



South Gibson School Corporation

2026 Budget Order Analysis

March 2026



Methodology

- The revenue analysis is based on a parcel-level forecast of assessed value and a simulation of the property tax billing process and revenue allocation to units.

Data Source

- The analysis incorporates the 2025 pay 2026 Certified Net Assessed Value, which was certified in Fall of 2025, and pay 2026 Budget Order Report, which was released in January 2026.

Assumptions

- Gross Assessed Value: Pay 2027 and beyond is assumed to increase by 2%-4% annually depending on property class.
- Certified Levies: Maximum Levy Growth Quotient assumed at 4.0%

Overview of SEA-1 Changes

- **Homestead Deductions**

Increased from 37% of assessed value in 2025, phased in over time, to **67%** of assessed value for taxes due in 2031. Standard deduction is phased out by 2031.

- **2% Cap Tax Class Deductions**

New deduction for non-homestead residential (2% circuit breaker class such as **apartments, long-term care facilities and agriculture**), phasing in each year to **33%** by 2031

- **Homestead Residential Credit**

New credit for homestead residential properties equal to the lesser of **10%** of the taxpayer liability or **\$300**. To be applied after Constitutional circuit breaker caps.

- **De Minimis Business Personal Property Exemption**

Exemption threshold for de minimis business personal property (purchase price \$2M or less) increases from \$80K in 2025 to **\$2M** for **2027**.

- **Business Personal Property 30% Floor**

With certain exceptions, new business personal property purchases are **exempted from the 30% floor** and therefore will continue to depreciate below 30% of cost.

- **Farmland Assessed Value**

New methodology for agriculture base rate beginning in 2026 including the capitalization rate changed from 8% to 9% for January 1, 2025 and January 1, 2026.

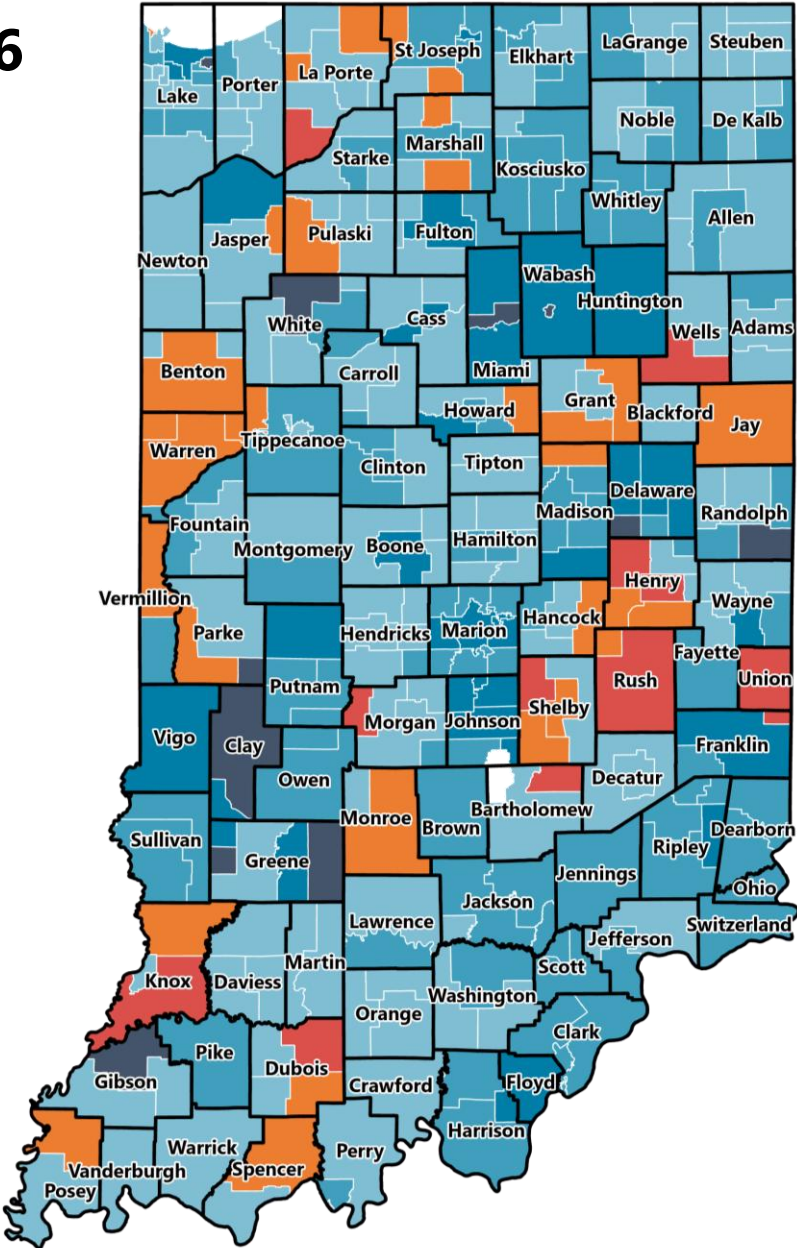
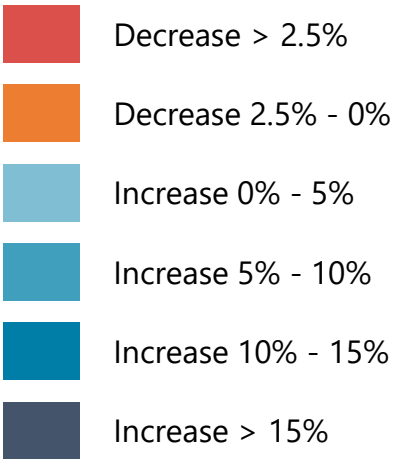
- **Elimination of Deductions**

Most non-local property tax deductions are eliminated for taxes payable in 2026 such as solar energy, wind, geothermal, etc. Other historic deductions such as over-65, blind/disabled were converted to credits.

Assessed Value Analysis

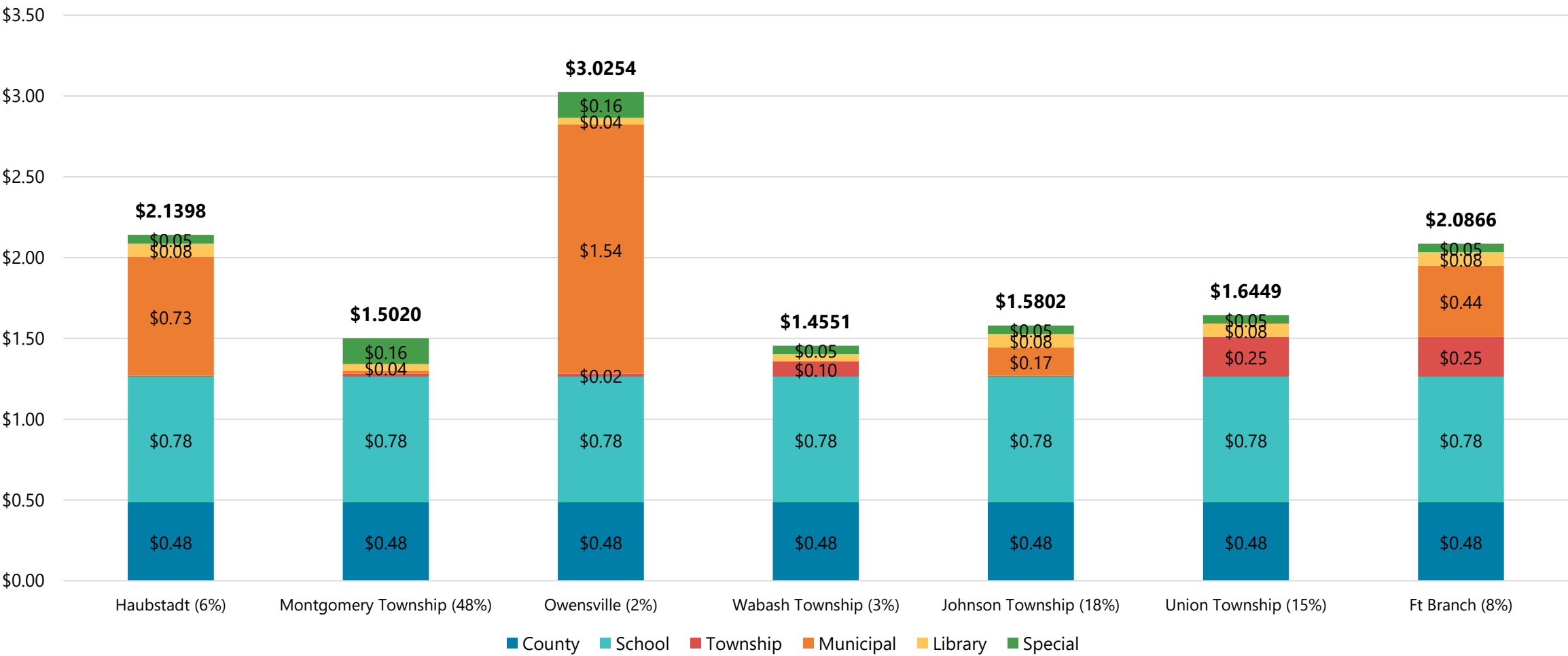
Indiana NAV Change: 2025 to 2026

By School District



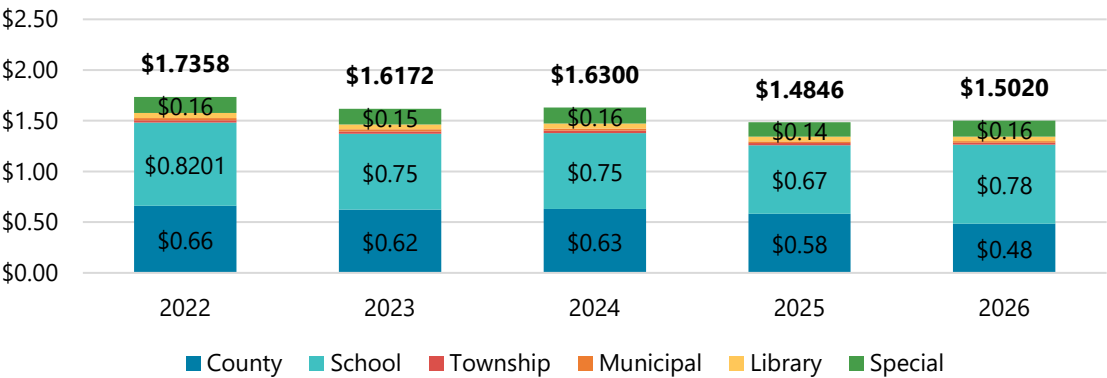
Tax Districts and Rates

Pay 2026

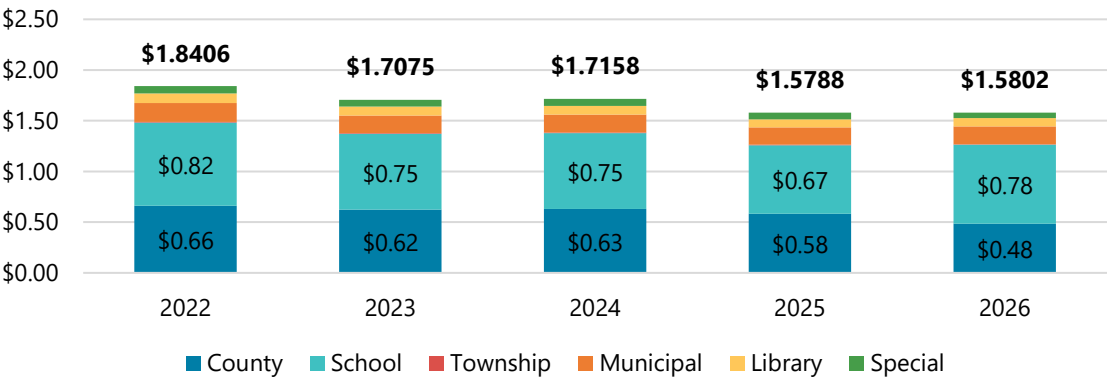


Tax Rate History

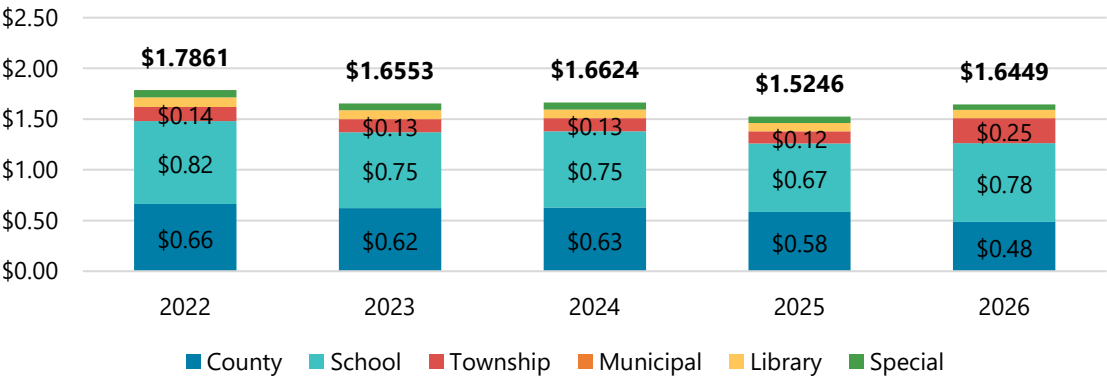
Montgomery Township (48.1% of Tax Base)



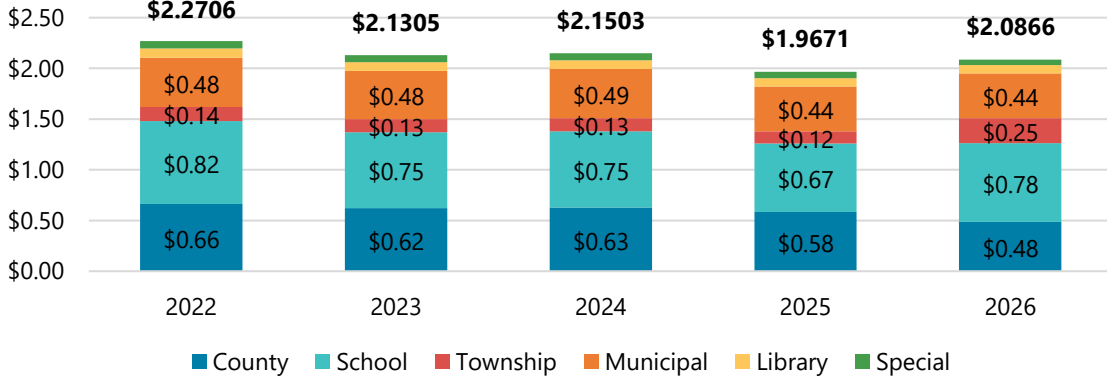
Johnson Township (18.5% of Tax Base)



Union Township (14.7% of Tax Base)

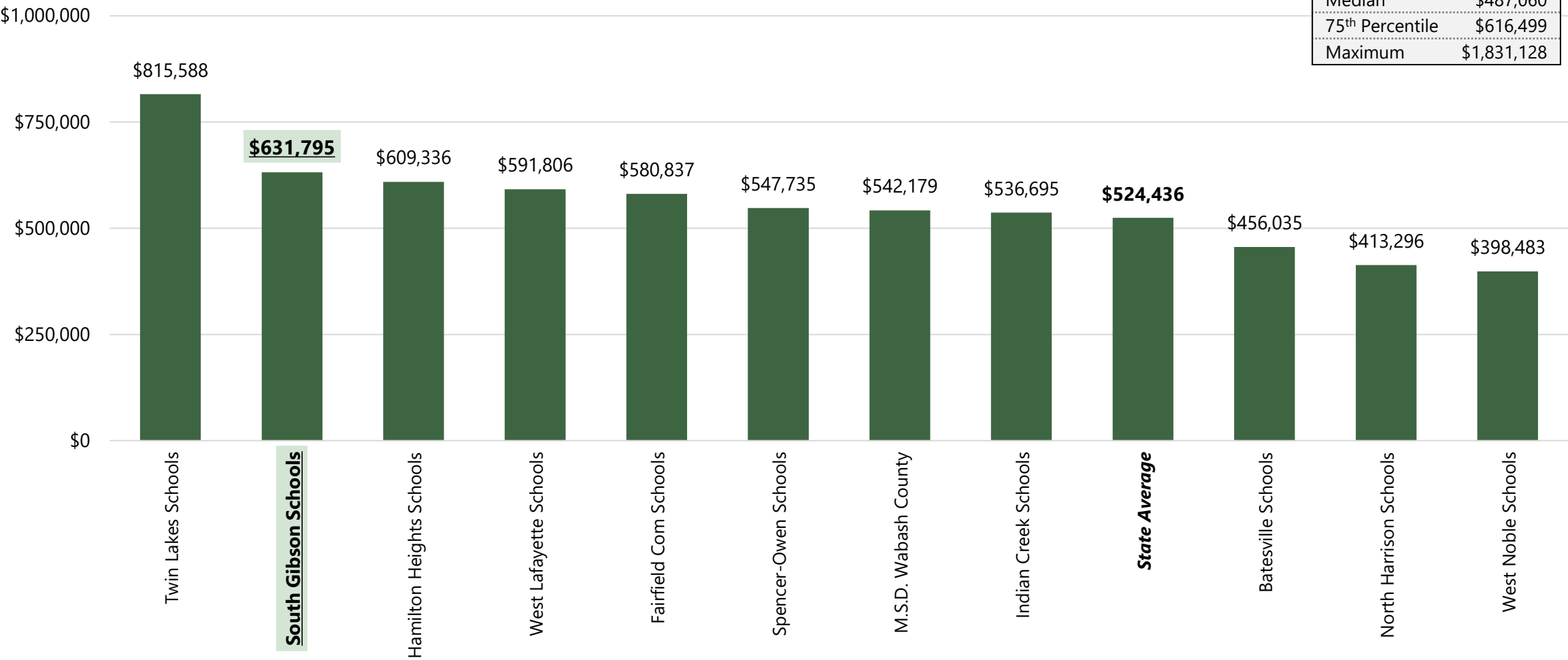


Ft Branch (7.9% of Tax Base)



2026 NAV per Student

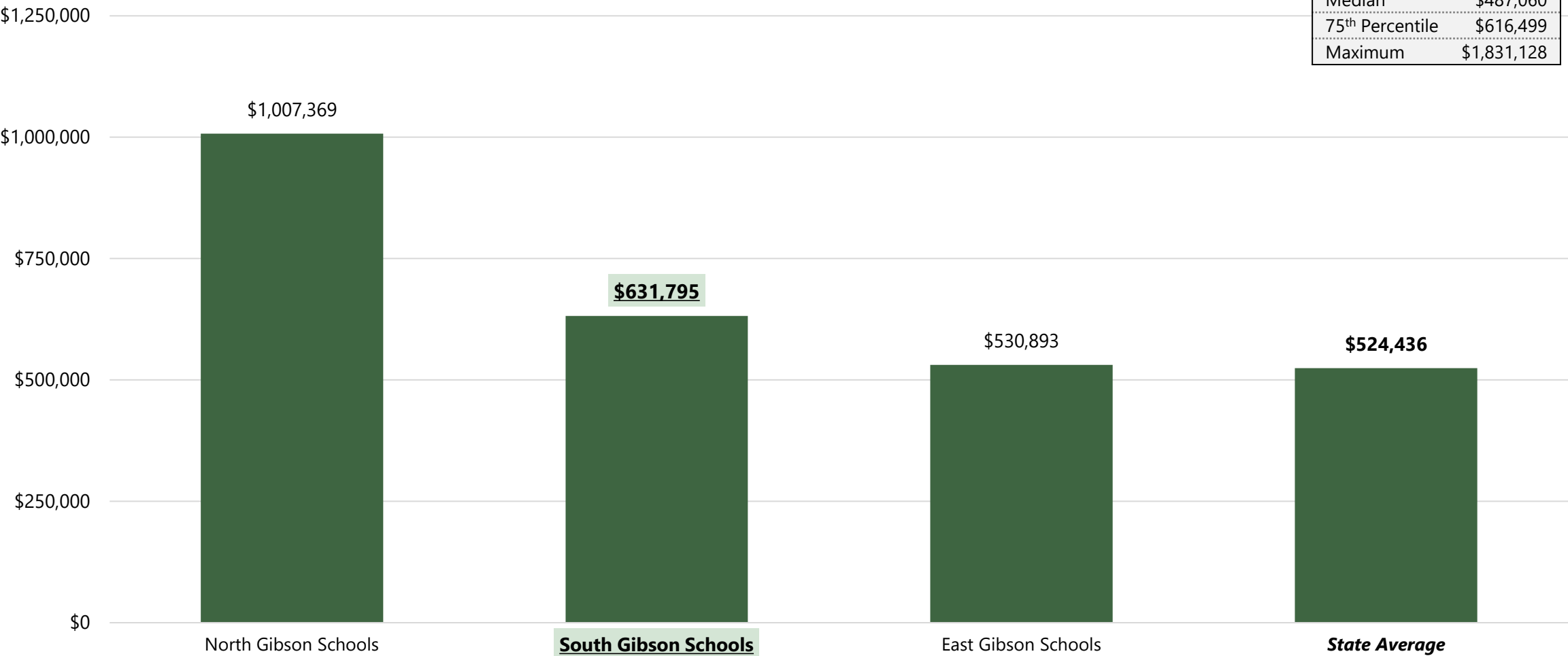
Schools with Similar ADM



NAV per Student	
Minimum	\$37,512
25 th Percentile	\$387,160
Median	\$487,060
75 th Percentile	\$616,499
Maximum	\$1,831,128

2026 NAV per Student

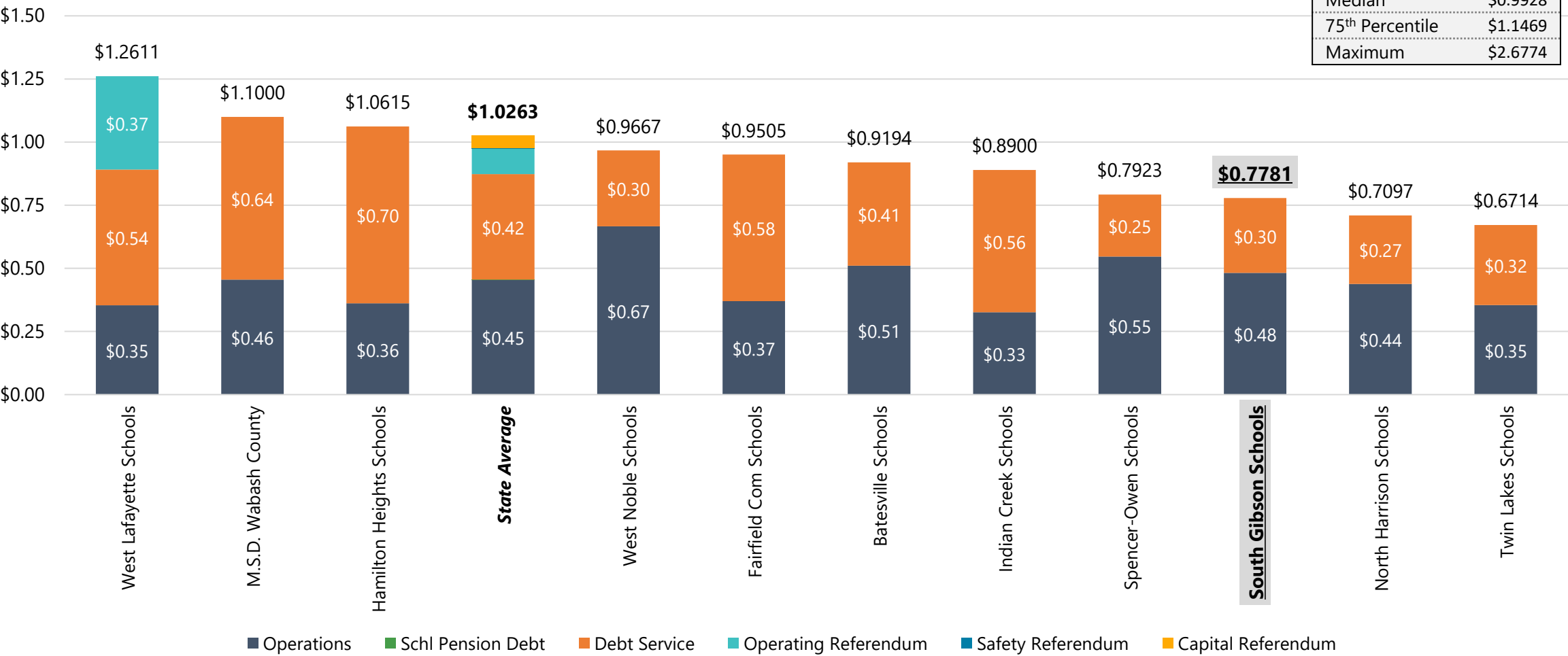
Schools within Gibson County



NAV per Student	
Minimum	\$37,512
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2026 Property Tax Rates

Schools with Similar ADM

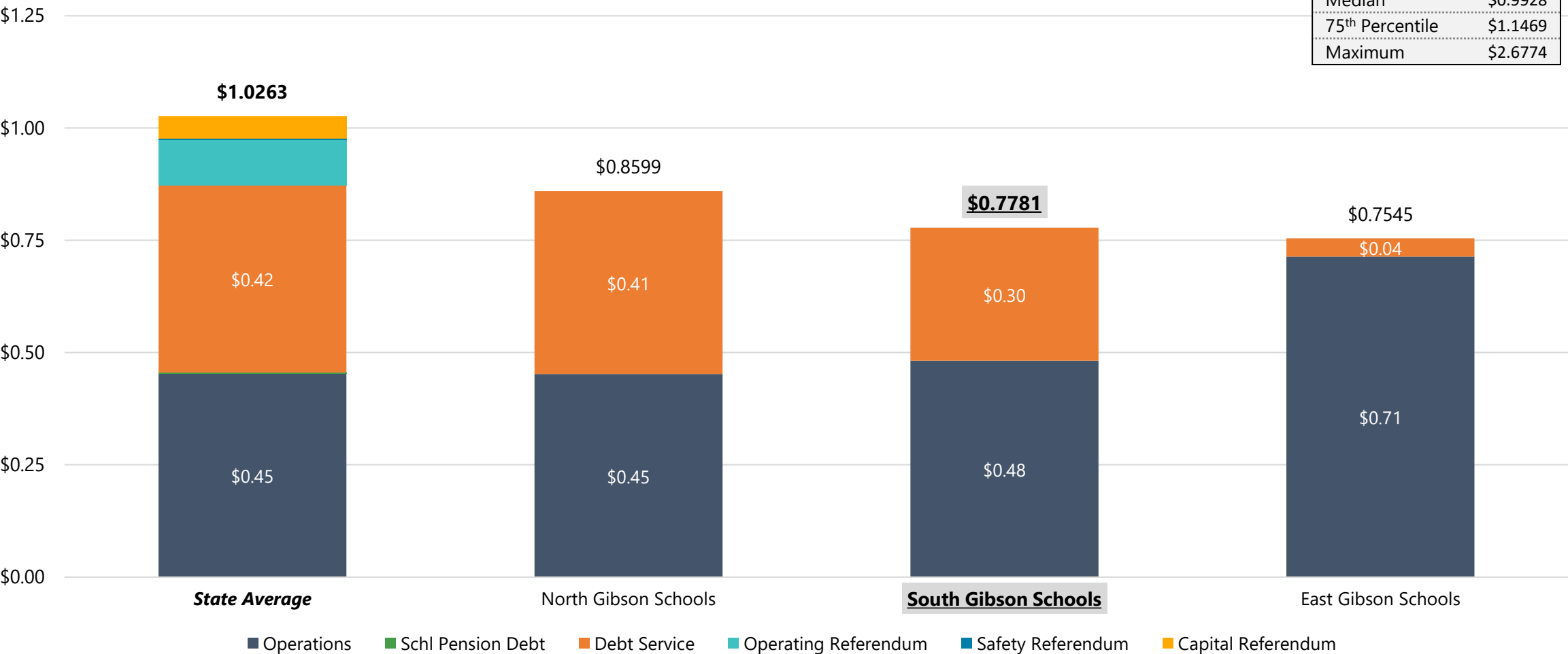


Total School Rate	
Minimum	\$0.4565
25 th Percentile	\$0.8359
Median	\$0.9928
75 th Percentile	\$1.1469
Maximum	\$2.6774

2026 Property Tax Rates

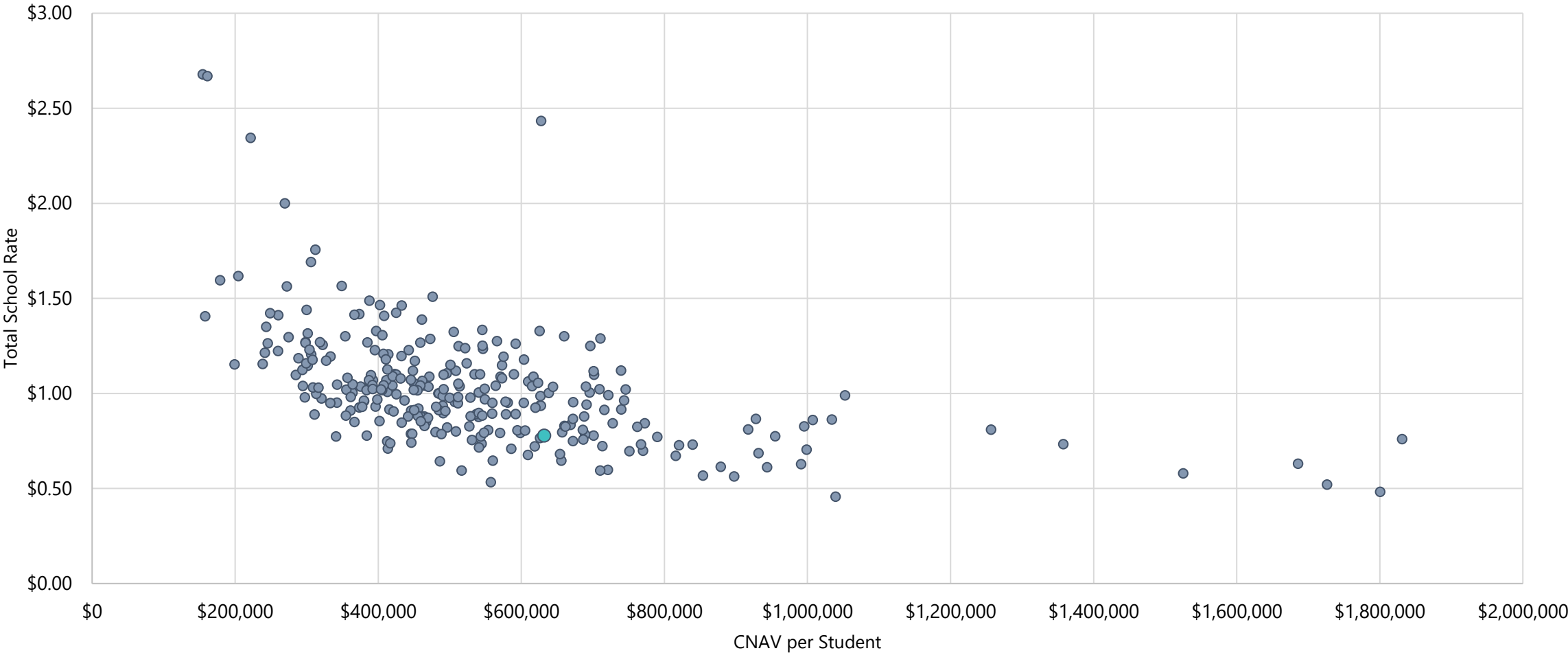
Schools within Gibson County

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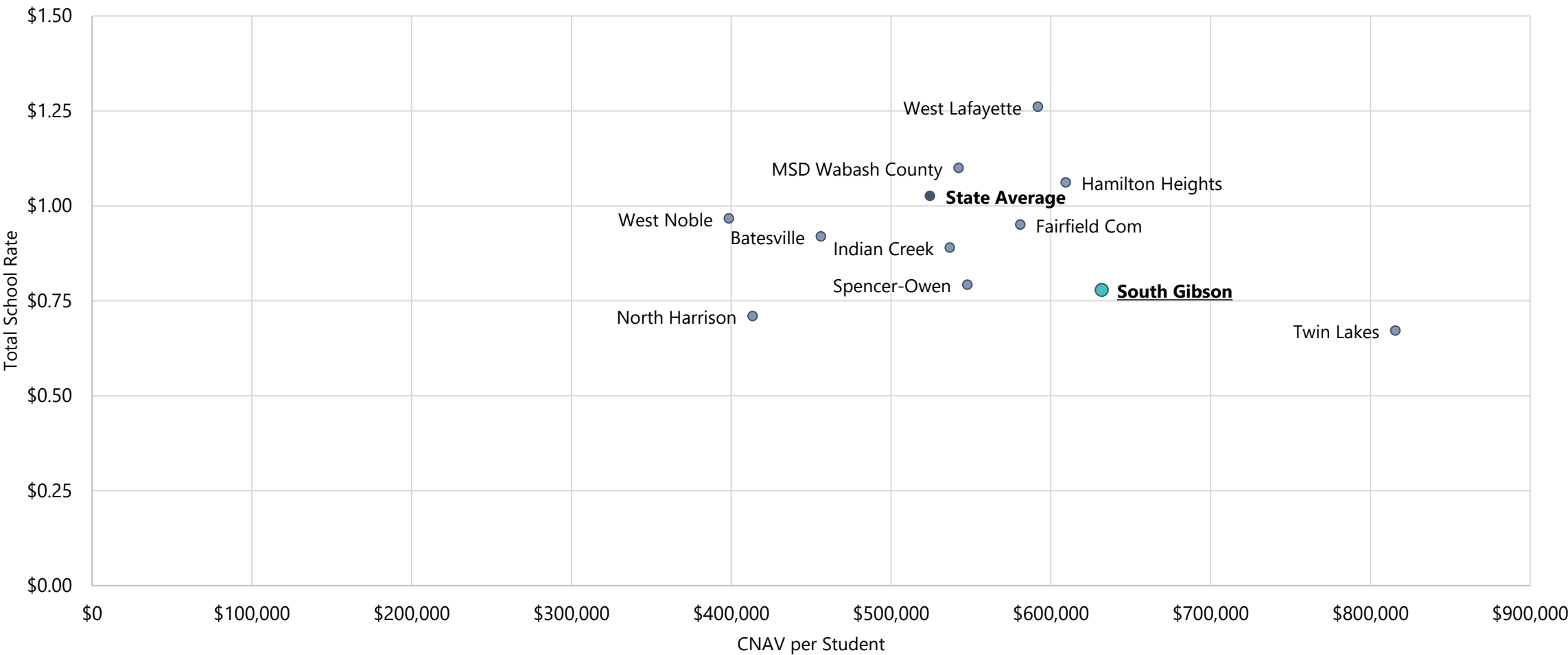
2026 Certified NAV vs Total Rate

Statewide



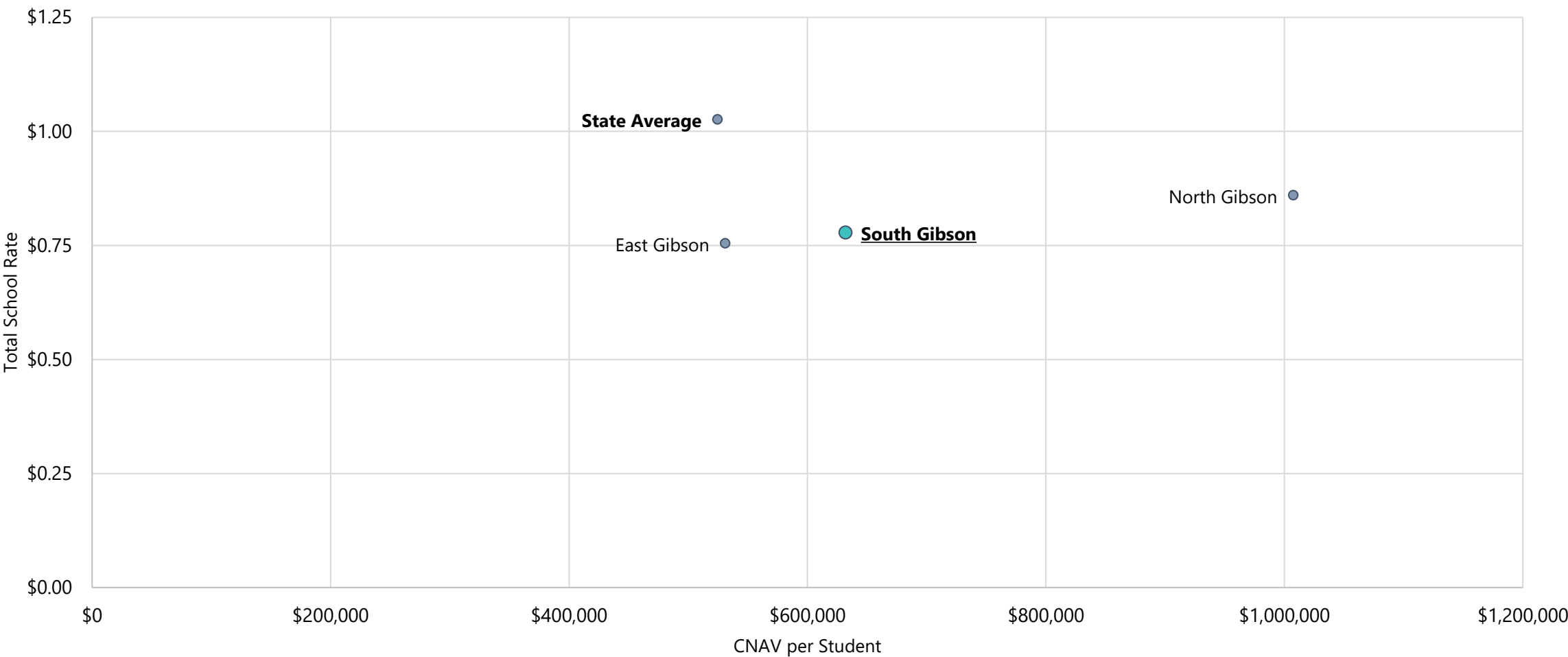
2026 Certified NAV vs Total Rate

Schools with Similar ADM



2026 Certified NAV vs Total Rate

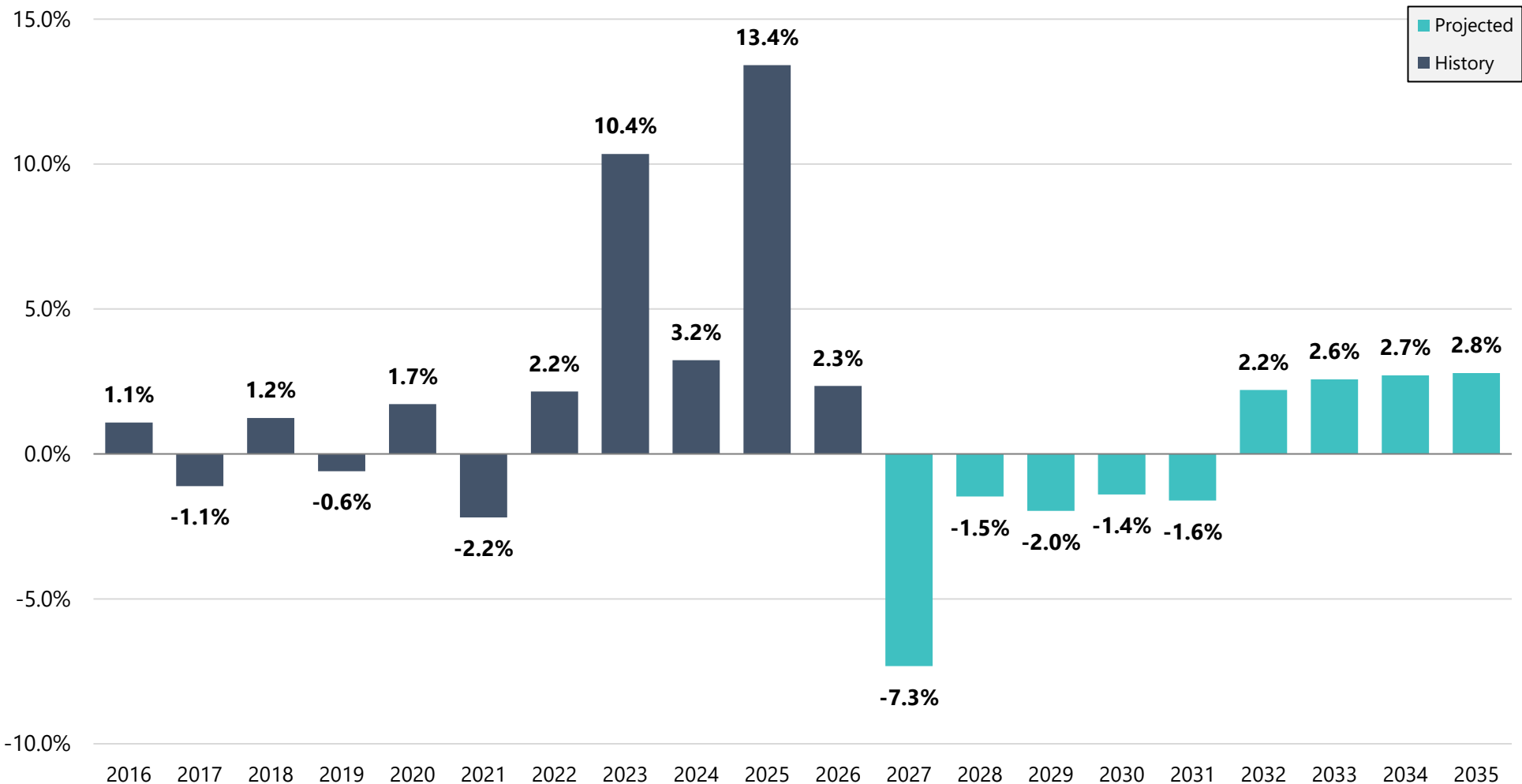
Schools within Gibson County



Revenue Scenarios

NAV Annual Projection

- SEA 1 2025 contains provisions that change the tax base for local governmental units moving forward.
- The deductions contained in SEA 1 phase in over the period between 2026 and 2031 (pay year).
- In 2027, the de minimis business personal property exemption is increased to \$2M.
- Once SEA 1 is fully implemented, net assessed values are projected to increase by approximately 2.6% annually.



Unfunded Credits

Dollars in Thousands

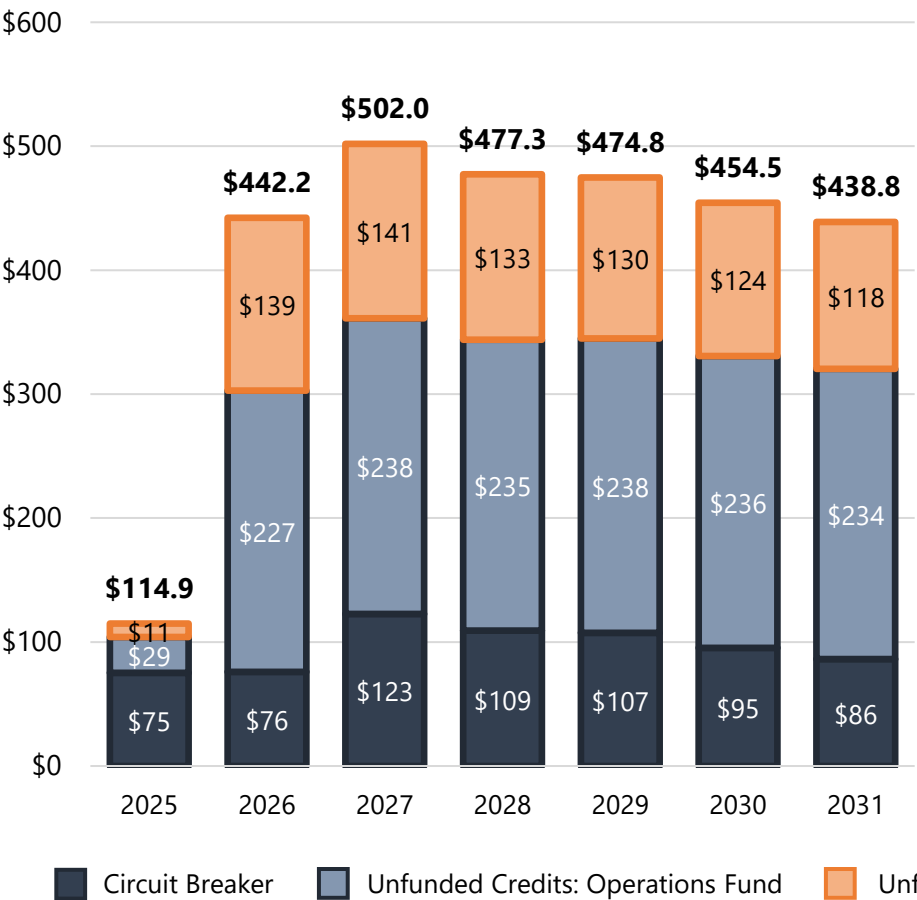
Circuit Breaker Loss:

- 1% Credit – Owner Occupied Residential (Homestead)
- 2% Credit – Other Residential, Agricultural Land
- 3% Credit – Commercial and Industrial Property, Business Personal Property

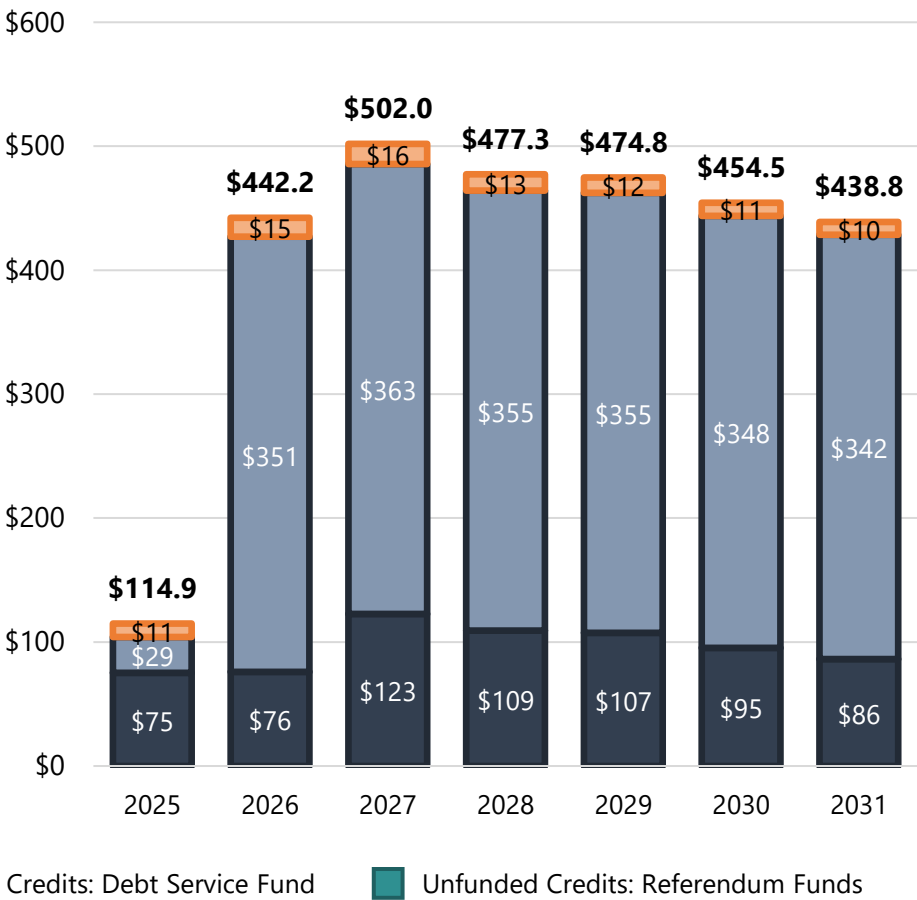
Homestead Residential Credit

- New credit for homestead residential properties equal to the lesser of 10% of the taxpayer liability or \$300. To be applied after Constitutional circuit breaker caps.

Debt Service is Not Protected



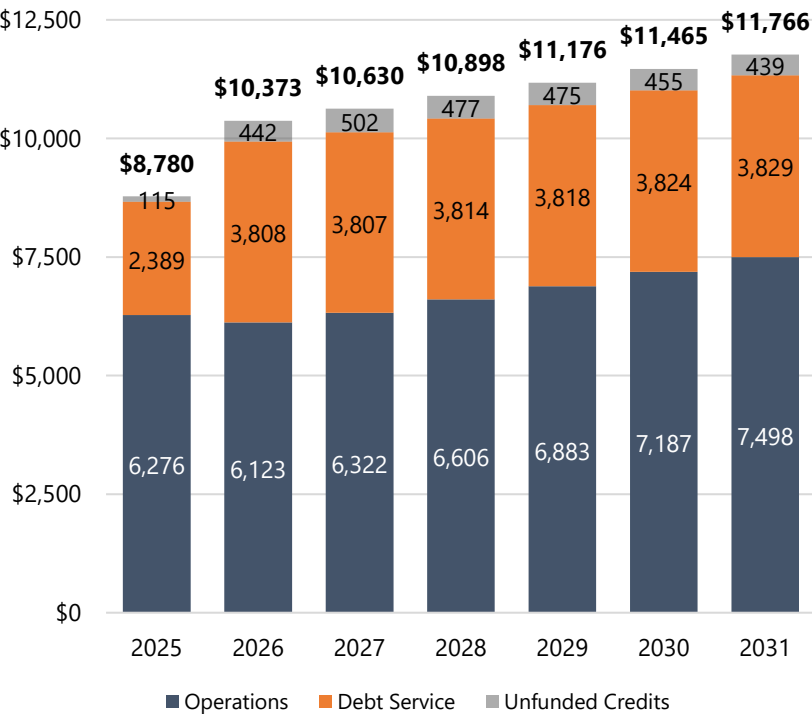
Debt Service is Protected



Debt Service is Not Protected

Dollars in Thousands

- 2026 Debt Service Certified Levy is held constant for all future years
- SEA 1-2025 provisions included
- MLGQ held at 4% annually
- Debt Service is NOT protected

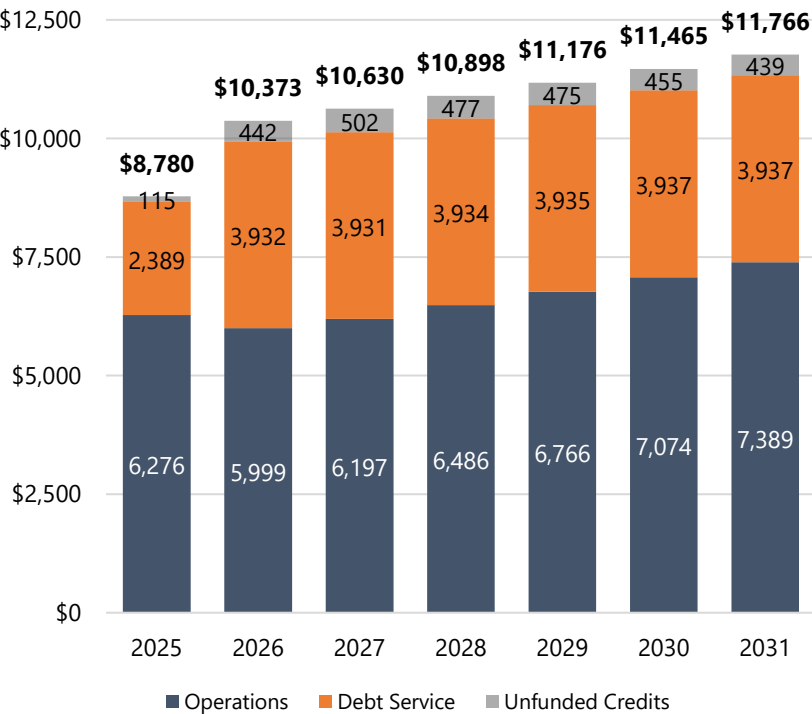


	2025	2026	2027	2028	2029	2030	2031
Certified Levy							
Debt Service	2,399.4	3,947.5	3,947.5	3,947.5	3,947.5	3,947.5	3,947.5
Operations	6,380.3	6,425.8	6,682.9	6,950.2	7,228.2	7,517.3	7,818.0
Unit Total	\$8,779.7	\$10,373.3	\$10,630.4	\$10,897.7	\$11,175.7	\$11,464.8	\$11,765.5
Unfunded Credits							
Debt Service	10.9	139.4	140.8	133.3	129.8	123.7	118.3
Operations	104.0	302.9	361.2	344.0	345.1	330.8	320.5
Unit Total	\$114.9	\$442.2	\$502.0	\$477.3	\$474.8	\$454.5	\$438.8
Net Levy							
Debt Service	2,388.6	3,808.1	3,806.7	3,814.2	3,817.7	3,823.8	3,829.2
Operations	6,276.3	6,123.0	6,321.7	6,606.2	6,883.1	7,186.5	7,497.5
Unit Total	\$8,664.9	\$9,931.1	\$10,128.4	\$10,420.4	\$10,700.9	\$11,010.3	\$11,326.7
Tax Rates							
Debt Service	0.1842	0.2961	0.3195	0.3243	0.3308	0.3355	0.3409
Operations	0.4898	0.4820	0.5409	0.5709	0.6057	0.6388	0.6752
Unit Total	\$0.6740	\$0.7781	\$0.8604	\$0.8952	\$0.9365	\$0.9743	\$1.0161
Unfunded Credits (%)							
Operations	1.6%	4.7%	5.4%	4.9%	4.8%	4.4%	4.1%
Total	1.3%	4.3%	4.7%	4.4%	4.2%	4.0%	3.7%

Debt Service is Protected

Dollars in Thousands

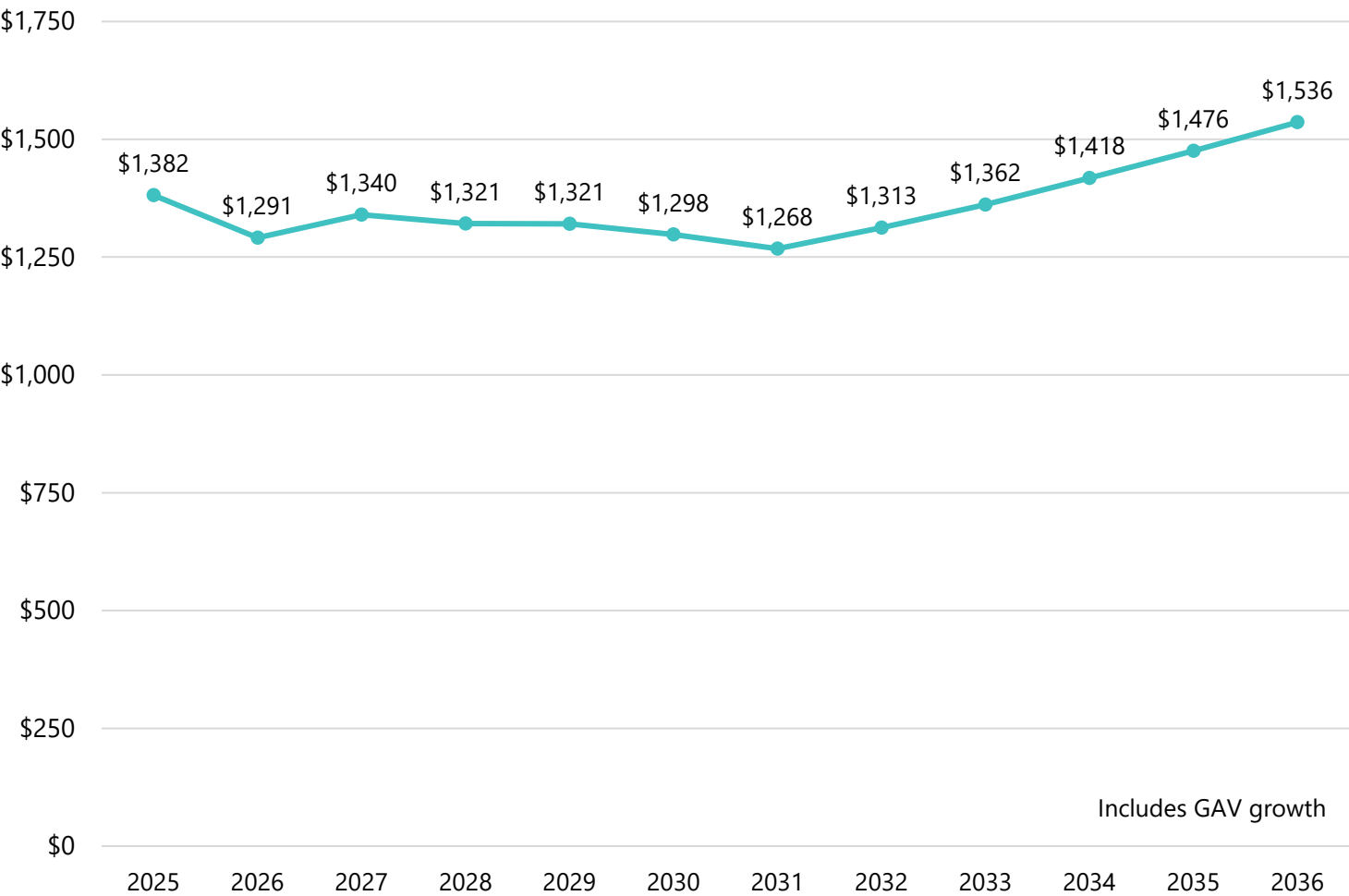
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- MLGQ held at 4% annually
- Debt Service IS protected



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Certified Levy							
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Unit Total	\$8,779.7	\$10,373.3	\$10,630.4	\$10,897.7	\$11,175.7	\$11,464.8	\$11,765.5
Unfunded Credits							
Debt Service	10.9	15.3	16.3	13.0	12.5	10.8	10.1
Operations	104.0	426.9	485.7	464.3	462.4	443.7	428.7
Unit Total	\$114.9	\$442.2	\$502.0	\$477.3	\$474.8	\$454.5	\$438.8
Net Levy							
Debt Service	2,388.6	3,932.2	3,931.2	3,934.5	3,935.0	3,936.7	3,937.3
Operations	6,276.3	5,998.9	6,197.2	6,485.9	6,765.8	7,073.6	7,389.4
Unit Total	\$8,664.9	\$9,931.1	\$10,128.4	\$10,420.4	\$10,700.9	\$11,010.3	\$11,326.7
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Operations	1.6%	6.6%	7.3%	6.7%	6.4%	5.9%	5.5%
Total	1.3%	4.3%	4.7%	4.4%	4.2%	4.0%	3.7%

Tax Impact on Median Homestead Taxpayer

Montgomery Township

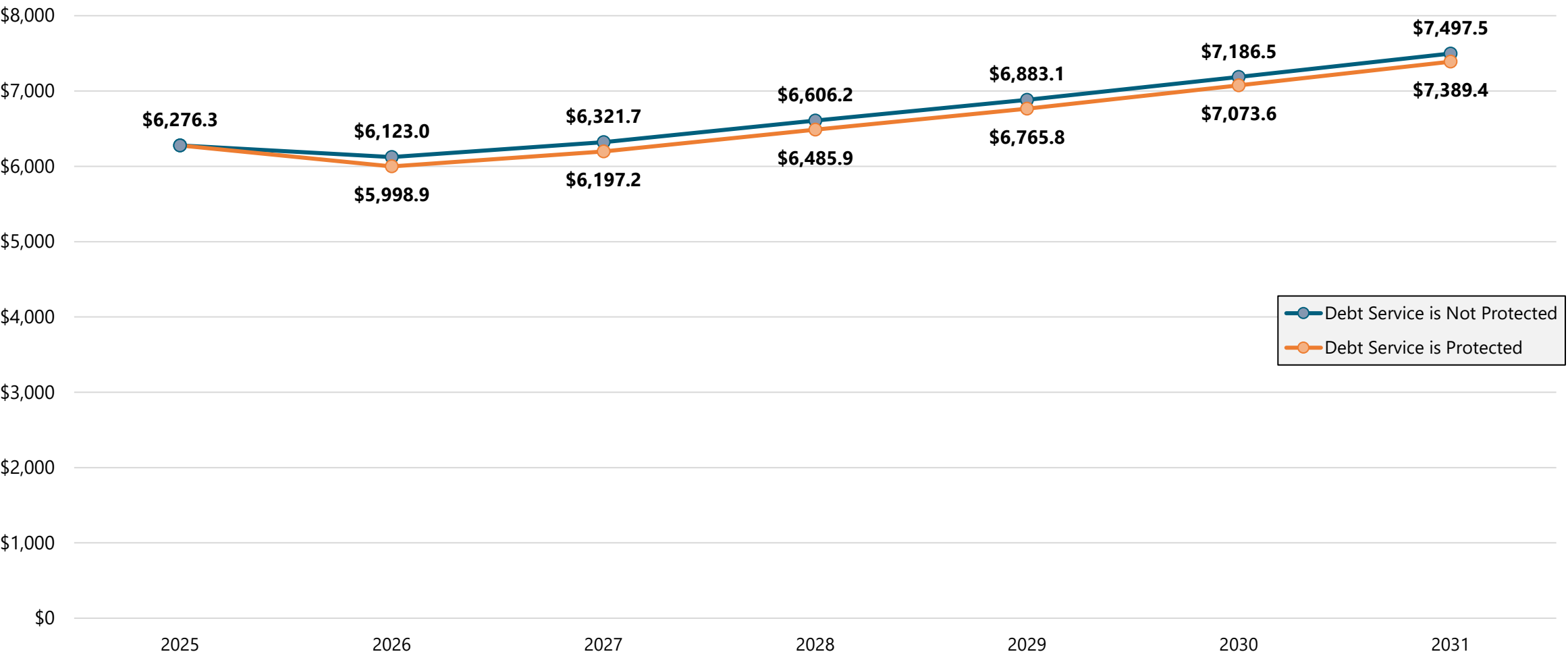


	2025	2026
Median Homestead GAV	196,900	207,200
Standard Deduction	48,000	48,000
Supplemental Deduction	55,838	63,680
Net Assessed Value	\$93,063	\$95,520
Tax Rate		
Eligible Rate	1.4846	1.5020
Tax Liability		
Eligible Tax Liability	1,381.61	1,434.71
Circuit Breaker	0.00	0.00
Post CB Credit	0.00	-143.47
Net Liability	\$1,381.61	\$1,291.24

Revenue Comparisons

Projected Net Levy: Operations Fund

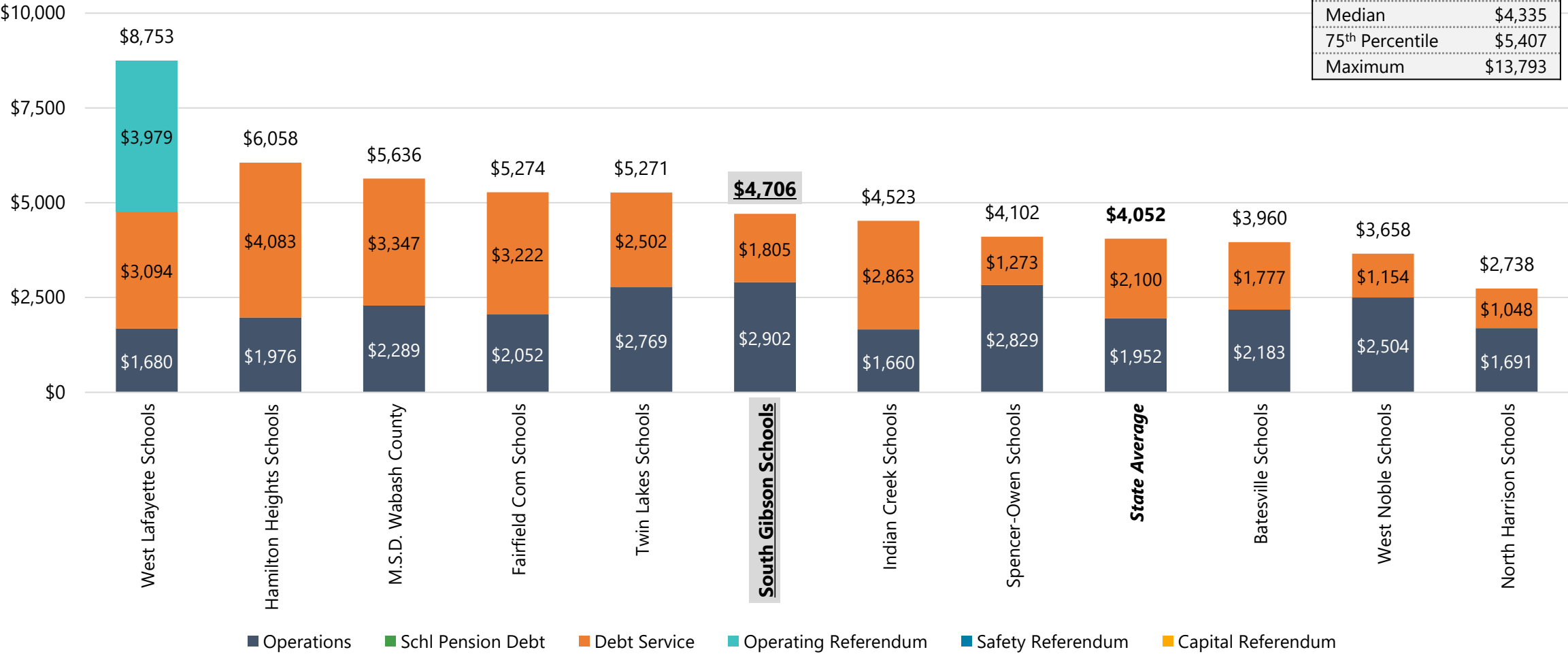
Dollars in Thousands



2026 Projected Net Levy per Student: All Property Tax Funds

Schools with Similar ADM

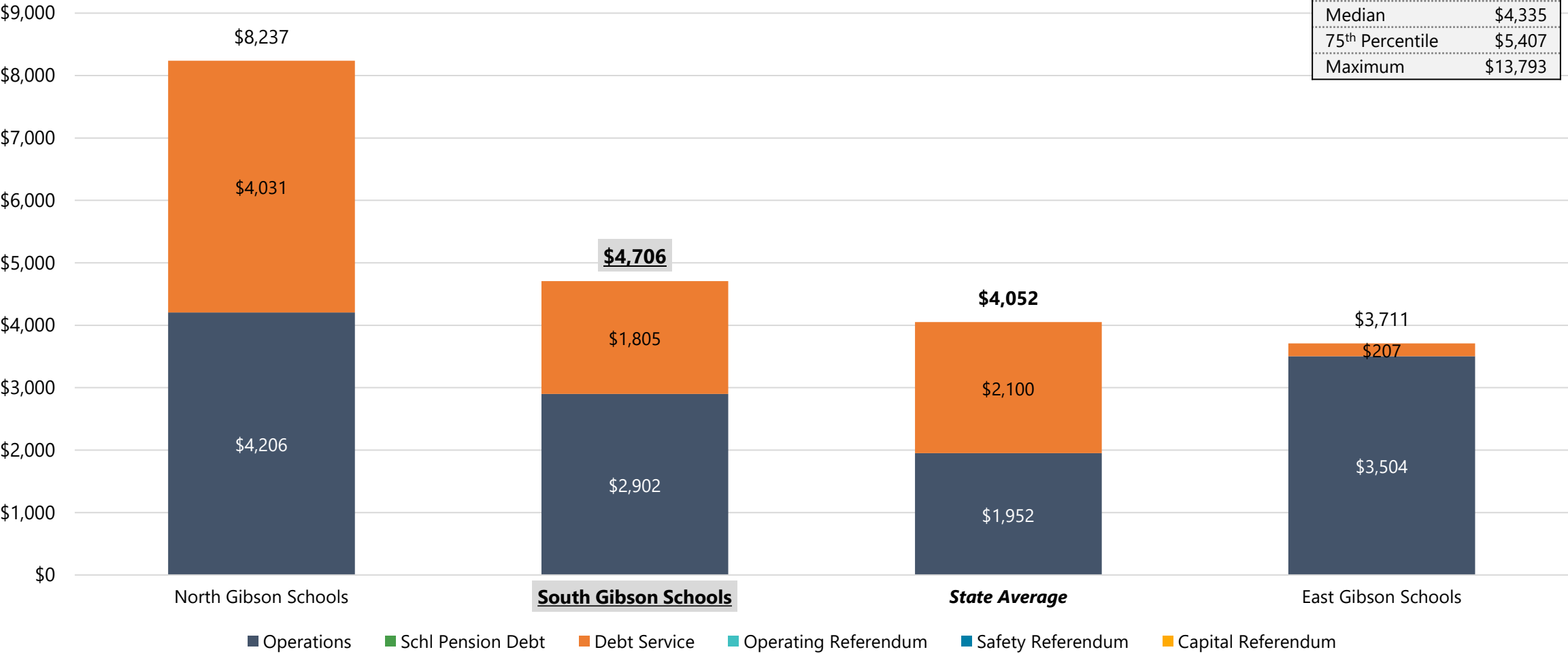
Prior to Charter Share



2026 Projected Net Levy per Student: All Property Tax Funds

Schools within Gibson County

Prior to Charter Share

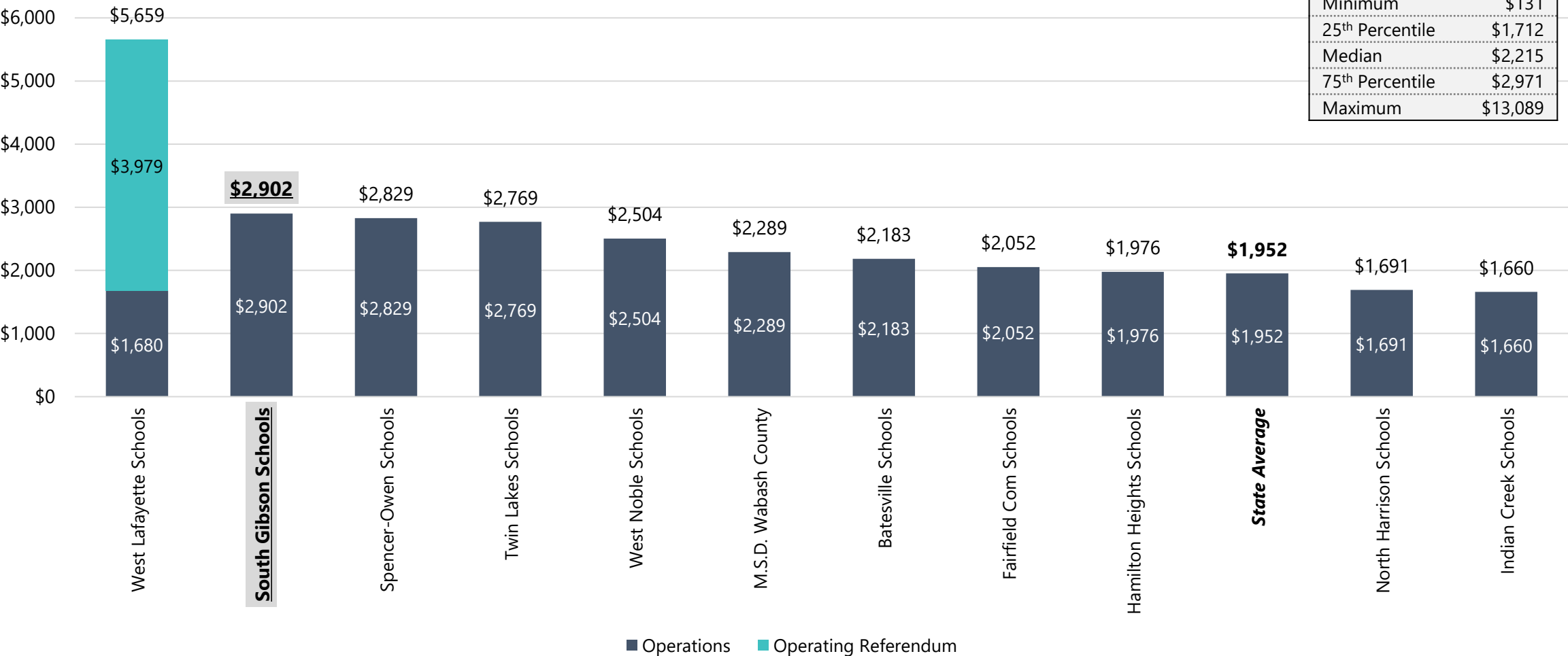


Total Net Levy per Student	
Minimum	\$269
25 th Percentile	\$3,483
Median	\$4,335
75 th Percentile	\$5,407
Maximum	\$13,793

2026 Projected Net Levy per Student: Operations & Operating Referendum Funds

Schools with Similar ADM

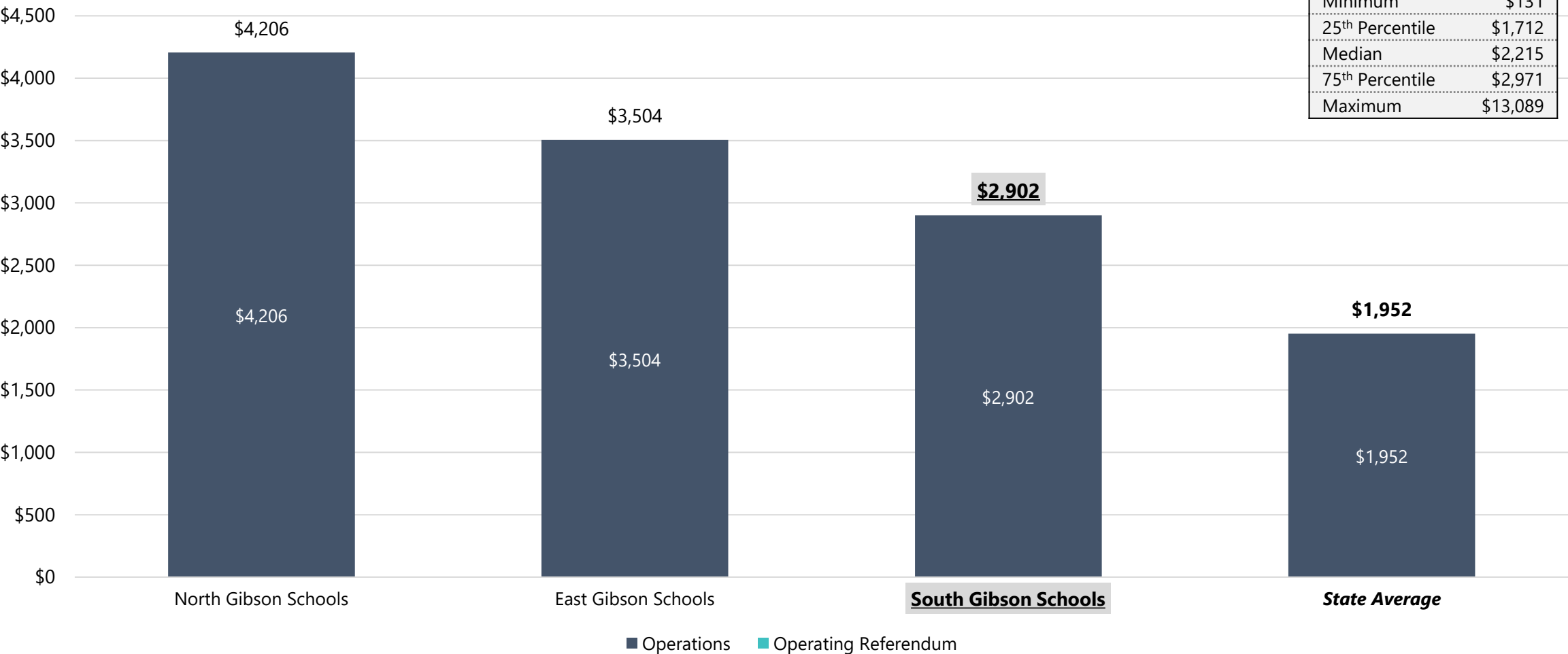
Prior to Charter Share



2026 Projected Net Levy per Student : Operations & Operating Referendum Funds

Schools within Gibson County

Prior to Charter Share



Net Levy per Student	
Minimum	\$131
25 th Percentile	\$1,712
Median	\$2,215
75 th Percentile	\$2,971
Maximum	\$13,089

POLICY ANALYTICS – SCHOOL SERVICES TEAM

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Jane Herndon

Project Manager

April Fitterling

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Tracy Boss

Project Coordinator

Addie Hanchett

Senior Fiscal Analyst