase</b>	
				<b>\$</b>	<b>%</b>
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

<b>School Code</b>	<b>School District Name</b>	<b>FY94 Base</b>	<b>FY03 Foundation Allowance<sup>(1)</sup></b>	<b>FY94-FY03 Increase</b>	
				<b>\$</b>	<b>%</b>
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

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