

Frequently Asked Questions

The Switzerland County School Board and administration are closely monitoring the state and federal financial situation. Our goal is to provide the best possible education to our students as we stay financially solvent. But school finance is confusing and citizens often have questions. Therefore, listed below is information that might assist people in understanding local school decisions.

Frequently asked Questions:

1. How does School Funding work?

Basically, there are five major funds. The funds are separate and have to be spent in specific areas. They are:

General Fund. This is the fund that pays for salaries and benefits for the teachers and staff. Next year we project that 92% of the revenue will cover salaries and benefits.

It also provides supplies and some utilities. This account is funded with state sales tax.

Capital Project Fund. The purpose of this fund is to pay for the repair and maintenance of the buildings and construction of new buildings. Equipment purchasing and maintenance comes out of this account, also some utilities. A part of this includes technology expenses that cover equipment and salaries/benefits for technology personnel. This account is funded by local property tax.

Debt Service. This pays for principal and interest payments for acquired debt.

Traditionally this is paid by local property tax but is currently funded in Switzerland County by the Switzerland County School Endowment.

School Bus Replacement Fund. The fund purchases school buses and is evidenced on the local property tax.

Transportation Fund. The account pays the costs associated with operating school buses, including salaries and benefits for drivers, transportation insurance and fuel costs. This is also a part of the local property tax assessment.

2. My property tax seems to be getting higher. Is this a result of the school?

No. As a matter of fact, the rate attributed to education has gone down almost every year since 2005. In 2005 the total rate was 1.0177; the 2010 rate is .6278.

3. What is the reason for the financial crisis that is affecting all of the Indiana public schools?

Two years ago the State Legislature voted to begin funding Public Schools General Fund with sales tax revenue. Historically public schools were financed with local property taxes. When the economy began to decline, the people in Indiana began spending less money and the revenue from the sales taxes decreased.

4. What is the rationale for beginning building projects in the middle of this recession? Shouldn't this money be used to pay staff?

Any project related to building and construction is paid by Capital Projects. The General Fund is the one that is designated for salaries and benefits. The accounts are not intermixed.

We have funds for building projects because of financial long-term planning and goal setting. The County is also fortunate to have the Endowment Fund which, over the years, has been very generous. The Endowment is providing matching funds to our recent building projects.

5. Will the Corporation be making cost cuts if the recession worsens?

Yes, the administration is working on cost cutting measures. But remember, the cost cutting measures can only affect the Fund that is within that area. So, for example, if the price of gasoline goes up, the cost cutting measures will have to relate to the School Transportation Fund. Savings in any other fund, such as General Fund (personnel driven), can not be used to purchase fuel.