



Michigan COMMENTARY

Beyond Proposal A

by Craig Ruff and Robert Kleine

Last Wednesday the Michigan electorate voted 54-46 percent against Proposal A, defeating the measure by 157,000 votes out of 2.17 million cast. This Commentary examines the election results and their effect on school finance reform.

A PEOPLE DIVIDED BY GEOGRAPHY

The vote on Proposal A evidenced the most geographically polarized election in recent times and a rare meeting of the minds of Detroiters and Detroit-area suburbanites.

	For Proposal A	Against Proposal A
Wayne, Oakland, and Macomb counties	248,000 (28%)	628,000 (72%)
Rest of the state	759,000 (59%)	536,000 (41%)
State total	1,007,000 (46%)	1,164,000 (54%)

Proposal A generated counterlandslides in metropolitan Detroit and outstate. In 1990 John Engler carried outstate Michigan by 117,000 votes, about half that area's winning margin (223,000 votes) for Proposal A. Gov. Jim Blanchard carried metro Detroit in 1990 by 100,000 votes; Proposal A lost there by 380,000 votes.

Southeast Michigan voters uniformly and overwhelmingly rejected Proposal A.

	For Proposal A	Against Proposal A	Margin of Defeat
Detroit	23.8%	76.2%	67,000 votes
Out-Wayne County	27.2	72.8	122,000
Macomb County	22.6	77.4	104,000
Oakland County	35.1	64.9	86,500

They did so for different reasons. The measure was disapproved in every community in Wayne County. It carried in only two rural townships in northern Macomb County and a few rural townships and small cities in Oakland County. In Macomb County antitax sentiment prevailed. In Oakland people sought to protect the future wealth of their school districts. In Detroit and a good share of Wayne County suburbs many Democrats likely believed that they were casting anti-Engler ballots.

Regionalism reared its head outstate as well. In two regions—the Upper Peninsula and the I-75 corridor and adjacent Thumb area—the referendum also failed. It was rejected in the Upper Peninsula counties of Baraga, Dickinson, Houghton, Keweenaw, Marquette, and Ontonagon and the I-75/Thumb counties of Genesee, Saginaw, Bay, Huron, and Tuscola. Most of these areas rejected Proposal A by narrow margins.

The strongest support for Proposal A came in southwest Michigan. Berrien, Cass, Van Buren, and St. Joseph counties produced margins of support of 70 percent or better. West Michigan voters (in Grand Rapids, Muskegon, and Holland) supported the proposal by two-to-one margins.

A BIG, BIG TURNOUT

About 37 percent of registered voters cast ballots on June 2. That turnout was about double the number some experts predicted, based on the proximity to the Memorial Day weekend, it being the first non-Tuesday voting day in memory, and the relatively low level of controversy and negative advertising. But nearly as many people voted on Proposal A (2.17 million) as voted in the general election of 1990 (2.56 million) when the offices of governor and U.S. senator, other statewide offices, and the entire legislature were on the ballot.

Turnout, by region, was consistent with recent elections. Macomb, Oakland, and out-Wayne County voters cast almost exactly the same shares of the statewide total as they cast in 1990. The Detroit vote was down slightly, interest in the casino gambling referendum notwithstanding. Detroiters cast 6 percent of all votes, down from 7.2 percent in 1990. Kent County cast almost exactly the same number of votes as the state's largest city, which in the early 1950s produced 30 percent of the statewide vote!

CONCLUSIONS

1. Outstate voters, many of whom were the primary beneficiaries of Proposal A's \$4,800 foundation grant—the proposal's school finance equity provision—voted their school districts' pocketbooks and supported the proposal. Most of the state's least well funded school districts are rural. The equity provision overrode the conservative tendency of outstate voters to be wary of increasing state taxes.
2. Metropolitan Detroit voters tended to view the proposal overall as a net state tax increase that would benefit outstate, rural areas and not their own school district. There, perhaps, the consensus in southeast Michigan ends. It would be a far reach to believe that Detroiters share Macomb County residents' extreme opposition to any tax increase or shift, or that downriver Wayne County voters agree with people in wealthy Oakland County areas that school spending merits very high property taxes. On June 2 metropolitan Detroit united around one belief: Proposal A was not the right proposal. Of much greater difficulty will be uniting these diverse communities behind what is the right proposal.
3. A somewhat lower funding guarantee for rural districts (say a \$4,200 foundation grant), some targeted relief for renters and seniors, and a somewhat less radical shift from property to other taxes (say a one percent sales tax hike and a \$1 billion property tax reduction) may have brought outstate and southeast Michigan voters into more convergence of support.
4. The campaign behind Proposal A, focusing more on identifying and turning out *yes* voters and less on mass media advertising, worked well in outstate school districts. It was waged rather like several hundred separate millage campaigns. The strategy's ultimate success, however, depended on low voter turnout, and the opposite occurred.
5. Outstate voters tended to follow their leaders: their legislators, school superintendents, and editorial writers. But an influence vacuum occurred in metropolitan Detroit. What filled the void were radio talk show appearances by tax skeptics and Proposal A critics (Dick Headlee and Mike Sessa), a Sunday *Detroit News* headline—"Outstate School Districts Are Biggest Winners If 'A' Passes," AFL-CIO/UAW negative advertising, and disparaging cues from Detroit Mayor Coleman Young. Brooks Patterson's support helped produced more *yes* votes in Oakland County, but there were far too few Pattersons among southeast Michigan's political, civic, and education leaders. Not even the rare agreement by *Detroit News* and *Detroit Free Press* editorials (both strongly supportive of Proposal A and typically strong influences on referendum voters) produced effective opinion leadership in the region.
6. The success of any new school finance reform initiative, whether undertaken directly by the legislature and governor or through another ballot proposal, depends on a strong and vocal sales force of southeast Michigan's opinion leaders. Out of necessity (fear of a court-ordered remedy), if not altruism, reform will have to embody school finance equity. In turn, that principle will drive wealthier school districts in Detroit suburbs to share revenues from their future economic growth with outstate, rural areas. Educators

and politicians in the suburbs will have to take risks in educating their voters and winning acceptance of reform.

7. Seldom has a referendum won the broad consensus of support enjoyed by Proposal A. While cynical voters disparage the united front of school administrators and teachers, business and a considerable number of unions, Republicans and Democrats, conservatives and liberals, the media, economists, and countless others, the consensus augurs well for another legislative or ballot attempt at statewide reform. The preferred course may be legislative, inasmuch as it may be impossible for any school finance proposal to win support from 51 percent of all voters.
8. Agreement among education and political leaders on a consent agenda can expedite a new proposal. Principles of agreement should include:
 - Schools' reliance on property taxes must be reduced. The questions are how much of a shift, over what period of time, and what will be the offsetting sources of revenues (sales tax rate increase, extension of the sales tax to services, more sin taxes, income taxes, cuts in spending in other state programs, or some combination thereof).
 - Property taxes in Michigan are far out of line with those in other states and must be lowered to bring about both a more balanced state and local tax system and more incentives to businesses to invest their capital, inextricably tied to job development, in Michigan.
 - The mills levied are a greater obstacle to fairness in taxation and school finance equity than assessment values. As above, the question turns on how much and how fast to ratchet back school operating mills.
 - Inequities in funding behind school children cannot be tolerated, at least at their current spread of a low of \$2,500 versus a high of \$10,000. The question is whether to use a Robin Hood approach (redistributing money from wealthier to poorer districts), create a new funding pot from which poorer districts derive disproportionate shares of future growth, or use a combination of the two approaches.
 - The state's share of all K-12 funding should be increased to at least 50 percent. The questions are how quickly and to what state tax we should shift.
 - Voters should continue to have some discretion and responsibility over local funding for schools. The question is how to provide local incentives without producing distortions in funding behind children of different districts.
 - Nonfinancial reforms, including district consolidation and outcomes measurement by school building, are important to creating public support for any major change in financing.

The dozen defeats of school finance/tax reform referenda are not evidence of a keen desire by voters to maintain the status quo. As in all things political, it is far easier to discern what we do not like than it is to create changes that we do like. A consent agenda on key principles of school finance change can guide political and educational leaders to success. Reform is more likely to be adopted by the legislature and governor than approved in a statewide election. Geographical differences can be narrowed with refinements in Proposal A's basic package.

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