MAXIMIZING COMMUNITY AND STUDENTS

Securing Our Future

The Financial Trajectory and 2026 Operating Referendum for Michigan City Area Schools

June 2026

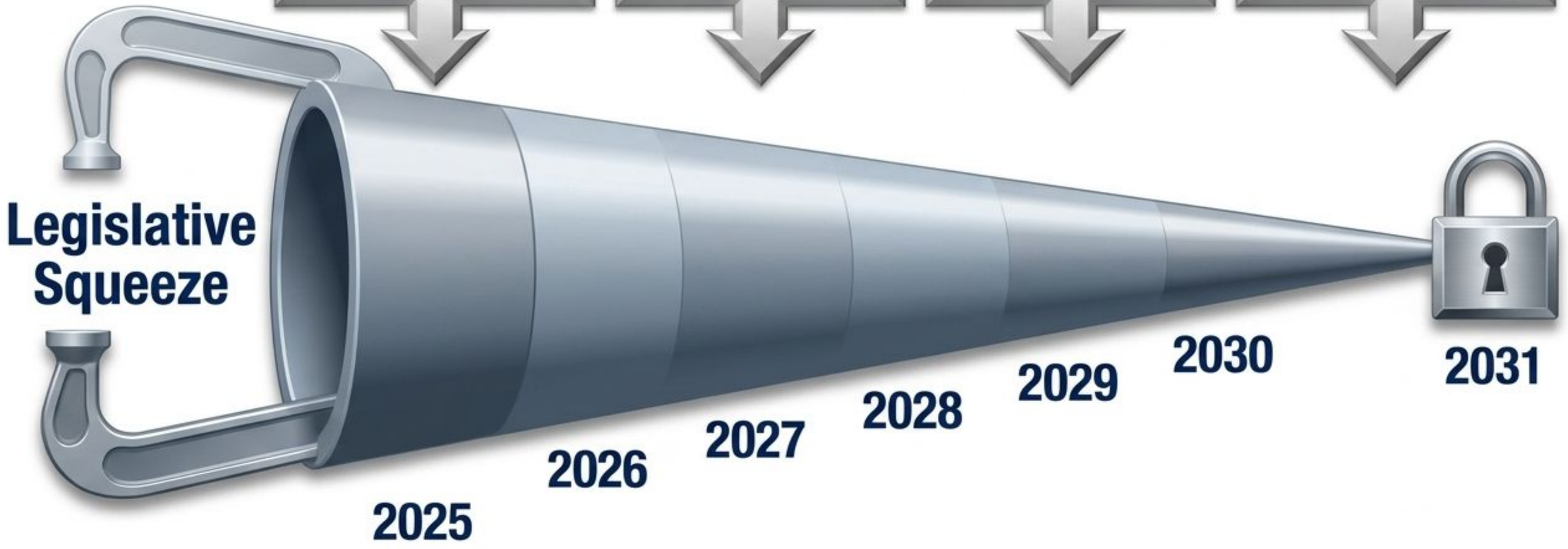
The Approaching Storm: SEA-1 Alters the Local Tax Base

SEA-1 (2025) contains provisions that permanently change the tax base for local governmental units moving forward.

The deductions contained in SEA 1 phase in over the period between 2026 and 2031 (pay year).

In 2027, the de minimis business personal property exemption is increased to $2M.

Once SEA-1 is fully implemented, net assessed values are projected to **increase by a heavily restricted ~3% annually.**



Financial Headwinds: The $5.8M Tax Cap Drain

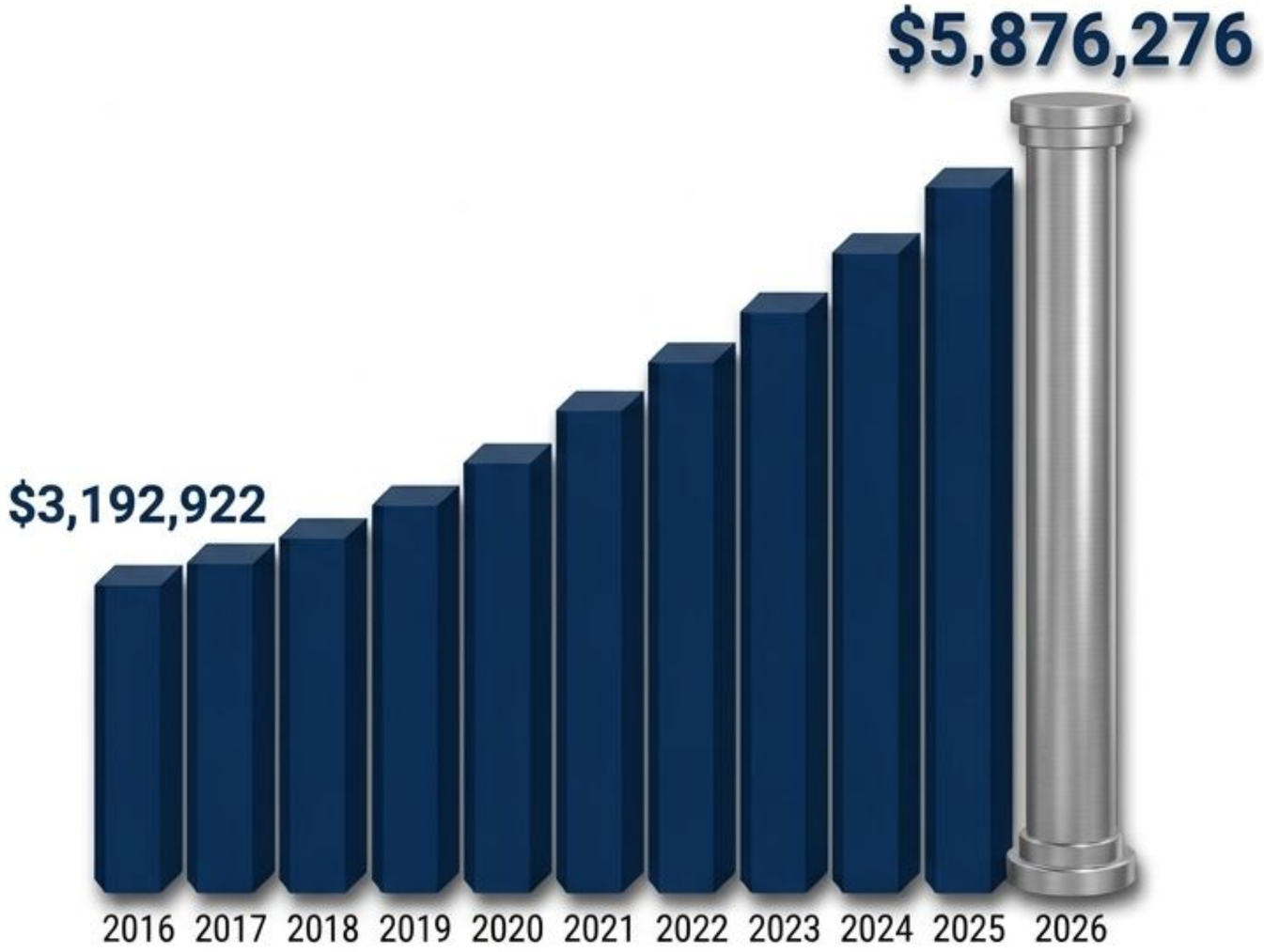
Circuit Breaker Losses:

- 1% Credit (Owner Occupied Homestead)
- 2% Credit (Other Residential/Ag Land)
- 3% Credit (Commercial/Industrial/Business)

Homestead Residential Credit:

New credit for homestead residential properties equal to the lesser of 10% of the taxpayer liability or $300 (applied after Constitutional circuit breaker caps).

Note: Debt Service Fund is not protected from this in 2026, but is protected in 2027+.



The Drain: Annual Tax Cap Losses have surged by nearly 85% in one decade

The Operations Fund: Keeping Schools Running Safely

Transportation: School buses, drivers, monitors

Facilities & Maintenance: Grounds crews, repairs, building upkeep

Custodial: District-wide cleaning and sanitation

Safety & Operations: School Resource Officers, student security, essential district administration

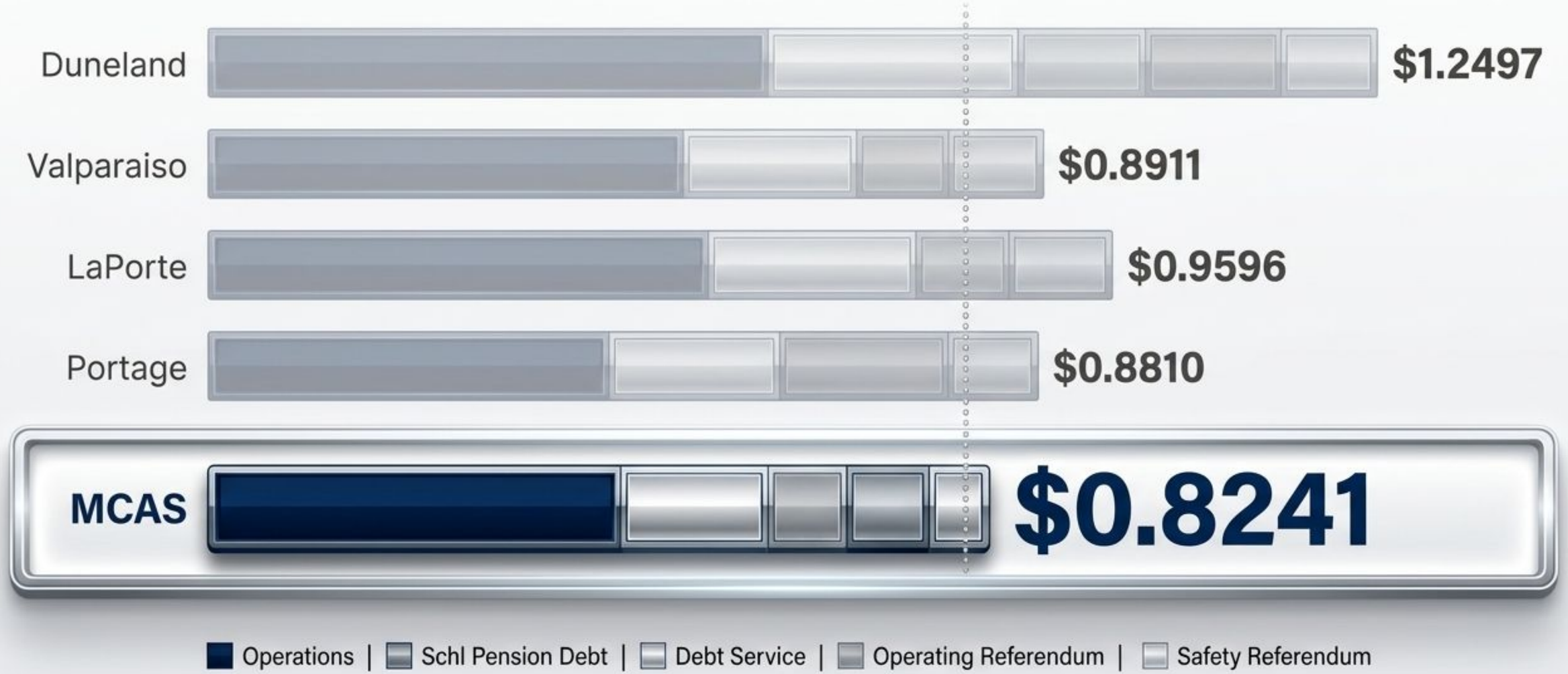


THIS FUND DOES NOT SUPPORT CLASSROOM INSTRUCTION.

Navigating the Waters: We Operate Leaner Than Our Peers

Comparative Tax Burden Matrix

State Average Property Tax Rate: $0.8713



What Have We Done to Reduce Expenses?



Reviewing and renegotiating contracts and services to seek savings



Re-evaluating our programs and structures to ensure we are operating efficiently and effectively



Established new processes to determine how staffing decisions are made



Right-sizing staffing levels, programs, and structures



Continued advocacy with our legislators

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Proactive Stewardship: Actions Already Taken

We have reviewed contracts, right-sized programs, and established strict new staffing structures to ensure highly efficient operations.



The Tipping Point: Mandates Outpace Discipline

Force 1:
$2M+ Internal Reductions Exhausted.

Force 2:
Unavoidable SEA-1 Revenue Squeeze.

Force 3:
$5.8M+ Annual Tax Cap Drain.

External legislative forces have mathematically outpaced our internal efficiency. Without immediate intervention, operations will fail, and history will repeat itself.

Impact of a $4,000,000 Annual Reduction

Affecting all students, all schools, and essential daily operations.

TRANSPORTATION

- Reduced bus routes and expanded walking zones
- Fewer transportation services

ACADEMIC PROGRAMS

- Reduced instructional supports and student services
- Impacts to extracurricular and enrichment opportunities

$4,000,000

IN ANNUAL REDUCTIONS

STUDENT SUPPORT & STAFFING

- Reductions in counselors, coaches, instructional support, and school leadership
- Fewer supports for students and families

OPERATIONS, SAFETY & FACILITIES

- Reduced custodial and maintenance services
- Fewer school safety resources, including SRO support

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Why Can't We Move Money From Another Fund?

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FUND RESTRICTIONS & TRANSFERS



Debt Service Fund

- For specific bonded projects ONLY.
- NO salaries or recurring expenses (e.g., transportation).
- OK for one-time purchases (e.g., buses).



Education to Operations Transfer

- Already transferring MAXIMUM 15% allowed by State.

ENROLLMENT IMPACT



280 FEWER
Students

LOSS OF OVER
$2 MILLION
in Education Fund.

THE REALITY: TWO OPTIONS



1. PASS OPERATING REFERENDUM

Recoup lost revenue from SEA. 1 and Tax Caps



2. CUT VITAL SERVICES

Cut Transportation, Staff, and Services to balance.

MCAS Is one of the HARDEST HIT schools in Indiana due to Tax Caps.

The Crossroads: Our Choice in November

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If the Referendum Fails (The 2013 Warning)

- School Closures (Repeating the tragic loss of Elston Middle & Neimann Elementary).
- Complete loss of elementary extracurricular activities, including sports.
- Severe reduction in middle school opportunities.
- Mass enrollment flight and severe brain drain to better-funded districts.

If the Referendum Succeeds (The Future)

- Maintenance of all current, high-quality programming.
- Addition of dedicated social workers and success coaches.
- Increased safety personnel (SROs) protecting middle and elementary students.
- New behavior specialists to support classroom environments.

DRAFT BALLOT LANGUAGE

Shall the Michigan City Area Schools increase property taxes paid to the School Corporation for no more than eight (8) years to support the Maximize Community and Students (MCAS) initiative which will sustain educational and operational funding stability in response to reductions in property tax revenue by recruiting and retaining teachers and staff, supporting essential student health and safety initiatives, and maintaining class sizes, academic programs, and opportunities to meet educational needs. **This will be achieved by imposing a property tax rate that does not exceed $0.2998** and results in a maximum annual amount that **does not exceed $10,000,000. If this operating referendum public question is approved by the voters, the property's annual property tax bill for a median residence of $200,000 would increase by $260 per year.**

MISLEADING

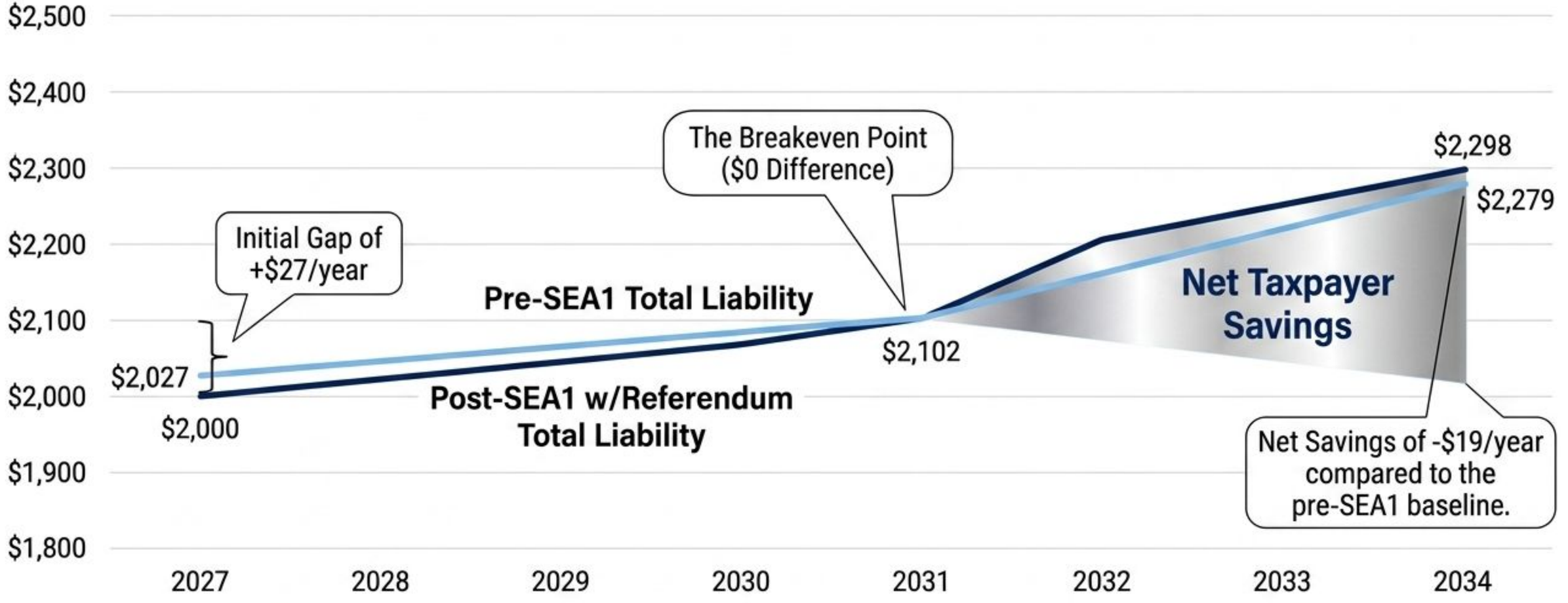
The additional $260 will NOT be what you pay in additional taxes per year.

For more information please call (219) 873-2000 or email wmccollum@mcas.k12.in.us

The True Trajectory: A Bridge to Long-Term Savings

$10M Referendum Impact on Total Liability ($200K Homestead Taxpayer)

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The referendum corrects a legislative gap. By 2032, total liability with the referendum drops below what taxpayers would have paid without SEA-1.

Transparent Taxpayer Impact: A Modest Monthly Investment

Impact on Homestead Taxpayers (Michigan City – Michigan Township, 38.3% of Tax Base)

Monthly Investment
$200,000 Homestead Assessed Value

Total Impact from 2027 to 2034 will be a total of $48.

Maximizing Community And Students costs the median homeowner $.50 a month.

The Broader Threat: A Statewide Referendum Surge

Core Insight: MCAS is not alone. Legislative changes under SEA 1 are forcing districts across the entire state to make impossible choices regarding basic operational funding.



50 Schools

are expected to be impacted and face operating referendums by November 2026.

Without additional local funding, mandatory cuts to student transportation and essential safety services are unavoidable under this legislation.

MCAS Return on Investment: Excellence Worth Protecting

90.7%
Graduation Rate, Class of 2025

$760,000+
Saved by families in college tuition

9
Distinct CTE Programs with 39 OSHA-10 certifications

3,542
College Credits Earned

114
Academic and Technical Honors Diplomas

Award-Winning Excellence
Middle School Band & Choir
ISSMA Total Department Award
- 1 of only 6 in Indiana

2,000+
Hours of Community Service

Securing Our Future:
What the Referendum Supports

A $10M annual investment to protect, maintain, and enhance the MCAS experience.



65% | $6,500,000:
Academic Programs

*Including but not limited to appropriate class sizes, career and technical workforce development, teacher recruitment and retention, and literacy development.

20% | $2,000,000:
Educationally Related Programs

*Including but not limited to transportation services, student extracurricular opportunities, and support services.

15% | $1,500,000:
Safety and Security Measures

*Including but not limited to school resource officers, student mental health supports, student behavioral supports (including Success Coaches and Behavior Specialists), and enhanced safety capital investments.

The Crossroads: The Cost of Inaction

Without this funding, external legislative forces will force devastating cuts.



School Closures

Repeating the tragic loss of community anchors like Elston Middle and Neimann Elementary.

Extracurricular Devastation

A complete and total loss of elementary extracurricular activities, including all sports.

Program Gutting

A severe and immediate reduction in middle school opportunities and electives.

Mass Enrollment Flight

The inevitable result—a severe brain drain to better-funded districts, permanently shrinking our community's foundation.

Transparent Taxpayer Impact

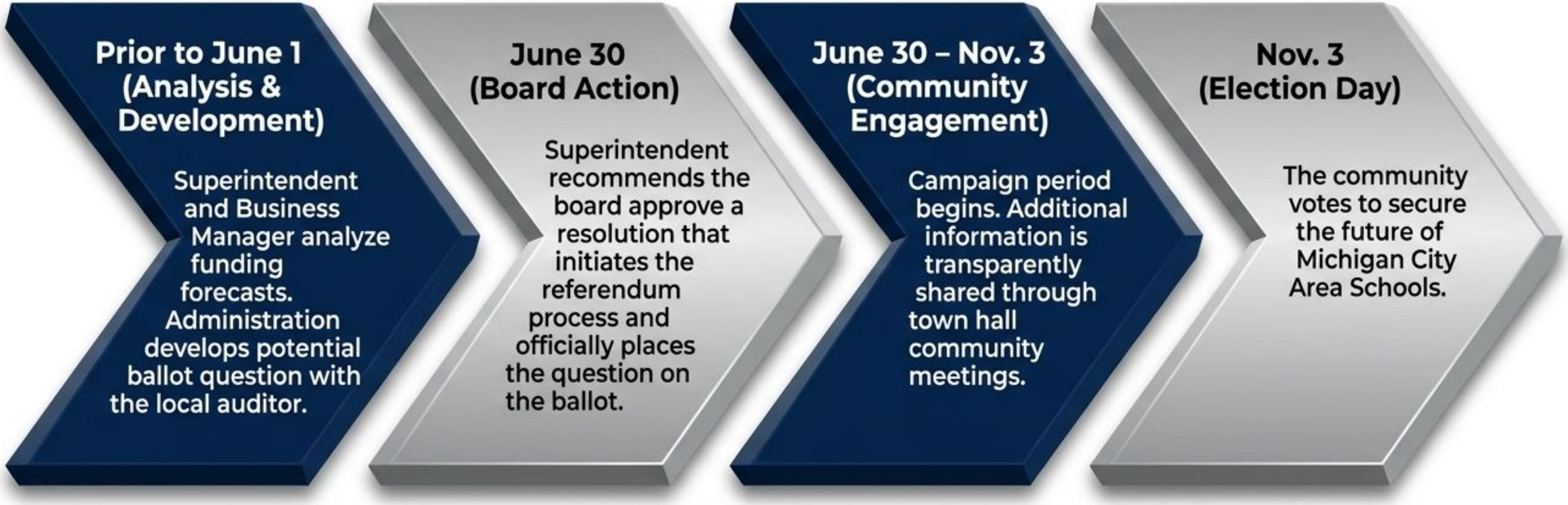
Maximizing Community and Students.

The Baseline: $200,000 Homestead Assessed Value

The Math: Total net impact over 8 years (2027 to 2034) = $48 total

$0.50 a month.

The Referendum Runway: Mapping Our Path to November





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The WOLFIE WAY


GO Miss
LEE Crew


VOLLEY of LIFE



MICHIGAN CITY
MICHIGAN CITY
GOLF PACK
2


DKNY N Y
DKNY N Y

NEXT LEVEL





CITY
CITY

Michigan City Area Schools

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COMMUNITY MEETINGS

LEARN MORE ABOUT THE 2026 REFERENDUM CAMPAIGN

Join us for an important community conversation about the future of Michigan City Area Schools and the Operational Referendum that supports essential student services.

ALL MEETINGS TAKE PLACE AT 6:00 PM

THURSDAY JULY 23
Michigan City High School
8466 W. Pahs Rd.

TUESDAY AUGUST 18
Lake Hills Elementary
201 Ferguson Rd.

THURSDAY SEPT. 24
Edgewood Elementary
502 Boyd Circle

THURSDAY OCTOBER 22
Krueger Middle School
2001 Springland Ave.

PRESENTATION BY
Dr. Wendel McCollum
Superintendent
Michigan City Area Schools

Following the presentation, there will be an opportunity for community questions and answers.

WE ARE M PROUD

THE WOLFIE WAY — ONE CITY | ONE PACK

STRONG SCHOOLS | STRONG COMMUNITY | ONE CITY, ONE PACK

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THANK YOU!

We’d love your Feedback