

**2020 Circuit  
Breaker Impact  
“FUNDING  
CLIFF!”**



**River Forest Community  
School Corporation**

**“Forging Ingots  
Together”**

**Presented by:  
Dr. Steven Disney and Umbaugh and  
Associates**

# School Fund Structure 2018 & Prior

## GENERAL

*The General Fund is the main resource for supporting the operations and programs of the school district. In 2009 General Fund no longer was supported by local tax revenue. The revenue is based on State Support (also known as "the formula"). The formula is driven by the ADM of the district. Students are counted twice per year and the September reported data is what determines each school district's funding.*

## DEBT SERVICE & EXEMPT DEBT SERVICE

*The Debt Service Fund provides for repayment of the corporation debt issued after July 1, 2008. The source of revenue is primarily property tax that is subject to the tax cap. The Exempt Debt Service Fund provides for repayment of the corporation debt issued prior to July 1, 2008 and is not affected by the tax cap and supported by property tax. The exemption from circuit breaker is expected to conclude at the end of 2019.*

## CAPITAL PROJECTS

*The Capital Projects Fund (also known as CPF) is a property tax supported fund. Expenses associated with the fund are building repair, purchase of equipment, construction, remodeling and improvements, property insurance, technology and utilities.*

## TRANSPORTATION OPERATING

*Transportation Fund provides for all operating expenses for the transportation of students, exclusively for transportation salaries and benefits of drivers, supervisors, mechanics, etc. The fund also allows for contracted transportation services, insurances, fuel and repairs.*

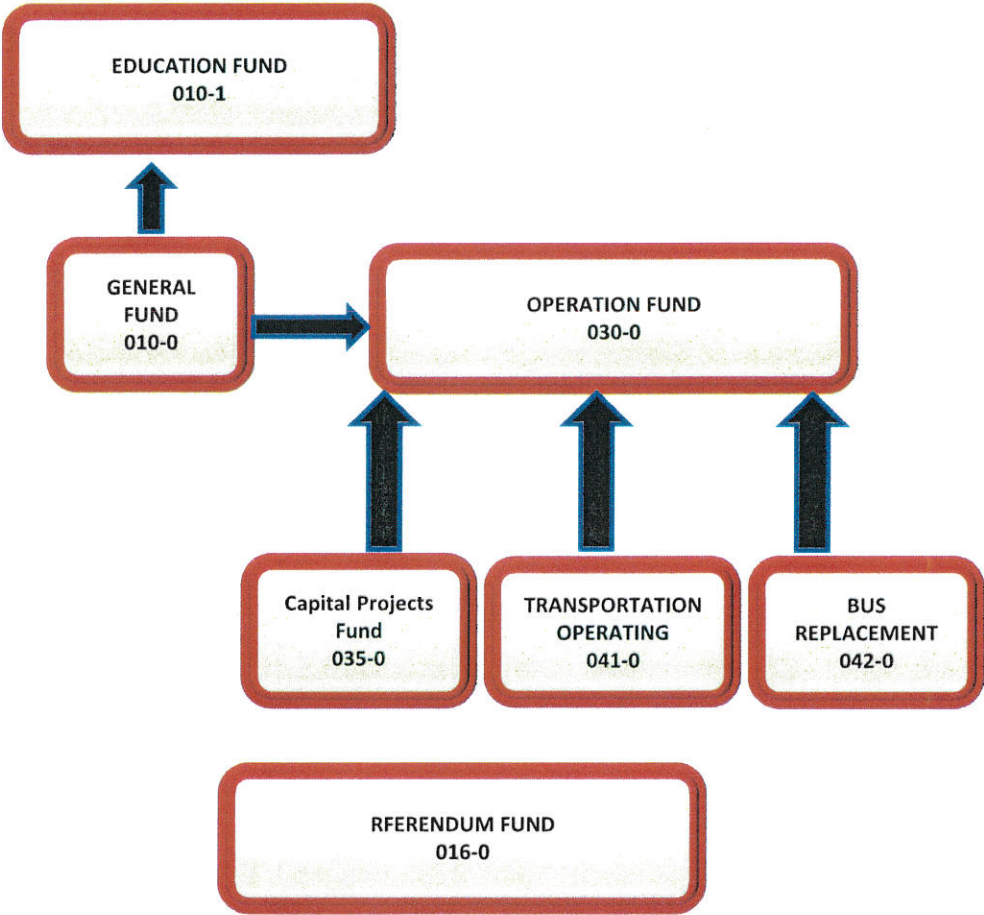
## BUS REPLACEMENT

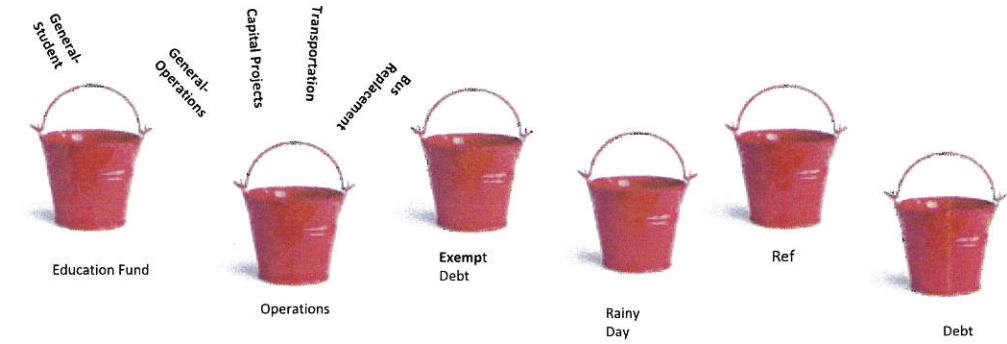
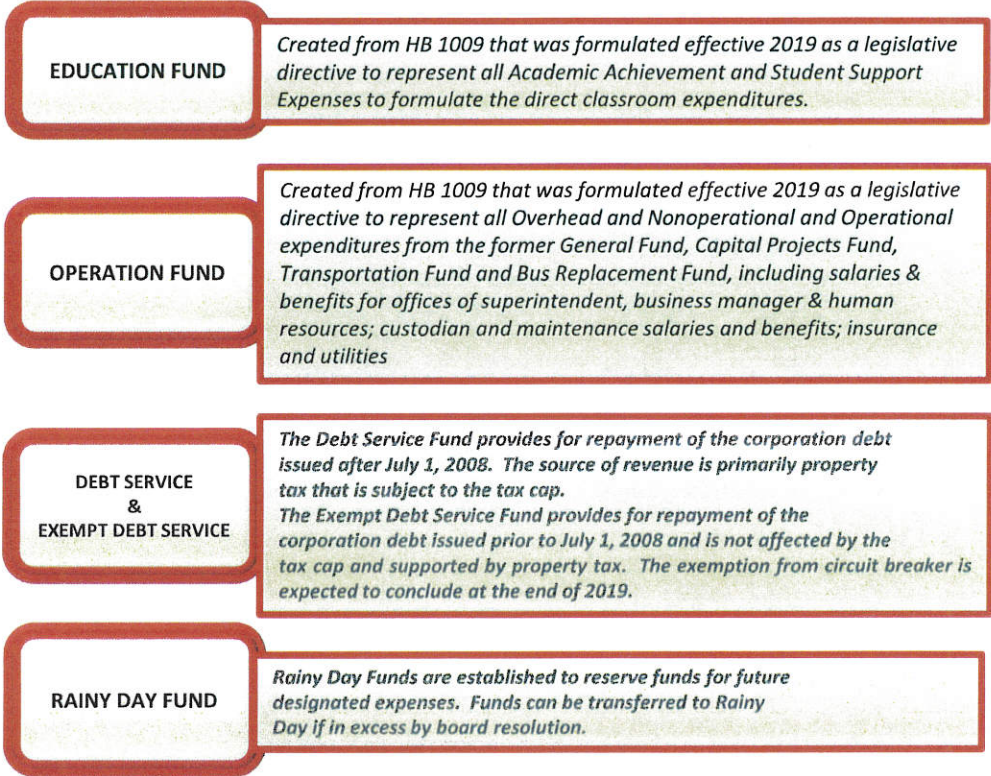
*The Bus Replacement Fund is utilized for purchase or lease of buses. The plan operates on a 12 year replacement plan. This fund is property tax based, and can be used to pay for a portion of the contracted transportation services.*

## RAINY DAY

*Rainy Day Funds are established to reserve funds for future designated expenses. Funds can be transferred to Rainy Day if in excess by board resolution.*

# RFCSC 2019 New Fund Structure





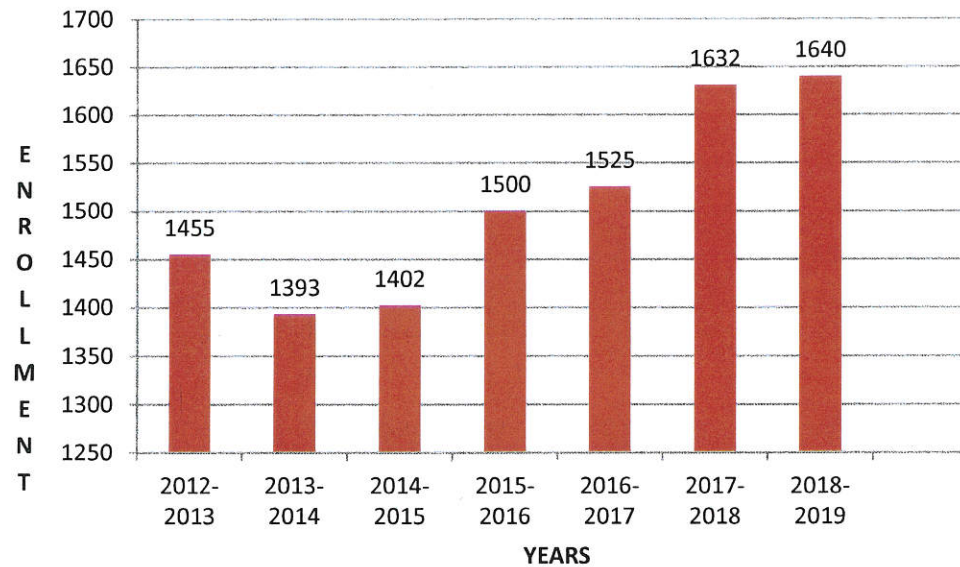


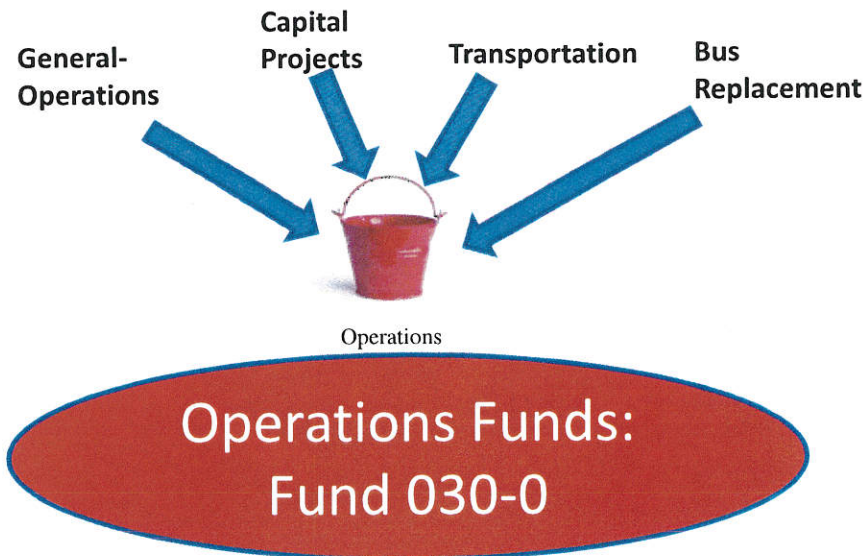
## Education Fund: Fund 010-1

### *General- Student*

*Instructional in nature, direct student impact; will contain mainly salaries & benefits. Supports student achievement, and student support.*

### RFCS ENROLLMENT ADM





*Operational in nature, direct district operational costs; will contain salaries, benefits of support staff and operational costs such as transportation, utilities, repairs and maintenance. Supports the function Of operating a school district and can be referred to as overhead or non-operational budget.*

*This fund combines revenues and expenses that were once part of the General fund, Capital Projects fund, Transportation fund, and Bus Replacement fund.*

**MAJOR REVENUE SOURCES, STATE SUPPORT BASIC GRANT, ARE TO BE TRANSFERRED FROM THE EDUCATION FUND TO THE OPERATIONS FUND, TAX LEVIES AND TAX RATES GENERATED FROM THE TRANSPORTATION FUND, BUS REPLACEMENT FUND AND CAPITAL PROJECTS ARE RECEIPTED DIRECTLY INTO THE NEW OPERATIONS FUND THE STATE IS CONSIDERING PLACING LIMITS ON TRANSFERS**

**DISTRICTS WILL CONTINUE TO RECEIVE THE MAX TAX RATE FOR CAPITAL PROJECTS AND THE MAX LEVIES FOR BOTH TRANSPORTATION AND BUS REPLACEMENT FUNDS.**

# River Forest Schools Tax Rates 2014-2019



Payable Year	2014	2015	2016	2017	2018	2019
Debt Fund	0.1915	0.1666	0.1421	0.2812	0.3043	0.2264
Debt Fund Exempt	0.9487	0.9313	0.7652	0.77	0.746	0.71
Pension Debt EXP	0.038	0.0303	0.0245	0.0235	0.0122	0
CPF Fund	0.3346	0.3262	0.343	0.3197	0.3237	
Transportation	0.3678	0.3851	0.3935	0.3831	0.4187	
Bus Replacement	0.063	0.063	0.0755	0.0731	0.0775	
Operation						0.8302
REF Exempt	0	0	0.42	0.42	0.42	0.42
<b>Total</b>	<b>1.9436</b>	<b>1.9025</b>	<b>2.1638</b>	<b>2.2706</b>	<b>2.3024</b>	<b>2.1866</b>

# 2018 Transportation/Capital Projects Fund Levies

School District	Student Enrollment (ADM) (1)	Certified Transportation Levy (2)	Net Transportation Levy/Per Pupil (3)	Certified Capital Projects Fund Levy (2)	Net CPF Levy/Per Pupil (3)
River Forest	1,632	\$663,117	\$317	\$512,660	\$245
Wheeler	1,452	1,282,790	883	1,190,778	820
Hobart	4,005	1,606,597	328	1,484,387	303
Merrillville	6,389	5,164,886	805	6,412,993	1,000

(1) Student enrollment reflects the September 2017 Average Daily Membership (ADM) counts, per the Indiana Department of Education.

(2) Certified levies are per the 2018 County Budget Orders.

(3) Net levies per pupil reflect the circuit breaker impact on the certified levy. Circuit breaker amounts are per the Indiana Department of Local Government Finance.

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# **Lake and Porter County Schools' 2018 Per Pupil Tax Levies (budgets) Assessed Valuations**

**There are 23 School Corporations in Lake and Porter County. The following data and information is based upon the 23 school corporations advertised and approved budgets for the 2018 budget year. This information has been developed from the 2018 approved Department of Local Government and Finance (DLGF) Data.**

**The local levies in each of the budget areas have been divided by each district's enrollment and result in the budget area per student or assessed valuation.**

**High= Highest per student levy (budget) among 23 school corps.**

**Average= Average per student levy (budget) among 23 school corps.**

**Low= Lowest per student levy (budget) among 23 school corps.**

**ASSESSED VALUATION (AV):** Assessed Valuation is the total value of all property (homes, businesses, and agriculture) within a school corporation. The school corporation's ability to tax and generate revenue is dictated by the school corporation's AV.

**High= \$466,765**

**Average= \$314,887**

**Low= \$96,903**

**RF= \$96,903 RF has the lowest AV/per student in NWI. 23/23.**

**DEBT SERVICE:** A school corporation's debt service is equivalent to a home mortgage. The debt service fund pays for all of the loans that a school corporation has for the payment of its property and buildings. The debt service only changes when a school retires debt or adds debt to pay for improvement of buildings or new buildings. The debt service is based upon obligations owed by the school corporation.

**High=** \$3,227

**Average=** \$1,850

**Low=** \$262

**RF=** \$1,019 **RF has the 20<sup>th</sup> lowest debt service/per student in NWI. 20/23.**

**CAPITAL PROJECTS (CPF):** A school corporation's CPF FUND generates revenue and pays for utilities, technology, technology staff, property and casualty insurance, building repairs (such as roofs, pavement, carpet replacement, classroom upgrades, equipment, electrical, plumbing, etc.) The CPF allows school corporations the ability to fix and upgrade needs without taking out loans and adding to a school corporation's debt.

**High=** \$1,401

**Average=** \$587

**Low=** \$134

**RF=** \$245 **RF has the 21<sup>st</sup> lowest CPF/per student in NWI. 21/23.**

**TRANSPORTATION:** A school corporation's TRANSPORTATION FUND generates revenue and pays for all transportation costs. These costs include all transportation staff (bus drivers, supervisors, mechanics, etc.) The Transportation fund pays for fuel, bus parts, maintenance, service fees, extra-curricular trips, field trips, special education transportation fees, insurance, parts, tires, oil changes, and etc.

**High=** \$991

**Average=** \$507

**Low=** \$138

**RF=** \$317 **RF has the 20<sup>th</sup> lowest Transportation/per student in NWI. 20/23.**

## 2018 Assessed Valuations per District

District	Rank	AV Per Student	Net AV	Enrollment
East Chicago	1	\$466,765	\$1,961,885,837	4203
Duneland	2	\$462,506	\$2,701,252,927	5840
Merrillville	3	\$455,574	\$2,922,968,594	6416
Lake Central	4	\$433,249	\$4,075,917,331	9408
Wheeler	5	\$411,431	\$597,480,371	1452
East Porter	6	\$402,260	\$1,023,521,926	2544
Boone Grove	7	\$383,708	\$532,702,162	1388
Munster	8	\$381,161	\$1,524,474,182	4000
Whiting	9	\$379,402	\$440,367,450	1161
Valparaiso	10	\$366,755	\$2,302,600,881	6278
Tri-Creek	11	\$362,319	\$1,200,306,664	3313
Hanover	12	\$349,866	\$808,049,821	2310
Highland	13	\$336,844	\$1,092,026,022	3242
Gary	14	\$325,981	\$1,741,752,934	5343
Crown Point	15	\$301,090	\$2,544,680,645	8452
Griffith	16	\$244,459	\$591,769,821	2421
Portage	17	\$239,534	\$1,834,110,019	7657
Hebron	18	\$215,766	\$243,285,996	1128
Hobart	19	\$178,306	\$714,678,558	4008
Hammond	20	\$164,540	\$2,148,306,692	13056
Lake Station	21	\$148,677	\$182,813,571	1230
Lake Ridge	22	\$135,302	\$252,834,675	1869
River Forest	23	\$96,903	\$158,375,181	1634

**Total**

**\$7,242,399**

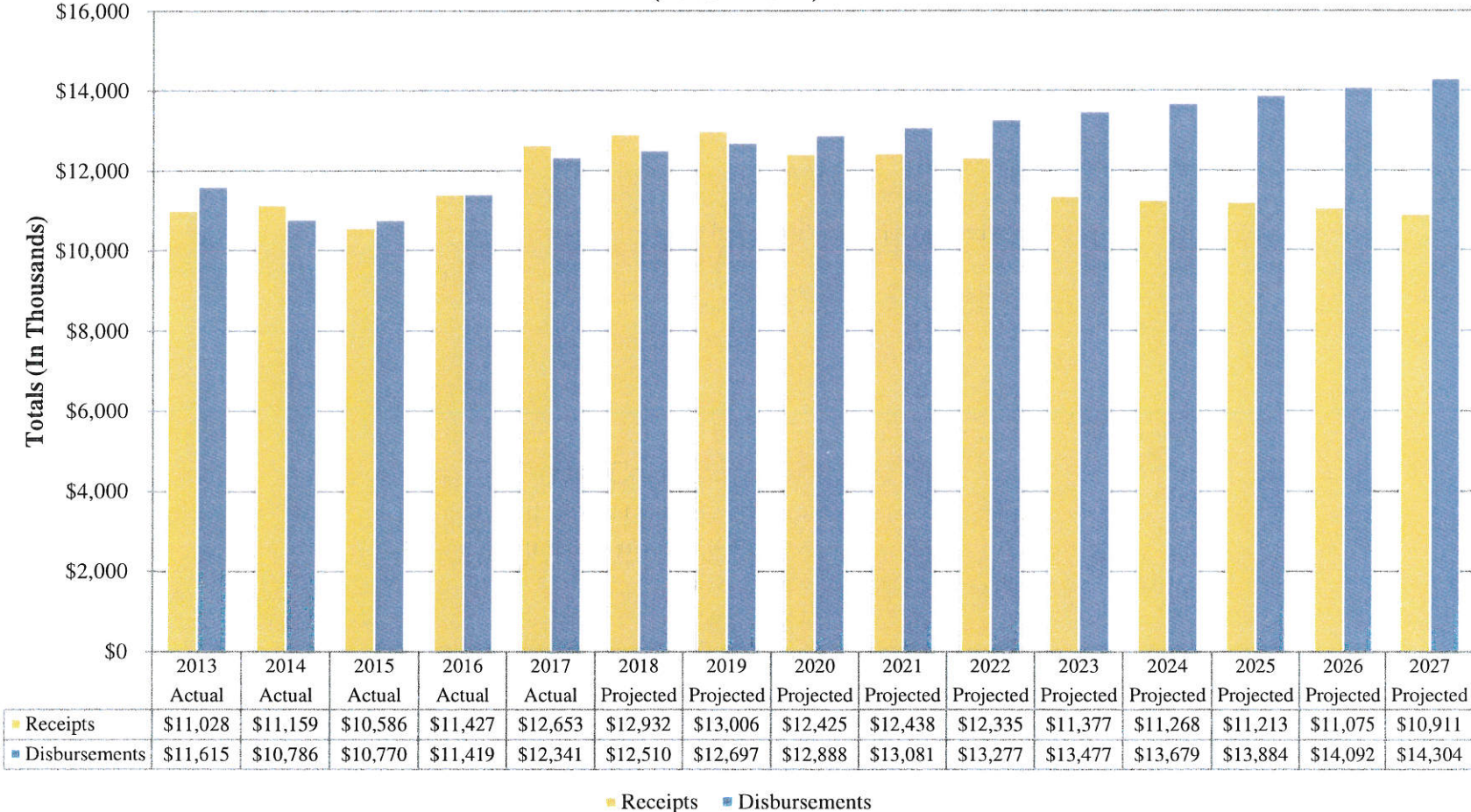
**Average**

**\$314,887**

23 School Districts in Lake & Porter Counties

River Forest is lowest per student

**River Forest Community School Corporation  
Actual and Projected Receipts and Disbursements:  
Combined General and 2015 Operating Referendum Funds  
Baseline  
(2013 - 2027)**

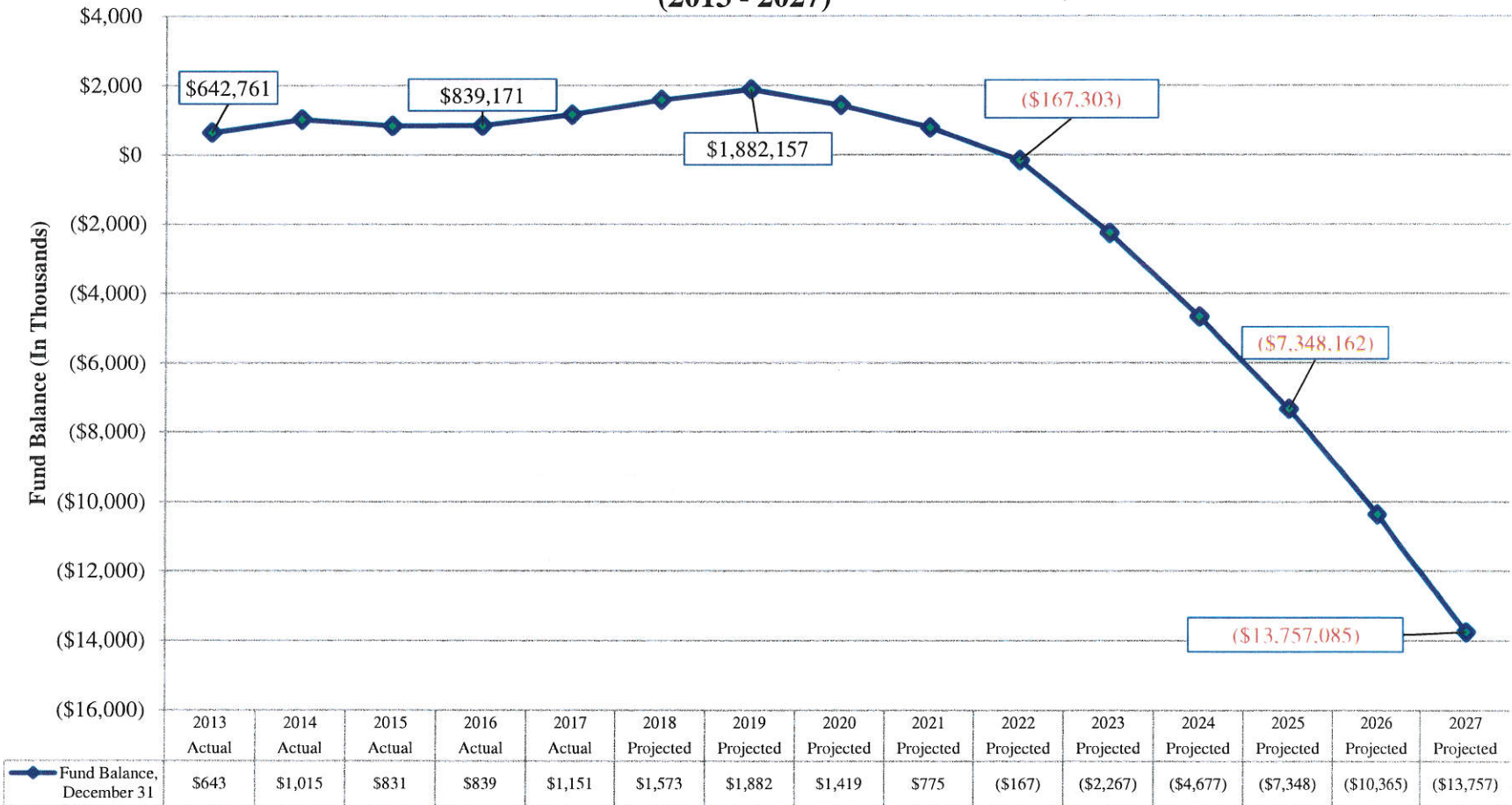


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Assumes that the current Operating Referendum tax rate of \$0.4200 expires in 2022 and is not renewed in 2023.

**River Forest Community School Corporation  
Actual and Projected December 31 Fund Balance:  
Combined General and 2015 Operating Referendum Funds  
Baseline  
(2013 - 2027)**



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Assumes that the current Operating Referendum tax rate of \$0.4200 expires in 2022 and is not renewed in 2023.

# Overview of Operating Referendum Considerations

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# Illustrative Operating Referendum

	<b>Model A: Operating Referendum Tax Rate of \$1.0900</b>	<b>Model B: Operating Referendum Tax Rate of \$1.1900</b>
Illustrative Tax Rate	\$1.0900	\$1.1900
Illustrative Annual Growth in Net Assessed Value from 2019 - 2027	1.86% - 3.23%	1.86% - 3.23%
Illustrative Levy – Beginning in 2020	\$1,822,000	\$1,990,000
Cash Balance % - December 31, 2027	6%	17%
Illustrative Incremental Impact over 2015 Operating Referendum (\$0.4200)	\$0.6700	\$0.7700

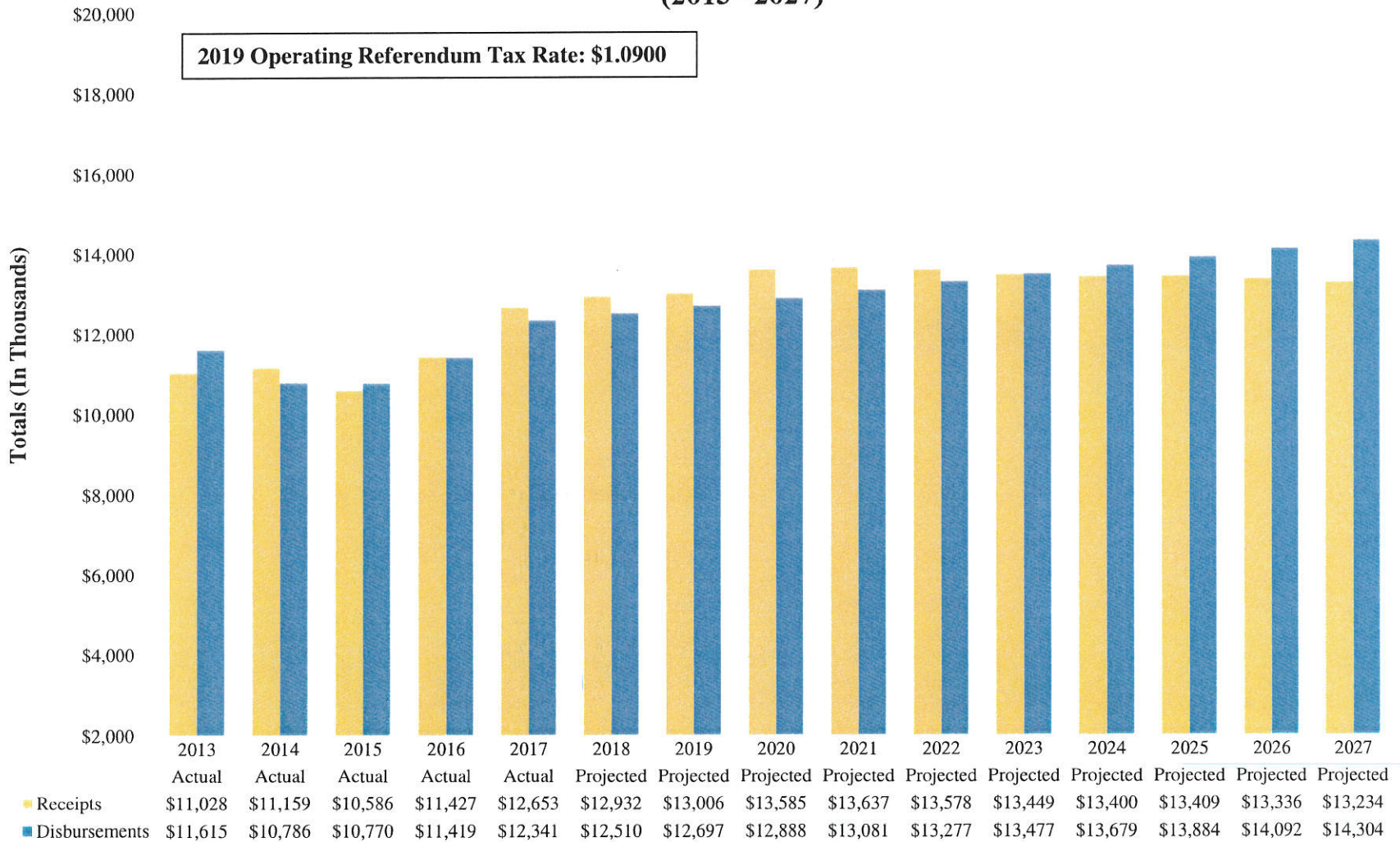
Note: Exempt Debt Service under the “Eligible County Exemption” for Lake County expires on December 31, 2019.

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**River Forest Community School Corporation  
Actual and Projected Receipts and Disbursements:  
Combined General and Operating Referendum Funds  
(2013 - 2027)**

*Model A*

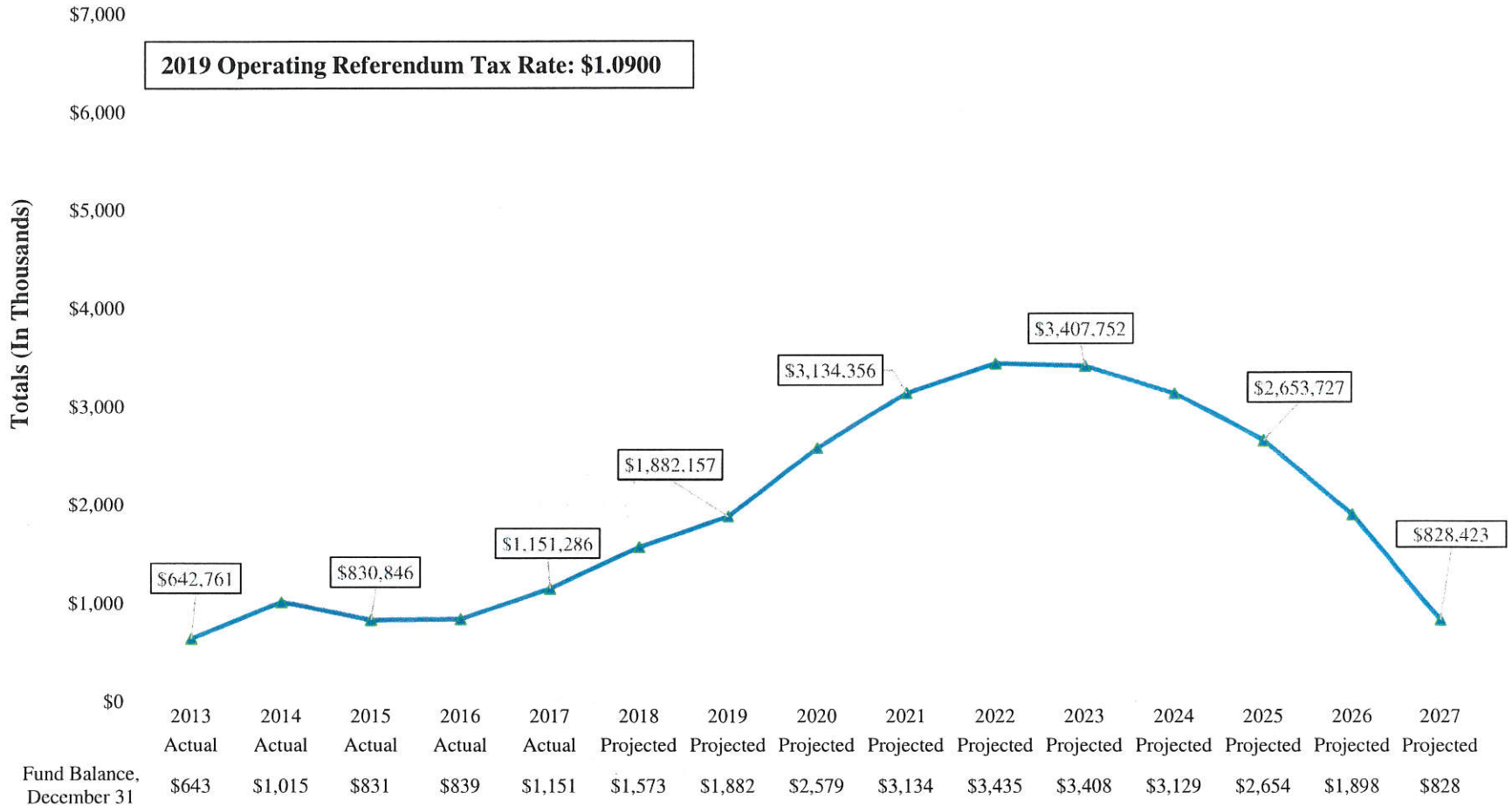


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**River Forest Community School Corporation  
Actual and Projected December 31 Fund Balance:  
Combined General and Operating Referendum Funds  
(2013 - 2027)**

*Model A*

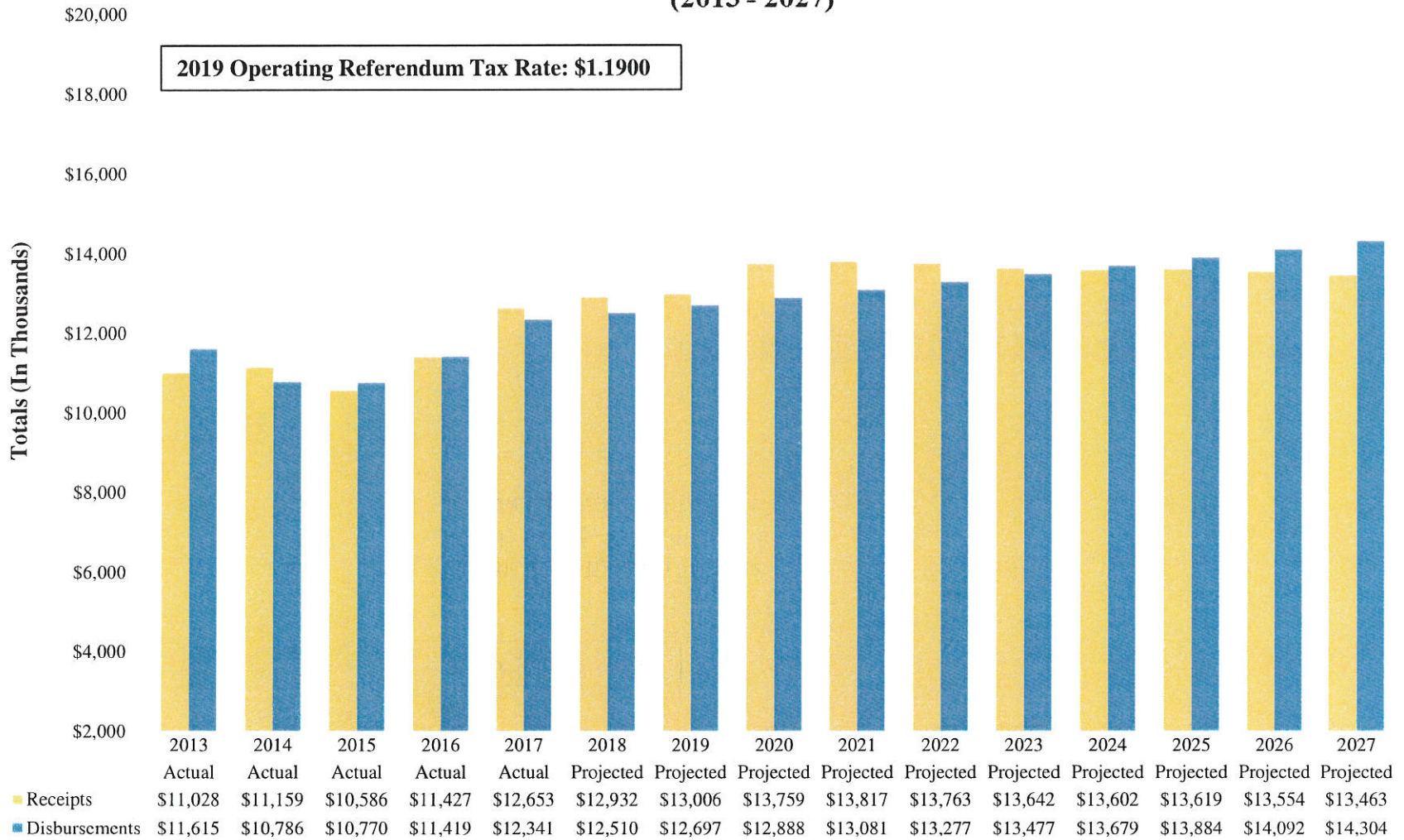


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**River Forest Community School Corporation  
Actual and Projected Receipts and Disbursements:  
Combined General and Operating Referendum Funds  
(2013 - 2027)**

*Model B*

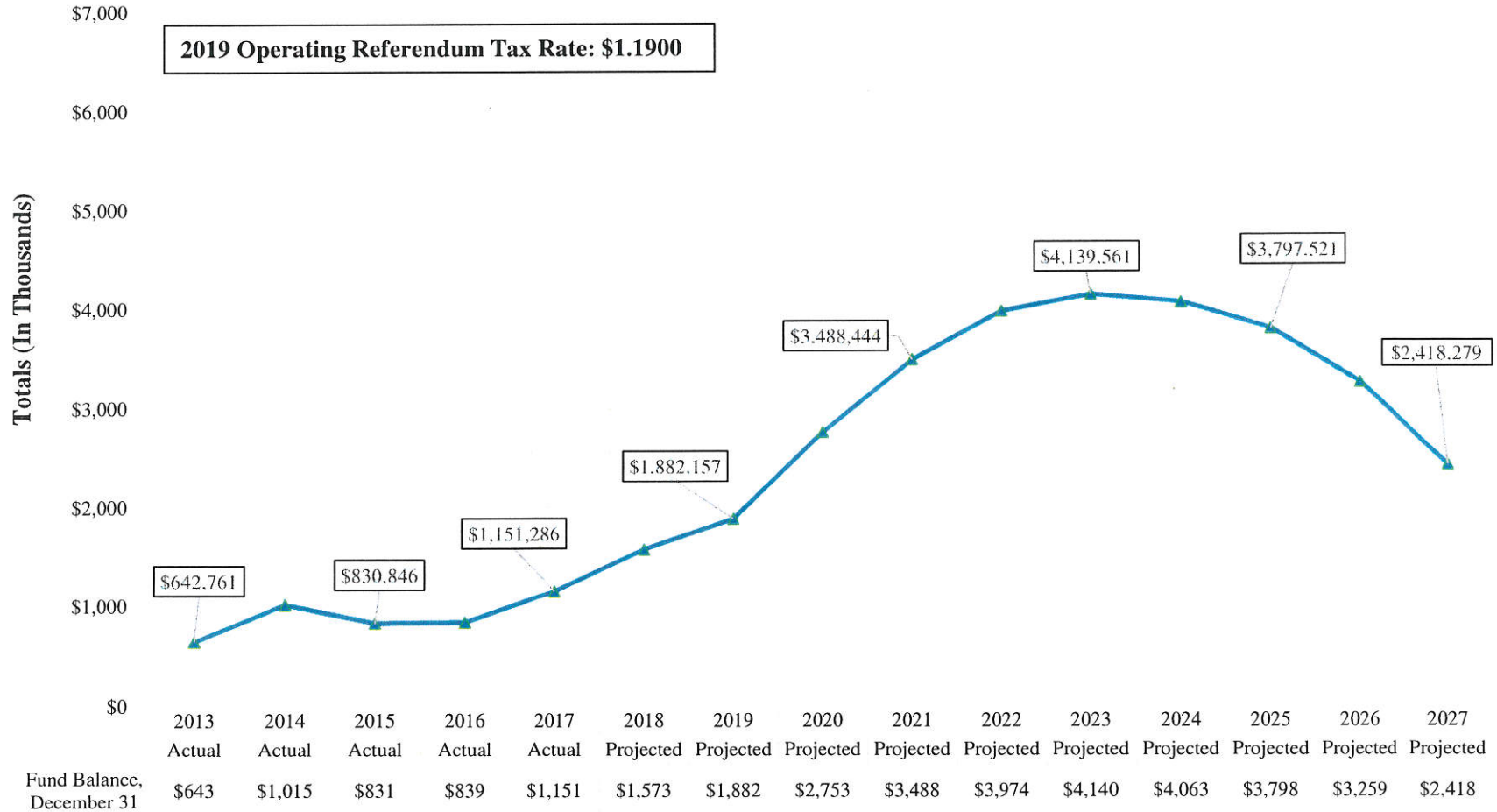


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**River Forest Community School Corporation  
Actual and Projected December 31 Fund Balance:  
Combined General and Operating Referendum Funds  
(2013 - 2027)**

*Model B*



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*NEXT STEPS.....*

1. Board to Take Consideration What to Do January 28, 2019
2. Considerations
3. Cut \$627,000 from Operations ( possible transportation reduction)
4. Adopt resolution for Operating Referendum to continue tax rate for Transportation and Capital
5. Approve the 3 year advance notice resolution requiring notice to the Department of Education of the termination of Transportation due to tax cap credit loss, except for transportation as required by law

**.....JUST REMEMBER THE STORY ISN'T OVER!**

## REFERENDUM QUESTION:

May 7<sup>th</sup>, 2019

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**Question:** "For the eight (8) calendar year or years immediately following the holding of the referendum, shall the River Forest Community School Corporation impose a property tax rate that does not exceed one dollar and nineteen cents (\$1.19) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of funding teaching positions, staff positions, transportation services, and educational programming?"

If passed, For the first two years the Board will ONLY LEVY \$1.09

The Referendum is Not in addition to the current referendum. It would eliminate the current referendum meaning the referendum would be additional 67 cents, however tax caps would lower that to the taxpayer.

There is a RF-VOTE yes committee.

There will be a committee meeting on March 14<sup>th</sup> at 4:30 pm at Rosser Hall for those interested in helping.

There will be a Corporation Information Meeting regarding the Referendum on March 20<sup>th</sup>, 2019 in the Auditorium at 6:30 pm.

There will be a Corporation Information Meeting regarding the Referendum on April 17<sup>th</sup> at 6:00 pm. (Meister)

There will be a Corporation Information Meeting regarding the Referendum on April 23<sup>rd</sup> at 6:00 pm. (Evans)