



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 House Bills 4646-4650**

Date: June 2, 2021



As public education organizations, we are writing today to raise concerns with House Bills 4646-4650 due to the effect they will have on our local districts and the School Aid Fund.



According to the House 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 a main driver for most residents when 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, just this week there were five separate committee hearings with legislation that negatively affected School Aid Fund revenues. From 2013-2019, 65 tax policy changes were enacted in our state that led to a reduction of more than \$276 million annually or \$187 per pupil.



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.