

# Griffith Public Schools

## *Comprehensive Financial Plan & Proposed 2022 Operating Referendum*

*2019 – 2030 Actual and Projected  
Financial Analysis*

February 4, 2022



## Griffith Public Schools, Lake County, Indiana

### Discussion Topics

- Overview of Assumptions
- Overview of Baseline Financial Projection
- Overview of Operating Referendum Fund Considerations
- Impact to Taxpayers

# Overview of Assumptions

# Griffith Public Schools, Lake County, Indiana

## Comprehensive Financial Plan: Financial Assumptions

Receipts	
Certified Property Tax Levy	<ul style="list-style-type: none"> <li>• 2022: DLGF 1782 Notice for the School Corporation</li> <li>• 2023 – 2030: Estimated levy growth quotients per Policy Analytics projections</li> </ul>
Circuit Breaker Tax Credits	<ul style="list-style-type: none"> <li>• 2022 – 2030: Average annual circuit breaker is projected to be \$1,126,970, or 37.51% of Operations Fund levy, per Policy Analytics</li> </ul>
License Excise, CVET and FIT	<ul style="list-style-type: none"> <li>• 2022: DLGF 1782 Notice for the School Corporation</li> <li>• 2023 – 2030: Factor of 7.938% based upon 2022 DLGF certifications</li> </ul>
Basic Grant	<ul style="list-style-type: none"> <li>• DOE Form 54 for fiscal years 2021 and 2022</li> <li>• Updated new Basic Grant funding formula for fiscal year 2022 and fiscal year 2023 (HB 1001)</li> <li>• Beginning in fiscal year 2024, assumes a 0.50% increase in foundation amount for Basic Grant and Complexity</li> <li>• Assumes enrollment of 2,000 students beginning in fiscal year 2023, per School Corporation officials</li> </ul>
Other Receipts	<ul style="list-style-type: none"> <li>• 2021: Reflects actual receipts for the period January 1 – November 30, annualized to estimate total revenues</li> <li>• 2022 – 2030: Based upon historical receipts and certain certified estimates provided by the 2022 DLGF 1782 Notice for the School Corporation. Assumes 0% growth, unless otherwise noted.</li> </ul>
Net Assessed Value	<ul style="list-style-type: none"> <li>• 2023 – 2030: Average annual NAV growth is approximately 3.87%, per Policy Analytics</li> </ul>

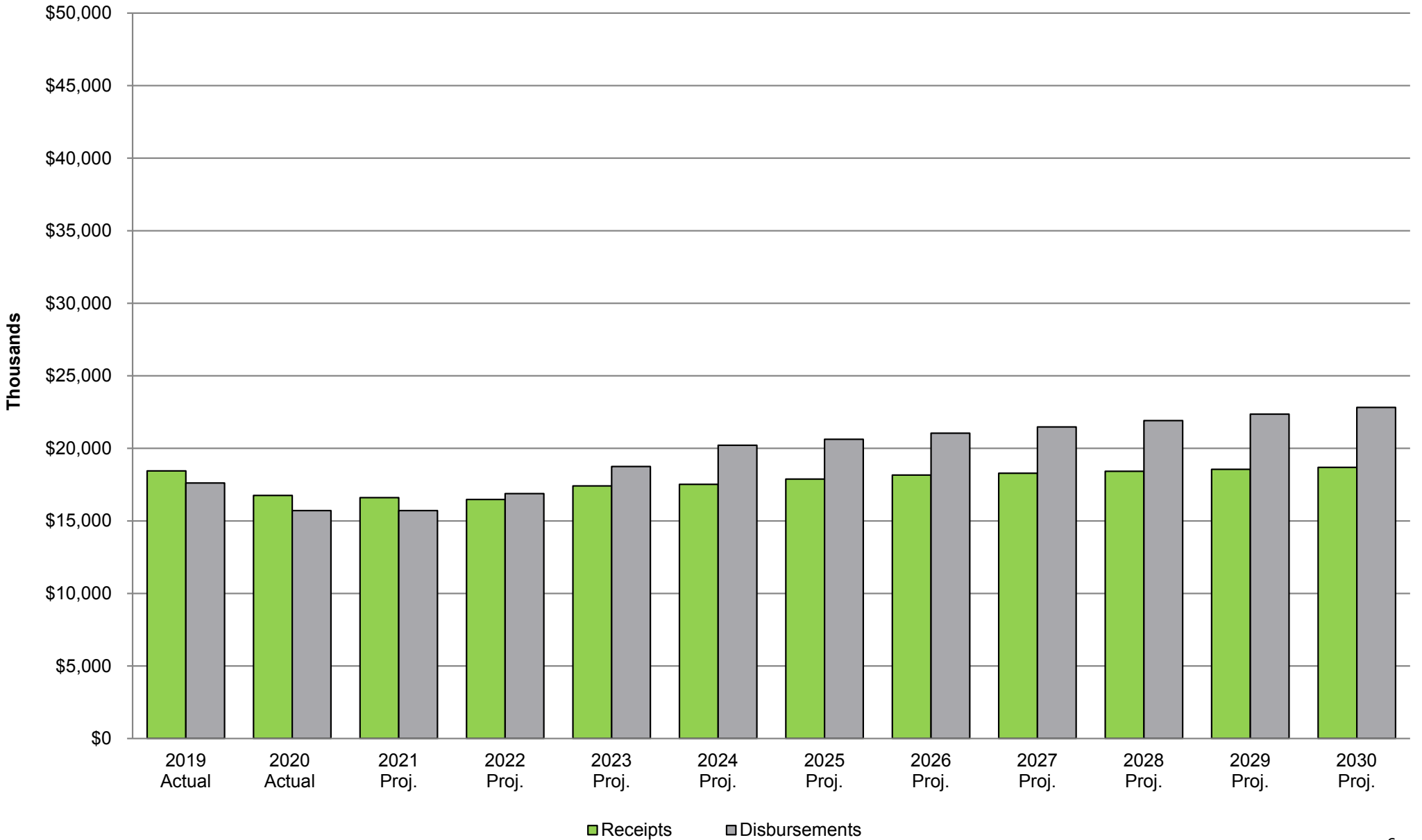
Disbursements	
Instruction, Support Services, Community Services, & Facilities Acquisition and Construction	<ul style="list-style-type: none"> <li>• 2021: Reflects actual disbursements for the period January 1 – November 30, annualized to estimate total 2021 disbursements.</li> <li>• 2022 – 2030: assumes an annual inflationary factor of 2.0% to all operating disbursements, unless otherwise noted. Includes the estimated annual salary and benefit cost of hiring an additional (i) seven teachers, (ii) two bus drivers, (iii), two bus aides, (iv) two groundskeepers, (v) a contracted school resource officer, and assumed increases from (vi) teacher raises and (vii) ECA increases, per School Corporation officials. 2022 assumes 41.0% of the estimated annual cost to account for the additions and increases occurring at the beginning of fiscal year 2023. Additionally, beginning in 2023, assumes the salary and benefit costs of (vii) 29 teachers and (ix) two special education staff currently paid from ESSER funding are transferred to the Education Fund, per School Corporation officials. 2023 assumes 41.0% of the estimated annual cost to account for the transfer in fiscal year 2024.</li> <li>• 2023 – 2030: Assumes annual Operations fund expenditures are reduced by \$450,000, which are assumed to be funded through future assumed general obligation bond proceeds.</li> </ul>

# **Overview of Baseline Financial Projection**

# Griffith Public Schools, Lake County, Indiana

## Comparison of Actual and Projected Receipts and Disbursements (2019 – 2030) Education (101), Operations (300) & Rainy Day (610) Funds

Baseline

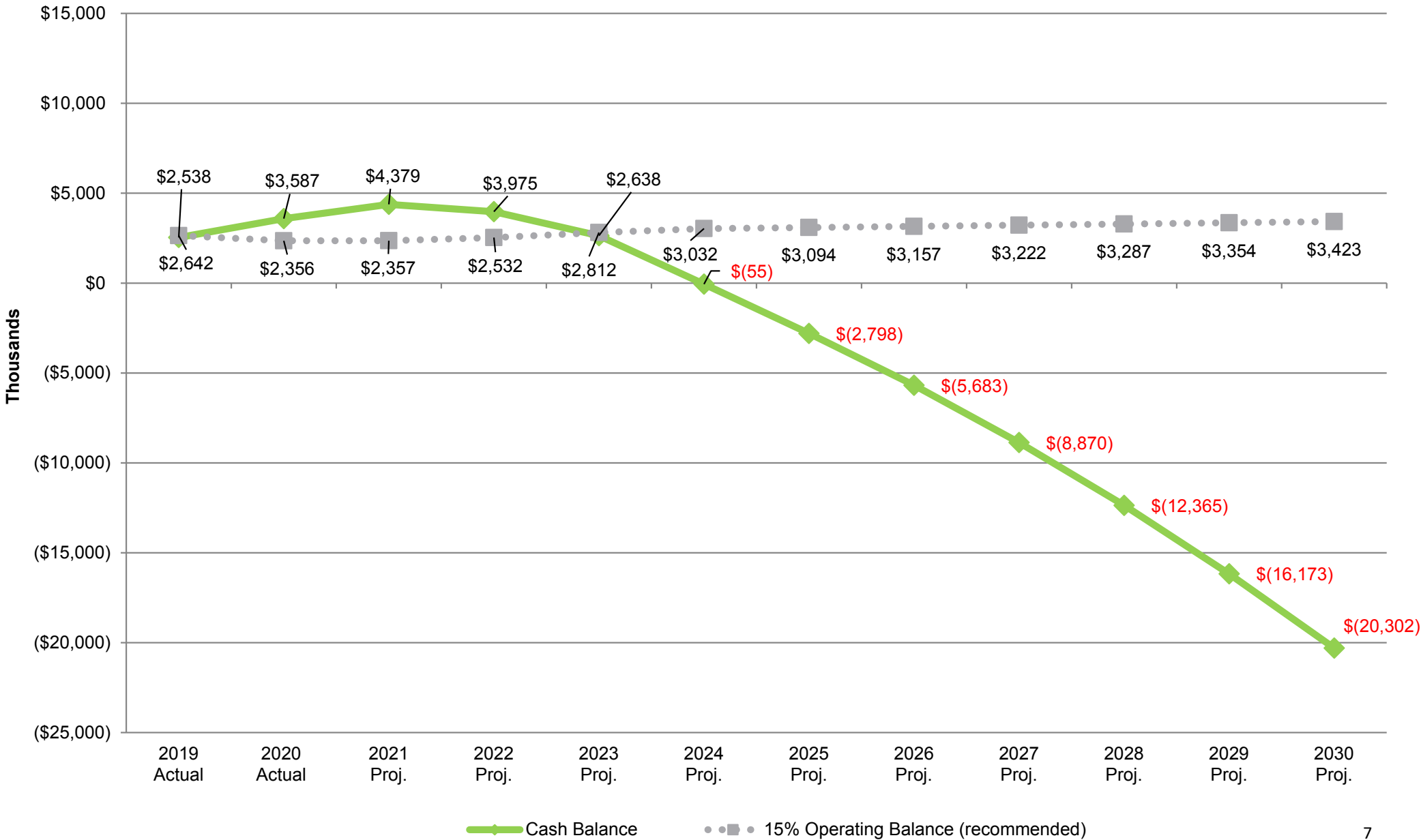


Note: Does not include interfund transfers.

# Griffith Public Schools, Lake County, Indiana

## Actual and Projected Ending Cash Balances (2019 – 2030) Education (101), Operations (300) & Rainy Day (610) Funds

Baseline



Note: Calculation of 15% operating balance excludes interfund transfers.

# **Overview of Operating Referendum Fund Considerations**



# Griffith Public Schools, Lake County, Indiana

## Summary of Proposed Operating Referendum

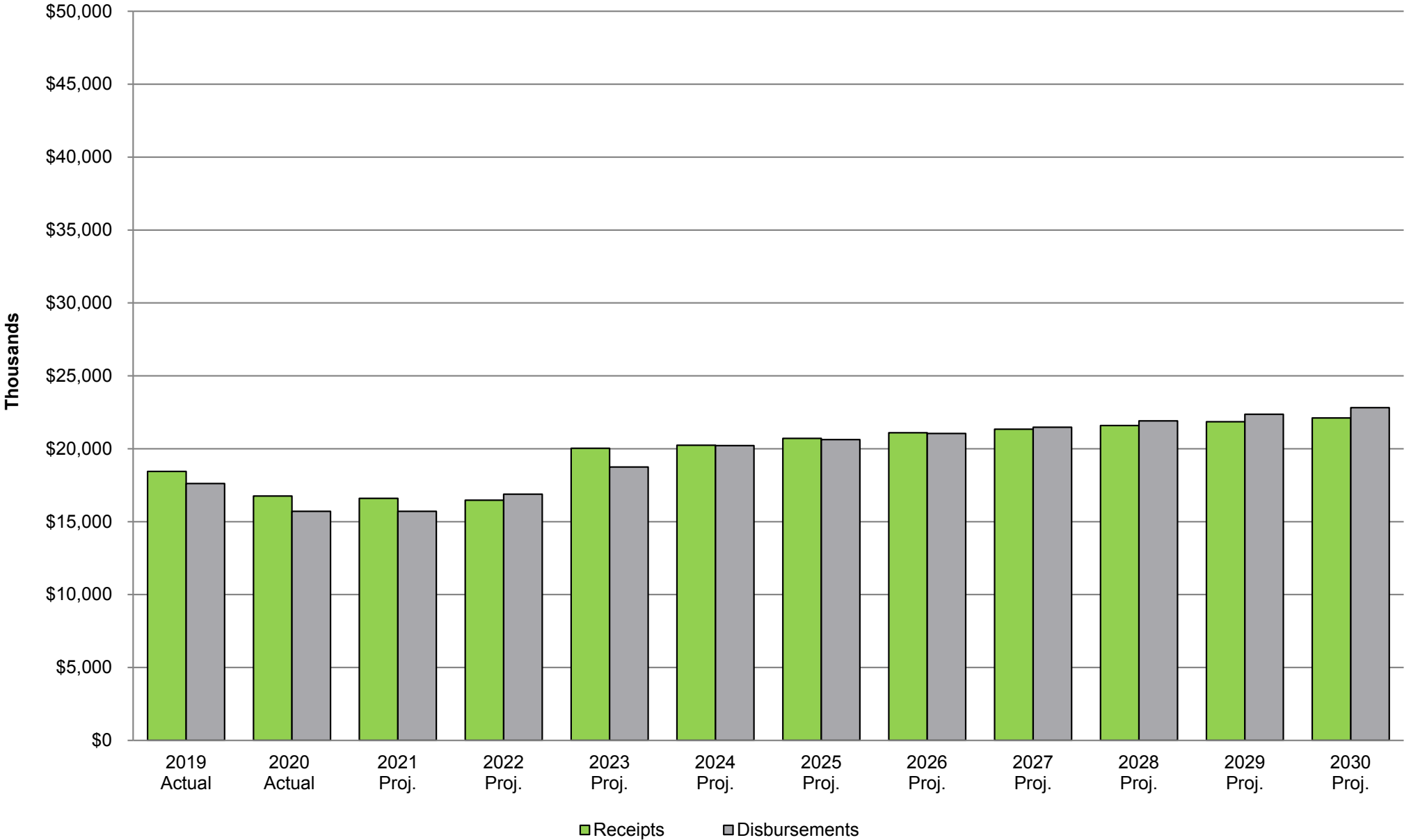
Estimates for 2023 – 2030	
Estimated Operating Referendum Tax Rate (1):	\$0.3294
Estimated 2023 Referendum Levy (2):	\$2,428,384
Estimated Average Annual Total Referendum Revenue (3):	\$3,005,741
Estimated Combined 2030 Ending Cash Balance (4):	\$3,744,167
Estimated Combined 2030 Operating Balance Percentage (5):	15.0%

- (1) Based upon the assessed value projections per Policy Analytics as of December 2021.
- (2) Based upon the projected 2023 assessed valuation, including TIF AV, of \$737,214,334, per Policy Analytics.
- (3) Assumes a license excise/financial institutions tax factor of 7.938%, based upon 2022 DLGF certifications.
- (4) Includes the Education, School Referendum, Operations, and Rainy Day funds.
- (5) Includes the Education, Operations, and Rainy Day funds.

# Griffith Public Schools, Lake County, Indiana

## Comparison of Actual and Projected Receipts and Disbursements (2019 – 2030) Education (101), School Referendum (160), Operations (300) & Rainy Day (610) Funds

*\$0.3294 Referendum*



Note: Does not include interfund transfers.

# Griffith Public Schools, Lake County, Indiana

## Actual and Projected Ending Cash Balances (2019 – 2030) Education (101), School Referendum (160), Operations (300) & Rainy Day (610) Funds

\$0.3294 Referendum



Note: Calculation of 15% operating balance excludes interfund transfers.

# Impact to Taxpayers

# Griffith Public Schools, Lake County, Indiana

## Summary of Estimated Maximum Taxpayer Impact – Monthly and Annual Basis

Proposed \$0.3294 Operating Referendum			
<u>Market Value of Home</u>	<u>Net Assessed Value (1)</u>	<u>Monthly Tax Impact</u>	<u>Annual Tax Impact</u>
\$75,000	\$16,500	\$4.53	\$54.35
100,000	32,750	8.99	107.88
148,750 (2)	64,438	17.69	212.26
200,000	97,750	26.83	321.99
250,000	130,250	35.75	429.04
300,000	162,750	44.68	536.10
Farmland	Net Assessed Value (1)	Monthly Tax Impact	Annual Tax Impact
1 Acre of Agricultural Property (3)	\$1,500	\$0.41	\$4.94
100 Acres of Agricultural Property (3)	150,000	41.18	494.10
Commercial/Rental Property	\$100,000	\$27.45	\$329.40

To determine the estimated impact of the proposed operating referendum on your property tax bill, please visit the Griffith Schools Referendum Calculator on the School Corporation’s [website](#).

- (1) Includes the standard deduction at the lessor of \$45,000 or 60% of home value, the 35% supplemental homestead deduction, and \$3,000 mortgage deduction.
- (2) 2021 average home value within the School Corporation, per the Lake County pay 2021 homestead property tax bills, per Policy Analytics LLC.
- (3) Per the Department of Local Government Finance, agricultural land is assessed at \$1,500/acre for taxes payable in 2023. Actual value will vary based on productivity factors.

# Griffith Public Schools, Lake County, Indiana

## Estimated Incremental Annual Taxpayer Impact

Property Type	Estimated % Increase to School Tax Rate (1)	Estimated % Increase to Total Tax Rate (2)
Residential	48.39%	14.93%
Business	41.07%	12.68%

- (1) Represents estimated percentage to be shown on the ballot in May 2022, as certified by the Lake County Auditor's Office.
- (2) Represents estimated percentage increase to total tax bill.

Note: Assumes a referendum rate \$0.3294. For homestead properties, assumes homestead and supplemental deduction. Based upon certified 2021 tax rate for the School Corporation and the Town of Griffith. Assumes 1%, 2% and 3% tax caps as applicable. Assumes local property tax replacement credits for all properties in the amount of 16.3121% per the Lake County Auditor's office.

## Griffith Public Schools, Lake County, Indiana

### Preliminary Form of Public Question

Shall Griffith Public Schools increase property taxes paid to the school corporation by homeowners and businesses for eight (8) years immediately following the holding of the referendum for the purpose of funding the Griffith School Property Tax Levy Plan which will include safety & security, retaining and attracting teachers and staff and academic programming which will expand student educational and career opportunities? If this public question is approved by the voters, the average property tax paid to the school corporation per year on a residence would increase by 48.39% and the average property tax paid to the school corporation per year on a business property would increase by 41.07%.

# Griffith Public Schools, Lake County, Indiana

## Calculation Of Public Question Percentages – Homestead Properties

Estimated Taxes Paid to:	Griffith Public Schools	Other Taxing Units	Total Tax Bill
Average Homestead Value (as certified by County Auditor)	\$148,750	\$148,750	\$148,750
Less: Deductions (1)	(\$81,313)	(\$81,313)	(\$81,313)
Equals: Average Net Assessed Value	\$67,437	\$67,437	\$67,437
Multiplied by: Average District Tax Rate (2)	\$0.9583	\$2.1468	\$3.1051
Equals: Average Gross Property Tax Liability – Homesteads	\$646.25	\$1,447.74	\$2,093.99
Less: Property Tax Replacement Credits (3)	(\$105.42)	(\$236.15)	(\$341.57)
Less: Circuit Breaker Tax Credits (4)	(\$81.76)	(\$183.16)	(\$264.92)
Equals: Average Net Property Tax Liability – Homesteads	\$459.07	\$1,028.43	\$1,487.50
<b>Estimated Average Impact of Proposed Operating Referendum – Homestead Properties</b>			
Estimated Maximum Operating Referendum Tax Rate	\$0.3294	\$0.0000	\$0.3294
Estimated Average Increase to Annual Property Tax Liability – Homesteads (\$)	\$222.14	\$0.00	\$222.14
<b>Estimated Average Increase to Annual Property Tax Liability – Homesteads (%)</b>	<b>48.39%</b>	0.00%	<b>14.93%</b>

To determine the estimated impact of the proposed operating referendum on your property tax bill, please visit the Griffith Schools Referendum Calculator on the School Corporation's [website](#).

- (1) Per the formula prescribed by the State of Indiana, includes the standard deduction and the supplemental homestead deduction.
- (2) Reflects 2021 certified tax rates for the School Corporation and the overlapping units comprising the Griffith taxing district, per the DLGF.
- (3) Includes PTRC of 16.3121% for all properties, per the Lake County Auditor's Office. Local property tax replacement credits are not applied to operating referendum tax rates, per Indiana Code 6-3.6-5-6.
- (4) Reflects estimated circuit breaker tax credits for property subject to the 1% tax cap allocated on a pro-rata basis. Referendum tax levies not subject to circuit breaker.



# Griffith Public Schools, Lake County, Indiana

## Calculation Of Public Question Percentages – Business Properties

Estimated Taxes Paid to:	Griffith Public Schools	Other Taxing Units	Total Tax Bill
Average Business Value (as certified by County Auditor)	\$91,714	\$91,714	\$91,714
Less: Deductions (1)	\$0	\$0	\$0
Equals: Average Net Assessed Value	\$91,714	\$91,714	\$91,714
Multiplied by: Average District Tax Rate (2)	\$0.9583	\$2.1468	\$3.1051
Equals: Average Gross Property Tax Liability – Businesses	\$878.90	\$1,968.91	\$2,847.81
Less: Property Tax Replacement Credits (3)	(\$143.37)	(\$321.17)	(\$464.54)
Less: Circuit Breaker Tax Credits (4)	\$0	\$0	\$0
Equals: Average Net Property Tax Liability – Businesses	\$735.53	\$1,647.74	\$2,383.27
<b>Estimated Average Impact of Proposed Operating Referendum – Business Properties</b>			
Estimated Maximum Operating Referendum Tax Rate	\$0.3294	\$0.0000	\$0.3294
Estimated Average Increase to Annual Property Tax Liability – Businesses (\$)	\$302.11	\$0.00	\$302.11
<b>Estimated <u>Average</u> Increase to Annual Property Tax Liability – Businesses (%)</b>	<b>41.07%</b>	0.00%	<b>12.68%</b>

To determine the estimated impact of the proposed operating referendum on your property tax bill, please visit the Griffith Schools Referendum Calculator on the School Corporation's [website](#).

- (1) Per the formula prescribed by the State of Indiana, includes the standard deduction and the supplemental homestead deduction.
- (2) Reflects 2021 certified tax rates for the School Corporation and the overlapping units comprising the Griffith taxing district, per the DLGF.
- (3) Includes PTRC of 16.3121% for all properties, per the Lake County Auditor's Office. Local property tax replacement credits are not applied to operating referendum tax rates, per Indiana Code 6-3.6-5-6.
- (4) Reflects estimated circuit breaker tax credits for property subject to the 3% tax cap allocated on a pro-rata basis. Referendum tax levies not subject to circuit breaker.



**THANK YOU**

## Contact Information

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