

Senators Pappageorge, Cassis, Patterson, Stamas, Birkholz, Jelinek, Anderson, Richardville, Brater, Olshove and Switalski offered the following resolution:

**Senate Resolution No. 88.**

A resolution to urge the Michigan House of Representatives to begin the veto override process on the Governor's line-item veto of the section 20j hold harmless school aid funding in 2009 PA 121.

Whereas, The adoption of the 1994 Proposal A school reform and education finance proposal was a true milestone, capping decades of strong efforts to bring property tax relief and greater equity to our system of school financing. One of the most significant features of Proposal A was the guarantee of a per-pupil base foundation allowance that brought up the floor for school funding for many of our smaller and more rural districts and provided more moderate increases for those districts representing the funding ceiling in order to drastically reduce the disparity between districts; and

Whereas, Indeed, Proposal A brought more equity and certainty to our system of school financing, which prior to Proposal A relied almost exclusively on local property taxes, which tended to penalize those districts with relatively lower tax bases. Under Proposal A, however, most local millages were capped at 18 mills. The proposal did, however, permit a limited number of exceptions, including an 18-mill hold harmless millage for those districts that had received a foundation allowance in excess of \$6,500. This limited exception allowed those districts to continue to levy 18 mills on homesteads and certain other amounts, if necessary, on both homestead and non-homestead property; and

Whereas, This hold harmless levy was strictly limited to the amount necessary to provide revenue growth equal to inflation or the same revenue necessary to equal the state's basic foundation allowance, whichever is less. This limited exception was merely designed to allow those districts to keep up with the cost of living. In 2001, however, record-low rates of inflation led to a situation in which granting these hold harmless districts the same dollar increase in the state's foundation allowance as other districts would have raised their foundation allowances higher than the rate of inflation; and

Whereas, In order to allow all school districts to receive the full foundation allowance increase, section 20j was added to the State School Aid Act of 1979 (MCL 388.1620j), to provide a formula for equalizing funding increases. Since that time, low rates of inflation have led to the continuation of section 20j funding--until Governor Jennifer Granholm vetoed the line item for 20j funding in 2009 PA 121. Since 2009 PA 121 originated as House Bill No. 4447, it is incumbent on the House of Representatives to initiate the veto override process (Article IV, Section 33 of the Constitution) to restore section 20j funding and the promise of equitable funding for all of our state's school districts; now, therefore, be it

Resolved by the Senate, That we hereby urge the House of Representatives to begin the veto override process on the Governor's line-item veto of the section 20j hold harmless school aid funding in 2009 PA 121; and be it further

Resolved, That copies of this resolution be transmitted to the Speaker of the Michigan House of Representatives.