Southfield Public Schools

2009-10 SCHOOL MILLAGE RATE—Information Points

A number of Southfield and Lathrup Village property owners have expressed confusion about the recent approval by the Southfield Board of Education, setting the 2009-10 millage rate at 16.9 mills on homestead properties. The following information points may help clarify the millage levy.

- The actual school levy is driven by state formula, enrollment and property values.
- Because of the uncertainty of state funding and late notice to school districts by the legislature as to the amount of school aid that will be provided for the year, tax levies are estimated. This may result in over or under levies. Factors causing the levy adjustments are beyond the control of Southfield Public Schools or any local school district.
- In 2008 the district reduced the millage because it had over levied, based on estimates for the year before. As it turns out the tax rebate was greater than it should have been. 2009-10 is anticipated to be another year of corrective action.
- Decreases in homestead and commercial taxable values drive up the millage rate. This past year the taxable value of properties in Southfield dropped by over $91 million. The year before local commercial property values had risen by $119 million.
- Because property values are falling, the assessed value of homes is less. Newer residents will see some reduction in taxes because of the falling assessed values. Homeowners who have lived in Southfield ten years or more will continue to see the difference between their home's assessed value and taxable value shrink.
- School and city taxes are based on the taxable value of a home, not the assessed value.
- The owner of a home with a taxable value of $100,000 can expect an increase in taxes of approximately $250 for this year. Last year homeowners with the same taxable value received a tax reduction of $570.

- The millage rate has steadily declined since 1992. Today, at 16.9 mills the Southfield school millage has dropped by more than 50 percent. In November 2008 voters in the school district approved a reduced millage rate with a maximum authorization of 17.6345 mills. (Following Proposal A passage in 1994 the school millage rate was 21.88 mills.)

- Even with the adjustment in the millage rate, homeowners will be paying less in school taxes than they were two years ago.

SCHOOL BUDGET FACTS

- The SPS General Fund revenues have dropped from $129.3 million in 2004 to a projected $116 million for 2009-10.

- The Board of Education contracted transportation, food service, general maintenance, warehouse and custodial services in 2008 to offset costs of $21 million over three years.

- The administrators and unaffiliated staff (which includes the superintendent, assistant superintendents, managers and others) have voluntarily taken a two percent pay reduction and made other compensation concessions for the 2009-10 school year.

- Budget cuts since 2006 have exceeded $18 million.

- This spring the Board of Education cut $10.1 million from its budget and reduced its work force (in all areas) by 150 employees as it continues its struggle to contain costs.