



Policy Brief



Nov. 20, 2017

Enhancement Millages to Charter & Cyber Schools

Bill Number(s): Senate Bill 574

Status: House Floor

MASB Position: **Opposed**

What does it do? [Senate Bill 574](#) would allow public school academies to be eligible to receive a portion of funds obtained through a regional enhancement property tax levied by an Intermediate School District. The PSAs will only be able to obtain funds from an enhancement millage that is passed or renewed after SB 574 is enacted. To receive enhancement millage dollars, the PSA will have participated in the state membership count day the ISD uses to determine pupil count. Also, the PSA or its management company may only use millage revenue for expenditures that directly benefit the PSA site operating within the ISD where the millage was approved. Cyber schools could also qualify for enhancement millage dollars if the school's administrative office is located within the enacting ISD and 80% of the students attended the cyber school reside within the enacting ISD. ISDs will also be allowed to collect funds for students enrolled only at the ISD.

How does it affect public schools? Currently, six ISDs have enacted a regional enhancement millage—Kalamazoo, Kent, Midland, Monroe, Muskegon and Wayne. If SB 574 is enacted, PSAs that meet the above criteria when the ISD seeks to renew the regional enhancement millage must be included in the list of participating schools, and if the millage is enacted, receive a portion of the funds, decreasing the portions going to the currently included schools.

Enhancement millages are generally used by traditional public schools to offset MPERS and transportation costs, among others, which PSAs and cyber schools do not incur. Also, most PSAs and cyber schools are run by for-profit companies, while traditional public schools will take every dollar received and use it toward classrooms, students and staff.

Why is MASB opposed? [MASB opposes SB 574](#) given the current state of school funding in Michigan. We would be happy to participate in a conversation about overall funding of public education in our state, but do not believe eroding funding options for traditional public schools should be discussed until larger funding concerns are addressed. Also, for-profit schools should not be receiving additional funding, while traditional schools are striving to put more into the classroom and provide secure retirements to teachers and transportation to students.