

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
100 NORTH SENATE AVENUE
IGC-N, ROOM N1058
INDIANAPOLIS, INDIANA 46204**

**IN THE MATTER OF THE REVIEW OF PROPOSED)
LANGUAGE AND ESTIMATED RATE CERTIFICATION)
FOR A BALLOT QUESTION REGARDING THE)
METROPOLITAN SCHOOL DISTRICT OF PERRY)
TOWNSHIP, MARION COUNTY)**

No. 11-002

FINDINGS AND FINAL DETERMINATION

1. The Metropolitan School District of Perry Township (“School District”) proposes to borrow money for a \$50,000,000 project it calls the “2011 School Safety, Maintenance and Improvement Project.”
2. Under Indiana law, the voters in the School District will vote in a referendum whether to approve or deny borrowing for the project and raise property taxes to support it.
3. Indiana law governs the format and wording of the ballot question for the referendum. Indiana Code 6-1.1-20-3.6(c).
4. Under Indiana law, “the **following question shall** be submitted to the eligible voters at the election”:

“Shall _____ (insert the name of the political subdivision) issue bonds or enter into a lease to finance _____ (insert a brief description of the controlled project), which is estimated to cost not more than _____ (insert the total cost of the project) and is estimated to increase the property tax rate for debt service by _____ (insert increase in tax rate as determined by the department of local government finance)?”

Indiana Code 6-1.1-20-3.6(c) (emphasis added).

5. The ballot question then must contain three parts:
 - a brief description of the project
 - estimated total project cost
 - estimated tax rate increase for the project
6. The law requires the Department of Local Government Finance (“Department”) to determine the estimate of the tax rate increase.

7. The law also requires the Department to evaluate the School District's proposed ballot question for accuracy and bias in the description of the project. The Department then may make recommendations to the election board on the wording of the ballot question.
8. On February 10, 2011, the Department received a letter (dated February 9, 2011) from the Marion County Election Board, enclosing a proposed ballot question for the referendum sought by the School District.
9. The Marion County Election Board requested that the Department review this proposed question:

“Shall the Metropolitan School District of Perry Township, Marion County, Indiana, issue bonds or enter into a lease to finance the 2011 School Safety, Maintenance and Improvement Project in order to provide 21st Century learning environments that are safe and secure for all students, which is estimated to cost not more than \$50,000,000 and is estimated to increase the property tax rate for debt service by \$0.1371 per \$100 of assessed valuation based on the assumption that the debt service fund tax rate would otherwise be \$0.00?”

Determination of Tax Rate Increase

10. The Department estimates the tax rate increase in reliance on the School District's proposed total project cost, assessed valuation of the property in the School District, and an amortization schedule submitted by the School District. Based on this information, the Department determines the estimated tax rate increase of the project to be “\$0.1371 per \$100 of assessed valuation.”
11. The Department, however, does not approve the School District's proposed extra phrase “based on the assumption that the debt service fund tax rate would otherwise be \$0.00.” First, Indiana law specifies the wording of the ballot question, including the expression of the tax rate increase, and does not provide for that extra phrasing. Second, that extra phrasing is potentially confusing and misleading to voters.

Accuracy and Bias

12. As for the description of the project, the School District's proposal, while brief, is not descriptive or accurate.
13. First, it is not clear what is meant by “21st Century learning environments.” It lacks concrete meaning substantive enough to inform a voter about what the borrowing and tax increases would pay for, including whether School District buildings are being renovated or expanded.
14. Second, the phrases “2011 School Safety, Maintenance and Improvement Project” and “21st Century learning environments that are safe and secure for all students” emphasize that a predominate project purpose is safety and security. This emphasis is undue when project cost breakdowns show that only \$3,400,000 of the \$50,000,000 proposal is allocated for safety

and security.¹ It is unclear why the proposed question emphasizes safety and security when only 6.8% of the project cost is allocated for safety and security.

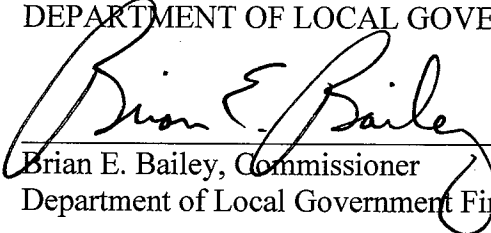
15. Finally, in promising the creation of “learning environments that are safe and secure for all students,” the phrasing is biased in favor of the project. It is unlikely that the School District is issuing an absolute guarantee and assuming absolute liability for the safety and security of all its students if the project is approved. Rather, this language appears intended to tilt the voter in the direction of approving the project.

Final Determination

WHEREFORE, based on the above findings and applicable law, the Department finds that the ballot question is inaccurate and biased. The Department recommends that the ballot question be modified consistent with this order. The Department certifies the proposed rate of “\$0.1371 per \$100 of assessed valuation” without any additional proposed language to express the rate.

Dated this 18th day of February, 2011.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

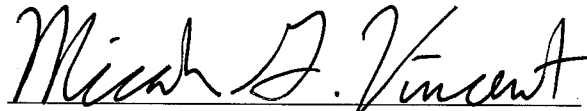


Brian E. Bailey, Commissioner
Department of Local Government Finance

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Micah G. Vincent, General Counsel for the Department of Local Government Finance, hereby certify that the above is an order of the Commissioner of the Department of Local Government Finance made this date in the above-entitled matter and that the Commissioner has personally signed the same under his statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 18th day of February, 2011.



Micah G. Vincent, General Counsel
Department of Local Government Finance

¹ *Vote Yes for Perry Schools Website*, available at <http://www.voteyesforperryschools.com/Facilities.pdf>.
The School District’s website links to the “Vote YES for Perry Schools Website.”
(<http://websites.msdp.k12.in.us/budget/>).