



# MEMORANDUM

**To:** Members of the House Committee on Local Government and Municipal Finance

**From:** Michigan Association of School Boards  
Michigan Association of Superintendents & Administrators  
Michigan Education Association  
Michigan Association of Intermediate School Administrators  
AFT Michigan  
Michigan Association of Secondary School Principals  
Middle Cities Education Association  
Michigan Association of Elementary and Secondary School Principals

**RE:** Opposition to Senate Bills 362, 364, 422 and 432

**Date:** April 27, 2022

As public education organizations, we are writing today to raise concerns with Senate Bills 362, 364, 422 and 432 because of the effect they will have on our local districts and the School Aid Fund.

According to the Senate Fiscal Agency, these bills would reduce revenues for local property taxes, income taxes and the State Education Tax. Taken together they create a potentially significant cut to revenues for our schools. Also, any revenue reduction at the district level from property taxes is made up by the School Aid Fund to keep that district at its specified per-pupil allowance, which means the entire state sees a reduction in funds available as those districts are made whole.

We recognize and understand the need for affordable housing in our state. However, Michigan should not create incentives at the expense of our school districts. Quality education is one driver for those considering where to live.

We also want to express concerns with the larger picture, the continued erosion of revenue streams to our local schools will only harm investment in our classrooms. While this is just one policy change, it adds up when combined with all the other changes that have been made through the years. For example, from 2013-2019, 65 tax policies changes were enacted in our state that led to a reduction of more than \$276 million annually, or \$187 per pupil. While the School Aid Fund is currently showing a healthy surplus, it reflects the federal COVID-19 relief funds and the economic impact of those funds. This is temporary, while these potentially significant cuts would be ongoing.

We urge you to consider protecting your local schools and the School Aid Fund as you consider policies to increase housing. If you have any questions, feel free to contact any of the organizations listed.