

Questions and Answers from Community Meeting

Will non-property owners be able to vote for the referendum?

Yes, non-property owners will be able to vote for the referendum. (I misspoke on this at the meeting) All registered voters can vote on this issue.

What will be done to support Paras and give them better pay since they are a huge part of the staff and are pulled to do things above and beyond their job duties with no extra pay?

The referendum will help support and increase pay for ALL employees.

If you apply for a 12% referendum can you apply for another one – say in 4 years?

Yes, it would need to be voted on by the public. Typically, a referendum will last for eight years. At the end of the eight years, the taxpayers will need to vote to renew it.

Need more clarification on General Funding that is provided by the state. Where does the state get those dollars?

Our general fund is provided by the Indiana Department of Education school funding formula. The IDOE formula is developed every two years during the Indiana General Assembly biennium budget session. The current formula is part of the July 1, 2017 - June 30, 2019 Indiana State Budget. The revenue supporting the budget is derived from sales and use, income, corporate, and gaming (casino) taxes.

Has PHCSC enlisted any outside advice or assistance on best use of money, possible consolidation of resources, etc.? Often fresh eyes see things differently than those entrenched in the day to day struggle.

Umbaugh and Associates is the only municipal advisor that we have sought advice and assistance from. We also have discussions with and receive input from the State Board of Accounts.

Why do we only receive \$57/\$100 unlike Westview who gets around \$72/100?

Property taxes, in Indiana, are determined by tax assessment for all property. Property tax rates represent a property owner's portion of the local government budgeted spending for a specific year. For school corporation budgets, property tax rates provide revenue for capital projects, transportation, bus replacement, and repaying long-term debt. Since these factors vary from school corporation to school corporation, property tax rates also vary.

Property tax rates are based on multiple factors, such as local spending, outstanding long-term debt and taxable property value (net assessed value). Property tax rates are expressed in per \$100 of NAV. Below is the formula for property tax rates in Indiana.

Tax Rate = Tax Levy/Net Assessed Value x 100

Link to the Indiana Department of Local Government (DLGF) Citizens Guide to Property Tax:

<http://www.in.gov/dlgf/2516.htm>

Do you feel that the voucher program with open enrollment has directly hurt our community and the rest of public schooling?

YES. This year Indiana will send over \$150,000,000 to private schools through vouchers. If that money was redistributed to public schools, Prairie Heights would receive \$195,936.88.

Without the tax increase would Prairie Heights stay open?

We have no plans of closing or consolidating with another district. However, if the referendum is not supported by the community, there will be significant cuts to programs and staff which will result in more students and staff leaving our district.

Would the district consider a PH Educational Foundation to help support the district? (The foundation could provide funding for potential programs that may need to be funded. The foundation could be created in addition to the referendum.)

Yes, we are open to that idea.

Could there be other ways to bring in funds such as individual donors or foundations to off-set operational costs?

The concept of starting a foundation has been brought to us. This is something we can explore.

What happens if enrollment continues to decline?

Since our funding is tied to enrollment, we will need to adjust staffing appropriately. This could also result in a loss of programs or electives that we offer.

Is there a possibility the state would change the amount per student in the future? If so, where would the excess tax \$ go?

There is always a possibility that the state could change the dollar amount per student. However, the trend does not support that. If we do receive additional money, it will go into the general fund. The board could also vote to lower the tax rate of the referendum.

What projects may be coming up that would require money?

We will continue to maintain our facilities. We have two more phases of HVAC upgrades in the middle/elementary school building, and that building will need a new roof. We will continue to do these projects using bonds with no additional tax increases to the public.

If the referendum is passed, is there a number of teachers to be hired?

We do not have a set number of teachers that would be hired. If the referendum is supported by the community, we will then discuss this with our staff and administrators to prioritize our needs.

Is this a temporary fix and in 2026 another property tax increase will be needed?

Most likely the referendum will be needed for future years as well. We certainly hope that the tax rate presented will be sufficient after the eight years have passed.

What changes within the state need to happen to fix the problem of lack of funds for public schools?

The FY2017-2019 Indiana State Budget total is approximately \$68.1175b. K-12 education represents approximately 28% of the total state budget, or 63% of the state general fund.

From 2011-2017 your rainy day fund increased 1.5 million add that back and you're back to 1.7 million I guess. Why the big increase in rainy day fund?

In 2017, in addition to unspent current year money, a portion of the cash balance in capital projects, transportation, and bus replacement was moved to the rainy day fund. This move was to help grow the fund as expenses were paid from rainy day for the first time that year.

Have you considered having the impact students pay for part of that program?

We have discussed this in the past and currently we do not charge our students. If we charge our students and other districts do not, that could lead to students leaving Prairie Heights for a neighboring district.

What is the #1 thing the school district would use the referendum money for?

We need to address a few staffing concerns and pay for ALL of our employees.

With the school being awarded top 10% and a 4 star school – why do you feel the enrollment continues to decrease? Where are students going and why?

Decreased enrollment is a trend all across Northeast Indiana school districts.

What impact might the circuit breaker law have on potential revenues?

The Indiana Department of Local Government Finance (DLGF) estimates that Prairie Heights School Corporation's 2018 circuit breaker impact to be \$2,185.84, or approximately 0.13% of the 2018 certified property tax levy.

If state funding support increases, will the board consider reducing tax rates?

Assuming a voter approved operating referendum tax rate, the Prairie Heights Community School Corporation will have the authority to levy a property tax rate for up to eight (8) years at the rate approved by voters. The PHCSC Board of School Trustees will annually adopt a budget establishing the operating referendum tax rate. The Board of School Trustees can consider adopting an operating referendum tax rate lower than the voter approved tax rate, but cannot exceed the voter approved tax rate.

Do we have or are we considering a marketing plan to recruit transfer students?

Our schools work closely with the local media to make sure the great things that happen at PH are on display, which is then distributed in the surrounding districts.

Does the State take into account that a very large portion of land acres in the district are state owned and our school district receives no financial gain (taxes) from state ground? How does this affect our finances?

If referring to property tax exempt land – no. Property considered tax exempt, be it federal, state, or locally owned, means that no units of government will receive property tax revenue from the land. The State of Indiana does not provide payments in lieu of tax for property tax exempt land.

What % of residents within the PHCSC district are property owners?

Still working on this answer.

Will it be only property owners allowed to vote since they will be carrying this financial burden?

No, all registered voters within the PH district can vote on the referendum.

How does our current tax rate of \$.57 on the \$100 assessed value compare with other local districts?

The four districts in red; Fremont, Hamilton, Smith-Green (Churubusco), and Westview have already passed general fund referendums.

