



## Explanation of Hold Harmless

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### HOLD HARMLESS

When Proposal A was enacted in 1994, those districts with per pupil funding greater than the maximum state-guaranteed foundation allowance of \$6,500 were made a promise to be "held harmless" from financial impact.

Proposal A allowed a one-time vote of the people to tax themselves for the difference between the maximum state-guaranteed foundation allowance and their current funding levels. Fifty-two districts were affected.

#### ***Novi example:***

|                              |              |
|------------------------------|--------------|
| 1994 Per-Pupil Funding       | 7,091        |
| Maximum Foundation Allowance | <u>6,500</u> |
| Difference                   | \$591        |

Novi voted to tax themselves for \$591.00 x number of pupils

This is called the hold harmless "supplemental" millage

This year's budget (2009-10): **\$3,565,000**