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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** School Corporation Officials  
**FROM:** Courtney L. Schaafsma, Commissioner  
**SUBJECT:** School Capital Projects Fund Starting Rates for 2016  
**DATE:** November 18, 2015

On May 7, 2015, Governor Mike Pence signed Senate Enrolled Act 476 (“SEA 476”) into law. SEA 476 requires the Department of Local Government Finance (“Department”) to compute a new starting rate (STEP ONE) for the maximum rate calculation for school capital projects funds. This statute applies to all school corporations but Vincennes Community School Corporation. The formula to be used is as follows:

The starting rate for the calculation of the maximum tax rate for the 2016 budget year is the greater of the following:

1. The actual maximum rate established for the school corporation’s capital projects fund for the 2015 budget year. This rate is commonly shown as STEP EIGHT on the calculation of the maximum tax rate (as included in the 1782 Notice) and does not include the utilities and insurance adjustment.
2. The maximum rate that would have been established for the school corporation’s capital projects fund for the 2015 budget year if the current calculation formula had been in effect for budget years 2007 through 2015.

The Department has prepared this calculation for all impacted school corporations, and the results of this calculation can be found at: <http://in.gov/dlgf/4873.htm>. Each school corporation will have a three-page report which shows the calculation of the maximum rate under item 2 above and then compares this rate to the actual maximum rate from 2015 as described in item 1 above. The greater of these two figures will be used as the starting point for the calculation of the school corporation’s maximum tax rate for the capital projects fund for the 2016 budget year.

School corporations are asked to review the reports and notify the Department of any questions or concerns on the calculations contained herein. While the Department has done extensive review on these calculations and the data within these calculations, the Department appreciates any additional review by school corporations. In particular, while reviewing the reports, please specifically look at assessed values included in the calculation. If your school corporation has been impacted by TIF passthrough AV, please check to ensure that this assessed value has been correctly removed from the total assessed value for the purposes of this calculation.

If you have any questions on this calculation or identify any concerns with the values for your school corporation, please contact Courtney Schaafsma, Commissioner, at [cschaafsma@dlgf.in.gov](mailto:cschaafsma@dlgf.in.gov) or (317) 234-5720.

