



What does Consolidation mean for you

The Tax Payer

# Consolidation Impact

- **Indiana Code 20-4-5-9**  
**Powers and duties of school board;**  
**taxes to meet maintenance cost**  
The cost of maintaining such consolidated schools shall be borne by the consolidated school corporation, as a single tax unit. Taxes to meet such cost shall be levied by said consolidated school board at a uniform and equal rate on all the taxable property located within the limits of said consolidated school corporation, and collected in the city or cities, town or towns, township or townships in the same manner as other taxes are levied and collected.

- **Corporation Tax Rates 2014**

- **Union School** **.64630**
- **Monroe Central** **1.29070**
- **Randolph Central** **.95120**
- **Randolph Southern** **.81720**
- **Blue River** **1.3938**

- **Corporation Assessed Property Values 2014**

- Union School \$182,756,078
  - Randolph County \$149,759,045 Henry County - \$32,997,033
- Monroe Central - \$203,053,486
- Randolph Central - \$380,652,005
- Randolph Southern - \$197,776,823
- Blue River- \$151,970,428

## So let's say we consolidate

Now the new corporation has all of our tax base. All \$182,756,078 at their disposal, and they have been wanting to build a new football stadium, a new gym, or better yet they realize that they do not have adequate room for all of our children and they now need to build a new building. Who is responsible for that?

# Who pays for the new building?

## We All Do

- Indiana Code 20-4-5-10
- School construction or repairs; issuance of bonds
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- Sec. 10. (a) Whenever it shall become necessary to build a new building or buildings, or to make repairs or alterations on old ones, said school board shall have the power to build such new building or buildings, or to repair or alter such old ones as they may deem necessary and to purchase the necessary site therefor; and the cost thereof shall be taxed against all taxable property lying within the corporate limits of such newly consolidated school corporation. Said school board shall have the power to issue bonds of such new school corporation against the taxable property lying within the corporate limits of the newly consolidated school corporation to meet the cost of any new building or buildings, or the repair or alteration of old ones.
- (b) Such bonds authorized by this chapter shall be payable in such amounts and at such times as the school board may determine, and shall bear such rate of interest as may be determined.
- (c) Said board shall have the power to levy and collect taxes to meet the payment of any bonds issued pursuant to this chapter; Provided, That said school board shall have all of the powers given and granted to school corporations for the appropriation of the real estate for school purposes, by IC 20-5-23.
- (Formerly: Acts 1947, c.123, s.9; Acts 1949, c.268, s.9.) As amended by Acts 1981, P.L.11, SEC.101.

**Not only will our tax rate increase from .646, to close to over 1.0, now we find that the new school (where we do not have board majority) has the option to increase our taxes yet again.**

**How do we as tax payers control  
our own destiny?**

# Tax Referendum Levy

## • What is a School Tax Levy Referendum?

- Indiana Code 20-46-1-8 allows the governing body of a school corporation to adopt a resolution to place a public question on a ballot if the governing body determines that the school corporation (1) cannot carry out its public educational duty unless it imposes a referendum tax levy or (2) that a referendum tax levy should be imposed to replace property tax revenue that the school corporation will not receive because of the application of circuit breaker credits.

The circuit breaker (tax cap) – does not apply in Union Township because our total tax rate is at 1.24960 - well below the 2% tax cap

- A school corporation seeking an operating levy referendum must certify a copy of its resolution, including the language of the proposed question, to the Department of Local Government Finance (“Department”). The Department will review the proposed language and either approve or reject the language based on its compliance with IC 20-46-1-10 and send the determination to the school corporation not more than ten days after the resolution is submitted to the Department.
- If the Department approves the proposed language, the governing body of the school corporation must certify a copy of its resolution, including the language of the proposed question and the Department’s approval, to (1) the county fiscal body (for informational purposes only) and (2) the circuit court clerk of each county in which the school corporation is located.



# Tax Referendum Formula

- Assessed value/100 x referendum amount = property tax levy
- Union School Corp TOTAL Assessed Value = \$182,756,078
- Example -  $\$182,756,078/100 = \$1,827,560.78 \times .40 = \mathbf{\$731,024.31}$  100% for funding Union.
- **.40** tax levy referendum would bring in **\$731,024.31** per year to Union School for 7 years
- **.38** tax levy referendum would bring in **\$694,473.10** per year to Union School for 7 years
- **.35** tax levy referendum would bring in **\$639,646.27** per year to Union School for 7 years
- **.30** tax levy referendum would bring in **\$548,268.23** per year to Union School for 7 years

# What does this mean for you, the property tax payer?

At a .40 cent referendum at each assessed property value

- 50,000 = \$200 per year increase
- 100,000 = \$400 per year increase
- 150,000 = \$600 per year increase
- 200,000 = \$800 per year increase
- 250,000 = \$1000 per year increase
- 300,000 = \$1200 per year increase
- 1,000,000 = \$4,000 per year increase

At a .38 cent referendum at each assessed property value

- 50,000 = \$190 per year increase
- 100,000 = \$380 per year increase
- 150,000 = \$570 per year increase
- 200,000 = \$760 per year increase
- 250,000 = \$950 per year increase
- 300,000 = \$1,140 per year increase
- 1,000,000 = \$3,800 per year increase

**Example:** A patron commented at the last meeting that his property taxes would increase over \$6,000 per year with the tax levy referendum. I took the liberty of pulling all of his parcels from the Randolph County GIS system. The total property tax assessment of all properties totaled \$1,031,990.

$1,031,990/100 * .40 = \$4,127.96$  property tax increase per year

$1,031,990/100 * .38 = \$3,921.56$  property tax increase per year

If we consolidate with Monroe Central our tax rate will increase to approx. 1.0294 or an increase of .3831. How did I reach this number? According to Dan Jones with the DLFG our tax payers will not be responsible for Monroe's debt, just our own. So I took 1.29070 minus Monroe Central Debt of .45440 and added Union's debt of .19310 back to it. Now remember this number is being conservative as this is assuming Monroe Central will not increase any property tax levies for busing of 300+ more students, and also assuming they do not build a new building. I left all of their current levies.

So if we consolidate with Monroe Central this tax payer will see an approx. increase of **\$3,953.55** per year in property taxes.

# 7 years later

- The beauty of a tax referendum is that if after 7 years Union School has not shown educational improvements then you the tax payer get to decide if you want to continue funding our future or if you want to pass the “buck” to a neighboring community.

# At the end of the day.....

- Do you want to keep your tax dollars in your community and keep them at a level close to 1.02 or do you want to consolidate where the sky is the limit? That is the question you the tax payer have to ask yourself. Right now our elementary program is one of the best in our state. Union's high school electives can be fixed. Once we close this school, it is **FOREVER!**

# It's your choice

- If we consolidate our tax rate will go up to?????
- If we do a tax referendum levy it goes up .40
  - **SAVE 71 JOBS**
  - **KEEP 300+ STUDENTS HOME**
  - **SAVE OUR SCHOOL**
  - **SAVE OUR COMMUNITY**

# 2014 Budget Deficit

- \$215,000

\$100,000 High School Title 1 funding

\$22,922 Title 2 funding

\$46,000 paying max utilities out of CPF

\$16,250 paying portion of super salary from Transportation

-\$29,828 Simple changes could have resulted in less loss, and  
\$185,172 more in our Jan 01, 2015 General Fund Cash Balance.

