

2020 Legislative Priority

Issue:

Limit the Use of Referenda

Background:

Current population trends are shifting families away from rural communities and closer to urban/suburban cities with more economic opportunity. This shift has decreased school funding for rural schools because the dollars follow the student, as detailed in the funding formula for Indiana public schools. This impacts teacher attraction and retention, quality of school course offerings and overall student success.

These shortcomings are placing a larger burden on local property owners who are left to make up for funding deficits through capital project and operating cost referendums.

On the ballot in May 2019, two construction referendums (zero passed) and eight school tax levy referendums (six passed); and in November 2019, there were six construction project referendums (three passed) and six school tax levy referendums (three passed).

Story Points:

- The gap between rural and urban/suburban education is increasing with the decrease in student counts.
 - Declining revenue results in fewer course offerings by rural schools due to dollars being distributed to other communities.
- Teachers are not attracted and retained in rural areas because it is difficult to compete with the salaries found in urban/suburban school corporations.
- More schools are turning to referendums and inequitably increasing property tax burdens to make up for the loss in state funding to rural schools.
- In 2019, of the referendums that passed, the average rate of increase per acre was \$7.32, with the highest increase being \$16.81/acre for a controlled project and \$22.02/acre for a school operating levy.
 - An average sized Indiana farm of 267 acres per operation saw an increase of \$1,954 on average. The highest increase being \$4,488 additional property tax for a controlled project and \$5,927 additional property tax for a school operating levy.
- Of the referendums that failed, the average rate of increase per acre was \$6.56, with the highest increase being \$12.66/acre for a controlled project and \$10.73/acre for a school operating levy.

Key Message/ Ask:

Indiana Farm Bureau supports the General Assembly limiting the use of referendums. We support putting more limits and restrictions on referendums to allow for more input and control by taxpayers.