



# **Davison Community Schools**

**Truth-in-Taxation Hearing**

**2024 Taxable Valuations  
& Tax Rate Certification**

**June 17, 2024**



## Truth-in-Taxation Hearing

Michigan law requires that public schools adopt their annual budgets before the beginning of the fiscal year (July 1). A taxing entity, including a school district or ISD, must follow a truth-in-taxation process if its anticipated operating tax revenue will exceed what it collected in the previous fiscal year (with exceptions for certain taxable additions). This process includes: **(1)** publishing a newspaper notice, **(2)** holding a truth-in-taxation public hearing, and **(3)** approving resolutions proposing and adopting additional millage rate(s).



# Notice of Public Hearing

Thursday, June 6, 2024

A notice as required  
was published in the  
Genesee County View  
/ Davison Index on  
**June 6, 2024.**

## NOTICE OF A PUBLIC HEARING ON PROPOSED 2024-2025 BUDGET

**PLEASE TAKE NOTICE** that on Monday, June 17, 2024 at 6:00 o'clock p.m. in the Cardinal Center Board Room, 1490 N. Oak Road, Davison, MI 48423, the Board of Education of Davison Community Schools will hold a public hearing to consider the district's proposed 2024-2025 budget.

The Board may not adopt its proposed 2024-2025 budget until after a public hearing. A copy of the proposed 2024-2025 budget including the proposed property tax millage rate, is available for public inspection during normal business hours at the Business Office, 1490 N. Oak Road, Davison, MI 48423.

**The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.**

This notice is given by order of the Board of Education.

Alicia Hensley, Secretary  
DAVISON BOARD OF EDUCATION



## Taxable Valuations

	<b>Taxable Value as of 5/22/2023</b>	<b>Taxable Value as of 5/28/2024</b>	<b>Change</b>
<b>Homestead</b>	<b>\$ 770,056,137</b>	<b>\$ 840,223,068</b>	<b>9.1%</b>
<b>Non-Homestead</b>	<b>\$ 278,058,616</b>	<b>\$ 290,642,609</b>	<b>4.5%</b>
<b>Total Taxable Value</b>	<b>\$ 1,048,114,753</b>	<b>\$ 1,130,865,677</b>	<b>7.9%</b>



## Taxable Valuation Definitions

**Homestead** refers to a primary residence that an individual owns and occupies.

**Non-Homestead** refers to properties that are not the owner's primary residence. These can include rental properties, commercial properties, second homes, non-qualified agricultural property, non-qualified forest property, non-supportive housing property, and non-industrial property for operations. Non-homestead properties generally do not qualify for the same tax benefits or exemptions as homestead properties.



## Taxable Valuations

	<b>5/22/2023</b>	<b>5/28/2024</b>
<b>Davison Twp.</b>	<b>\$ 654,321,447</b>	<b>\$ 697,866,457</b>
<b>Richfield Twp.</b>	<b>\$ 220,539,876</b>	<b>\$ 249,210,470</b>
<b>Davison City</b>	<b>\$ 131,469,466</b>	<b>\$ 138,525,581</b>
<b>Burton City</b>	<b>\$ 29,017,278</b>	<b>\$ 31,358,073</b>
<b>Atlas Twp.</b>	<b>\$ 6,144,800</b>	<b>\$6,697,423</b>
<b>Elba</b>	<b>\$ 5,665,884</b>	<b>\$ 6,204,068</b>
<b>Oregon</b>	<b>\$ 956,002</b>	<b>\$ 1,003,605</b>
<b>All Properties</b>	<b>\$ 1,048,114,753</b>	<b>\$ 1,130,865,677</b>



## Non-Homestead Operating Taxes

**5.7606 mills will be levied against all Commercial Personal Property, and 17.7606 mills will be levied against all Non-Homestead property in 2024/2025.**

- The Current Operating millage runs through **December 31, 2026.**
- Continuation of 0.9867 Headlee Millage Rollback.



## Non-Homestead Operating Taxes Definitions

**Commercial Personal Property** refers to assets owned by a business that are not fixed to one location used in the operation of the business. These items are essential for day-to-day business activities and can be insured, depreciated for tax purposes, and sold or transferred separately from the real property. Examples include: Office Equipment, Machinery and Tools, Inventory, and Vehicles.

**Headlee Millage Rollback** is designed to limit the amount of property tax revenue that local governments can collect, ensuring that tax increases do not outpace inflation or the rate of economic growth. This amendment aims to protect taxpayers from significant and unexpected property tax increases while still allowing for necessary revenue growth aligned with inflation.





## Extra-Voted Millage Debt Retirement Funds

**5.000 mills will be levied for debt on all properties in 2024/2025:**

This reflects a decrease of 0.1400 compared to the 2023/2024 levy.

- **1.5000 mills** will be levied for the 2013 SCHOOL BUILDING AND SITE BONDS.
- **2.1500 mills** will be levied for the 2020 SCHOOL BUILDING AND SITE BONDS, SERIES I.
- **1.3500 mills** will be levied for the 2022 SCHOOL BUILDING AND SITE BONDS, SERIES II.

**Debt Retirement levies are not affected by Headlee Millage Rollback.**



## Extra-Voted Millage Sinking Fund

**1.3575 mills will be levied on all on all properties in 2024/2025:**

This reflects a decrease of 0.0010 compared to the 2023/2024 levy.

- ✓ The Sinking Fund millage runs through December 31, 2025.
- ✓ Cumulation of 0.9686 Headlee Millage Rollback.



## **All Voter Approved Millage's**

**All school district taxes, including those for debt and sinking, will be levied and collected during the Winter 2024 Tax collection period**



## Extra-Voted Millage Five Year History

Year	Debt	Sinking	Total
2020	5.1400	1.3768	6.5168
2021	5.1400	1.3673	6.5073
2022	5.1400	1.3585	6.4985
2023	5.1400	1.3585	6.4985
<b>2024</b>	<b>5.0000</b>	<b>1.3575</b>	<b>6.3575</b>



# Property Tax Revenue

	Estimated 2022/2023	Estimated 2023/2024	Change
Operating	\$ 5,006,184	\$ 5,256,835	\$ 250,651
Debt Retirement	\$ 5,412,244	\$ 5,655,579	\$ 243,335
Sinking Funds	\$ 1,430,643	\$ 1,535,650	\$ 105,007
<b>Totals</b>	<b>\$ 11,849,071</b>	<b>\$ 12,448,064</b>	<b>\$ 598,993</b>

\* The assumed local revenue generated by the operating millage is expected to contribute approximately **9.5% of the district's annual state aid or approx. \$935 per student.**



# **Davison Community Schools**

**Truth-in-Taxation Hearing**

**2024 Taxable Valuations  
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**June 17, 2024**

**ANY QUESTIONS?**



# **Davison Community Schools**

## **Budget Hearing**

### **Proposed 2024/2025 Budgets**

**June 17, 2024**



## General Fund Budget Assumptions State Aid

- **Foundation Allowance:** Projected at \$9,849 per student FTE (Full-Time Equivalent), this represents an increase of \$241 per student FTE.
- **Enrollment Projection:** Anticipated student enrollment for Davison Community Schools is 5,369, a decrease of 100 FTEs compared to the previous year.





# General Fund Budget Assumptions

## MI School Data

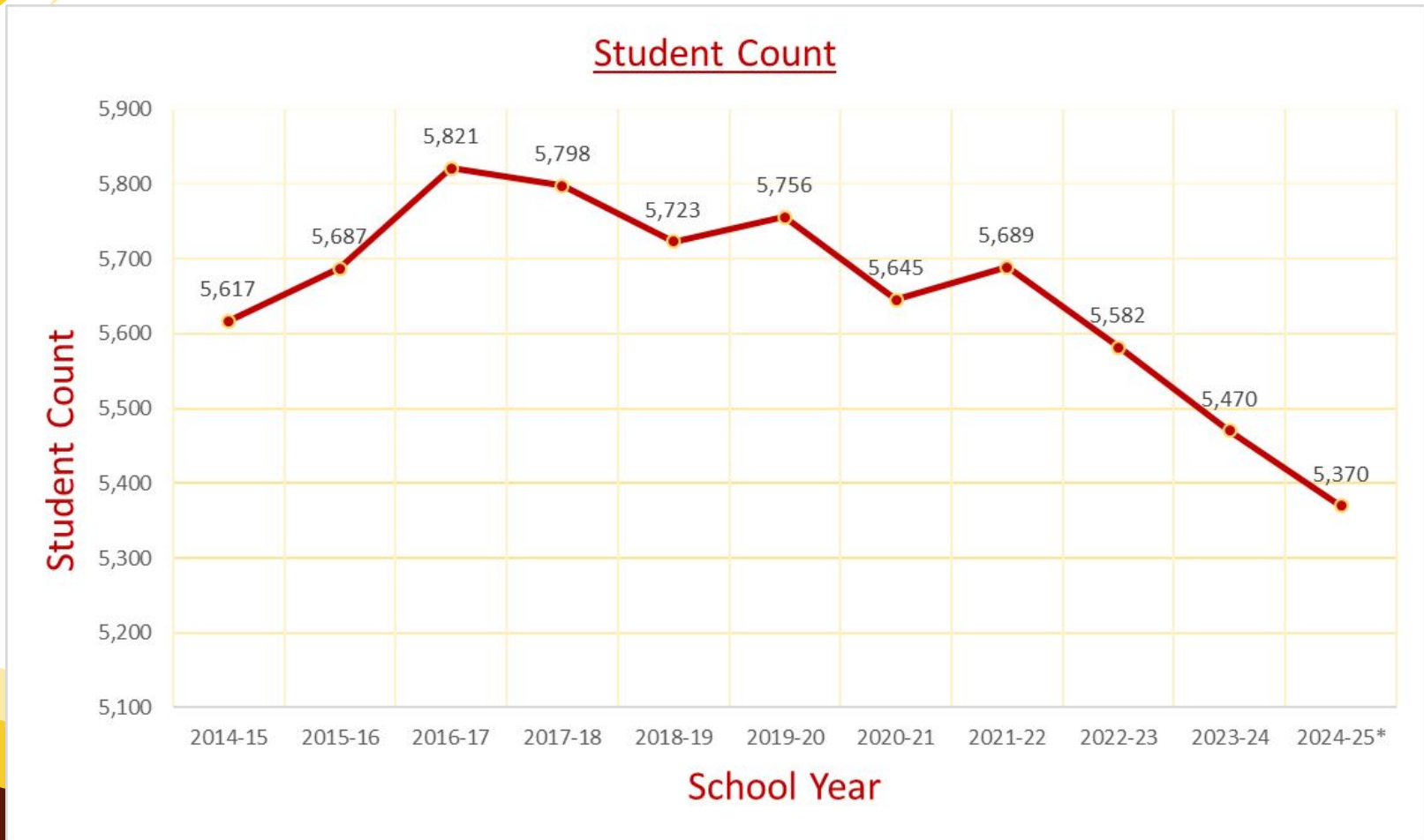
### Student Count Trend - Davison Community Schools (25140)

School Year	Grade	Student Group	Student Count	Pr Yr Change
2014-15	All Grades	All Students	5,617	-
2015-16	All Grades	All Students	5,687	70
2016-17	All Grades	All Students	5,821	134
2017-18	All Grades	All Students	5,798	(23)
2018-19	All Grades	All Students	5,723	(75)
2019-20	All Grades	All Students	5,756	33
2020-21	All Grades	All Students	5,645	(111)
2021-22	All Grades	All Students	5,689	44
2022-23	All Grades	All Students	5,582	(107)
2023-24	All Grades	All Students	5,470	(112)
2024-25*	All Grades	All Students	5,370	(100)

*\* Initial Budget Assumes Estimated 100 Student Loss*



# General Fund Budget Assumptions





## General Fund Budget Assumptions

- Continuation of State Aid 147 categoricals to help offset MPSEs retirement expenditures.
- No change in MPSE contribution rates.
- No programmatic budget reductions.
- No staffing reductions.
- Salaries based on approved/tentative contracts for all bargaining groups as well as unaffiliated employees.
- Supply budgets reviewed and adjusted for inflation.
- Absorption into the General Fund of 'ESSER Cliff' expenses



# General Fund Budget

	2022/2023	2023/2024	2024/2025
	Actual	June Revision	Proposed
Revenues	\$ 77,507,480	\$ 79,583,787	\$ 75,603,362
Expenditures	<u>\$ 73,368,522</u>	<u>\$ 79,477,874</u>	<u>\$ 78,496,479</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 4,138,958	\$ 105,913	\$ (2,893,117)
Fund Balance at Beginning of Year	<u>\$ 12,817,027</u>	<u>\$ 16,955,984</u>	<u>\$ 17,061,897</u>
Fund Balance at End of Year	\$ 16,955,984	\$ 17,061,897	\$ 14,168,780
Fund Balance as a Percent of Expenditures	23.11%	21.47%	18.05%
State Aid Per Student	\$9,150	\$9,608	\$9,849
State Aid Membership	5,582	5,470	5,370
Increase (Decrease)	(107)	(112)	(100.0)



# Special Revenue Funds

	2024/2025 DCER	2024/2025 School Lunch	2024/2025 Student Activity
<b>Revenues</b>	<b>\$ 527,000</b>	<b>\$ 3,852,059</b>	<b>\$ 935,400</b>
<b>Expenditures</b>	<b><u>\$ 536,009</u></b>	<b><u>\$ 3,954,073</u></b>	<b><u>\$ 875,300</u></b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (9,009)</b>	<b>\$ (102,014)</b>	<b>\$ 60,100</b>
<b>Beginning Fund Balance</b>	<b>\$ 210,961</b>	<b><u>\$ 1,301,777</u></b>	<b><u>\$ 687,257</u></b>
<b>Fund Balance -Restricted</b>	<b><u>\$ 15,462</u></b>		
<b>Ending Fund Balance</b>	<b>\$ 217,954</b>	<b>\$ 1,199,762</b>	<b>\$ 747,357</b>



## Debt Retirement Fund

	2013 School Building and Site Bonds	2020 School Building and Site Bonds	2022 School Building and Site Bonds	Combined
'24 Property Tax Millage	1.5000	2.3500	1.3500	5.0000
Revenues	\$ 1,701,504	\$ 2,440,752	\$ 1,532,015	\$ 5,674,271
Expenditures	<u>\$ 1,688,906</u>	<u>\$ 2,133,150</u>	<u>\$ 1,493,300</u>	<u>\$ 5,315,356</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 12,598	\$ 307,602	\$ 38,715	\$ 358,915
Fund Balance at Beginning of Year	<u>\$ 308,119</u>	<u>\$ 664,253</u>	<u>\$ 535,397</u>	<u>\$ 1,507,769</u>
Fund Balance at End of Year	\$ 320,717	\$ 971,854	\$ 574,112	\$ 1,866,683



# Sinking Fund

	2022/2023	2023/2024	2024/2025
	Actual	June Revision	Proposed
Property Tax Millage	1.3585	1.3585	1.3575
Revenues	\$ 1,347,261	\$ 1,437,250	\$ 1,545,470
Expenditures & Other Uses:			
Capital Projects	<u>\$ 440,253</u>	<u>\$ 417,000</u>	<u>\$ 1,409,000</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 907,008	\$ 1,025,213	\$ 136,470
Fund Balance at Beginning of Year	<u>\$1,478,458</u>	<u>\$ 2,385,466</u>	<u>\$ 3,410,678</u>
Fund Balance at End of Year	\$ 2,385,466	\$ 3,410,678	\$ 3,547,148



# 2020 School Building and Site Bonds, Series I Fund

	2022/2023 Actual	2023/2024 June Revision	2024/2025 Proposed
Revenues	\$754,873	\$ 262,702	\$ 5,000
Expenditures & Other Uses Capital Projects	<u>\$ 21,013,656</u>	<u>\$ 8,851,647</u>	<u>\$ 5,000</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (20,258,783)	\$ (8,588,945)	\$ -0-
Fund Balance at Beginning of Year	<u>\$ 28,847,729</u>	<u>\$ 8,588,945</u>	<u>\$ -0-</u>
Fund Balance at End of Year	\$ 8,588,945	\$ -0-*	\$ -0-

\*Funding is anticipated to be used up by June 30, 2024. A small remaining amount, consisting of June interest, should be fully utilized in July 2024.





# 2022 School Building and Site Bonds, Series II Fund

	2022/2023	2023/2024	2024/2025
	Actual	June Revision	Proposed
Revenues	\$ 18,775,425	\$ 880,000	\$ 720,000
Expenditures & Other Uses			
Capital Projects	<u>\$ 586,860</u>	<u>\$ 5,702,091</u>	<u>\$ 14,086,473</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 18,188,564	\$ (4,822,091)	\$ (13,366,473)
Fund Balance at Beginning of Year	<u>\$ -0-</u>	<u>\$ 18,188,564</u>	<u>\$ 13,366,473</u>
Fund Balance at End of Year	\$ 18,188,564	\$ 13,366,473	\$ -0-



# **Davison Community Schools**

## **Budget Hearing**

**Proposed 2024/2025 Budgets**

**June 17, 2024**

**ANY QUESTIONS?**