



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY

2015 Referendum Future

January, 2022



Today's Question:

*Shall we renew the
2015 Referendum or
not?*



...our
recommendation is
to not pursue a
renewal to the 2015
referendum.



**Here is how we
have arrived at this
recommendation...**



Referendum Considerations



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY



Referendum Considerations

1. Referendum Question
 - a. Two Referendums This fall
2. Assessed Value Increases
3. Tax Bills - Will arrive in April
4. Social Impact - CRT, SEL, Library Books, Vaccines
5. Pandemic - Masks/Hybrid/Etc.../ESSER \$\$/Reduced Physical Presence in Community
6. Wayne Township Issues

Mark Bennett: School referendums undergo ups, downs through pandemic era

Pace has slowed in Indiana's last three election cycles

By Mark Bennett
Tribune-Star Nov 4, 2021

Still, he sees some possible causes. A significant influx of federal COVID-19 relief funds may have solved some temporary needs, DeBoer speculated. State funding, bolstered by the federal relief measures, also could've eased school districts' financial concerns. And, the pandemic's "super-hyper-partisan atmosphere," as DeBoer put it, may be causing school districts — already dealing with protests over basic coronavirus mitigation efforts like wearing face masks inside schools — to scrap referendums.

Indeed, the VCSC and the School Board also could find "the time is not right and won't move any project forward" for May 2022, Vigo superintendent Rob Haworth said Monday.

Another factor that could inhibit school funding referendums could be their wording on election ballots. Legislators in the Indiana General Assembly decided last April to require school referendum ballot questions to include the "estimated average property-tax increase on a homestead," instead of the previous referendum language detailing the actual property-tax increase in cents per \$100 of a home's assessed valuation.

Thus, a referendum on Tuesday's special-election ballot in Elkhart County took 134 words (and numbers) to ask voters to approve a maximum tax rate of 32 cents per \$100 of assessed property value to support operations in the Concord Community Schools. It would have extended an existing referendum approved in 2014, and due to expire next month, at a lower tax rate. The referendum was narrowly turned down. By contrast, the operational referendum passed by Vigo County voters in 2019, before legislators changed the law, contained 84 words.

"These ballot questions are getting kind of long," DeBoer said. "I wonder if we're taxing voters' minds, given the few minutes they have in the voting booths."

INDIANA EDUCATION INSIGHT

IN Referenda . . .

• Parents in Valparaiso vow to campaign against next year's school referendum. The *Times of Northwest Indiana* reports, Porter County Parents for Freedom also is raising money to sue the Valparaiso School Board over its mandatory mask policy. "We are officially launching a campaign to encourage voters to vote against the renewal of the referendum in November of 2022," Stephanie Pals tells the board during a regular meeting. Several members of the Parents for Freedom group attended to object to the mandatory use of masks in Valparaiso schools. In 2015, the referendum to increase property taxes to support teacher salaries, technology and mental health workers for children passed by a 2-1 margin. "It was an easy choice with bipartisan support," Pals reminds the board. "Now it's 2021 you have a large majority of people in this community that no longer trust you," she adds. "Our country is in political turmoil, and many are fearful of the future. We're also on the verge of a giant recession. Food, gas and our basic necessities are going to be at an all-time high."

□ Superintendent Jim McCall said requiring masks in the schools has meant more than 240 students have been able to remain in school instead of being quarantined.

IN School Safety . . .

• A 14-year-old boy was hit Thursday morning in Greenwood by a driver who disregarded a Greenwood Community

enrolled student. Up this individual was county. EVSC-PD situation, and this i extent of the law. students who made school officials."

• For the second the stands at a Rich this one Tuesday n the game to stop. people were arrest were connected. S measures before th against Franklin Co

Introducing the

INDIANA
STATE
ADVANTAGE

indstate.edu/advantage

who are more liberal

PREVIOUSLY- Operating Referendum Ballot Question

"For the _____ (____) calendar years immediately following the holding of the referendum, shall the ABC School Corporation impose a property tax rate that does not exceed _____ cents (\$0.____) on each one hundred dollars (\$100,000) of assessed valuation and for the purpose of funding _____?"

RENEWAL
LANGUAGE

"For the _____ (____) calendar years immediately following the holding of the referendum, shall the ABC School Corporation continue to impose a property tax rate that does not exceed _____ cents (\$0.____) on each one hundred dollars (\$100,000) of assessed valuation and for the purpose of funding _____? **The tax rate requested in this referendum was originally approved by the voters in ABC School Corporation in ____.**"

NEW – Renewal Operating Referendum Ballot Question

"Shall ABC School Corporation continue to impose increased 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 property tax increase requested in this referendum was originally approved by the voters in _____ and originally increased the average property tax paid to the school corporation per year on a residence within the school corporation by _____% and originally increased the average property tax paid to the school corporation per year on a business property within the school corporation by _____%."

Renewals may now be for 8 years even if original referendum was for fewer years

Considerations – What's Different

- No Tax Rate in New Question required
- County Auditor(s) calculate the averages inserted into the question – no appeal ability and no specific deadline to calculate the averages
- Formula uses “average” residential/business - DLGF says this is the “mean” (not median) - a few large properties increase the average
- Includes only residential & business – no 2% properties (agriculture, rentals)
- Average increase to the “school corporation” portion of taxes - confusing
- “Renewal” language uses original increase, but formula is vague

RESULTS AFTER NEW BALLOT LANGUAGE

- Both renewals:
 - Concord Schools – **LOST – 48.7% to 51.3, 18% voter turnout, lost by 76 votes**
 - "Shall the Concord Community Schools **continue** to impose increased 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 **managing class sizes, safety & security initiatives, and funding academic and educationally-related programs including career readiness, engineering and technology offerings, and changing the maximum referendum property tax rate from \$0.405 to \$0.32?** The property tax increase requested in this referendum was originally approved by the voters in 2014 and originally increased the average property tax paid to the school corporation per year on a residence within the Concord Community Schools by **34.48%** and originally increased the average property tax paid to the Concord Community Schools per year on a business property within the Concord Community Schools by **27.48%.**"
 - MSD of Boone Township – **WON – 66% to 34%, 19% voter turnout**
 - "Shall MSD of Boone Township **continue** to impose increased 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 a **Taxpayer Investment Plan which will include retaining teachers and staff, maintaining classroom sizes, and supporting career and college readiness programs with the renewal of the existing maximum referendum property tax rate of \$0.21?** The property tax increase requested in this referendum was originally approved by the voters in 2014 and originally increased the average property tax paid to the school corporation per year on a residence within the school corporation by **14.8%** and originally increased the average property tax paid to the school corporation per year on a business property within the school corporation by **11.5%.** "

Property Tax Implications

- Increased Assessed Value = Greater Homeowner Tax Liability
 - As AV increases so will the amount the Homeowner must pay
 - Faced this two years ago with AV went up 6.8% and 2019 Referendum
 - Assessed Value went up 6.4% for calendar year 2022
- Tax Bills
 - Will arrive sometime in late March or early April
 - Will show an amount owed increase due to the increase in AV

Social Impact Considerations

- Critical Race Theory
- Social Emotional Learning
- Library Books
- School Board Disruptions
- Vaccine Mandate Discussions

Pandemic Considerations

- Masks
- Hybrid/Remote Learning Environments
- Quarantines
- Reduced Physical Presence in Community
- Perception of ESSER Money
- Economic Conditions of Wayne Families

Wayne Township Concerns

Township trustee, fire chiefs took salaries from taxpayers and township-funded nonprofit

Amelia Pak-Harvey Indianapolis Star

Published 5:21 a.m. ET Aug. 23, 2021 | Updated 6:20 a.m. ET Aug. 23, 2021

Wayne Township fire administration takes heat over overtime

Ex-chief and deputy chiefs had 1,358 hours of OT in 2019, 2020



COVID-19	\$3,000.00
GTL	\$276.00
OT	\$2,044.47
Overtime	\$41,860.03
Perfect Attendance	\$1,750.00
Retro Pay	\$1,022.49
Salary	\$140,192.37
VO2	\$100.00
WPE	\$100.00
	\$190,345.36



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY

2015 Referendum



The 2015 Scenario...

- M.S.D. Wayne renovated or built every school between 1994 and 2008
- Property Tax caps passed in 2007 and were implemented in 2009
 - Tax Cap Levy loss = 37% (\$82 million total - \$14 – \$17 million each year.)
- Assessed Valuation lost nearly 31% from \$3.3 billion to \$2.45 billion
- \$8.5 Million loss of desegregation funding
- Possible loss of \$435,000 annually in annual Homestead Credit
- Possible loss of \$3.5 million annually in Business Personal Property Tax.

What did 2015 Pay For???

- Transportation Payroll
- Transportation Operations
 - Bus Repairs
 - Fuel and chemicals
 - Utilities
- Repairs to buildings and capital equipment
- Purchase of technology equipment
- Technology Service Agreements

What's Different Today?



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY



What is different today

- District Financial Team
- Financial Forecasting
- Financial Operations Specialist-Paid out of Bonds
- Strategic Sourcing
- AV Increases
- Tax Rate Management
- Energy Savings
- Negotiations
- 2019 Referendum
- Per Pupil Revenue
- District Financial Communications

Negotiated Savings



SpendBridge Savings Summary for MSD of Wayne Township						
Updated: 9/15/2021		Totals YTD -->		\$6,405,592	\$4,781,936	-25%
				\$1,623,656		
Project	Description	Baseline	Final	Savings %	Savings \$	Savings/Yr of Agreement
PowerSchool Yearly Subscription	MSD of Wayne had two objectives: 1) Renewal of current software modules owned and 2) Upgrade to RECORDS module	3 Yr Total: \$222,483	3 Yr Total: \$178,589	-20%	\$43,894	\$14,631
Naviance Renewal Subscription	MSD of Wayne wanted to push for additional value over the renewal offer on the table from Naviance.	5 yr Renewal \$241,566.72	5 yr Renewal \$234,426.50	-3%	\$7,140	\$1,428
Math Curriculum Adoption (K-6)	MSD of Wayne was looking for a new math curriculum for grades K-12.	6 yr Adoption Printed Mat'l, Digital Lic. & Manipulatives \$3,882,487	6 yr Adoption Printed Mat'l, Digital Lic. & Manipulatives \$2,688,330	-31%	\$1,194,157	\$199,026
Math Curriculum Adoption (7-12)	MSD of Wayne was looking for a new math curriculum for grades K-12.	6 yr Adoption Printed Mat'l, Digital Lic. \$1,437,156	6 yr Adoption Printed Mat'l, Digital Lic. \$1,093,989	-24%	\$343,167	\$57,195
Lenovo PC	MSD of Wayne was preparing to refresh desktop PC's throughout the district	Lenovo ThinkCentre M75q Gen 2 \$621,900	Lenovo ThinkCentre M75q Gen 2 \$586,602	-6%	\$35,298	\$35,298

Tax Rate Management

- Previous Strategy
 - Levy Driven - Projected Loss of Overall Tax Revenue
 - Insufficient Funds for Capital Plans
- Future Strategy
 - Rate Driven - Projected Increase of Overall Tax Revenue - Debt Service Rate set at \$0.90
 - Little to No Impact on Taxpayers
 - Payment Structure
 - Boxes Out or Protects Tax Revenue for District
 - Increases Ability to Address Capital Plans

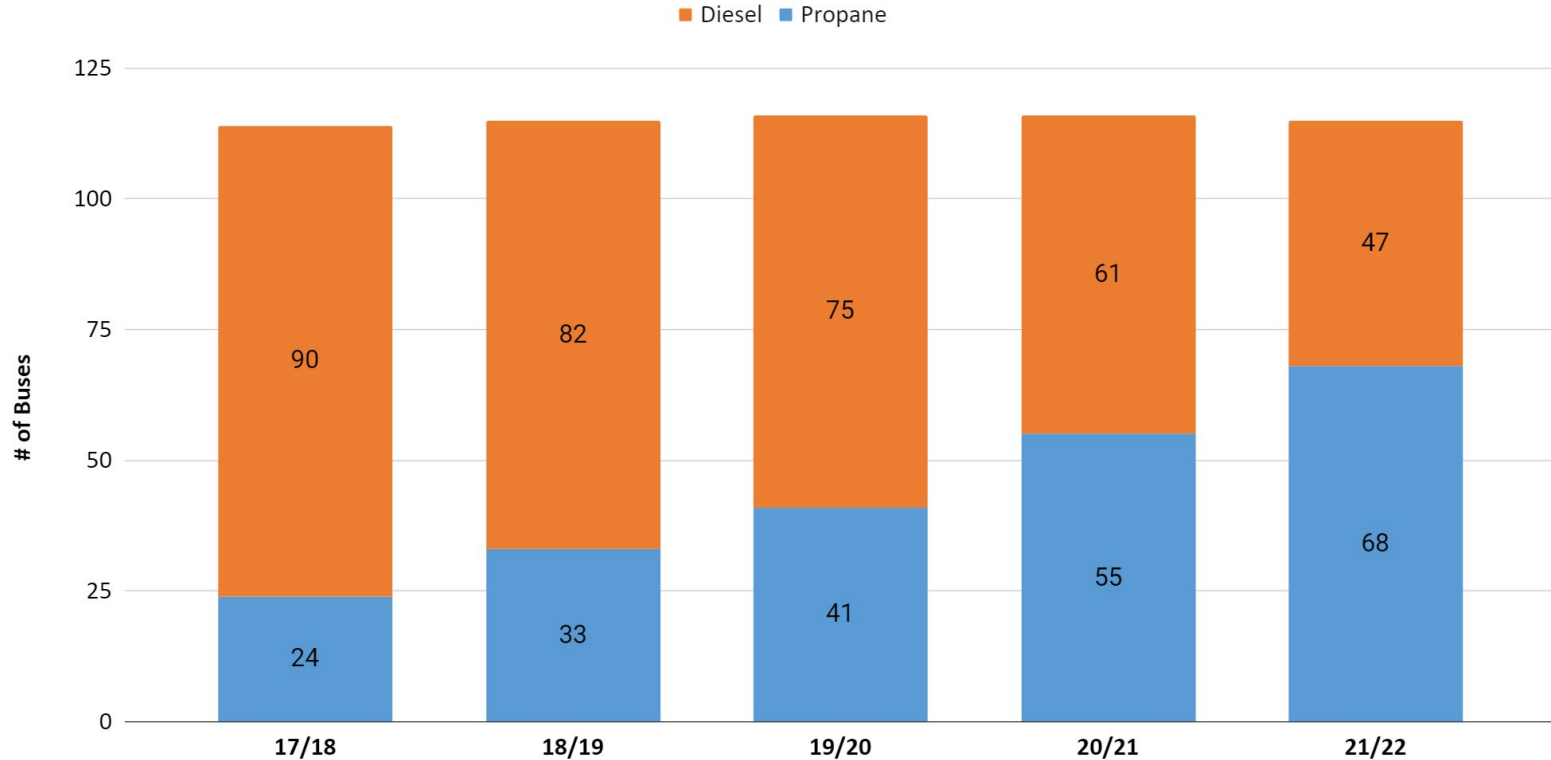
Which Rate Should We Lower?

- Debt Service

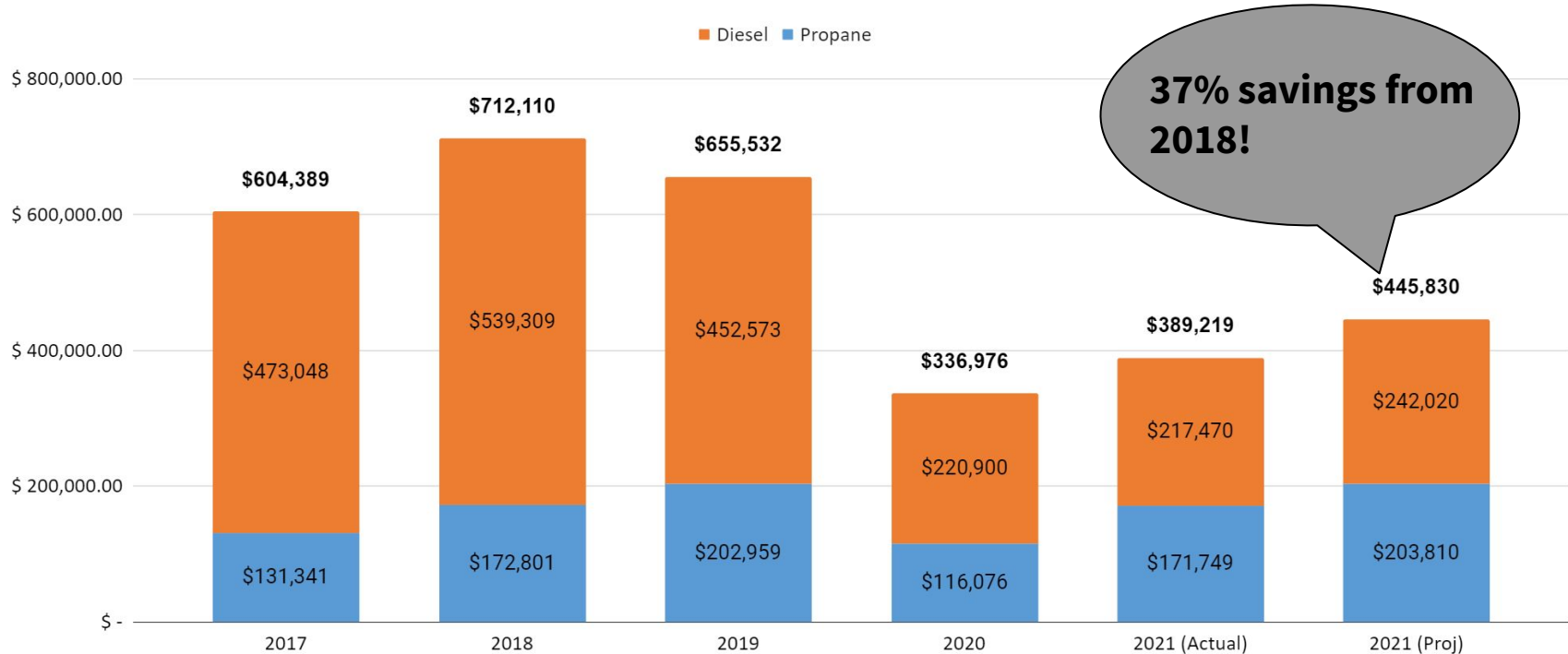
or.....

- Referendum

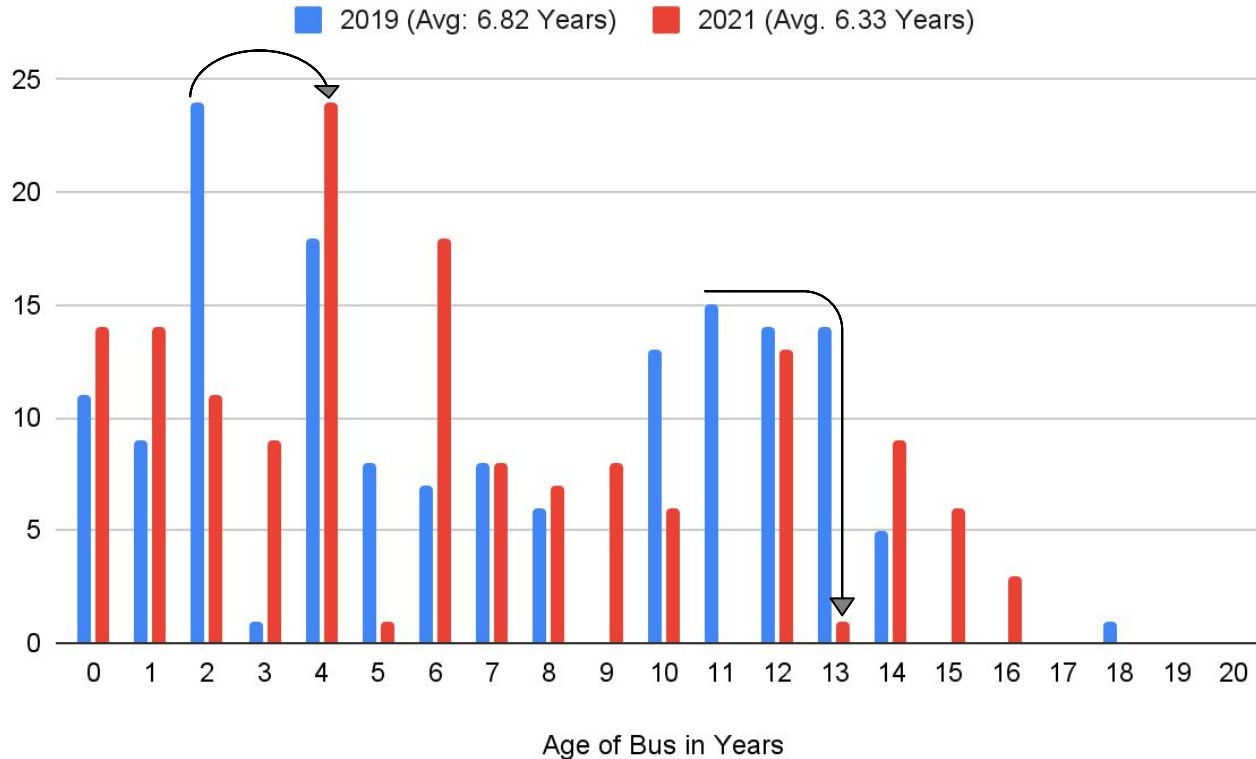
Route Buses by Fuel Type



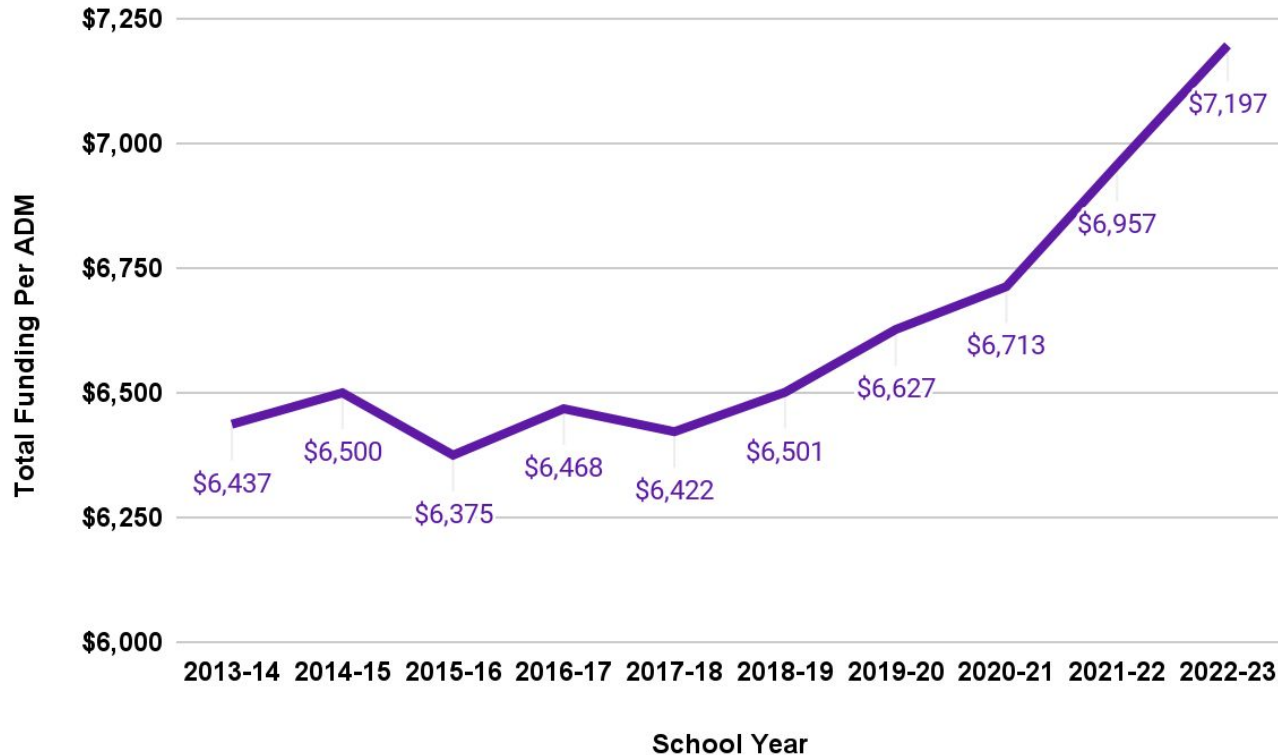
Annual Fuel Spend



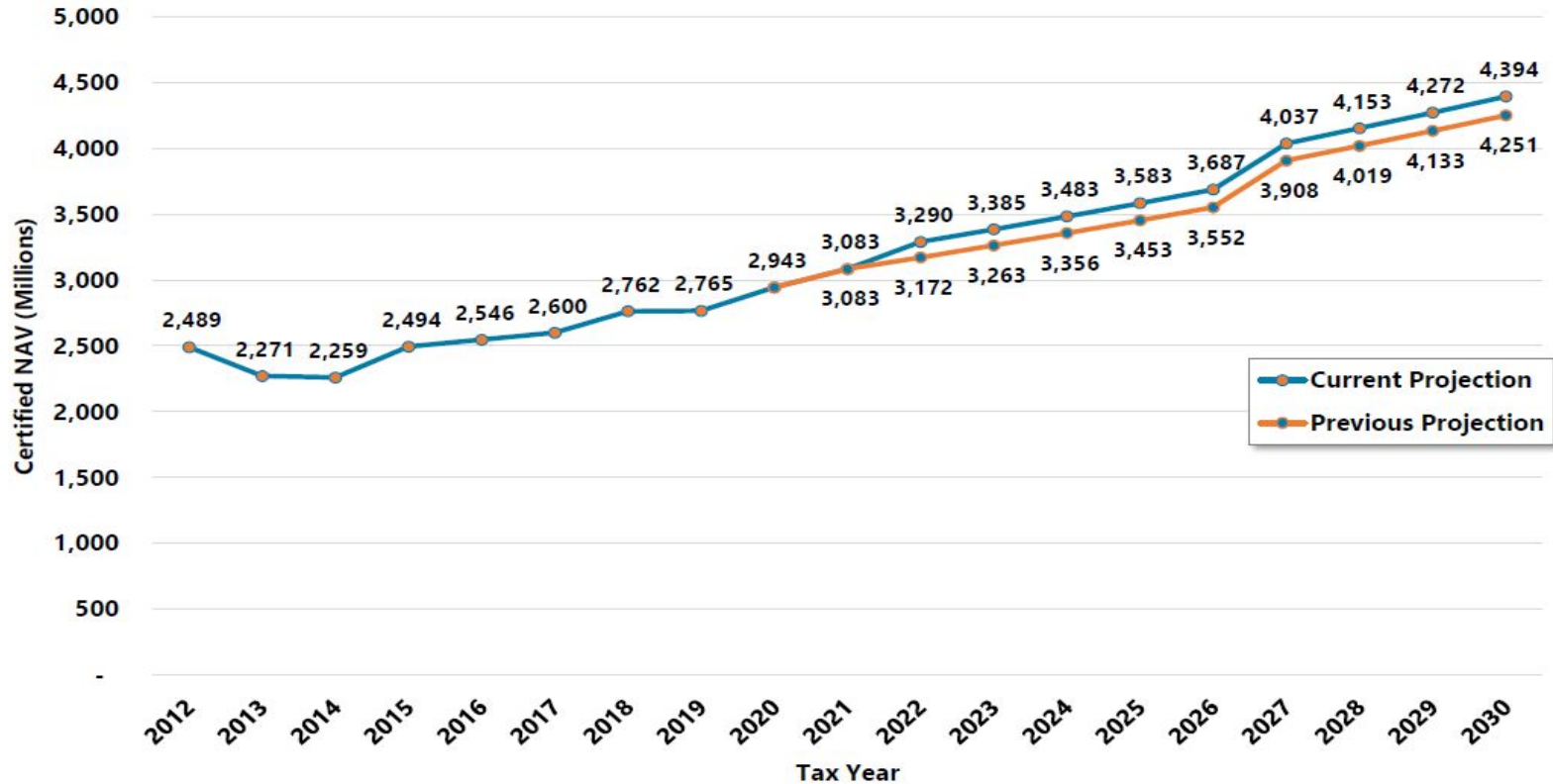
Age of Bus Fleet (2019 vs. 2021)



State Funding per ADM Since 2013-14

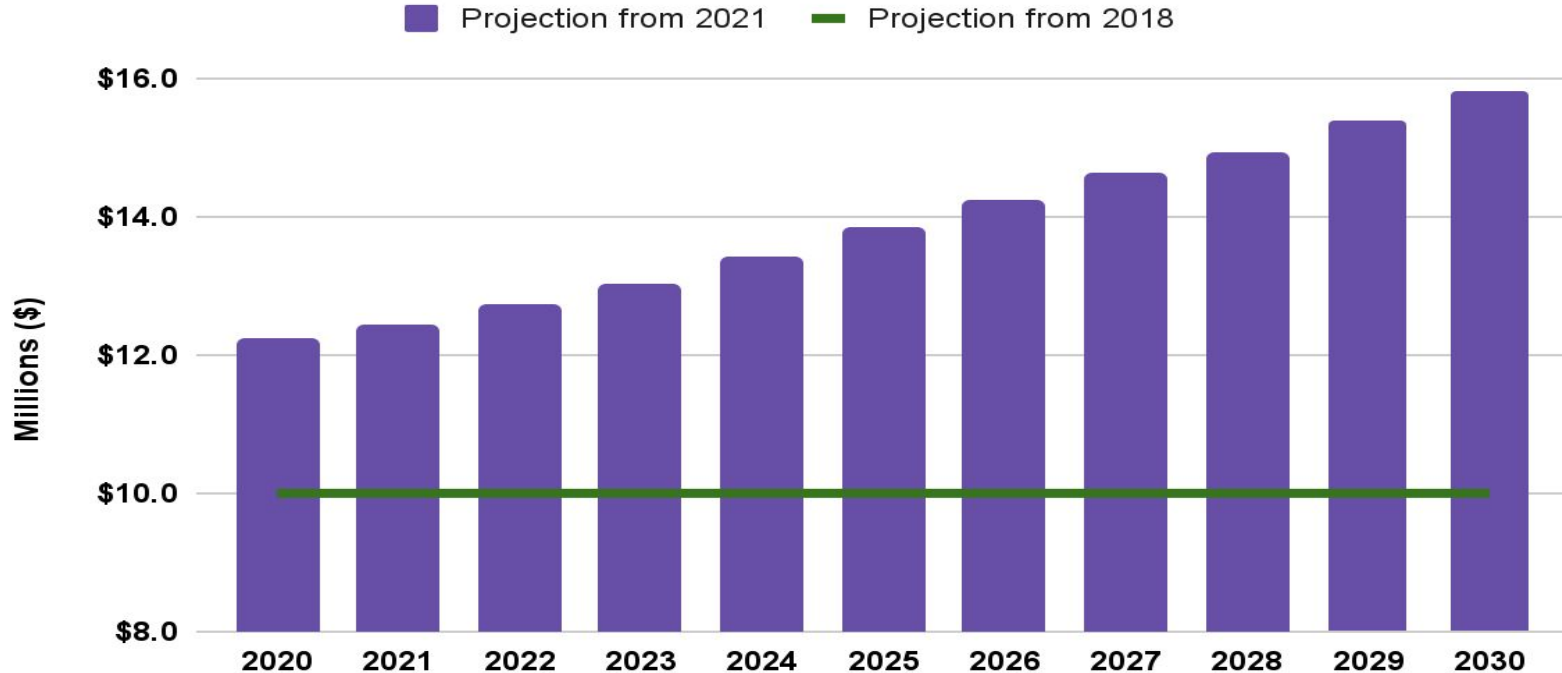


MSD Wayne NAV Projection Compared to Earlier Projection



Revenue Growth Due to AV Growth

Initial and Current 2019 Referendum Revenue Projections



District Financial Goals

- Provide the best services and resources possible for our students
- Reduce reliance on referendum revenue
- Increase our overall cash balance
- Create financial stability to consistently improve staff pay
- Improve our overall financial profile



Financial Conditions



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY

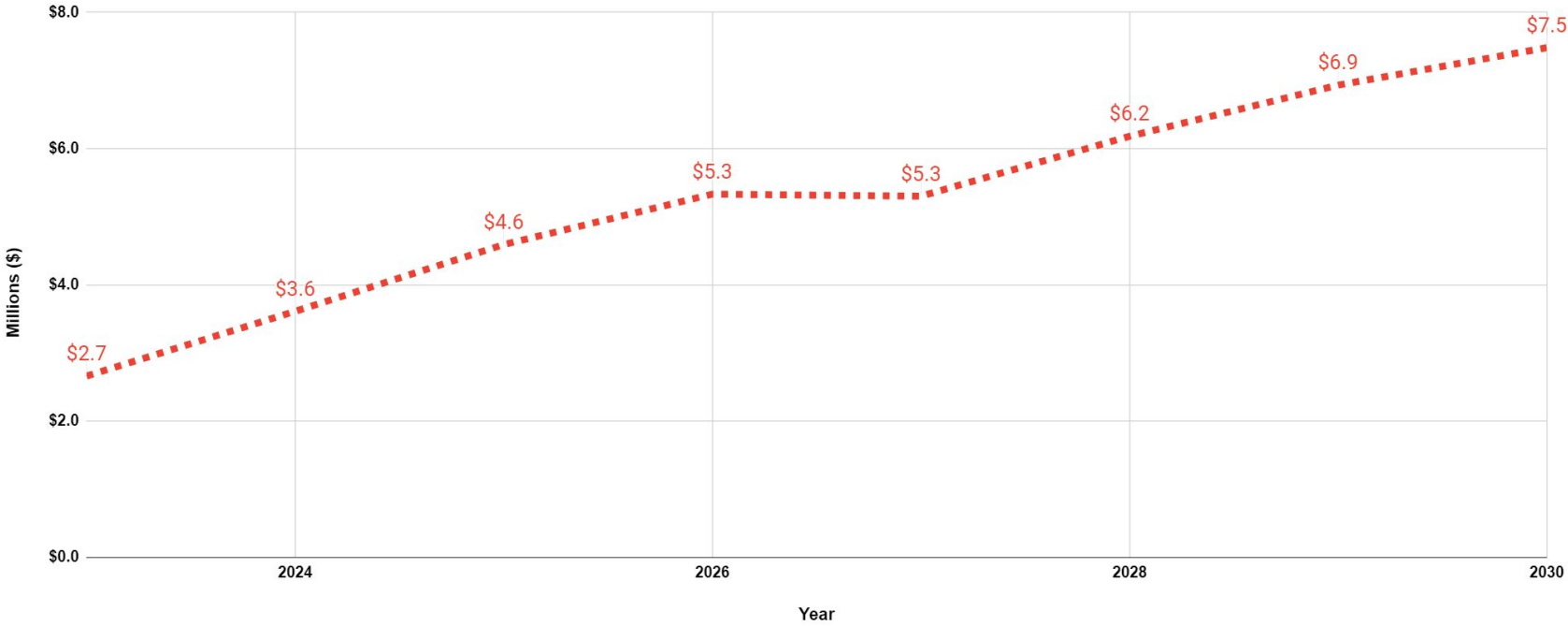


MSD - Wayne Township

All Funds Cash Flow Projections - Annual (Current)

As of December 3, 2021													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Beginning Balance	3,748,826	20,295,621	33,170,006	42,686,644	55,186,572	52,521,721	48,906,746	44,308,350	38,974,269	33,673,625	27,488,619	20,551,707	
Ref NAV % Change	0.10%	6.82%	4.20%	2.84%	2.85%	2.85%	2.85%	2.85%	2.85%	2.84%	2.84%	2.84%	
REVENUES													
Education Fund	129,530,975	124,493,340	124,787,877	130,662,221	134,110,710	136,101,269	137,560,081	139,616,465	141,703,625	143,822,022	145,972,123	148,154,403	
Operations Fund	21,245,712	14,003,947	11,676,911	11,533,519	9,445,871	9,434,912	9,385,883	9,325,297	10,146,235	10,107,581	10,084,163	9,950,785	
2015 Referendum Fund	11,469,717	13,048,048	12,421,680	12,757,954	-	-	-	-	-	-	-	-	
2019 Referendum Fund	-	12,207,052	12,410,406	12,747,604	13,095,299	13,453,276	13,821,261	14,199,289	14,587,957	14,987,124	15,397,288	15,809,953	
Rainy Day Fund	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL REVENUE	162,246,404	163,752,386	161,296,874	167,701,298	156,651,880	158,989,457	160,767,225	163,141,051	166,437,817	168,916,727	171,453,574	173,915,141	
Transfers	15,518,548	32,387,845	18,515,469	19,599,333	20,116,606	20,415,190	20,634,012	20,942,470	21,255,544	21,573,303	21,895,818	22,223,160	
EXPENDITURES													
Education Fund	109,892,116	106,536,675	103,716,888	106,782,764	109,258,799	110,905,266	112,369,911	113,871,228	115,418,028	116,997,982	118,466,669	120,035,710	
Operations Fund	30,528,508	21,157,619	22,502,874	26,348,287	29,980,064	30,721,212	31,541,733	32,706,532	33,921,726	35,189,759	36,496,965	37,389,055	
2015 Referendum Fund	5,278,984	13,503,252	15,809,963	13,269,680	11,223,996	11,994,737	12,338,717	12,647,303	13,010,992	13,385,724	13,760,481	14,157,987	
2019 Referendum Fund	-	9,680,456	9,786,632	8,800,639	8,853,872	8,983,216	9,115,259	9,250,069	9,387,715	9,528,268	9,666,371	9,812,844	
Rainy Day Fund	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	145,699,609	150,878,002	151,816,357	155,201,369	159,316,731	162,604,431	165,365,621	168,475,132	171,738,461	175,101,733	178,390,486	181,395,596	
Transfers	15,518,548	32,388,290	18,479,350	19,599,333	20,116,606	20,415,190	20,634,012	20,942,470	21,255,544	21,573,303	21,895,818	22,223,160	
NET CHANGE	16,546,796	12,874,385	9,516,637	12,499,928	(2,664,851)	(3,614,975)	(4,598,396)	(5,334,081)	(5,300,644)	(6,185,006)	(6,936,913)	(7,480,455)	
% Change YOY		-22.19%	-26.08%	31.35%	-121.32%	35.65%	27.20%	16.00%	-0.63%	16.68%	12.16%	7.84%	
ENDING BALANCE	20,295,621	33,170,006	42,686,644	55,186,572	52,521,721	48,906,746	44,308,350	38,974,269	33,673,625	27,488,619	20,551,707	13,071,252	
% Change YOY		63.43%	28.69%	29.28%	-4.83%	-6.88%	-9.40%	-12.04%	-13.60%	-18.37%	-25.24%	-36.40%	

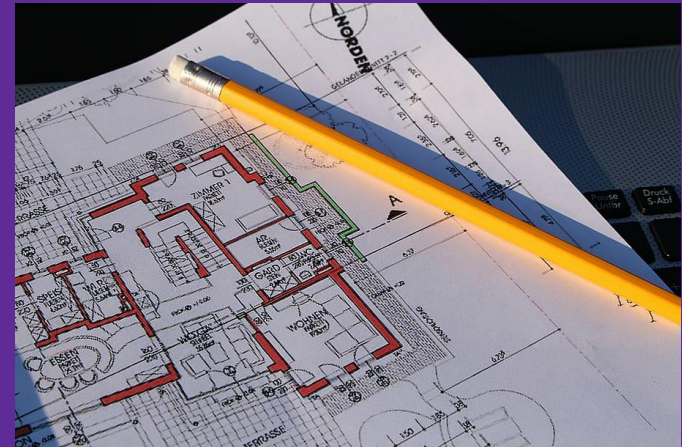
Revenue Deficit



Developing a Plan



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY



How Do We Proceed

1. There is no one strategy
2. There will be variability in the impact of each strategy
3. It will require continual monitoring and flexibility
4. Staying aligned with our goals
5. Some will work and some will not

Maximizing our Strengths



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY



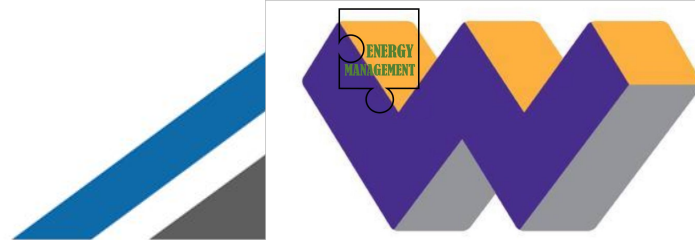


**ENERGY
MANAGEMENT**





Johnson Melloh Solutions

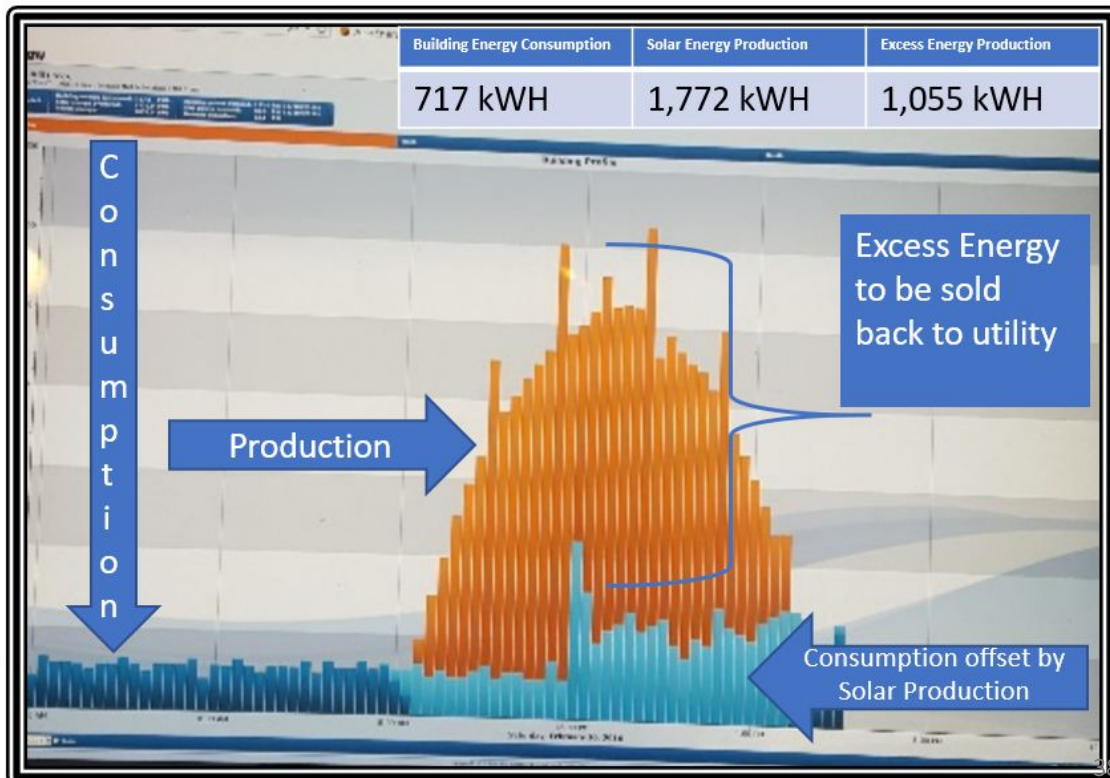


Phase 2 Recommendations to Implement Solar & Net Metering

Excess Energy back to Utility Rate Comparison

- Current \$0.10 kWh (on average)
- July 1, 2022 - After SB309 - \$0.0318

If solar completed prior to July 1, 2022
at secures additional 10 years at
higher \$0.010 kWh rate!

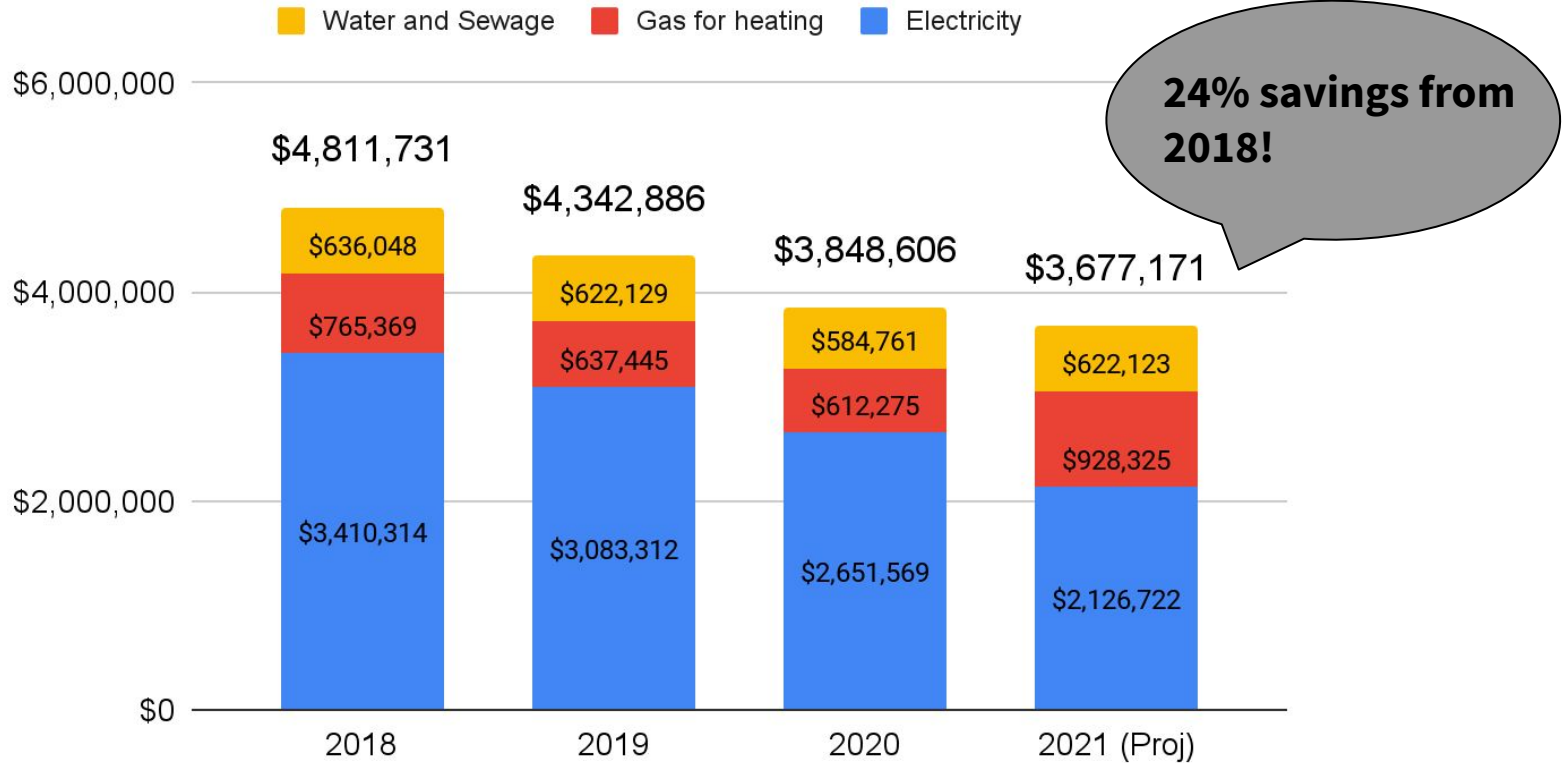


Potential Energy Savings

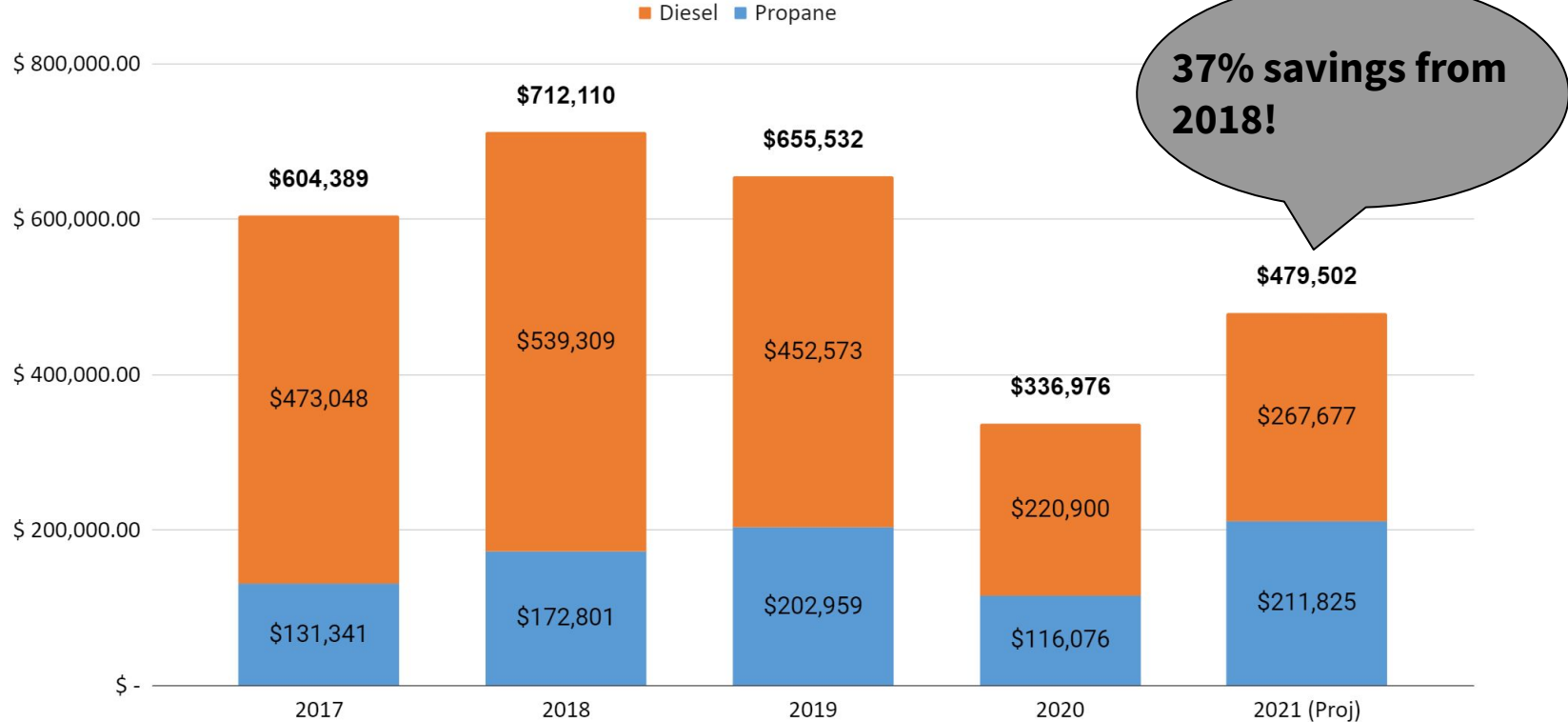
Ben Davis Solar Energy Project								
Savings to date	\$539,939.16							
Guarantee to date	\$185,521.83							
Excess Savings	\$354,417.32							
Site	Actual EUI (kBtu/sf)	Actual Energy Cost (\$)	Actual Cost (\$/sf)	Projected EUI (kBtu/sf)	Projected Energy Cost (\$)	Projected Cost (\$/sf)	Savings \$	% Saved
Lynhurst JHS & Pool	113	\$409,967	\$1.46	85	\$307,475	\$1.10	\$102,492	25%
Bridgeport ES	109	\$172,724	\$2.15	80	\$126,089	\$1.57	\$46,635	27%
Chapel Glen ES	98	\$135,742	\$1.66	76	\$105,879	\$1.29	\$29,863	22%
Chapelwood ES	90	\$132,136	\$1.76	70	\$103,066	\$1.37	\$29,070	22%
Garden City ES	86	\$166,866	\$1.59	68	\$131,824	\$1.26	\$35,042	21%
Stout Field ES	77	\$115,464	\$1.31	61	\$91,217	\$1.04	\$24,247	21%
McClelland ES	74	\$131,824	\$1.45	58	\$104,141	\$1.14	\$27,683	21%
Maplewood ES	72	\$158,392	\$1.54	57	\$125,130	\$1.21	\$33,262	21%
Sanders ES	68	\$48,800	\$1.06	56	\$40,016	\$0.87	\$8,784	18%
Robey ES	68	\$139,602	\$1.44	56	\$114,474	\$1.18	\$25,128	18%
North Wayne ES	65	\$123,431	\$1.06	52	\$98,745	\$0.85	\$24,686	20%
University HS	64	\$261,803	\$1.08	53	\$217,296	\$0.90	\$44,507	17%
Wayne Enrichment Center	64	\$23,807	\$1.25	53	\$19,760	\$1.04	\$4,047	17%
Westlake ES	64	\$120,721	\$1.27	52	\$98,991	\$1.04	\$21,730	18%
Rhoades ES	55	\$122,748	\$1.27	47	\$104,336	\$1.08	\$18,412	15%
Chapel Hill JHS	55	\$261,885	\$0.98	47	\$222,602	\$0.83	\$39,283	15%
Ben Davis High School	86	\$956,356	\$1.01	69	\$765,085	\$0.81	\$191,271	20%
Ben Davis 9th Grade	64	\$163,171	\$0.60	58	\$146,854	\$0.54	\$16,317	10%
Rate Analysis Savings							\$82,546	
Solar Arrays							\$121,723	
Micro-turbine (CHP)							\$289,992	
Total		\$3,645,439			\$2,922,979		\$1,216,722	33%
25-yr Savings							\$58,070,592	

EUI - Normalized energy usage based on building type, square footage, electric consumption and natural gas consumption. Target EUI is less than 50 kBtu/sf.

Utility Costs Through 6/30/2021



Annual Fuel Spend





WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY

Tax Rate Maximization



2022 Tax Rate vs Possible 2023 Tax Rate

2022

Marion County	\$0.3931
Wayne Township	\$0.9152
Library	\$0.1334
Special	\$0.6989
School	
Operations	\$0.6920
Debt Service	\$0.9051
15 Referendum	\$0.3500
19 Referendum	\$0.3500
Total School	\$2.2971
Total Rate	\$4.4377

2023

Marion County	\$0.3931
Wayne Township	\$0.9152
Library	\$0.1334
Special	\$0.6989
School	
Operations	\$0.6920
Debt Service	\$1.0000
15 Referendum	\$0.0000
19 Referendum	\$0.3500
Total School	\$2.0420
Total Rate	\$4.1826

2022 Tax Rate vs Possible 2023 Tax Rate

2022

Marion County	\$0.3931
Wayne Township	\$0.9152
Library	\$0.1334
Special	\$0.6989
School	
Operations	\$0.6920
Debt Service	\$0.9051
15 Referendum	\$0.3500
19 Referendum	\$0.3500
Total School	\$2.2971
Total Rate	\$4.4377

2023

Marion County	\$0.3931
Wayne Township	\$0.9152
Library	\$0.1334
Special	\$0.6989
School	
Operations	\$0.6920
Debt Service	\$1.0000
15 Referendum	\$0.0000
19 Referendum	\$0.3500
Total School	\$2.0420
Total Rate	\$4.1826

**11.1% school
rate reduction
from 2022 to
2023**

2022 Tax Bill vs Possible 2023 Tax Bill

2022 Bill

Gross Assessed Value (GAV)	\$150,000
Net Assessed Value (NAV)	\$65,250
Capped Tax Liability	\$1,500
Non Referendum Tax Rate	\$3.7377
Referendum Tax Rate	\$0.7000
Referenda (Uncapped)	\$456.75
Total Tax Bill	\$1,956.75

2023 Bill

Gross Assessed Value (GAV)	\$150,000
Net Assessed Value (NAV)	\$65,250
Capped Tax Liability	\$1,500
Non Referendum Tax Rate	\$3.8326
Referendum Tax Rate	\$0.3500
Referenda (Uncapped)	\$228.38
Total Tax Bill	\$1,728.38

**11.7% reduction
from 2022 to 2023**

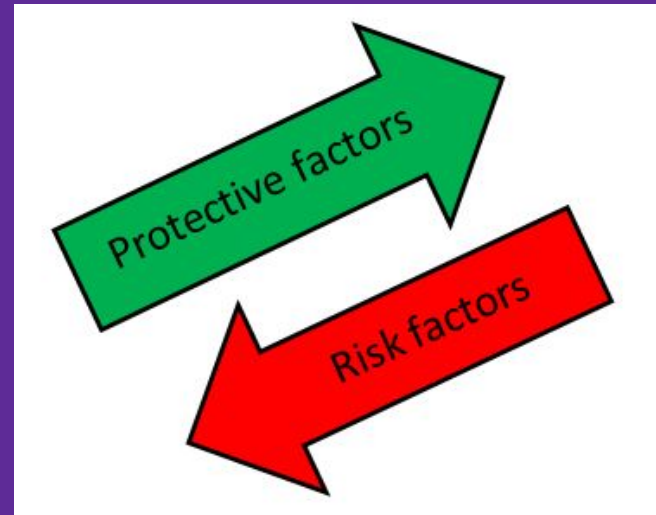
Strategic Planning

- Cost Initiative Analysis
- Review of Current Procedures/Strategies-Operations
- Review of Staffing
- Aligning District Priorities with Investments
- ESSER Programming and Planning
- Legislative Work- Overall Funding and Complexity Index

Additional Factors



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY



Other Variables

- State Funding
- Enrollment
- Electric Buses
- Increasing Costs
- ESSER
- Personal Property Taxes

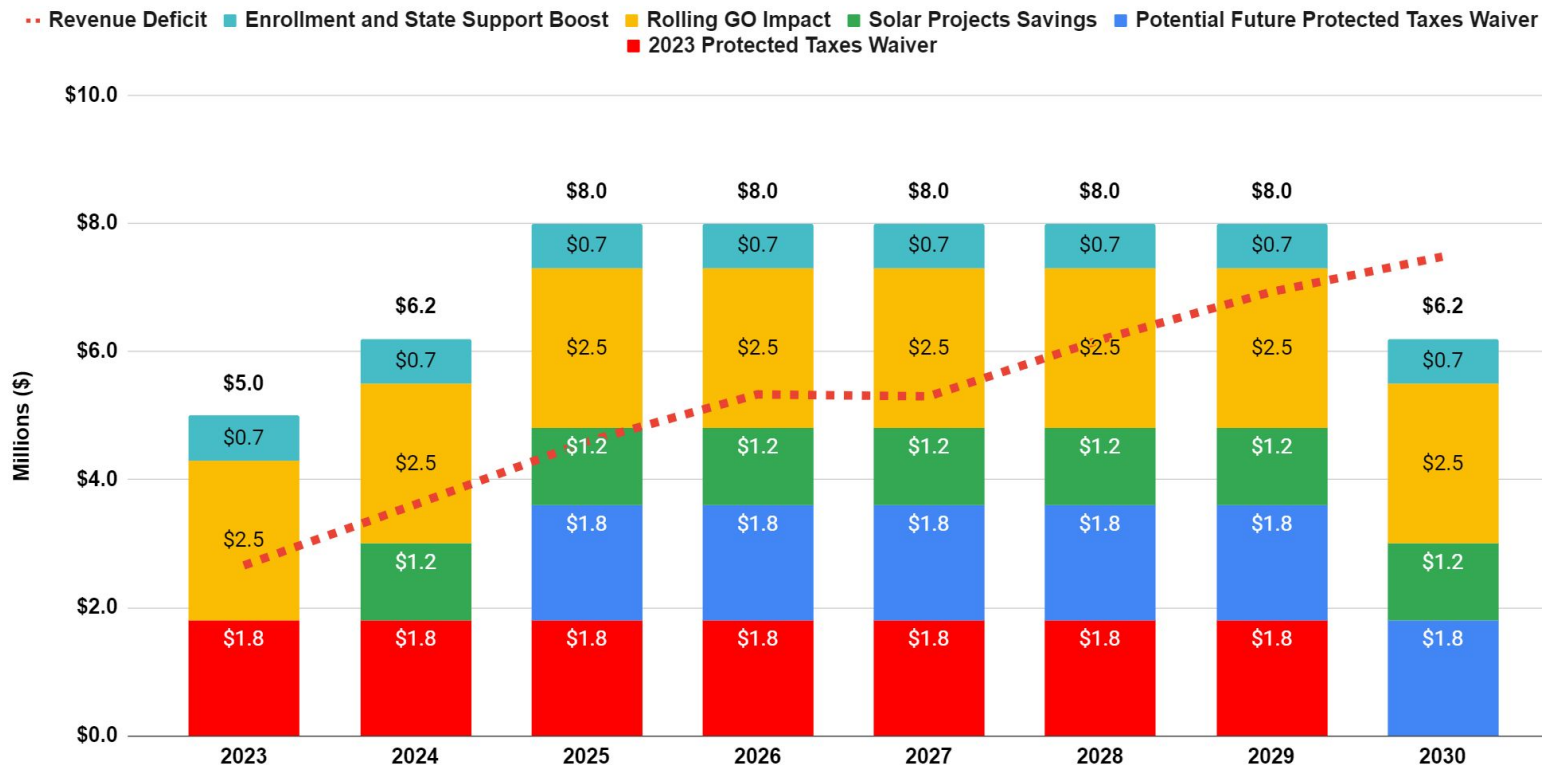
Closing the Gap



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY



Impact of Potential Enrollment and Support Boosts



Impact of Referendum Plan

What this Plan Does:

- Allows for continuance of current programs and initiatives
- Allows for time for other factors to grow potential additional revenue
- Avoids the concerns that come with trying to pass referendum
- Allows for continued increases in teacher and staff compensation

What this Plan Doesn't Do:

- Does not completely solve the issue
- Does not mean we do not have future work to complete
- Eliminate the need for the 2019 Referendum
- Won't realize tax savings until 2023



WE ARE WAYNE!
GREAT SCHOOLS :: GREAT COMMUNITY

Recommendations

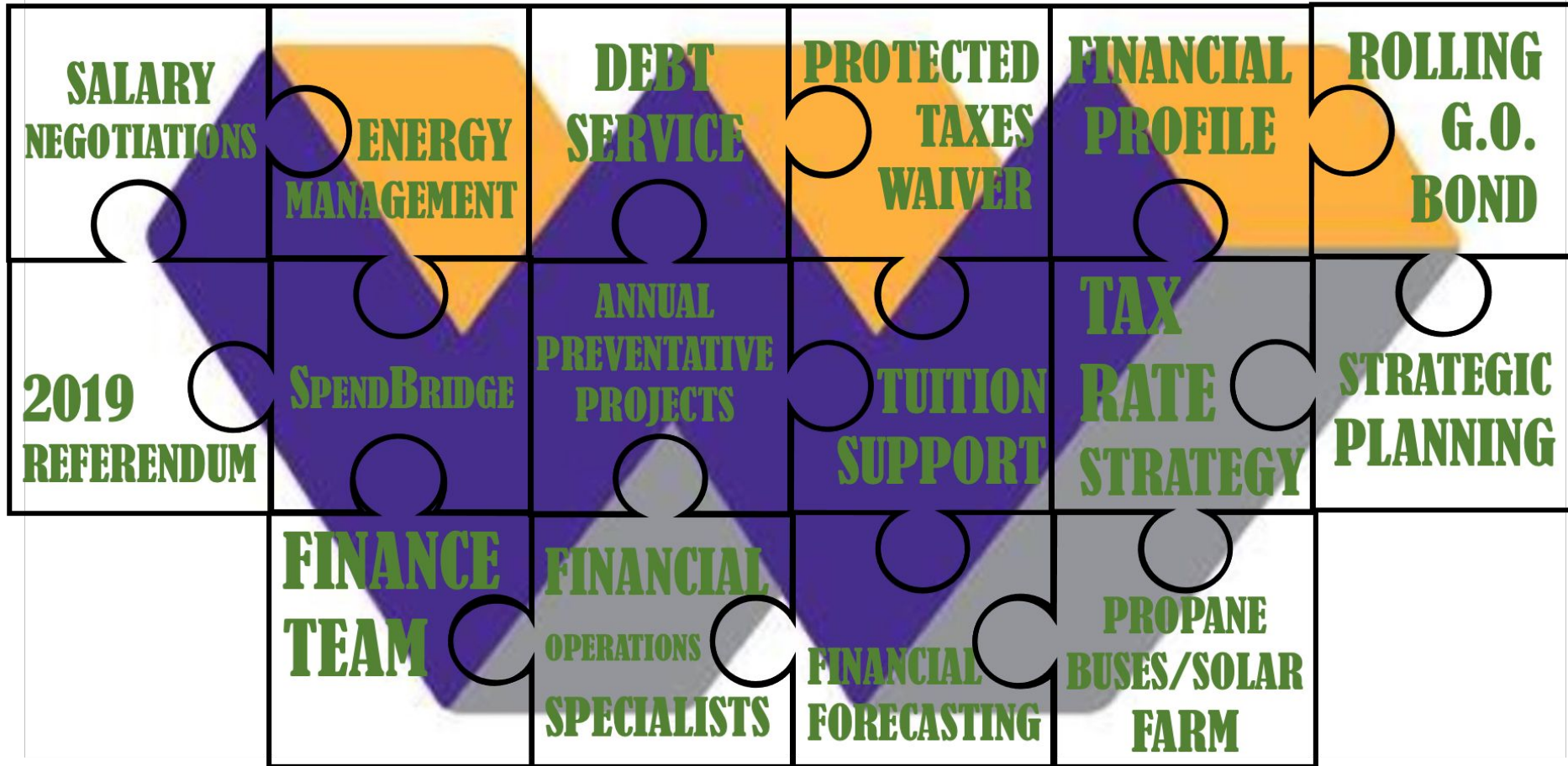
Referendum Considerations

1. Referendum Question
 - a. Two Referendums This fall
2. Assessed Value Increases
3. Tax Bills-Will arrive in April
4. Social Impact - CRT, SEL, Library Books, Vaccines
5. Pandemic-Masks/Hybrid/Etc.../ESSER \$\$/Reduced Physical Presence in Community
6. Wayne Township Issues

Recommendation

- Continue Energy Management Plan
- Increase Debt Service Rate to \$1.00
- Utilize the Protected Taxes Waiver
- Establish rolling GO Bond
- Annual Bond-Continue addressing infrastructure
- Begin work on strategic planning

Not seek renewal of 2015 Referendum



Questions

