

West Lafayette Community School Corporation

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TO: Dr. Shawn Greiner, Superintendent
Board of School Trustees

FROM: Michelle Cronk, CFO

DATE: June 7, 2023 (June 12, 2023 Board meeting)

RE: Waiver from Protected Taxes Resolution 2023

West Lafayette Community School Corporation has traditionally experienced fairly high circuit breaker loss in its property tax funds due to a combination of the overall tax rate of the taxing area (cities have multiple taxing entities as compared to rural areas) and a large portion of the taxing area's assessed valuation being in a TIF district. For tax year 2023, West Lafayette Community School's expected circuit breaker loss is \$1,216,530. Traditionally, circuit breaker loss only affects the school corporation's Operations Fund and "protects" the debt service fund from this loss. The school corporation cannot afford to lose 31% of its Operations Fund certified levy; therefore, we are requesting to be allowed to apply the waiver from protected taxes as the school corporation does meet the requirements to be eligible for such a waiver. The State of Indiana allows eligible school corporations to apply for a waiver from the implementation of protected taxes under IC 6-1.1-20.6-9.8, which allows circuit breaker credits to be allocated proportionally across all funds that are not exempt from circuit breaker credits without regard for whether the fund is a debt service fund.

The Business Office requests approval of the Resolution for Waiver from the Implementation of Protected Taxes. The Department of Local Government Finance has approved the use of the waiver as can be seen in the Order included in your packets. Please let me know if you have any questions.

**STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Room 1058, IGCN – 100 North Senate
Indianapolis, IN 46204**

**IN THE MATTER OF THE REQUEST)
OF WEST LAFAYETTE COMMUNITY)
SCHOOL CORPORATION FOR) W23-015
CERTIFICATION UNDER)
IC 6-1.1-20.6-9.9)**

DETERMINATION OF ELIGIBILITY PURSUANT TO IC 6-1.1-20.6-9.9

Under IC 6-1.1-20.6-9.9, certain eligible school corporations may waive implementation of protected taxes under IC 6-1.1-20.6-9.8 (“waiver”). School corporations eligible for the waiver in a given year will be allowed to allocate the amount of credits granted under IC 6-1.1-20.6 (“circuit breaker credits”) proportionally across all funds that are not exempt from the circuit breaker credits, without regard for whether the fund is a debt service fund. Each waiver applies only to one applicable tax year.

To be eligible for a waiver, a school corporation must first determine that, if it issued new debt after July 1, 2016, that its debt service levy and rate in 2023 does not exceed its debt service levy and rate for 2016. This does not include refinancing of debt issued prior to 2017 or debt that has been issued as a result of a voter approved referendum.

If the school corporation has determined that it has not issued new debt after July 1, 2016, and that its 2023 debt service levy and rate is not greater than its 2016 debt service levy and rate, the school corporation must then determine that its percentage as computed through the following formula is at least 10% of its operations fund for the year for which the latest certified levies have been determined:

- 1) Determine the amount of circuit breaker credits against the school corporation’s total levy minus any referendum levy.
- 2) Determine the school corporation’s levy that is attributable to new debt incurred after June 30, 2019, but is not attributable to the debt service levy for refinanced pre-2017 debt or debt approved by the voters in a referendum.
- 3) Determine the result of the school corporation’s total levy minus any referendum levy.
- 4) Subtract the Step 2 amount from the Step 3 amount.
- 5) Divide the Step 4 amount by the Step 3 amount expressed as a percentage.
- 6) Multiply the Step 1 amount by the Step 5 percentage.
- 7) Determine the school corporation’s operations fund levy.

- 8) Divide the Step 6 result by the school corporation's operations fund levy, expressed as a percentage.

An eligible school corporation may waive the implementation of protected taxes by allocating the amount of credits proportionately among all of the school corporation's non-exempt funds as determined by the following formula:

- 1) Multiply the result of Step 8 above by 5.
- 2) Multiply the result of Step 6 above by the lesser of this product or 100%.

A school corporation that desires a certification of its eligibility must, no later than April 30 of the year for which the certification is sought, submit a written request for certification by the Department of Local Government Finance ("Department") of the school corporation's eligibility. The Department must complete its actions by June 1 of the year for which the determination is requested.

FINAL DETERMINATION

1. On March 21, 2023, the Department received a request from the West Lafayette Community School Corporation ("School Corporation"), requesting certification of its eligibility. The School Corporation also represented that it issued new debt after July 1, 2016.
2. The School Corporation's 2016 debt service levy and rate were \$5,028,442 and 0.5375, respectively. The School Corporation's 2023 debt service levy and rate are \$6,279,015 and 0.5375, respectively. Therefore, the School Corporation's 2023 debt service levy is greater than the 2016 debt service levy, but the 2023 debt service rate is not greater than the 2016 debt service rate.
3. Pursuant to IC 6-1.1-20.6-9.9(b), the Department certifies that for pay-2023, the School Corporation's percentage is 29.9248%.
4. The Department determines that because the School Corporation's percentage is at least 10%, the School Corporation is an eligible school corporation for purposes of IC 6-1.1-20.6-9.9(b).
5. Pursuant to IC 6-1.1-20.6-9.9(d), the Department determines that the School Corporation is eligible to allocate \$1,216,530 proportionately across all of its non-exempt funds.

WHEREFORE, based on the above findings and applicable law, the Department certifies that the School Corporation's percentage is 29.9248% and that the School Corporation is eligible to allocate \$1,216,530 for purposes of IC 6-1.1-20.6-9.9.

Dated this 30th day of May, 2023.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Wesley R. Bennett

Wesley R. Bennett, Commissioner

**WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
BOARD OF SCHOOL TRUSTEES**

RESOLUTION FOR WAIVER FROM THE IMPLEMENTATION OF PROTECTED TAXES

The Board of School Trustees of the West Lafayette Community School Corporation, Tippecanoe County, Indiana, met in public session at the regularly scheduled meeting on the 12th day of June, 2023 at 6:30 p.m.

The Board of School Trustees considered and adopted the following resolution:

WHEREAS, the State of Indiana allows eligible school corporations to apply for a waiver from the implementation of protected taxes under IC 6-1.1-20.6-9.8, which allows circuit breaker credits to be allocated proportionally across all funds that are not exempt from circuit breaker credits without regard for whether the fund is a debt service fund; and

BE IT NOW THEREFORE RESOLVED, by the Board of School Trustees of the West Lafayette Community School Corporation to authorize the Superintendent of Schools, or his designee, to reallocate circuit breaker credits as determined and ordered by the DLGF.

DULY ADOPTED by the Board of School Trustees this 12th day of June, 2023.

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ATTEST:

Secretary, Board of Trustees