



Paw Paw Public Schools Non-Homestead Operating Millage Proposal

Voters will be asked to consider a
Non-Homestead Operating Millage Proposal on
November 3, 2026

What is on the Ballot?

- **A Protective Buffer**
The proposal asks for a 1.0 mill increase to serve as a protective 'insurance policy' against state-mandated tax rollbacks (Headlee Amendment) through 2031.
- **Ensuring the 18.000 Mill Standard**
School districts are legally allowed to levy 18.000 mills for day-to-day operations. Due to the Headlee Amendment, our rate has been rolled back – and is projected to fall below 18.000 starting in 2027.
- **No Immediate 1.0 Mill Tax Hike**
The district will NOT levy the full 1.0 mill. It will only draw from this buffer the exact fraction needed to keep our operating rate at the 18.000 mill maximum.
- **The 2027 Impact**
In 2027, the district expects to levy just a tiny fraction – 0.1188 mill to counteract the Headlee rollback.
- **Classroom Funding Securing**
This small 2027 adjustment will generate approximately \$24,180.81 to keep daily school operations, teachers' salaries, and classroom resources fully funded.
- **Strict Operational Use**
By law, these funds can only be used for day-to-day school operating expenses. They cannot be used for major capital construction projects.

What is a Non-Homestead Millage?

A non-homestead operating millage is a property tax levied on businesses, rental properties, commercial and industrial property, second homes, vacation homes, and non-principal residences. **Homeowners do not pay this tax on their principal residence.**

How to vote on November 3, 2026

VOTE BY MAIL

If you are a registered Michigan voter, you may request an absentee ballot without providing a reason using either of the methods outlined below:

REQUESTING ONLINE:

Requires personal ID information and signature upload. You have until 5:00 pm the Friday before Election Day to request an absentee ballot online.

REQUESTING BY MAIL:

Must be received by your local clerk by 5:00 pm on the Friday before Election Day; it is recommended to mail at least 15 days early.

VOTE IN PERSON

You may vote in person at your polling location. Find your polling location by visiting:
<https://mvic.sos.state.mi.us/>

Official Ballot Language

Paw Paw Public Schools

Paw Paw Public Schools Operating Millage Proposal

This proposal will allow the school district to continue to levy the statutory rate of not to exceed 18 mills on all property, except principal residence and other property exempted by law, required for the school district to receive revenues at the full per pupil foundation allowance permitted by the state.

Shall the limitation on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in Paw Paw Public Schools, Van Buren County, Michigan, be increased by 1 mill (\$1.00 on each \$1,000 of taxable valuation) for a period of 5 years, 2027 to 2031, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and 0.1188 mill is levied in 2027 is approximately \$24,190.81 (this millage is to restore millage lost as a result of the reduction required by the Michigan Constitution of 1963 and will be levied only to the extent necessary to restore that reduction)?

Frequently Asked Questions

1. What is on the ballot?

Voters will be asked to consider a Non-Homestead Operating Millage Proposal on November 3, 2026. If approved, the district would maintain its ability to levy the maximum statutory rate of 18 mills on non-homestead property.

2. The ballot language mentions collecting \$24,190.81 by levying 0.1188 mill in 2027. Why does it say that if the district is asking for 1.0 mill?

This is legal proof that we are only asking for a protective buffer. By law, the ballot must state the actual amount we expect to collect in the first year. Because our current rate has been rolled back by Headlee, we only need to levy 0.1188 mill in 2027 to get back to our standard 18.000 mills. That small adjustment will generate \$24,190.81 to keep our school funding stable. The remaining portion of the 1.0 mill acts as an approved "insurance policy" that we will only draw upon if the future Headlee rollbacks threaten to drop us below 18.000 mills between 2027 and 2031.

3. What is a non-homestead operating millage?

A non-homestead operating millage is a property tax levied on businesses, rental properties, commercial and industrial property, second homes, vacation homes, and non-principal

residences. Revenue from this millage supports the district's day-to-day operating budget. A principal residence is exempt from this millage.

4. Does this apply to my principal residence?

No. A homeowner's principal residence (or homestead property) is exempt from this tax. Homeowners with only a principal residence will not pay for this millage. You can verify this by checking your 2026 tax bill. For a principal residence there will be no line item for the PPPS Operating Millage.

5. Is this a new tax?

This operating non-homestead millage has existed since Michigan's Proposal A school finance reforms in 1994. Michigan school districts periodically return to voters for authorization to collect this operating revenue.

6. Why is the district asking for an additional 1.0 mill right now?

The district is proposing a 1.0 mill operating increase on the Nov. 3 ballot to protect our core educational funding from future state-mandated rollbacks.

While the district is only legally permitted to levy a maximum of 18.000 mills for operating purposes, a state rule known as the Headlee Amendment automatically reduces (or "rolls back") our tax rate when property values rise faster than inflation.

Because of recent property tax increases, our cushion has worn away. The current rate has already been rolled back by 18.0327 mills. District leadership projects that between 2027 and 2031, further mandatory Headlee rollback will drop our rate below the 18.000-mill threshold.

By approving this 1.0 mill proposal now, voters will establish a protective "buffer." This ensures the district can consistently levy the full, legally allowed 18.000 mills over the next five years, preventing unexpected funding shortfalls for our classrooms.

7. How is PPPS funded?

PPPS receives funding from a combination of state aid and local taxes. Different millages serve different purposes, and some millages have restricted uses. PPPS has budgeted these resources as follows:

- **Operating Non-Homestead Millage:** Primarily day-to-day operations and staff
- **Debt Millage:** Retire Voter Approved Bonds issued for construction and major capital projects.
- **Sinking Fund Millage:** Building repairs, safety, and infrastructure improvements
- **Regional Enhancement Millage:** Student programs and operating support
- **Rec Millage:** Recreation programs and services

8. What does this funding pay for?

Operating millage revenue primarily supports day-to-day school operations, including:

- Teacher and staff salaries
- Instructional materials
- Student programs
- Educational services
- Technology and operational support
- School safety initiatives and learning opportunities

9. Why is this proposal on the ballot?

Michigan's school funding formula requires that school districts collect 18 mills on non-homestead properties to receive the district's full per-pupil foundation allowance. Voters

must periodically authorize the collection of this millage and PPPS must levy the full 18 mills each year to receive the full revenue per-pupil foundation allowance.

10. What happens if the proposal does not pass?

If voters reject the proposal, the district loses the operating revenue generated by the millage. The State of Michigan does not provide replacement funding. The loss of an estimated \$450,000 from 2027-2031 would require significant reductions to programs, services, staffing and educational opportunities.

11. Why doesn't the state make up the difference?

Michigan's school funding formula expects districts to collect 18.0000 mills of non-homestead millage to receive the full per-pupil foundation allowance. If voters do not approve the millage, the state does not increase funding to compensate for the loss. The district receives less revenue.

12. What is Headlee?

The Headlee Amendment to the Michigan Constitution requires voter-approved millage rates to be automatically reduced ("Headlee Rollback") when property values increase faster than a statutory formula tied to inflation.

13. What is a Headlee Rollback?

Headlee Rollback is an automatic reduction in the district's millage authority. Over time, repeated rollbacks can reduce the district's ability to levy the full 18.0000 mills required to receive the full revenue per pupil foundation allowance, even if voters originally approved greater than 18 mills of total authorization.

14. What is a Headlee Override?

A Headlee Override restores the district's authority to levy the rate originally approved by voters. It does not allow the district to levy more than 18 mills but gives additional authorization to ensure that the statutory maximum rate of 18 mills can be levied.

15. Why is the ballot question written as 21 mills of the district can only levy 18 mills?

The proposal would authorize 19.0327 mills for operating purposes. The statutory maximum rate that can be levied is 18 mills and the remaining 1.0327 mills are only available to be levied to restore millage lost as required by the Headlee Amendment. The district cannot levy more than 18 mills in any year. Instead, the additional 1 mill of authority is only available to restore millage lost through future Headlee rollbacks.

16. How much does this cost?

A mill equals \$1 for every \$1,000 of taxable value. For non-homestead property, 18 mills equal \$18 for \$1,000 of taxable value. Principal residences are exempt and do not pay this tax.

17. How does Paw Paw compare to other Michigan school districts?

Every Michigan school district relies on non-homestead operating millage revenue and periodically renews that authority through voter approval. Paw Paw's proposal reflects a common funding mechanism used throughout the state.

18. How is the district accountable for these funds?

Operating millage funds are incorporated into the district's annual budget and are subject to the district's normal financial controls, public budget process, annual audits, and reporting requirements under Michigan law. The funding is used only for legally authorized educational purposes that support students and schools.

19. When is the election?

Election Day is Tuesday, November 3, 2026. For voter registration, absentee voting, and polling location information, residents should contact their local clerk or visit: [Michigan Voter Information](#)

20. How are Michigan public schools funded?

Most Michigan public schools receive the majority of their operating revenue through a state-established per-pupil funding system known as the revenue per-pupil Foundation Allowance. The amount districts receive is determined by the State of Michigan and is funded through a combination of state revenue and local property taxes. Under Michigan's school finance system, districts are required to levy 18 mills operating millage on non-homestead property to receive their full revenue per-pupil Foundation Allowance.

21. Why does Paw Paw Public Schools need voter approval for this millage?

Michigan's school funding formula requires that districts levy and collect 18 mills of non-homestead operating millage to receive the full revenue per-pupil Foundation Allowance. For PPPS, while the state provides most school funding, the levy of 18 mills of non-homestead millage remains part of the formula. If voters do not approve of the millage, the State does not replace the lost revenue. Instead, the district loses that funding.

22. What changed with Proposal A?

Proposal A, adopted by Michigan voters in 1994, significantly changed how schools are funded. Before Proposal A, school districts relied much more heavily on local property taxes. Proposal A shifted school funding toward a statewide system while continuing to require local non-homestead operating millages. As a result, most school districts today receive the majority of their operating funding through the state's revenue per-pupil foundation allowance, which includes the levy of 18 mills of non-homestead millage.