

***RECOMMENDATIONS OF THE
BROAD BASED COMMUNITY ADVISORY
COMMITTEE ON EDUCATIONAL
FACILITIES,
DECATUR COUNTY COMMUNITY
SCHOOL CORPORATION***

**PREPARED FOR
BOARD OF SCHOOL TRUSTEES
DR. DAN ROACH, SUPERINTENDENT**

**PREPARED BY
BROAD BASED COMMUNITY ADVISORY COMMITTEE
DR. ROBERT L. BOYD, FACILITATOR**

FEBRUARY, 2008

***RECOMMENDATIONS OF THE
BROAD BASED COMMUNITY ADVISORY
COMMITTEE ON EDUCATIONAL
FACILITIES,
DECATUR COUNTY COMMUNITY
SCHOOL CORPORATION***

February 2008

INTRODUCTION:

The study committee for the Decatur County Community School Corporation (DCCSC) was composed of community patrons selected by the Board of School Trustees to study the congruence between educational program delivery now and in the future and the appropriateness of educational facilities of the school corporation. The committee, facilitated by Dr. Robert L. Boyd, Professor, Indiana State University, met seven times over a period of five months in 2007 and 2008 for an evaluative tour of each facility and to consider salient student and community demographics, current educational program delivery and the condition and needs of current educational facilities to deliver a modern, effective and efficient educational program into the future. The focus of the conversations by the committee centered on educational necessities in the corporation together with the economic feasibility of addressing those educational necessities as they relate to the four school facilities of the corporation. Much of the data analyzed is included in the Appendix to this document. Attendance at the meetings was good, exchange of ideas and points of information was open and honest, and a general attitude of wanting to improve the schools prevailed at the meetings.

The study committee was composed of thoughtful community patrons who had supported a previous remonstrance process regarding a proposed facilities improvement program and those who opposed the remonstrance process and supported the facilities improvement program. It is believed by committee members that a number of factors produced the community dissonance on the previous facilities improvement program. Among those factors is the belief that total cost considerations together with a lack of public knowledge regarding the scope and needs of the facilities, poor public relations in marketing the proposal, indecision regarding the placement of grade six and the limited financial adjustments made in response to community concerns served to produce the projects failure to be accepted. In addition, a lack of clarity, or community consensus, regarding moving from two to one high school campus further compounded the issues. However, it is believed that a reasonable solution to update current facilities could be developed with this follow-up study process.

The following report, therefore, represents recommendations for Board of School Trustees consideration as formulated via a consensus building process among committee participants. Consensus, by definition, suggests that these recommendations reflect the general beliefs of committee members that they can support in the investment in their school community. It doesn't mean that all committee members are completely in agreement with all aspects of the recommendations. Some may believe in the need to do more, some to do less. Yet, it is the hope of all committee members that the Board will take their recommendations seriously, continue to involve committee members in their decision making process as they formulate a facilities improvement plan that will accomplish the support of the Decatur County Community School Corporation community.

Clearly the age of the current facilities, 30 to 40 years of service, suggests that significant wear has occurred and certainly some updating of instructional spaces within the facilities is necessary. In addition to those facility updates recommended below, the committee believes that improved maintenance care of the facilities and accountability for that care is of utmost importance to preserving the financial investment the community has made in its educational facilities and strongly urges the corporation to study and implement improved facility maintenance strategies.

As the corporation may move forward to update their facilities, the committee believes that improved performance accountability for architects, contractors, and legal council should be a priority consideration. The committee senses that quality work has not always been specified by architects, delivered by contractors nor enforced by legal council. Perhaps consideration of construction management or "clerk of the works" monitoring of future projects deserves serious consideration.

FACILITY IMPROVEMENT NEEDS OF THE DCCSC:

The following is a prioritized listing of the facility improvement needs of the DCCSC as determined via the consensus building process by the study committee members. It is stressed by the study committee that work groups should be formed made up of building level faculty, administration and community members to develop Educational Specifications for each of the four facilities that respond to the needs expressed in these recommendations. A significant number of study committee members expressed interest in being involved in that process so that study committee consensus continues to be represented in the decision-making process. It believed that the priority needs of each elementary facility and each secondary facility will be different from the other and that response to those needs should be consistent with their individual building needs and not represent sameness between the two elementary building and the two secondary buildings. Further, the study committee believes that adherence to a concept of equity in spending between the two elementary and the two secondary schools be followed as plans are developed

1. More classroom space, especially at North Decatur Elementary School, and appropriate instructional space in each of the four school facilities is needed to ensure appropriate delivery of educational programs consistent with state of Indiana facility guidelines.

2. Secondary labs, especially in science, computer science, vocational and practical arts need to be modernized and additional space provided where needed.
3. Security, health and safety needs should be attended to in each of the four facilities including their respective office areas.
4. Locker room facilities need to be expanded and updated at the secondary schools.
5. While some repair work has been accomplished on roofs, gutters and drainage systems, more needs to be accomplished to secure the integrity of the envelope of the facilities.
6. Provide modern computer technology to ensure the ability for faculty to integrate technology into the curriculum of the educational programs.
7. Economies of scale, within the corporation and with other local educational institutions, need to be sought. The allocation of human and fiscal resources and the location of specific educational programs to enhance the scope of program offerings and opportunities for “magnet” programs in a variety of areas of the curriculum to help the corporation overcome a “stagnant” program delivery model needs serious consideration.
8. A general cosmetic remodeling at the two secondary schools to include floors, walls, ceiling, lighting, interior doors, and handicapped accessibility needs to occur.
9. HVAC systems in the secondary schools need to be updated.
10. Water quality issues need to be resolved at South Decatur Junior/Senior High School and at South Decatur Elementary School.
11. Fine arts facilities for both instruction and performance need to be developed at the secondary schools.

Other needs that the study committee noted include:

12. Communication systems need to be modernized in each of the four facilities.
13. Special purpose classrooms for special education program delivery need to be provided particularly at the elementary school level.
14. Expanded parking space may be needed at each facility together with improved lighting and handicapped accessibility in some locations.
15. Areas of the secondary facilities need to be redesigned to accommodate community access of academic and vocational offerings.
16. General storage for the corporation, possibly in a stand-alone environmentally controlled metal building, needs to be considered.
17. Creation of general storage for the elementary schools that incorporates the current courtyard areas needs to be considered.

The committee believes that the major items identified in this set of recommendations can be accomplished within a reasonable bonded indebtedness and together with sound planning of the Capital Projects Fund for technology and less costly updates the corporation can accomplish facilities for the delivery of modern, effective and efficient educational programs into the future.

NEXT STEPS:

The study committee believes the following steps should be followed to draw the study process to closure and begin specific planning for a facilities improvement program:

1. The Board of School Trustees should study the recommendation and the priority listing of needs to guide their future planning.
2. The Board of School Trustees should establish Educational Specification work groups at each facility consisting of faculty, administration and community members to determine a specific agenda of needs within the priorities as provided in this report.
3. The Board of School Trustees should be sensitive to the following recommendations as contained in this report as they move forward with planning:
 - A. Work to develop a facility improvement plan that will accomplish the support of the Decatur County Community School Corporation community.
 - B. Insure performance accountability for architects, contractors, and legal council involved in the implementation of the facility improvement plan.
 - C. Continue to involve members of the study committee and keep them informed as to the progress of planning for a facilities improvement program.
 - D. Formulate improved facility maintenance strategies for the school corporation.
 - E. Be mindful of the need for equity in spending between the two elementary schools and between the two secondary schools.

CONCLUSION:

The Broad Based Community Advisory Committee on Educational Facilities has spent time and intellectual effort to determine a set of general recommendations and specific priorities for a doable facilities improvement program for the school corporation. They support, via the consensus building process used, these recommendations and stand ready to continue to be involved and supportive of a facilities improvement investment for the young people of the Decatur County Community School Corporation. The members of that committee were:

Kate Bedel	Chris Bower	Margaret Davis
Lisa Deck	Mike Gasper	Kevin Gay
Matt Hoeing	Norb Hoeing	Jay Hatton
Rueben Kissel	Gary Knecht	Kaywin Lindsay
Connie Martin	Deanna McCullough	Bart Metz
Dennis Meyer	Ben Miller	Deanna Pacilio
Jim Pulskamp	Adrian Scripture	Jeff Smiley
Amy Smith	Joe Stein	Dave Stultz
Mark Vice	Cindy Wilkerson	Don Yager

APPENDIX A:

SUMMARY INFORMATION

DECATUR COUNTY COMMUNITY SCHOOLS

1. The total population of Decatur County increased by just 1,820 people from 1970 to 2000. The townships of the DCCS increase by a total of 698 people during the period. Fugit Township increased by 632 people, nearly all of the net increase, while Sand Creek increased by 292 and Adams Township by 253. All other DCCS townships decreased in total population during the period.
2. The student population of the DCCS has increased by 66 students over the past six years. That represents a total increase of 3.0 percent or just six tenths of one per cent per year. The majority of that increase, 58 of the 66, has been at the secondary level.
3. The larger secondary grade level populations are not being replaced by the numbers in the elementary grade level populations.
4. Birth rates for Decatur County over the past ten years have been relatively flat with the average number of resident live births increasing by just six births per year.
5. Projected student populations based on resident live birth rates and historical continuation rates suggest an increase in total student population of 77 students by 2014. Twenty of that increase is projected at the elementary level while 57 students in that increase is projected at the secondary level.
6. Secondary student populations are generally more accurate because those students are already in the system and are likely to persist with the system.
7. U.S. Bureau of Census projects a 5.2 percent increase in pre-school aged population by 2025 and 4.4 percent increase in school aged population by 2025 for Decatur County which compares to a 3.1 percent increase statewide.
8. The impact of Honda on the student population of the DCCS is uncertain at this time but should at least stem the tide of decline while at best contributing to some student population growth.
9. The Actual and Functional Capacity for each school in the DCCS is shown below and documents that educational space in each building is currently at a premium providing little opportunity for student population growth or program modernization.

**Actual and Functional Capacity of the General and Special Purpose Classrooms
and Current Enrollments of the DCCS Elementary Schools, 2007-08**

School	Actual Capacity	Functional Capacity	Students Enrolled	% Utilized to Functional	% Utilized to Actual
North Decatur	750	635	639	100.6	85.2
South Decatur	700	592	555	93.8	79.3
Total	1,450	1,227	1,194	97.3	82.3

Student Capacity of the General and Special Purpose Classrooms and Current Enrollments of the DCCS Junior/Senior High Schools, 2007-08

School	Actual Capacity	Functional Capacity	Students Enrolled	% Utilized to Functional	% Utilized to Actual
North Decatur	830	623	573	92.0	69.0
South Decatur	800	600	478	79.7	59.8
Total	1,630	1,223	1,051	85.9	64.5

10. A number of significant educational program needs exist within the facilities of the DCCS including, but not limited to; Secondary: science labs, fine arts instructional space, practical arts, physical education, technology, infrastructure and health and safety concerns, Elementary: general instructional and special education instructional space, technology, storage space and exterior lighting.
11. The total assessed value (net taxable wealth) of the DCCS has increased from \$103,234,564 in 2001 to \$575,719,065 in 2007, while the tax rate has declined to a total of \$1.27 per \$100.00 of assessed value. Of that total tax rate, approximately \$0.15 or 11.8 percent is needed to retire current capital debt outstanding.
12. Based on a capital debt leeway range of ten to fifteen percent of the total assessed valued, an acceptable capital debt range in Indiana, the DCCS has between 55 and 82 million dollars of gross capital debt leeway.
13. Net capital debt leeway, gross leeway minus current capital debt outstanding, suggests that the DCCS has a net capital debt leeway of 50 to 77 million dollars.
14. The current capital debt outstanding for the DCCS totals \$5,445,220 which is just 0.99 percent of its total assessed value or about one-tenth of the acceptable leeway.
15. With current capital debt to assessed value ratio of 0.99 percent, the DCCS has a great deal of capital debt leeway that can accommodate planning for the future of educational facilities.
16. The community expects quality education and equity in terms of educational facilities throughout the corporation.
17. With a 2007 total assessed value of \$550,000,000 a capital bond at six percent for twenty years would require approximately \$0.017 cents per million on the local Debt Service tax rate, or less than two cents per million dollars of new capital investment.
18. The median home value in Decatur County is \$86,400. Without any property tax exemptions, each one cent on the property tax rate costs the tax payer \$8.64 per year. Thus, for a facilities improvement program each \$10 million of additional debt would increase the property tax bill for a median home by \$176.16 per year (1.7 cents per million X \$8.64 per year X 10million) or \$14.68 per month or less than fifty cents per day.
19. The degree to which the DCCS community is willing to invest in its community institutions and, thus, the quality of life for its citizens, has yet to be determined.

APPENDIX B:**Historical Enrollments, Projected Enrollments and Space Utilization
For the Decatur County Community Schools, 2007-2008****Table 1****Decatur County Community Schools,
Corporation-wide Enrollments, 2002-2007**

<i>Grade</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
<i>Kindergarten</i>	152	162	161	166	180	173
<i>1</i>	164	149	175	139	176	183
<i>2</i>	154	164	158	166	169	173
<i>3</i>	161	157	163	164	184	157
<i>4</i>	195	160	162	164	163	184
<i>5</i>	185	189	160	168	169	157
<i>6</i>	177	180	183	159	164	169
<i>Elem. Total</i>	1,188	1,161	1,162	1,127	1,205	1,196
<i>Elem Average</i>	170	166	166	161	172	171
<i>7</i>	176	195	195	196	173	178
<i>8</i>	187	166	197	193	187	167
<i>9</i>	184	207	182	200	194	198
<i>10</i>	151	154	192	189	180	180
<i>11</i>	146	151	143	189	167	171
<i>12</i>	149	136	146	154	168	157
<i>J/S HS Total</i>	993	1,009	1,055	1,121	1,069	1,051
<i>HS Average</i>	166	168	176	187	178	175
<i>Corp Total</i>	2,181	2,170	2,217	2,248	2,274	2,247
<i>Corp Average</i>	168	167	171	173	175	173
<i>Number Change</i>		-11	+47	+31	+26	-27
<i>% Change</i>		-0.5	+2.2	+1.4	+1.2	-1.2

Since 2002 the elementary enrollment has increase by 8 students
The secondary enrollment has increased by 58 students or 5.8 percent.
The corporation total enrollment has increased by 66 students or 3.0 percent.

Table 2
Number of Resident Live Births in Decatur County from 1990 Through 2005
And Number of Students Entering Kindergarten Five Years Later

Birth Rate Year	Decatur County Resident Live Births	Kindergarten Enrollment Year	DCCS Kindergarten Enrollment	Percent of Live Births as Kdg Enrollment
1990	367	1995		
1991	368	1996		
1992	396	1997		
1993	343	1998		
1994	318	1999		
Totals	1,792(359/yr)			
1995	360	2000	155	43.1%
1996	317	2001	165	52.1%
1997	380	2002	152	40.0%
1998	391	2003	162	41.4%
1999	400	2004	161	40.3%
Totals	1,848(370/yr)		795(159/year)	43.0%
2000	377	2005	166	44.0%
2001	379	2006	180	47.5%
2002	376	2007	173	46.0%
2003	387	2008	177*	45.8%**
2004	362	2009	166*	45.8%**
Totals	1,881(376/year)			
2005	355	2010	163*	45.8%**
2006	372*	2011	170*	45.8%**
2007	372*	2012	170*	45.8%**
2008	372*	2013	170*	45.8%**
2009	372*	2014	170*	45.8%**

*Estimate based on 372 resident live births, the past five-year average.

**Estimate based on 45.8% of resident live births, the average of the past three years

Table 3

Average Continuation Rate 2003-04 through 2007-08, Five Year Averages for DCCS

Grade	2003-04	2004-05	2005-06	2006-07	2007-08	5 year average
Kdg						
1	98.0	108.0	86.3	106.0	101.7	100.0
2	100.0	106.0	94.9	121.6	98.3	104.2
3	101.9	99.4	103.8	110.8	92.9	101.8
4	99.4	103.2	100.6	99.4	100.0	100.5
5	96.9	100.0	103.7	103.0	96.3	100.0
6	97.3	96.8	99.4	97.6	100.0	98.2
Elem Total	98.9	102.2	98.1	106.4	98.2	100.8
7	110.2	108.3	107.1	108.8	108.5	108.9
8	94.3	101.0	99.0	95.4	96.5	97.2
9	110.7	109.6	101.5	100.5	105.9	105.6
10	83.7	92.8	103.8	90.0	92.8	92.6

11	100.0	92.9	98.4	88.4	95.0	94.9
12	93.2	96.7	107.7	88.9	94.0	96.1
J/S HS Total	98.7	98.6	102.9	95.3	98.8	98.9
Corporation Total	98.8	100.4	100.5	100.9	98.5	99.8

Table 4

**Decatur County Community Schools Enrollment Projected by Five Year Average
Resident Live Birth Rate and Five-Year Continuation Rates, 2007-2014**

Grade	2007	2008	2009	2009	2010	2011	2012	2013	2014
Kdg	173	177	166	163	170	170	170	170	170
1	183	173	177	166	163	170	170	170	170
2	173	191	180	184	173	170	177	177	177
3	157	176	194	184	188	177	174	174	174
4	184	158	177	195	185	189	178	175	175
5	157	184	158	177	195	185	189	178	175
6	169	154	181	155	174	191	182	186	175
Elementary Total	1,196	1,213	1,233	1,224	1,248	1,252	1,240	1,230	1,216
Per Grade Average	171	173	176	175	178	179	177	176	174
7	178	184	168	196	168	189	207	197	202
8	167	173	179	163	191	163	184	202	192
9	198	176	183	189	172	202	172	194	213
10	180	183	163	169	175	159	187	159	180
11	171	171	174	155	160	166	151	177	151
12	157	164	164	167	150	154	160	145	170
High School Total	1,051	1,051	1,031	1,039	1,016	1,033	1,061	1,074	1,108
Per Grade Average	175	175	172	173	169	172	177	179	185
Corporate Total	2,247	2,264	2,264	2,263	2,264	2,285	2,301	2,304	2,324
Per Grade Average	173	174	174	174	174	176	177	177	179

The elementary is projected to increase by 20 students or 1.7 percent

The secondary is projected to increase by 57 students or 5.4 percent

The corporation is projected to increase by 77 or 3.4 percent

Table 5 presents the space utilization of general instructional and support spaces for the North Decatur Elementary School for the 2007-2008 school year.

Table 5
Space Utilization North Decatur Elementary School, 2007-2008

ROOM NUMBER	GRADE	NUMBER OF STUDENTS	FUNCTIONAL CAPACITY	ACTUAL CAPACITY
Acra	K	23	18	25
Hadler	K	21	18	25
Hill	K	20	18	25
Bischoff	K	38	18/18	25/25
1S	1	20	18	25
1BU	1	19	18	25
1C	1	17	18	25
1K	1	19	18	25
1O	1	18	18	25
2B	2	20	20	25
2J	2	19	20	25
2M	2	18	20	25
2S	2	21	20	25
3HA	3	14	20	25
3S	3	14	20	25
3HA	3	15	20	25
3T	3	20	20	25
3N	3	16	20	25
4H	4	24	25	25
4HE	4	24	25	25
4S	4	24	25	25
4M	4	25	25	25
5C	5	25	25	25
5F	5	25	25	25
5K	5	25	25	25
5H	5	24	25	25
6B	6	30	25	25
6G	6	31	25	25
6H/S	6	30	25	25
	Sp Ed PK			
	Art			
	Music			
	Library			
	PE			
	Special Education			
	Special Education			
	Title I			
TOTALS		639	635	750

North Decatur Elementary School has 29 general purpose classrooms and eight special purpose classrooms. The 29 general purpose classrooms have an Actual Capacity of 750 students based on 25 students per classroom and a Functional Capacity of 635 students based on Prime Time guidelines. The school is being utilized at 100.6 percent of its Functional Capacity and 85.2 percent of its Actual Capacity if the eight special purpose classrooms are being used as integral parts of the total educational program.

Table 6 presents the space utilization of general instructional and support spaces for the South Decatur Elementary School for the 2007-2008 school year.

Table 6

Space Utilization South Decatur Elementary School, 2007-2008

ROOM NUMBER	GRADE	NUMBER OF STUDENTS	FUNCTIONAL CAPACITY	ACTUAL CAPACITY
115	K	15/18	18/18	25/25
107	K	1821	18	25
141	K	1920	18	25
136	1	16	18	25
138	1	20	18	25
135	1	18	18	25
200	1	18	18	25
137	1	17	18	25
143	2	19	20	25
142	2	20	20	25
145	2	19	20	25
144	2	18	20	25
114	2	19	20	25
147	3	19	20	25
150	3	20	20	25
149	3	20	20	25
148	3	19	20	25
112	4	21	25	25
111	4	22	25	25
110	4	22	25	25
109	4	22	25	25
122	5	19	25	25
119	5	19	25	25
121	5	20	25	25
204	6	27	25	25
203	6	26	25	25
202	6	25	25	25
	Speech			
	Art			
	Music			
	Library			
	PE			
	LRC			
	LRC			
	Title I			
TOTALS		555	592	700

South Decatur Elementary School has 27 general purpose classrooms and eight special purpose classrooms. The 27 general purpose classrooms have an Actual Capacity of 700 students based on 25 students per classroom and a Functional Capacity of 592 students based on Prime Time guidelines. The school is being utilized at 93.8 percent of its Functional Capacity and 79.3 percent of its Actual Capacity if the eight special purpose classrooms are being used as integral parts of the total educational program.

Table 7 presents the space utilization of general instructional and support spaces for the North Decatur Junior/Senior High School for the 2006-2007 school year.

Table 7
Space Utilization of the General and Special Purpose Classrooms
For the North Decatur Junior/Senior High School, 2007-2008

Room Number	Subject	Capacity	Pd1	Pd2	Pd3	Pd4	Pd5	Pd6	Pd7	Total Students	Percent Utilized
129	Lang Art	25	22	9	29	19	29	34	22	164	93.7
102	Lang Art	25	20	22	24		28	33	31	158	90.3
104	Lang Art	25	26	22	27		28	30	27	160	91.4
134	Lang Art	25	24	25	15	32	22	22	10	150	85.7
130	For Lang	25	26	29		26	25	33	36	175	100.0
132	For Lang	25	14	22	7	1	21	32	12	109	62.3
110	Math	25	24	26	27	24	26	18	8	153	87.4
128	Math	25	27	20	16	27	26	16	24	156	89.1
127	Math	25	26	6	21		30	20	21	124	70.9
112	Math	25	26	19	18		19	15	24	121	69.1
136	Math	25	20	15	16	26	24		9	110	62.9
106	SS	25	25	29	23	26	15	34	5	157	89.7
103	SS	25	28	25	29	14	29	26		151	86.3
108	SS	25	20	22	24		21	23	19	129	73.7
126	SS	25	22	8		17		26	28	101	57.7
113	Sci	25	16	19	32	12	29	6	26	140	80.0
107	Sci	25	20	23	21	22		10	26	122	69.7
109	Sci	25	28	26	26	26	23	11	20	160	91.4
115	Sci	25	27	23	18	23	28	21	29	169	96.6
101	F&CS	25	11	14	27		58	21	39	170	97.1
123	F&CS	25		40			26	45	23	134	76.6
114	Ind Tech	25	13	4	6		7	34	16	80	45.7
116	Agr	25	20	9	18		16			63	36.0
211	Music	50	37	39	34		31	69	58	268	76.6
209	Art	25		16	21	18	43	34	30	162	92.6
GYM	Gym	25	32	27			19	23		101	57.7
GYM	Gym	25	17	32		15	20			84	48.0
Health	Health	25					24	35	15	74	42.2
122	Sp Ed	10	8	5			5	11	24	53	75.7
124	Sp Ed	10	4	4	3	5	44	10	40	110	157.1
Spec Ed	Sp Ed	10		1			7		2	10	14.3
207	Comp	25	7	13	8		20	10	41	99	56.6
119	Comp	25	12						28	40	22.9
121	Dr. Ed	25	10	9			10		13	42	24.0
Totals		830	612	603	490	333	753	702	706	4199	72.3

Table 7 presents the space utilization of general instructional and support spaces for the North Decatur Junior/Senior High School for the 2007-2008 school year. The total number of approved pupil stations for the 34 general and special purpose classrooms of the North Decatur Junior/Senior High School is 830 students per period. Functional Capacity of the general and special purpose classrooms, based on 75 percent of Actual Capacity, is 623 students per period for all classrooms. Function Capacity at 75 percent of Actual Capacity allows classrooms to be available to teachers during planning periods and allows for student population growth during the school year. Percentages for Actual Capacity utilization of the 34 General and Special Purpose classrooms reported across the total school day for the North Decatur Junior/Senior High School is 72.3 percent, while Functional Capacity utilization is 96.3 percent.

Table 8 presents the space utilization of general instructional and support spaces for the South Decatur Junior/Senior High School for the 2007-2008 school year.

Table 8
Space Utilization of the General and Special Purpose Classrooms
For the South Decatur Junior/Senior High School, 2007-2008

Room Number	Subject	Capacity	Pd1	Pd2	Pd3	Pd4	Pd5	Pd6	Pd7	Total Students	Percent Utilized
103	Lang Art	25	22	20	16	52	20	31		161	92.0
404	Lang Art	25	21	21	19	18	22	14		115	65.7
310	Lang Art	25	30	30	30	18	9	13		130	74.3
100	Lang Art	25	18		24	21	18	14	14	109	62.3
400	Lang Art	25	9	22	12		25	10	16	94	53.7
401	For Lang	25					3	12	25	40	22.9
302	For Lang	25	24		26	21	12	24	12	119	68.0
Library	Lang Art								20	20	0
107	Math	25	19	20	21	20	16		22	118	67.4
109	Math	25	25	23	20	21	21	14	7	131	74.9
308	Math	25	20	22		25	29	14	7	117	66.9
304	Math	25		20	13	14	15	4	40	106	60.6
105	SS	25	16	19	19	44		35		133	76.0
104	SS	25	18	20	23	39	23	43	18	184	105.1
306	SS	25	30	9		6	11	27	38	121	69.1
402	SS	25	13	29		25	20	18	11	116	66.3
403	SS	25	21	30	13	42	22		23	151	86.3
108	Sci	25	20	17	23		21	13		94	53.7
106	Sci	25	20	19	22	14	23	11	16	125	71.4
303	Sci	25	28		19	13	20	11	30	121	69.1
300	Sci	25	10	16	11		18	18	24	97	55.4
201	Des Proc	25		11				10		21	12.0
309	F&CS	25	23	24	19	11		31	12	120	68.6
401	Ind Tech	25									
202	Agr	25		14	22	18	10	12	24	100	57.1
203	Agr	25						14	40	54	31.0
501	Art	25	14	22	23	6		9	24	98	56.0
502	Music	50	8	18	31	43	36	39	39	214	61.1
GYM	Gym	50	21	18	12	83	31	77	21	263	75.1
102	Sp Ed	10		8	27			4	11	50	71.4
101	Sp Ed	10				4		10	4	18	25.7
Other	Sp Ed	10	10		7				6	23	32.9
305	Sp Ed	10	6	4	6	9	6	1	12	44	62.9
500	Comp	25	20		17	18	21	9	37	122	69.7
307	Dr Ed	25	9	9	9		9			36	20.6
Totals		800	475	465	484	585	461	542	553	3565	63.7

Table 8 presents the space utilization of general instructional and support spaces for the South Decatur Junior/Senior High School for the 2007-2008 school year. The total number of approved pupil stations for the 32 general and special purpose classrooms of the North Putnam High School is 800 students per period including those classrooms that are shared with the middle school. Functional Capacity of the general and special purpose classrooms, based on 75 percent of Actual Capacity, is 600 students per period for all classrooms. Function Capacity at 75 percent of Actual Capacity allows classrooms to be available to teachers during planning periods and allows for student population growth during the school year. Percentages for Actual Capacity utilization of the 32 General and Special Purpose classrooms reported across the total school day for the South Decatur Junior/Senior High School is 63.7 percent, while Functional Capacity utilization is 84.9 percent.

In Table 9 is presented data on the student capacity in terms of both Actual and Functional Capacity of each elementary school based on 18 students in kindergarten and grade one, 20 students in grades two and three and 25 students per classroom in grades four, five and six, and the total students enrolled during the 2007-08 school year. Also, Table 5 presents the Actual and Functional Capacities of the two junior/senior high schools. The reader will note that the total current enrollment at North Decatur Elementary School is four students greater than its Functional Capacity, while South Decatur Elementary School is just 35 students less than its Functional Capacity. The facilities together are utilized at 97.3 percent of their Functional Capacity and 82.3 percent of their Actual Capacity.

Table 9

Actual and Functional Capacity of the General and Special Purpose Classrooms and Current Enrollments of the DCCS Elementary Schools, 2007-08

School	Actual Capacity	Functional Capacity	Students Enrolled	% Utilized to Functional	% Utilized to Actual
North Decatur	750	635	639	100.6	85.2
South Decatur	700	592	555	93.8	79.3
Total	1,450	1,227	1,194	97.3	82.3

Table 9 Continued

Student Capacity of the General and Special Purpose Classrooms and Current Enrollments of the DCCS Junior/Senior High Schools, 2007-08

School	Actual Capacity	Functional Capacity	Students Enrolled	% Utilized to Functional	% Utilized to Actual
North Decatur	830	623	573	92.0	69.0
South Decatur	800	600	478	79.7	59.8
Total	1,630	1,223	1,051	85.9	64.5

The Actual Capacity of the North Decatur Junior/Senior High School is 830 students, while the Functional Capacity is 623 students. Given the 2007-2008 enrollment of 573, the school is being utilized at 92.0 percent of its Functional Capacity and 69.0 percent of its Actual Capacity. The Actual Capacity of South Decatur Junior/Senior High School is 800 students, while the Functional Capacity is 600 students. Given the 2007-2008 enrollment of 478 students, the school is being utilized at 79.7 percent of its Functional Capacity and 59.8 percent of its Actual Capacity. Taken together the two secondary schools are being utilized at 85.9 percent of their Functional Capacity and 64.5 percent of their Actual Capacity.

APPENDIX C:

**INDIANA SCHOOL FINANCE
SOURCES AND TIMING OF REVENUE AND
PURPOSE OF EACH BUDGET FUND**

/----- BUDGET FUND -----/

Characteristic	General Fund	Debt Service Fund	Capital Projects Fund	Transportation Fund	Bus Replacement Fund	Pre-School Special Education Fund
State Funds	Yes	No	No	No	No	No
Property Tax	Yes	Yes	Yes	Yes	Yes	Yes
CAPS	Yes	No	Yes	Yes	Yes	Yes
Type of CAP	Levy	No	Tax Rate	Appropriation	10% of Fleet Per Year	Tax Rate
Funds Received	State Monthly, Property Tax on June 30, Dec. 31	PT on June 30, Dec. 31	PT on June 30, Dec. 31	PT on June 30, Dec. 31	PT on June 30, Dec. 31	PT on June 30, Dec. 31
Salaries, Benefits, Fixed Costs,	X					X
Retire Capital Debt		X				
Facility Updates and Technology			X			
Operations				X		
Fleet Replacement					X	

All Funds must balance on December 31

All accounts within funds must balance December 31

Appropriations can not transfer from one fund to another

Interest on investment is receipted to contributing fund

Caps are set by the Indiana General Assembly

APPENDIX D:**Table 10****Total Assessed Value, Tax Rates by Fund and Total Tax Rate for
Decatur County Community Schools, 2001-2007**

BUDGET YEAR	ASSESSED VALUE	GENERAL FUND	DEBT SERVICE FUND	CPF FUND	TRANS OPER FUND	SCHOOL BUS REPLACE	PRE SCHOOL SPEC ED	TOTAL TAX RATE
2001	103,234,564							
2002	320,225,191	0.8766	0.1795	0.2592	0.1851	0.0224	0.0031	1.5259
2003	542,643,630	1.1667	0.2415	0.4558	0.2326	0.0332	0.0033	2.1331
2004	543,478,390	0.5506	0.1332	0.1865	0.1210	0.0163	0.0019	1.0095
2005	555,673,480	0.6860	0.1767*	0.2286	0.1519	0.0234	0.0019	1.2685
2006	526,510,490	0.6451	0.1811*	0.2803	0.1502	0.0090	0.0019	1.2676
2007	575,719,065	0.6138	0.1561*	0.2772	0.1621	0.0602	0.0017	1.2711

* Includes Pension Bonds

The necessity for securing more funds for education will continue as long as any or all of the following occur:

1. Inflation continues.
2. Pupil population increases.
3. School building costs continue to increase.
4. Educational program demands increase.
5. Teachers become more experienced and add to their education.
6. Student drop-out rates decrease.
7. Increased length of school year.
8. Support services increase.
9. Fixed costs of utilities continue to rise.
10. Continued improvement in public school productivity.

Financing School Construction

The cost of school building construction and renovation continues to increase and often out-gains the cost of private corporate construction primarily as a result of Public Works pay requirements. Assuming the past is a valid indicator and predictor of the future, school building construction and renovation will continue to increase in cost, at least at the rate of inflation. While no one likes to pay more tax, capital project costs need to be viewed by educational decision-makers as *investments in the future rather than expenditures of current dollars. Such are investments made in students, in the community, and the welfare of the state and nation.* Such investments, however, must be made only after careful consideration of educational program requirements. The needs of students regarding educational program are changing rapidly. School facilities that can deliver modern programs are a necessity.

Long Term Debt v. Pay-as-you-go Capital Projects:

Bonds, lease-rental contracts, and state of Indiana loans are methods of long-term debt through which school districts may rapidly obtain needed funding for buildings and/or building renovations. School buildings are expected to last 50 or more years; therefore, one point of view contends that long-term debt is a just and fair means of sharing the cost of education with future generations. Another point of view however,

expresses concern that future generations may have their own unique financial problems and needs, and that they should not be burdened with the results of decisions in which they had no voice. Pay-as-you-go advocates would utilize capital projects funds and increased tax levies to meet building costs as needed. Obviously, pay-as-you-go plans eliminate interest costs and place the burden of payment on the generation with whom the problem originated. Not so obvious is the local economic impact of withdrawing funds from the private sector, and subsequently holding those funds in the Capital Projects Fund until needed for a building program and the economic effect of a substantial tax rate increase. Further complicating the pay-as-you-go v. long-term debt issue is that building construction and renovation costs continue to increase; tomorrow's dollars, in all likelihood, will not generate the same purchasing power as today's dollars.

A final consideration in weighing finance methods is the impact on consistency of the local debt service rate. Long-term debt programs have built-in features that permit debt service tax rates to be maintained at a relatively constant or decreasing level. Pay-as-you-go programs generally require certain high peak effort years.

Even though each school district must study its own unique problems and local philosophy relative to debt management before adopting a program, general guidelines for adopting a program should be observed:

1. Long term debt programs may appropriately be considered by communities characterized by stable population growth and taxable wealth if little or no additional capital improvement projections exist beyond present need.
2. Pay-as-you-go programs may appropriately be considered by communities characterized by rapid expansion or continuing capital improvement needs.

In reality, final consideration is generally a compromise position between the pay-as-you-go and long-term debt approaches. Debt programs of approximately twenty years have generally commanded favorable market interest rates, and appear to be a reasonable compromise with the intergenerational theory of the impact of debt.

Financing School Buildings Through Building Corporations

Funds for school building construction in Indiana are derived from a variety of sources. Public school officials are charged with the responsibility of measuring impact of alternate financing methods on the financial structure of their school district. In fact, the optimum method of providing building funds often involves a combination of several sources.

Long-term indebtedness typically extends beyond two years. Indiana law permits long-term debt to be financed with the sale of General Obligation Bonds. Historically, long-term debt has been used by school corporations for purchase of pupil transportation equipment (general obligation bonds only) or for facility construction and improvement.

Lease/Rental Corporations. School corporations are authorized by law to enter into lease-rental agreements with school building authorities that have constructed school buildings in accordance with laws, rules, and regulations governing school construction. Such agreements provide that when debt is retired, capital equipment becomes the property of the school corporation. As such, these agreements are not considered as indebtedness against the two percent constitutional limitation of indebtedness.

The school building corporation obtains its funds by issuing bonds. There is no legal limit on the size of the bond issue. Such bonds are classed as first mortgage bonds,

and are secured by annual payments from the school district as specified in the lease agreement. Lease contracts must be for a minimum of fifteen years, and may not exceed thirty years. School building corporations technically are not quite as secure as general obligation bonds, and consequently may have slightly higher interest rates. The higher rates on school building corporation bonds are also due to the usually longer terms of issue.

Lease/rental payments are calculated on the basis of anticipated interest rates at the time of the bond sale. Ordinarily payments are in excess of amounts needed to amortize the debt, and to pay small annual expenses of the building corporation. Consequently, trustee banks acquire surplus funds that are maintained through investment and ultimately are used to retire bonds prior to scheduled maturity.

Borrowing, repaid either directly by the school district or through a lease/rental arrangement, provides a means through which to stabilize tax rates. Lease/rental contracts require a fixed payment each year with provision for "calling" or retiring bonds early when surplus funds are available, or when interest rate conditions become more favorable. General obligation bonds mature serially over the years, and may be grouped to provide a constant or declining tax rate.

Private Corporations. In 1957, the Indiana General Assembly expanded the concept of the lease/rental plan by enacting a law permitting school districts to lease school buildings from private corporations. Lease provisions with private corporations are similar to those with school building corporations, with the notable exception that a fifty-year lease instead of a thirty-year lease, and terms for less than fifteen years are possible. The absence of cost of bond issuance and different provisions for interest during construction becomes the basis of private corporations ability to compete financially with the local non-profit school building corporation. School district officials need to consider carefully the relative merits of the private corporation for-profit method, and of the school building corporation method when developing their financial program. Careful analysis of all the costs associated with each method should be made. If provisions for "advanced refunding" to take advantage of lower interest rates cannot be guaranteed, lease arrangements with private corporations are not advisable.

Funding Sources

General Obligation Bonds. Bonds are a legal written promise to repay borrowed funds at a specific time with a affixed interest charge. Bonds have been used to finance school building in Indiana for over one hundred years. These general obligation of "full faith and credit" bonds generally receive favorable interest rates from buyers.

The use of general obligation bonds issued for major building programs is restricted by a severe debt (two percent) limit. Indiana's constitution limits school districts' and other civil corporations' bonding power to two percent (2%) of taxable property; however, courts have ruled that civil governmental units, which are coterminous with the school corporation may also issue bonds for school purposes, for a maximum of two percent (2%) of assessed valuation. This ability, in effect, permits local communities to raise a maximum of four percent (4%) based on community wealth. Loans from the Veterans Memorial School Construction Fund and the Common School Fund stipulate such loans shall not be considered as part of the constitutional limitation on indebtedness.

Construction Loan Funds. Indiana administers two loan programs for school districts demonstrating dire need, and are otherwise qualifiers for aid. The Common School Fund advances loans to school districts meeting need and local effort requirements. The rate of interest is fixed at one percent (1%) less than nationally recognized index of municipal bond averages, selected by the State Board of Education, rounded down to the next lowest even percent. The local school district must raise an amount equal to two percent (2%) of adjusted assessed valuation in order to qualify for an advance from the Common School Fund. A second loan fund, the Veterans Memorial School Construction Fund, provides up to \$250,000 at one percent (1%) interest to be paid over a twenty-year period through deductions from state aid tuition distributions. A Veterans Fund Advance requires that the district have less than \$8,400 AAV/ADA, debt service rate in excess of \$3.00, and have levied a minimum of fifty cents (\$.50) tax rate for school building purposes during each of the previous three years.

Capital Projects Fund. The 1987 General Assembly, through Public Law 85 established a Capital Projects Fund that replaced the Cumulative Building Fund. The legislative intent of Public Law 85 was to provide a means for a phase-out of the Cumulative Building Fund, and for the eventual implementation of a Capital Projects Fund for all school corporations in the state.

A school corporation may establish a Capital Projects Fund with respect to any facility used or to be used by the corporation, other than a facility to be used primarily for interscholastic, extracurricular activities, and which is to be used for one or more of the following purposes:

1. Planned construction, repair, replacement or remodeling;
2. Site acquisition;
3. Site development;
4. Repair, replacement or site acquisition that is necessitated by an emergency; purchase, lease, or repair of equipment to be used by the school corporation, other than vehicles to be used for any purpose and equipment used primarily for interscholastic; or,
5. Purchase, lease, upgrading, maintenance or repair of computer hardware.

Public Law 85 requires the school corporation to prepare a Capital Projects Fund Plan. The school board is required to approve a resolution to establish a Capital Projects tax levy and adopt the plan. On approval by the school board the plan is advertised, a public hearing is conducted and the plan with requirements for tax levy and appropriations are submitted to the Department of Local Government Finance for their review and approval. The plan must apply for at least three (3) years immediately following the year of adoption. Tax rates for the Capital Projects Fund may not exceed \$0.33 on each one hundred dollars (\$100.00) of assessed valuation of the school corporation. Interest earned on Capital Project Fund revenues are to be deposited in the Capital Project Fund.

The Ability of DCCS to Finance School Building Projects

Financial Resources and Debt Limits. A ratio of debt-to-assessed-valuation is used as one guide to limits of school indebtedness. School finance authorities have advocated a ratio of debt to assessed valuation not to exceed 10 percent to 15 percent. School corporations in Indiana embarking on recent school construction programs have ratios ranging from 0 to 43 percent. The ratio itself is of little consequence; rather, the bond

rating a school is able to obtain is of greater significance, because interest rates and bond ratings vary inversely.

Table 11 demonstrates the varying debt limits using the 2006 payable 2007 assessed valuation of the DCCS, \$550,000,000. A reasonable debt limit by this measure, for DCCS would fall within the range of 55 to 82 million dollars for school construction or renovation given the current assessed valuation. This amount would be reduced by outstanding capital debt obligations that are owed for previous school facility construction. Currently the DCCS has approximately 5.5 million dollars in capital debt outstanding. Thus, the DCCS has between 50 and 77 million dollars of capital debt leeway. In addition, the corporation has some \$2,720 dollars in Pension Bonds that mature in 2025.

Table 11
Capital Outlay Funds Available To the DCCS Based On
Varying Debt Limits Using the 2007 Assessed Valuation

Assessed Valuation	Available Funds With Debt Limit of:	
	10 Percent	15 Percent
\$550,000,000	\$55,000,000	\$82,500,000

Source: RCSD Central Office

Table 12 presents the outstanding principal debt of the DCCS as of January 2008. The current existing capital debt does not retire until between 2014 and 2016.

Table 12
Outstanding Principal on Capital Debt Outstanding Of the DCCS
As Of January 2008

Debt Obligation	Principal Outstanding January, 2008	Year Retired
Common School Fund, 1995	720,220	2014
School Building Corp, 2002	4,725,000	2016
TOTALS	\$ 5,445,220	

With current capital debt to assessed value ratio of 0.99 percent, the DCCS has a great deal of capital debt leeway that can accommodate planning for the future of educational facilities. To be sure the school corporation will need to proceed with careful planning to meet the educational facility needs of the corporation. *The community expects quality education and equity in terms of educational facilities throughout the corporation.*

With a 2007 total assessed value of \$550,000,000 a capital bond at six percent for twenty years would require approximately *\$0.017 cents per million on the local Debt Service tax rate, or less than two cents per million dollars of new capital investment.*