

Tax plan is flunked by superintendents

By Rich Perlberg
staff writer

Gov. James Blanchard's surprise school funding proposal is not playing well with officials from wealthy Oakland County schools who worry that the plan would destabilize their budgets while failing to provide additional funds to help poorer districts.

"We really don't know all of the inside details," said Southfield Superintendent Carl Hassel. "But if the governor is saying that education in Michigan does not need additional funds, that is a very great concern for the educational community."

Blanchard Wednesday announced a proposal for a one-cent increase in the state's four-cent sales tax to coincide with at least a 25-percent cut in residential property taxes.

THE ANNOUNCEMENT stunned legislators who have been working for two years on a proposal that would cut property taxes, but would raise the sales tax by 2 cents.

"He (Blanchard) waited until the 11th hour," said W. Robert Docking, superintendent of the Bloomfield Hills school district. "He just cut the legs out from under them."

Many superintendents criticized Blanchard's plan as a tax shift that won't address the great disparity in funding in Michigan schools. Property-rich districts have as much as \$7,000 to spend a year per student while others have less than \$3,000 per student.

Blanchard conceded Wednesday that during the first year of his plan, there will be a dollar-per-dollar shift, but predicted that a robust economy will result in \$1.5 billion in increased revenues over the next five years. Area superintendents did not share his confidence.

"Not at all," said Docking. "How can you have confidence in a Michigan economy that has higher swings than any other economy in the United States?"

LIKEWISE, BLANCHARD's optimism was not shared by West Bloomfield Superintendent Seymour Greichko who said his district would lose \$8 million in property tax revenue during the first year of Blanchard's plan.

"There is no clear explanation of how the one-cent sales tax increase

New Blanchard proposal

School district	Current millage	If reduced
Avondale	35.67	26.75
Birmingham	29.35	22.01
Bloomfield Hills	26.13	19.60
Clarenceville	37.90	28.00
Farmington	31.75	23.81
Rochester	36.51	27.38
Southfield	31.98	23.98
Troy	28.30	21.22
W. Bloomfield	36.16	27.12

will replace that," he said. Blanchard's plan would require voter acceptance of the sales tax increase. The governor said last week that he hopes the issue will be on the ballot by summer.

Switching some of their revenue from local property tax to sales tax distributed by the state does not thrill wealthier school districts such as Rochester, Troy, Birmingham, Bloomfield Hills, West Bloomfield, Southfield and Farmington.

They are called out-of-formula districts which means they derive so much revenue from property taxes that they don't qualify for state aid. Not only do such districts have more money than the average district, they

also are insulated from state financial woes such as state aid cuts during the end of Gov. William Milliken's last term.

"The property tax is your most stable, dependable tax," said Southfield's Hassel. "It rises a bit and it doesn't dip. It is rather well predictable tax revenue."

DOCKING, PAST president of the Michigan Out of Formula School Districts, agrees and suggested that Blanchard is ignoring one of the state's major problems.

"All he really does is shift taxes," he says. "What really bothers me as an educator is the tremendous disparity."

Bloomfield Hills can spend nearly \$7,000 per student. "That's great for Bloomfield Hills kids and I'm glad I'm here. My concern is for the kids where the districts can only spend \$2,500 to \$3,000. That is not equal. That is not democratic."

The dilemma facing those trying to solve the equity problem is simple: Either money has to be taken from wealthier districts or a new source of revenue must be found. Docking conceded that he doubted Michigan voters would approve a one-cent sales tax hike, much less the 2-cent increase proposed by a legislative committee.

Docking likened the problem to civil rights struggle that centered around equal access to opportunity. He also predicted a similar result.

"The dilemma will continue until we go to court," he said.



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— W. Robert Docking
Bloomfield Hills superintendent

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