



## **Western Boone County School Corporation**

### ***Legislative Update***

June 23, 2025

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**SUMMARY OF CERTAIN SENATE ENROLLED ACTS**

Enrolled Act	Topic	Description	Effective Date
SEA146	Beginning Teacher Pay	Increases beginning teacher pay to \$45,000	July 1, 2025
SEA146	Teacher Compensation as % of Education Fund Expenses	Increases from 62% to 65%	July 1, 2025
SEA1	Controlled Project Threshold	Decreases non-exempt debt service fund tax rate threshold requiring all debt funded capital projects to go to referendum if debt service is \$0.70 or greater	July 1, 2025
SEA1	Referendum Timing	Requires all referendum to be held during November general elections only. Revised ballot question(s)	July 1, 2025
SEA1	General Obligation (GO) 'Cooling Off'	One year GO Bond 'cooling off' if recent GO Bonds were issued as a non-controlled project, have 2 year or less repayment and proposed GO Bonds have 5 year or less repayment. One year cooling off after maturity of existing GO bonds – schools only	July 1, 2025
SEA1	Property Tax Deductions	Homestead deduction, 2% property deductions, Business Personal Property changes	2026 with phase-in thru 2031
SEA1	Excessive Levy Appeals Eliminated	Schools cannot pursue Excessive Levy Appeals for Operations Fund	2026 budget
SEA1	Local Income Tax (LIT)	Eliminates LIT funding for schools who currently receive; no LIT funding replacement provided	2028 budget
SEA1	Charter School Revenue Sharing	Share Operations Fund, operating & safety referendum funding based upon per student formula	2028 budget
SEA1	Additional step in budget development	Additional hearing added to review proposed tax rates & levies increases from current year	2029 for 2030 budget approvals



**SENATE ENROLLED ACT 1 – HOMESTEAD TAX CREDITS**

Credit	2025 (Current)	2026	2027	2028	2029	2030	2031
Supplemental Homestead Credit	\$0	Lesser of \$300 or 10.0% of net property tax bill					
65 & over	\$0			\$150			
Disabled homeowner	\$0			\$125			
Disabled Veteran	\$0			\$250			

Note: The impact of the supplemental homestead credit to Western Boone County School Corporation in 2026 is estimated to reduce property taxes received by the School Corporation by **approximately \$330,000 - \$660,000**, which is approximately **3.4% - 6.9%** of the School Corporation’s 2025 gross property tax levy. Assumes Supplemental Homestead Credit is applied after circuit breaker tax credits. Preliminary, subject to DLGF interpretation.

**“65 and Over” Credit Qualification Threshold:**

- For a **single filer**, the adjusted gross income must not exceed **\$60,000**
- For a **joint filer**, the adjusted gross income must not exceed **\$70,000**.
- Income eligibility is based on the calendar year **two years prior** to the year in which the property taxes are due.



**SENATE ENROLLED ACT 1 – HOMESTEAD DEDUCTIONS**

Deduction	2025 (Current)	2026	2027	2028	2029	2030	2031
Standard Deduction	\$48,000	\$48,000	\$40,000	\$30,000	\$20,000	\$10,000	\$0
Supplemental Homestead Deduction	37.5%	40.0%	46.0%	52.0%	57.0%	62.0%	66.7%

Illustrative Impact	2025 (Current)	2026	2027	2028	2029	2030	2031
Home Value	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Standard Deduction	\$48,000	\$48,000	\$40,000	\$30,000	\$20,000	\$10,000	\$0
Supplemental Homestead Deduction	\$75,750	\$80,800	\$96,600	\$114,400	\$131,100	\$148,800	\$166,750
Net Assessed Value	\$126,250	\$121,200	\$113,400	\$105,600	\$98,900	\$91,200	\$83,250
<b>Annual % +/-</b>		<b>-4.00%</b>	<b>-6.44%</b>	<b>-6.88%</b>	<b>-6.34%</b>	<b>-7.79%</b>	<b>-8.72%</b>

**Note: Assumes no growth in assessed value of homestead. Homestead values may fluctuate with annual assessments.**



**SENATE ENROLLED ACT 1 – NON-HOMESTEAD DEDUCTIONS**

**2% PROPERTY ASSESSMENT DEDUCTIONS\***

	2025	2026	2027	2028	2029	2030	2031
<b>Standard Deduction</b>	0%	6%	12%	19%	25%	30%	33.4%

**BUSINESS PERSONAL PROPERTY EXEMPTION THRESHOLD**

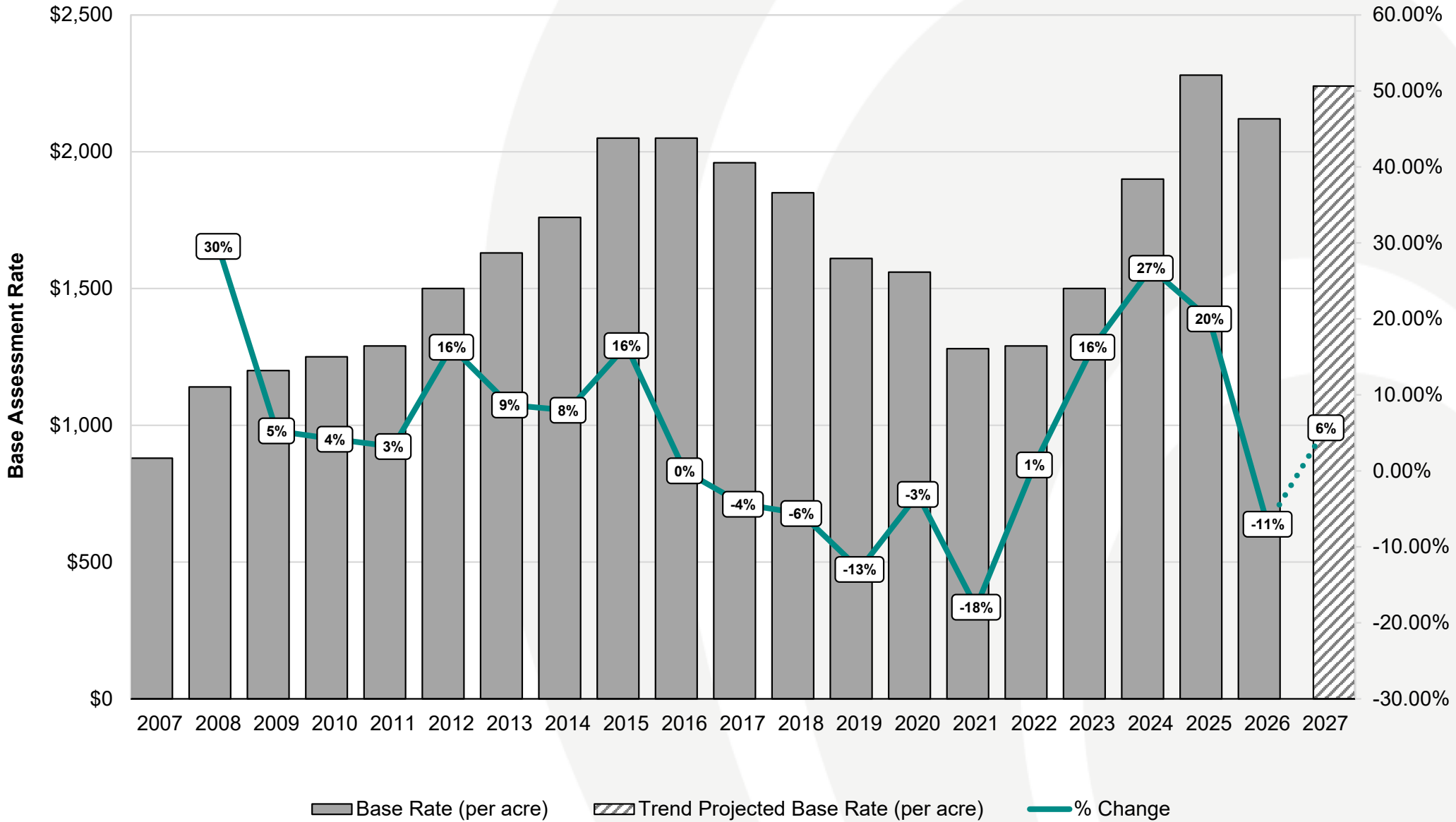
	2025 (Current)	Effective 2027
<b>De minimus exemption</b>	\$80,000	\$2,000,000

Removes 30% personal property floor for equipment placed in service after January 1, 2025.

\*2% properties include agricultural, non-homestead residential, and long-term care facilities.



# SENATE ENROLLED ACT 1 – AGRICULTURAL LAND BASE ASSESSMENTS



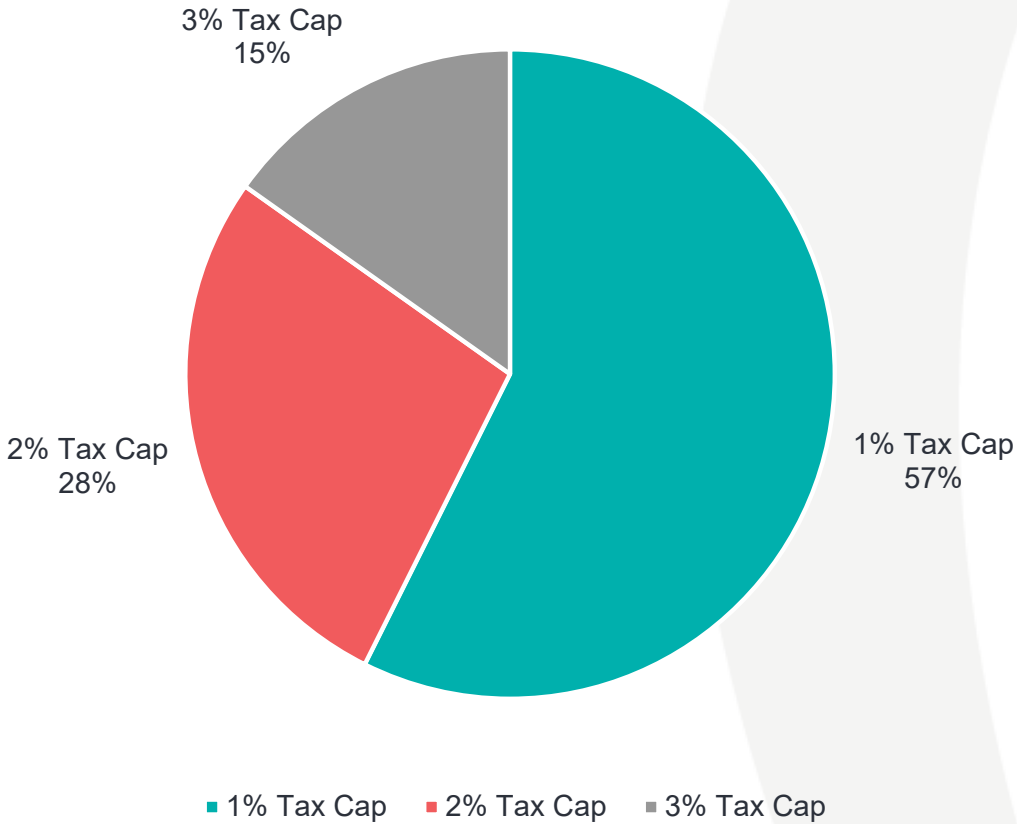
Agricultural land base rate changed and is anticipated to decrease land assessed value from \$2,390 in pay 2025 to \$2,120 in pay 2026.



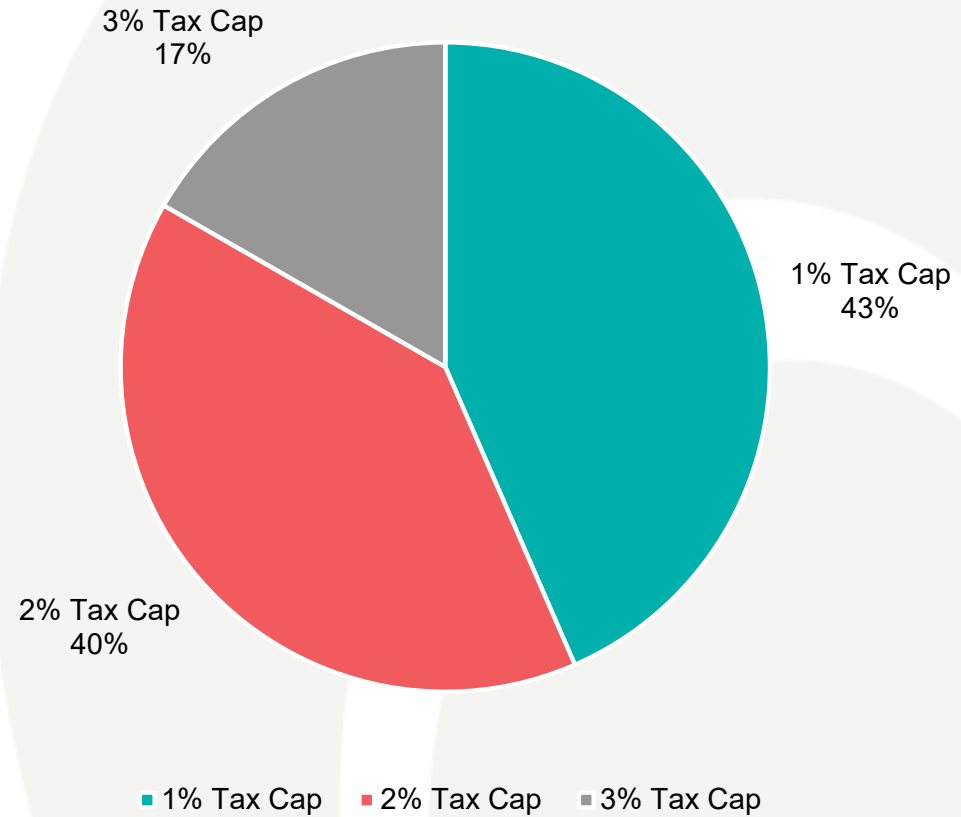
# BREAKDOWN OF ASSESSED VALUATION

(Pay 2025)

### Gross Assessed Valuation



### Net Assessed Valuation



1% Tax Cap – Homesteads

2% Tax Cap – Other Residential, Rental, Agricultural Land, and Long-term Care Facilities

3% Tax Cap – Business (Real / Personal)

**\*Agricultural farmland is ~ \$290,000,000 or 26.7% of net assessed valuation.**

**\*Business Personal Property is ~ \$51,000,000 or 4.7% of net assessed valuation.**

Source: Boone County Auditor's offices.



## Referendum summary

### Eligible units

- Operating referendum for cities, towns, counties & schools

### Ballot question

- Specify proposed rate and amount to be raised

### Elections

- Even number years in general election

### Restrictions

- If unsuccessful, two year wait unless citizen petition filed
- Schools cannot place a capital referendum on ballot a year an existing referendum is expiring

### Capital referendum requirements

Effective July 1, 2025, controlled projects must be added to referendum ballot if non-exempt debt service tax rate for specific units is:

- **School = \$0.70 or greater**
- City/county/town = \$0.40 or greater
- All other units = \$0.10 or greater

## SENATE ENROLLED ACT 1 – IMPACT TO OPERATIONS FUND

- MLGQ capped at 4% again in 2026. Was estimated at 5.6% without the cap.
- After 2026, MLGQ will be calculated using traditional state calculated 6-year average non-farm personal income.
- Beginning in 2029 (for budget year 2030), the budgeted property tax levy may not exceed the levy of the preceding annual budget unless the fiscal body adopts an ordinance affirming a tax rate and tax levy increase following a separate public hearing no later than 15 days before the regular budget public hearing.
- Excessive levy appeals eliminated beginning with 2026 budget. DLGF to develop and maintain a property tax transparency portal by January 1, 2026, where taxpayers can:
  - Compare property tax liability in current tax statement to potential property tax liability based on changes under a proposed tax rate
  - Provide taxpayer feedback to the DLGF and local units



**SENATE ENROLLED ACT 1 – REVENUE SHARING WITH CHARTER SCHOOLS**

**ILLUSTRATION 1**

<i>Most recent spring ADM count</i>	2,500
<i>How many students attend brick &amp; mortar charter schools?</i>	120
<i>Total residents</i>	2,620
<i>Is charter school enrollment over 100 students?</i>	YES
<i>Is charter school enrollment over 2% of ADM?</i>	YES
<b><i>Is school corp required to share Operations Fund tax revenue?</i></b>	<b>TRUE</b>
<i>2028 Gross Operations Fund estimated levy</i>	\$8,027,226
<i>Total number of students living in school district boundaries</i>	2,620
<i>2028 Estimated Operations Fun per pupil</i>	\$3,064
<i>Charter school revenue share (charter school enrollees x \$/pupil)</i>	\$367,659
<i>2028 Estimated Operations Fund Net Levy</i>	\$7,659,567

**ILLUSTRATION 2**

<i>Most recent spring ADM count</i>	5,025
<i>How many students attend brick &amp; mortar charter schools?</i>	100
<i>Total residents</i>	5,125
<i>Is charter school enrollment over 100 students?</i>	YES
<i>Is charter school enrollment over 2% of ADM?</i>	NO
<b><i>Is school corp required to share Operations Fund tax revenue?</i></b>	<b>FALSE</b>
<i>2028 Gross Operations Fund estimated levy</i>	\$8,027,226
<i>Total number of students living in school district boundaries</i>	5,125
<i>2028 Estimated Operations Fun per pupil</i>	\$1,566
<i>Charter school revenue share (charter school enrollees x \$/pupil)</i>	\$0
<i>2028 Estimated Operations Fund Net Levy</i>	\$8,027,226

**Note:** Per the Indiana Department of Education, the School Corporation’s 2024/25 fall enrollment count was 1,502 and total resident transfers to charter schools **was 26 (1.9%)**, of which some may be virtual charter students.

**SENATE ENROLLED ACT 1 – LOCAL INCOME TAX**

	Implementation beginning in 2028	Rate Adoption
County Services	1.2%	County
Fire Protection & EMS Services	0.4%	County
Non-municipal units (schools, townships, libraries, and binding review units with exceptions)	0.2%	County upon petition from non-municipal units
Municipalities <3,500 population general revenue	1.2%	County upon petition from municipal units
Municipalities = >3,500 population general revenue	1.2%	Municipalities

- Establishes maximum LIT expenditure rate at 2.9%
- Requires annual adoption to renew expenditure rate
- **Eliminates Local Income Tax (LIT) for Property Tax Replacement Credit (PTRC) beginning in 2028 \***
- Allows a maximum of 0.3% for homestead property tax relief
- Eliminates Local Income Tax Councils

\*Boone County does not have PTRC. The School Corporation does not currently receive local income tax revenue.

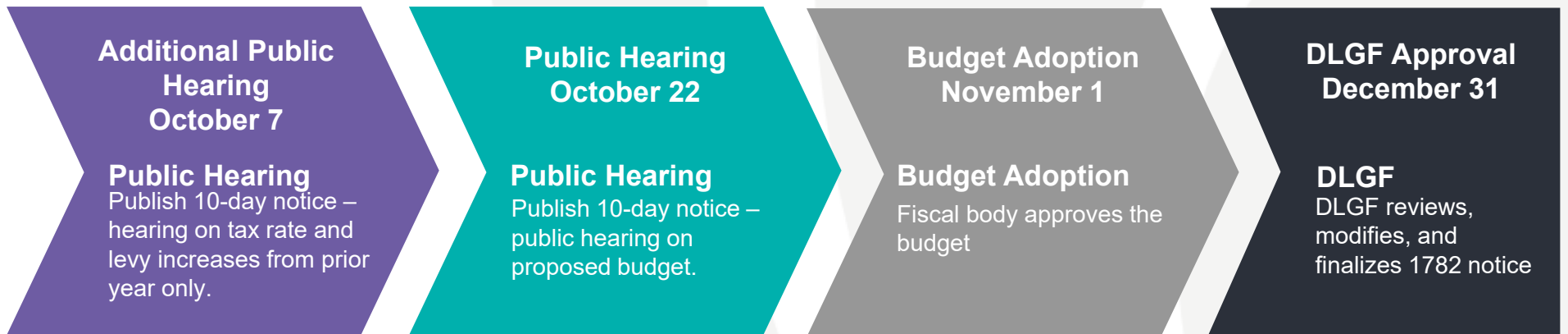


## SENATE ENROLLED ACT 1 – BUDGET PROCESS

### CURRENT BUDGET PROCESS



### PROPOSED BUDGET PROCESS (2029 for 2030 BUDGET PREP)





# Financial Plan

**SUMMARY OF ACTUAL AND ESTIMATED CASH BALANCES (2023-2030)**

	Calendar Year Ended							
	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
<b>Operating and Capital Funds:</b>								
Education	\$4,115,474	\$5,415,203	\$5,618,298	\$5,554,478	\$5,111,367	\$4,297,364	\$3,064,947	\$1,668,377
Operations	3,900,377	4,411,912	4,741,882	4,899,275	4,849,776	4,786,766	4,718,112	4,620,032
Rainy Day	1,924,968	1,924,968	1,924,968	1,924,968	1,924,968	1,924,968	1,924,968	1,924,968
Subtotal	\$9,940,819	\$11,752,084	\$12,285,148	\$12,378,721	\$11,886,111	\$11,009,098	\$9,708,027	\$8,213,378
<b>Debt Service Funds:</b>								
Debt Service	\$1,437,779	\$2,070,153	\$1,726,112	\$1,307,942	\$1,073,788	\$727,796	\$726,550	\$291,150
Subtotal	\$1,437,779	\$2,070,153	\$1,726,112	\$1,307,942	\$1,073,788	\$727,796	\$726,550	\$291,150
<b>Total Selected Funds</b>	<b>\$11,378,598</b>	<b>\$13,822,237</b>	<b>\$14,011,260</b>	<b>\$13,686,663</b>	<b>\$12,959,900</b>	<b>\$11,736,894</b>	<b>\$10,434,577</b>	<b>\$8,504,528</b>



**SUMMARY OF BUDGETED AND ACTUAL DISBURSEMENTS (2023-2024)**

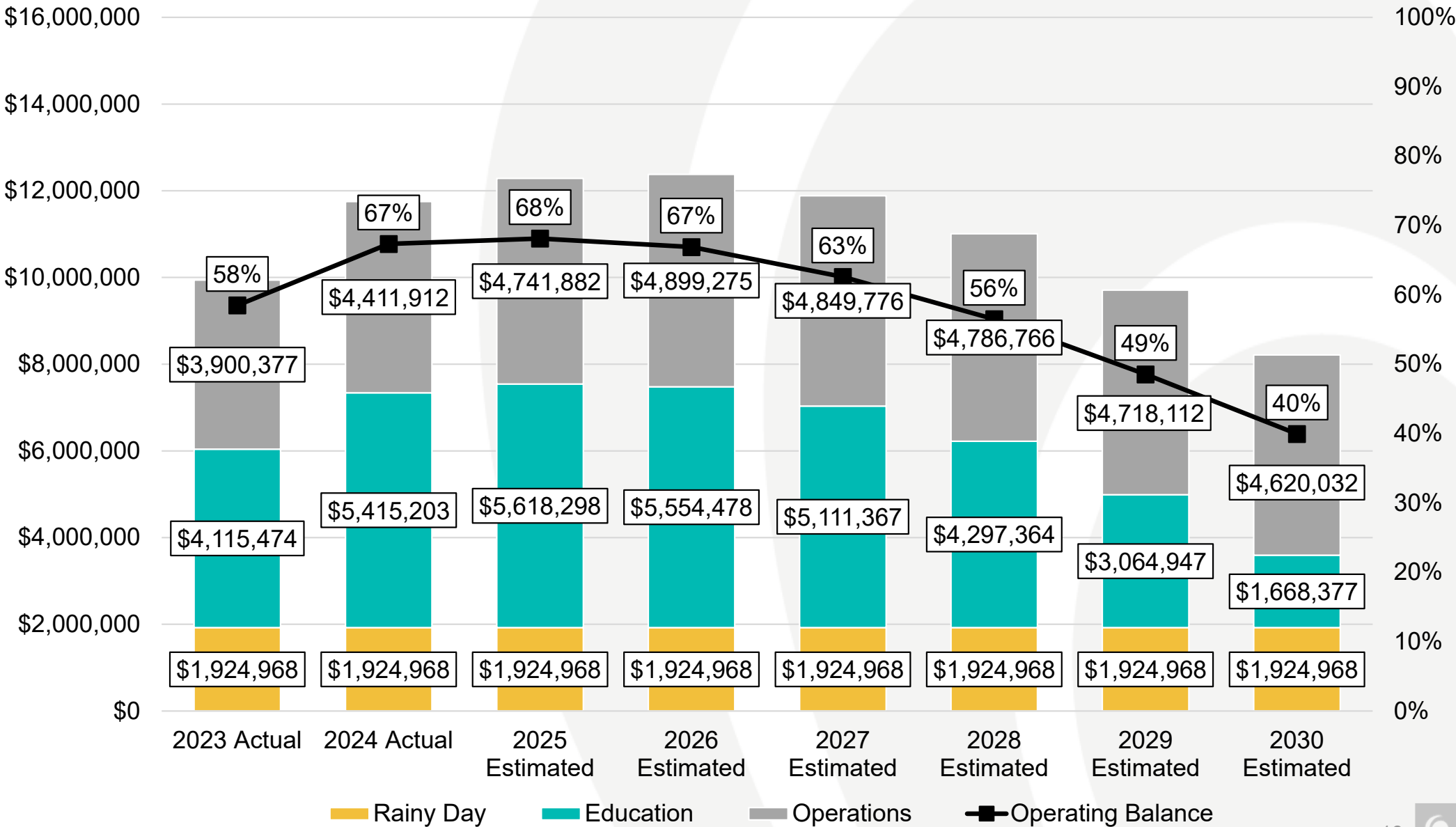
2023				
Fund	Budgeted Disbursements	Actual Disbursements	Variance	Percentage Spent
Education (1)	\$11,251,986	\$10,193,857	(\$1,058,129)	90.60%
Operations	6,515,889	5,404,499	(1,111,390)	82.94%
Rainy Day	600,000	0	(600,000)	0.00%
Debt Service	5,007,191	5,007,191	(0)	100.00%

2024				
Fund	Budgeted Disbursements	Actual Disbursements	Variance	Percentage Spent
Education (1)	\$12,169,638	\$10,886,418	(\$1,283,220)	89.46%
Operations	6,590,087	5,565,025	(1,025,062)	84.45%
Rainy Day	600,000	0	(600,000)	0.00%
Debt Service	4,617,685	4,617,685	0	100.00%

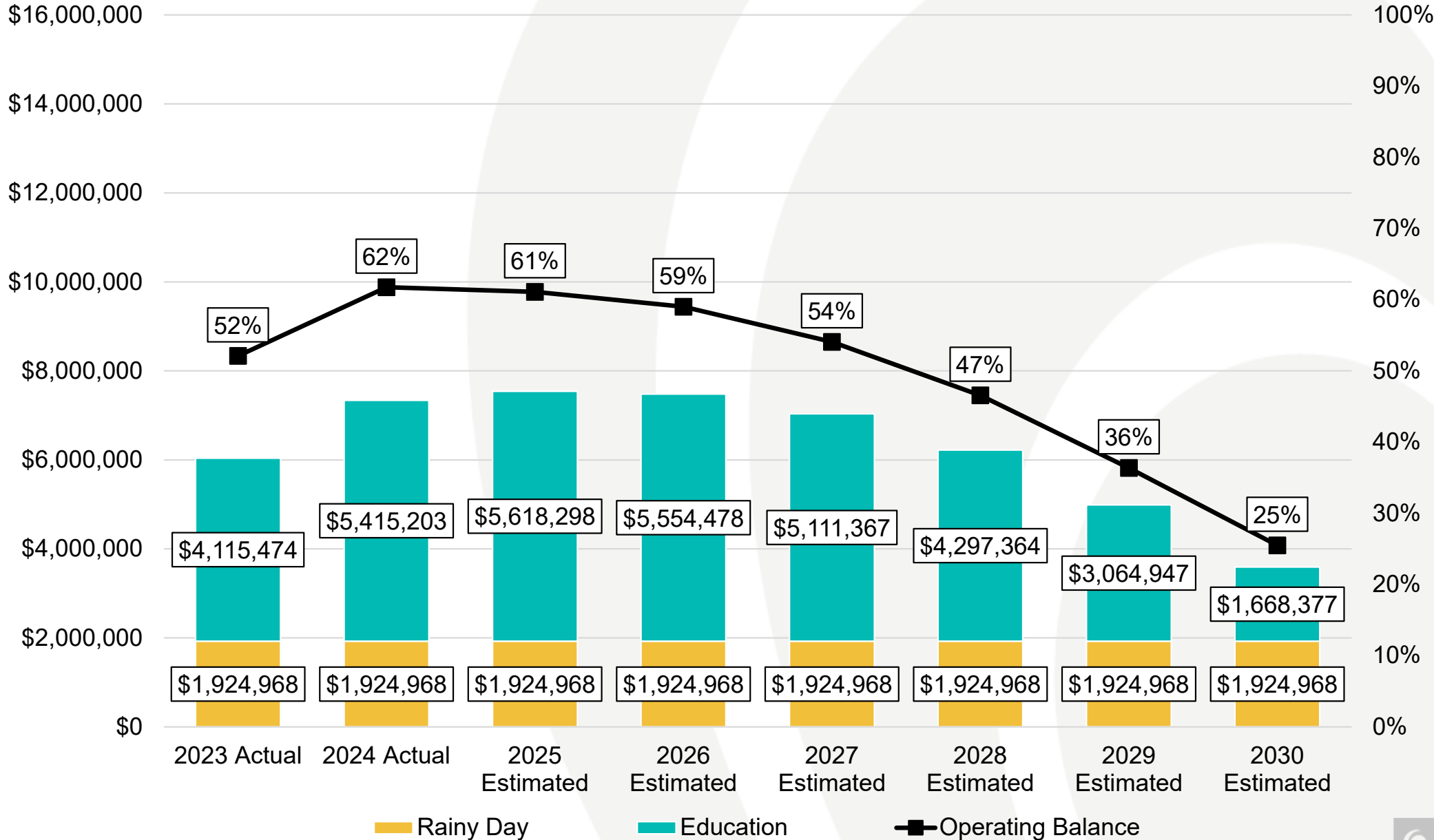
(1) Does not include transfer to Operations fund.



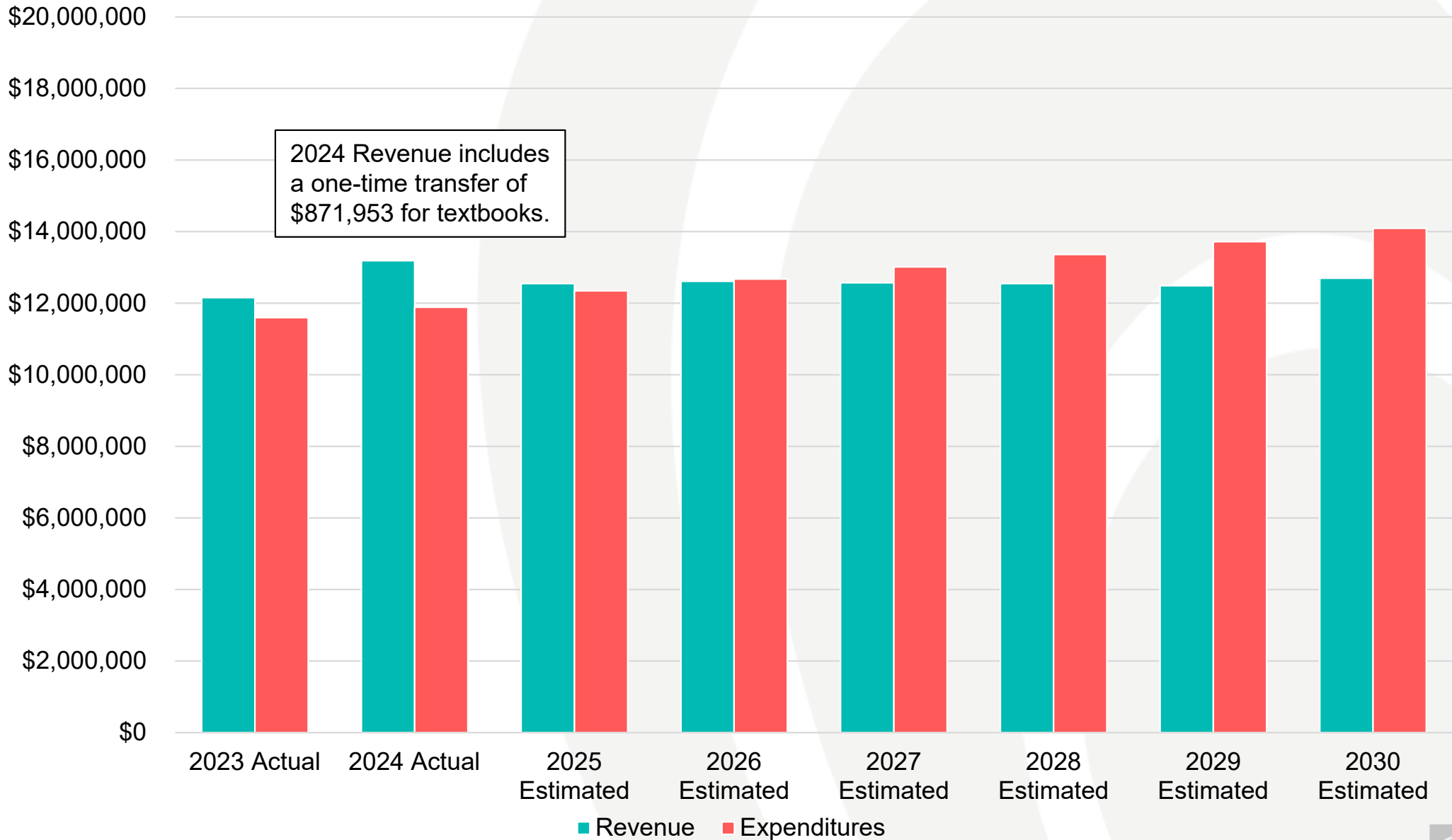
# COMPARISON OF ACTUAL AND ESTIMATED CASH BALANCE AND OPERATING BALANCE (EDUCATION, OPERATIONS, AND RAINY DAY FUND)



### COMPARISON OF ACTUAL AND ESTIMATED CASH BALANCE AND OPERATING BALANCE (EDUCATION AND RAINY DAY FUND – FORMAL RESERVE POLICY)

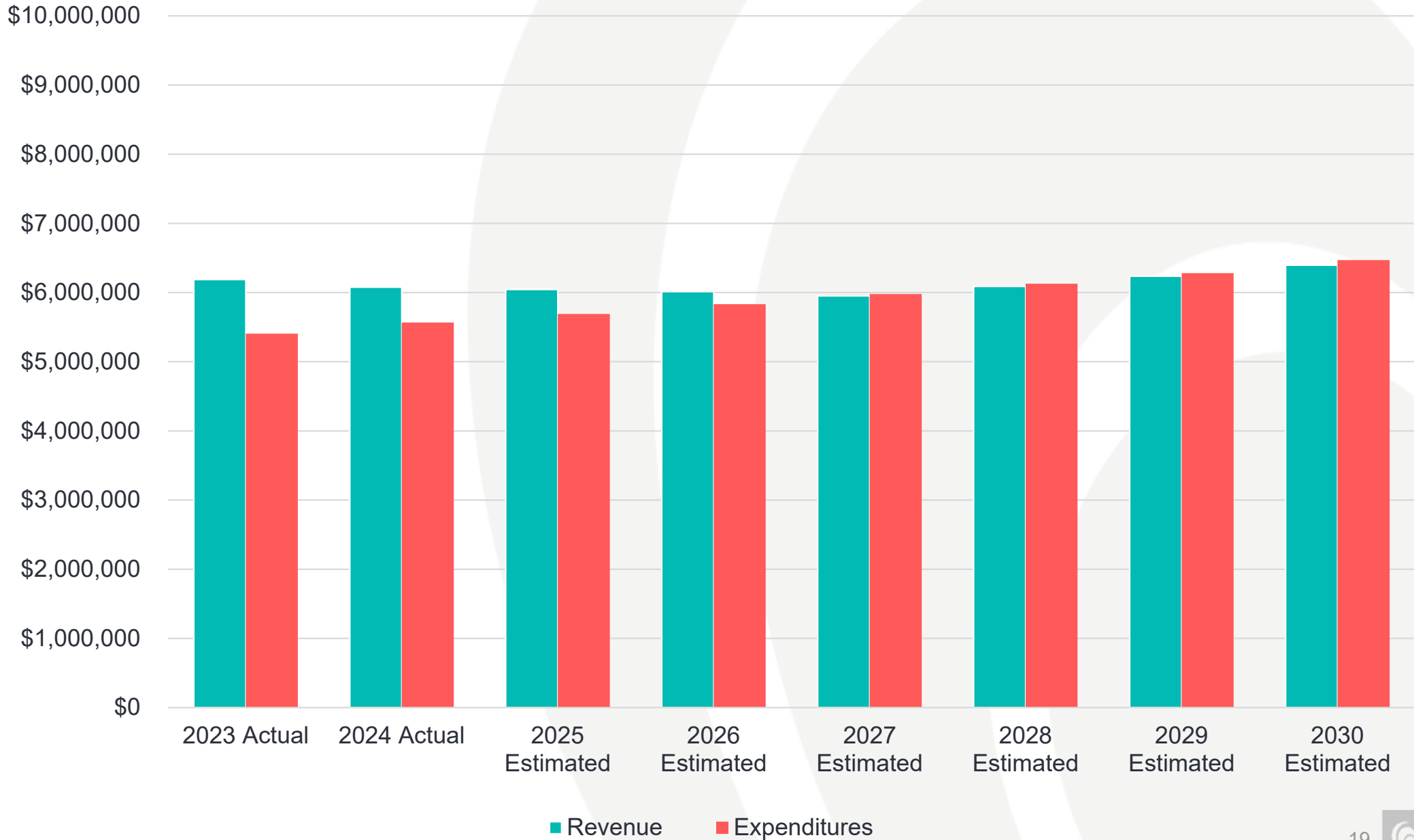


# COMPARISON OF ACTUAL AND ESTIMATED REVENUES AND EXPENDITURES (EDUCATION FUND)

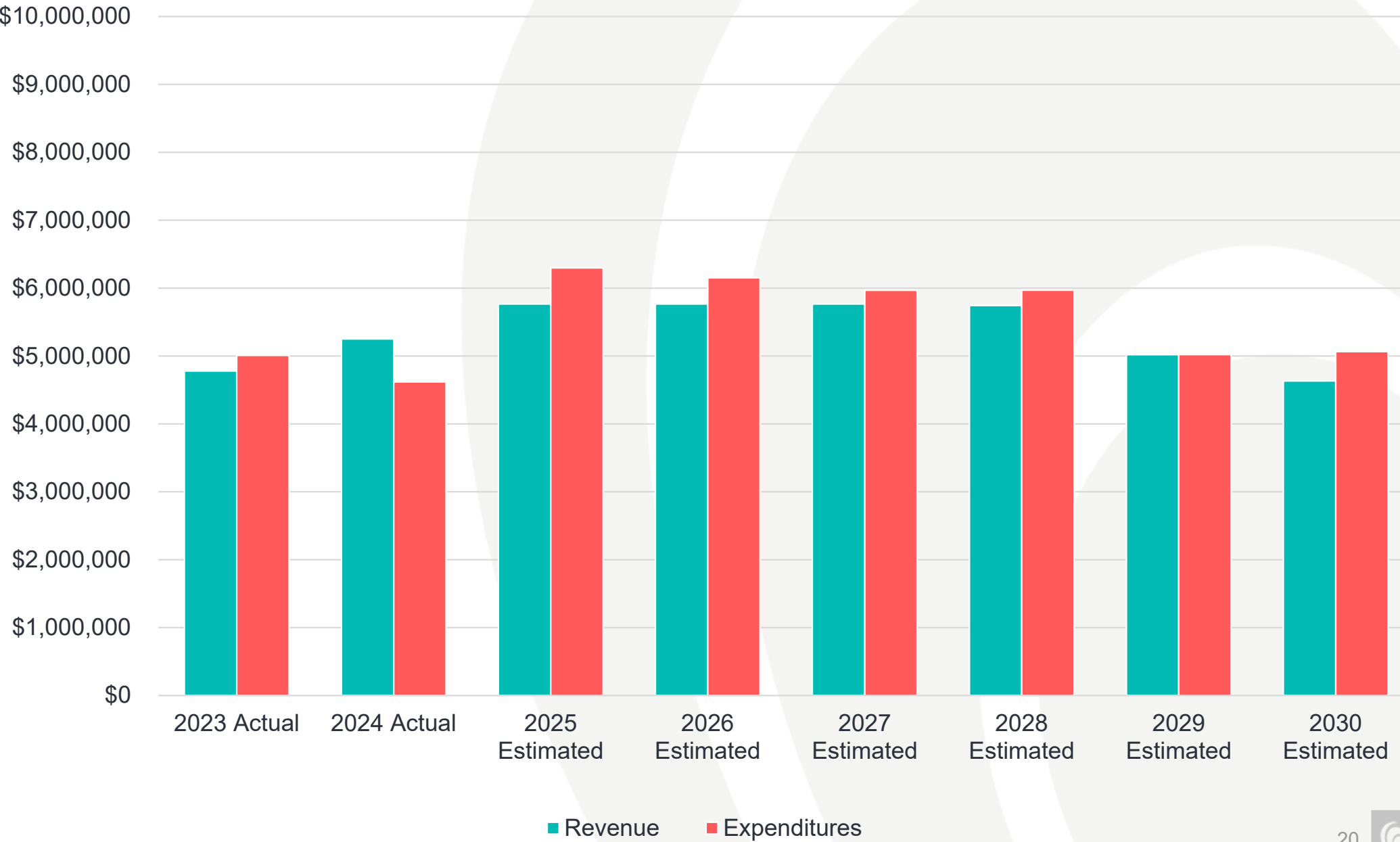


FINANCIAL PLAN

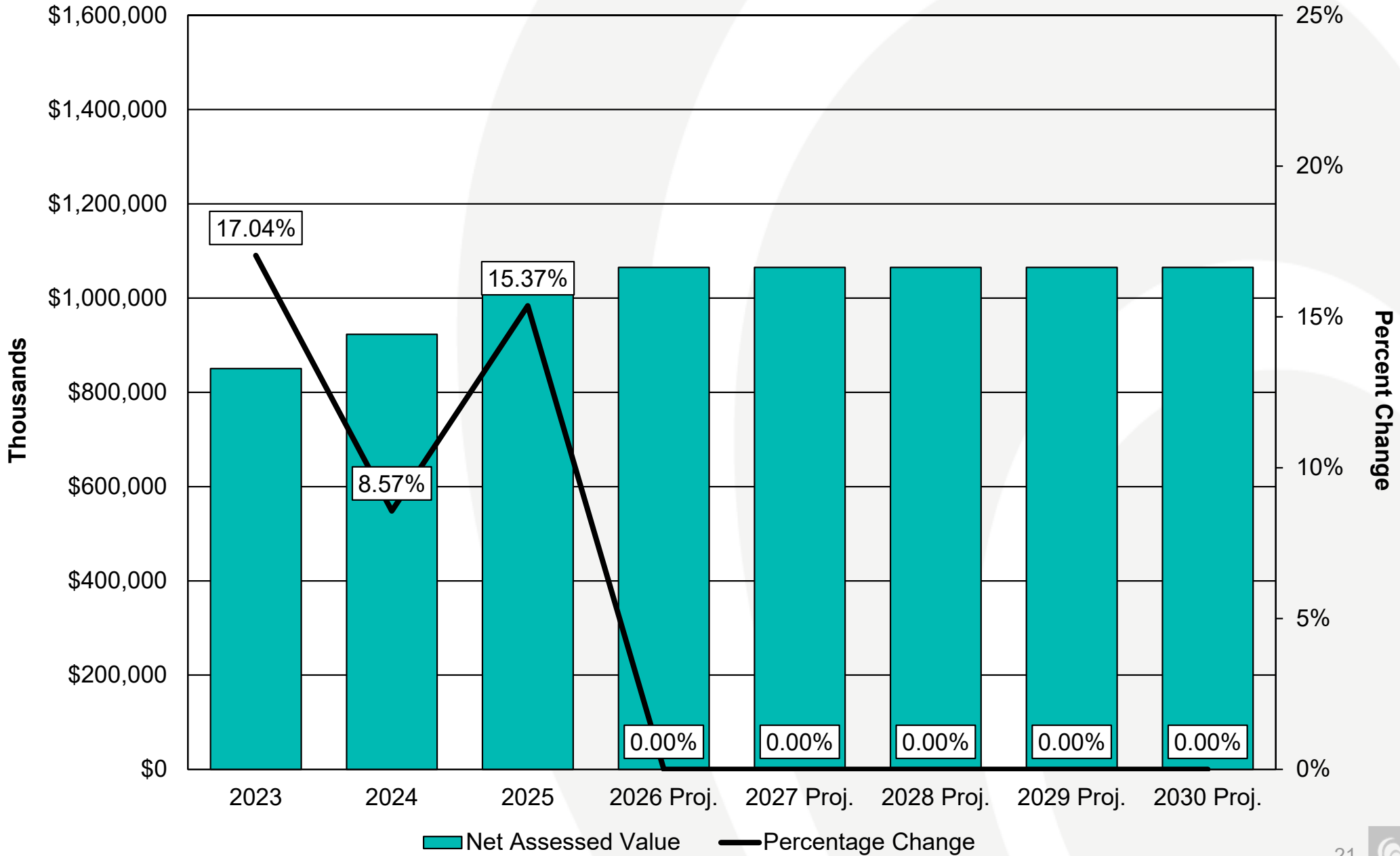
**COMPARISON OF ACTUAL AND ESTIMATED REVENUES AND EXPENDITURES  
(OPERATIONS FUND)**



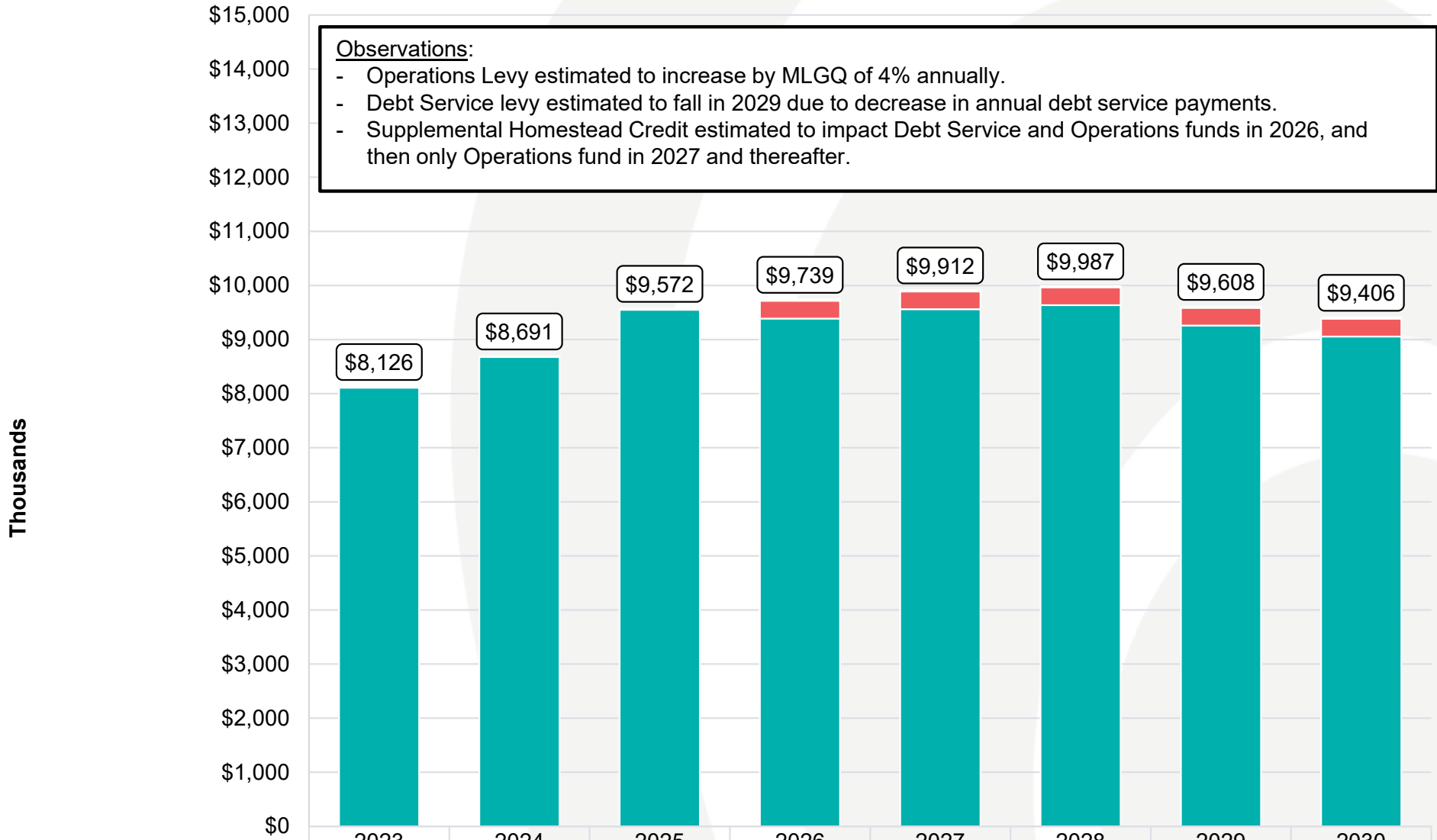
# COMPARISON OF ACTUAL AND ESTIMATED REVENUES AND EXPENDITURES (DEBT SERVICE FUND)



### CHART OF HISTORICAL AND PROJECTED NET ASSESSED VALUE



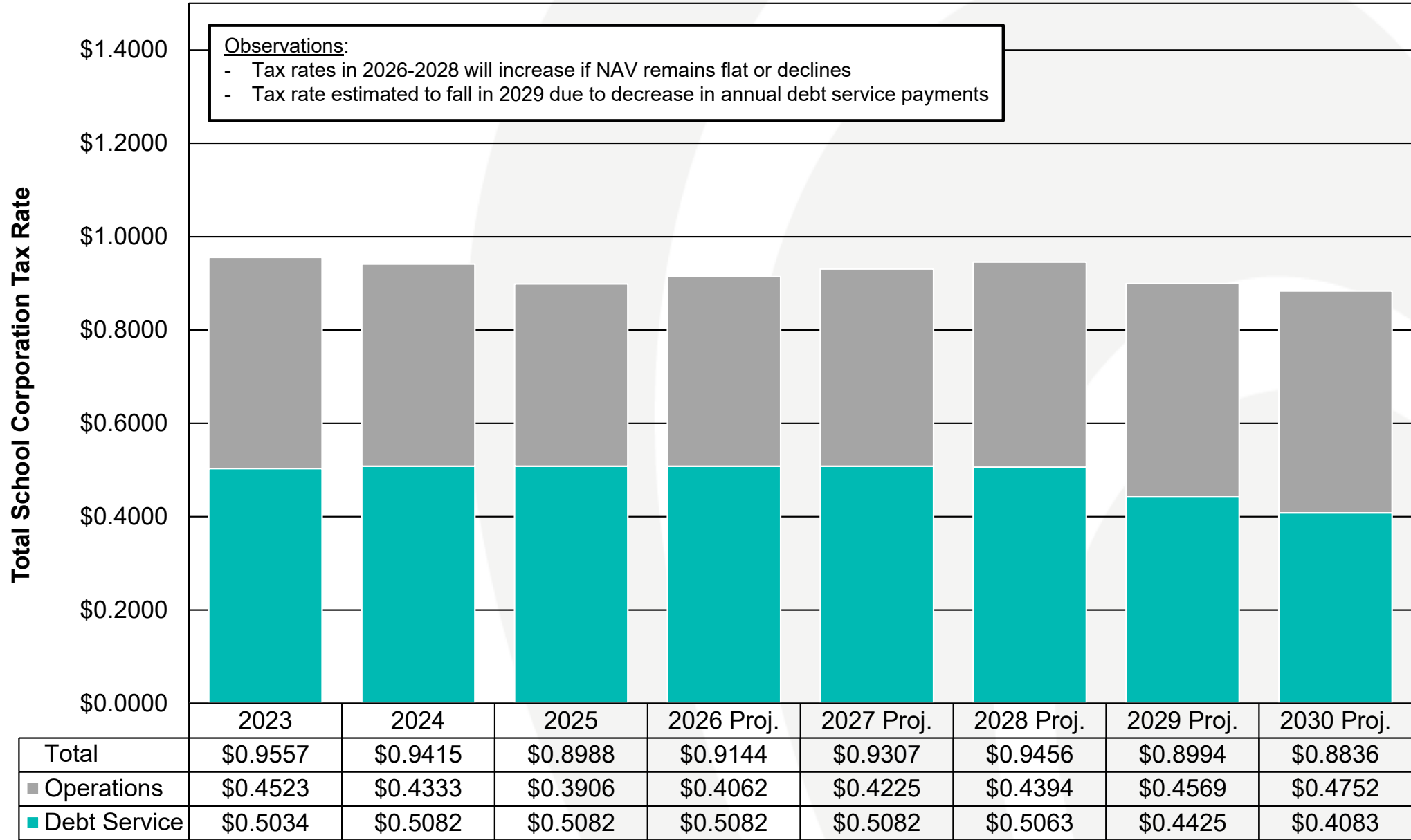
### CHART OF HISTORICAL AND PROJECTED TAX CREDITS



	2023	2024	2025	2026	2027	2028	2029	2030
Gross Levy	\$8,126	\$8,691	\$9,572	\$9,739	\$9,912	\$9,987	\$9,608	\$9,406
■ Circuit Breaker	\$18	\$16	\$24	\$24	\$24	\$24	\$24	\$24
■ Supplemental Homestead Credit	\$0	\$0	\$0	\$328	\$328	\$328	\$328	\$328
■ Net Levy	\$8,108	\$8,675	\$9,549	\$9,387	\$9,561	\$9,636	\$9,257	\$9,054
Net Levy (%)	100%	100%	100%	96%	96%	96%	96%	96%



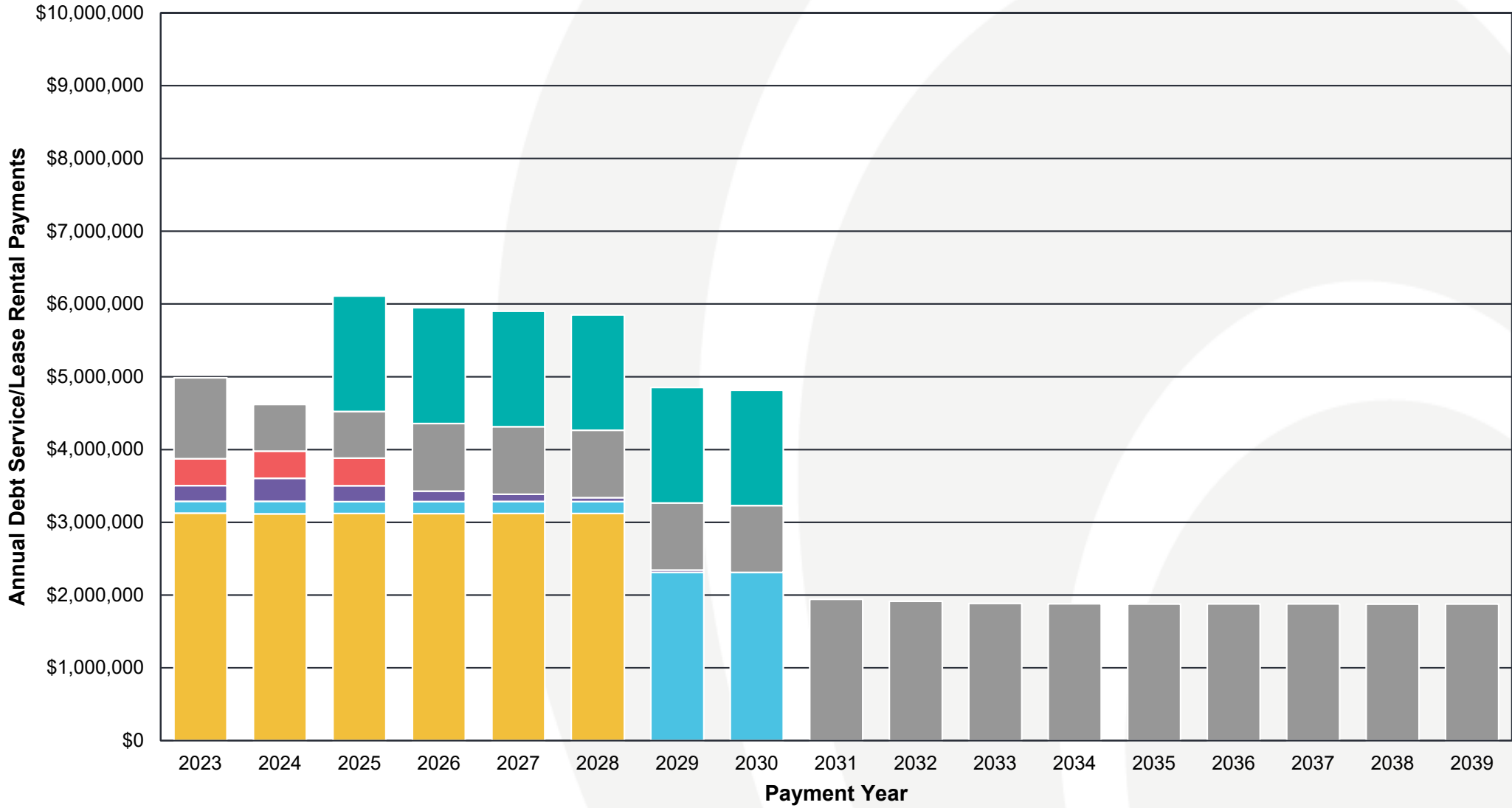
### CHART OF HISTORICAL AND PROJECTED TAX RATES





# Debt Profile

# CHART OF OUTSTANDING ANNUAL DEBT SERVICE/LEASE RENTAL PAYMENTS



- First Mortgage Refunding Bonds, Series 2016
- First Mortgage Bonds, Series 2019
- Total Common School Fund Loans
- General Obligation Bonds of 2016
- First Mortgage Bonds, Series 2022
- First Mortgage Bonds, Series 2024



**DEBT POLICY SUMMARY**

*As of June 23, 2025*

**Direct Debt Outstanding as a Percentage of Gross Assessed Value not to Exceed 5%**

2025 Gross Assessed Value	\$1,592,459,690
Direct Debt	\$41,020,749
<b>Direct Debt / Gross AV %</b>	<b>2.58%</b>
<b>Policy</b>	<b>5.00%</b>

**Debt Service not to Exceed 30% of Total Expenses (1)**

	<u>2023 Actual Expenses (2)</u>	<u>2024 Actual Expenses (2)</u>	<u>2025 Budgeted Expenses (3)</u>
Education Fund	\$10,193,857	\$10,886,418	\$11,346,127
Operations Fund	\$5,404,499	\$5,565,025	\$5,689,793
Debt Service Fund	\$5,007,191	\$4,617,685	\$6,077,626 (4)
<b>Total</b>	<u>\$20,605,547</u>	<u>\$21,069,128</u>	<u>\$23,113,546</u>
<b>Debt Service % of Total Expenses</b>	<b>24.30%</b>	<b>21.92%</b>	<b>26.29%</b>
<b>Policy</b>	<b>30.00%</b>	<b>30.00%</b>	<b>30.00%</b>

**Direct Debt Per Capita not to Exceed \$5,000**

Direct Debt	\$41,020,749
July 1, 2023 Population	9479
<b>Direct Debt per Capita</b>	<b>\$4,327.54</b>
<b>Policy</b>	<b>\$5,000.00</b>

(1) Total Expenses is identified as Education Fund, Operations, Fund, and Debt Service Fund expenses combined.

(2) Per 2023 and 2024 Form 9 reports.

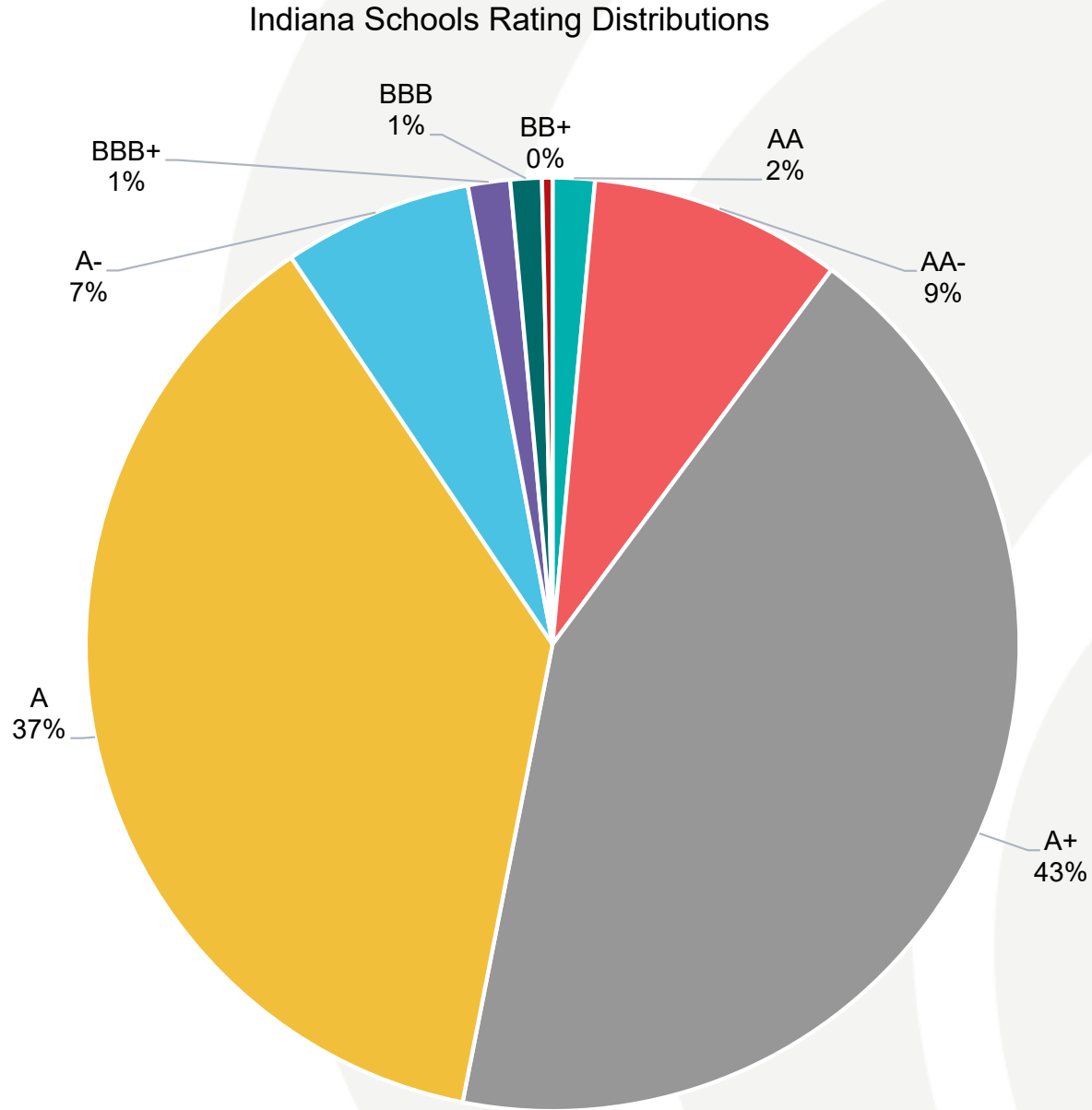
(3) Estimates.

(4) Projected maximum annual payment scheduled to occur in 2025.



# DEBT RATING UPDATE

*As of June 23, 2025*



**Note:** The underlying rating of the School Corporation was upgraded to “AA-” from “A+” on August 30, 2024. Of 275 rated Indiana School Corporations, 28 are rated “AA-” and above.





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