



WHY does SCOH need to pass an **OPERATIONAL REFERENDUM** to adequately fund our schools?

What has happened to school funding?

The Indiana General Assembly cut \$300 million from public school budgets in late 2009. Overnight, SCOH lost roughly \$1.2 million in state revenue. Those funds have never been restored. With state funding at subsistence levels, Indiana has become a “referendum state.” Passing a referendum is the one democratic means that communities have to maintain the quality and variety of public school programs.

How did SCOH respond to state cuts?

SCOH made the \$1.2 million cuts without asking the community to assist with a tax rate increase. We cannot sustain these reductions in state-level support and provide quality educational opportunities in the classroom.

What is happening in Lake and St. Joseph Counties in 2020?

The circuit breaker tax caps are scheduled to become effective in both Lake and St. Joseph Counties in 2020, which cost our residents almost \$2 million annually in its funds that pay for transportation, maintenance of facilities and technology.

The rest of the state has experienced the circuit breaker tax caps since 2008. The tax caps will limit a home owners’ total property tax bill to 1% of the home’s gross assessed value, a landlord or farmer to 2%, and business to 3%.

This will have the effect of reducing taxpayers’ bills in 2020. For example, a taxpayer who owns a home with a total assessed value of \$100,000 and a current tax bill of \$1,500, after the tax caps take effect, that taxpayer’s bill could drop to \$1,000 which is 1%. The \$500 reduction to the taxpayer will be a \$500 loss to all of the taxing units, such as SCOH, the city and county.

IMPACT

This will have the effect of a reduction of funds in 2020 of approximately \$2 million. The SCOH already made cuts of \$1.2 million, and these new tax caps will not be manageable unless programs and services are cut. Transportation (Buses) and Programming would be cut.

HOW can we maintain crucial funds to avoid any loss of programs and services?

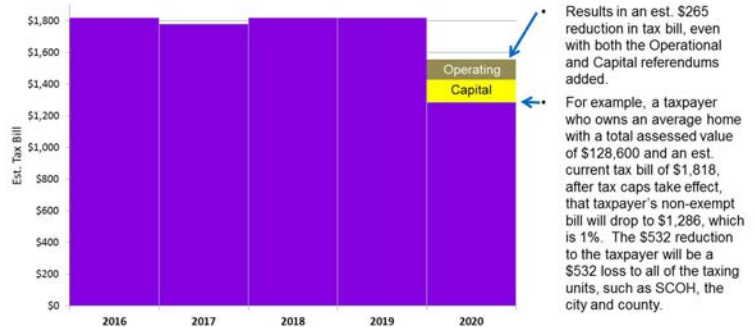
OPERATIONAL REFERENDUM for the Brickies of SCOH

Referendum Questions on the November 7, 2017 Ballot

- Proactive approach to revenue loss coming in 2020
- Low interest rates right now
- Tax rate increase \$0.246 would be offset by lower tax bill going down in 2020 when tax caps take effect-resulting in neutral tax bill
- A continued commitment to cost-cutting

What would a \$0.246 operational tax rate increase look like for an average \$128,600 A.V. homeowner's tax bill in Fall 2020?

- By going out on this operational referendum in 2017, there would be NO tax rate increase until needed in 2020 when the property tax caps kick in and the school levies for the tax increase to replace the lost revenue – AND
- In 2020, a tax rate increase of \$0.246 begins which equals approximately \$127 per year on an average \$128,600 home – HOWEVER,
- In 2020, the tax bill goes down for those homeowners hitting the tax cap
- Example from below: in 2020: approx. \$532 savings from reduction in tax bill due to exempt debt roll off



*NOTE: Capital Debt Service Funds (construction projects) cannot be used for Operations

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