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The Honorable Rick Snyder
Office of the Governor
State of Michigan
State Capitol
Lansing, Michigan

Dear Governor Snyder,

We are aware of the current plan to eliminate the industrial and commercial personal property tax (PPT). The plan calls for 80% reimbursement of industrial PPT loss. We recognize the PPT is particularly hard on manufacturers and creates a disincentive for mobile companies to invest and create jobs in Michigan. We understand that Michigan needs to have a tax structure that allows us to compete for new businesses and appreciate the continued conversations. However, even with the limited reduction of 20% we still have significant concerns over the effect of the plan on public education and trying to move such a multi-faceted proposal through the lame duck legislature in the short time allowed.

Special Education millage revenue from the PPT, which schools use to help students with disabilities become productive and contributing citizens in their community, would be reduced by almost \$12 million. In the last 30 years, special education services and supports have made dramatic differences in the lives of these students and the current proposal would put these strides forward at risk.

Vocational Education millage revenues help students, including those with disabilities, become ready for career and technical fields directly out of high school. Cutting \$2 million from this program would deplete the skilled workforce for the businesses we are trying to attract through elimination of the PPT.

Under the State Constitution, school bond millage language is written in a way that requires automatic rate increases on all remaining taxable property in order to make up the revenue loss from the repeal of the PPT. Consequently, this elimination of a tax base would shift the burden from current PPT payers to all other property tax payers in the district. We are very concerned that without a 100% replacement of the PPT revenue our local families, many of whom are already struggling financially, will be unfairly forced to pay more.

The state school aid fund has been significantly reduced over the last few years. While we appreciate that the current PPT repeal plan would hold the school aid fund harmless for the 6 mills, it does not take into account the cut to the 18 mill non-homestead mills. If those mills are reduced for local districts, the school aid fund must make up the difference for those districts, thereby creating a reduction in the total money available in the fund.

We cannot support this plan without consideration of the issues we have raised here. We are asking for full reimbursement for local millage from the PPT loss.

Thank you for your consideration. We look forward to working with you on this important issue.

Sincerely,

John Bretschneider, President
Michigan Association of Administrators
of Special Education

Anthony S. Thaxton, Executive Director
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of Special Education