STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: **School Superintendents and School Business Officials**

FROM: **Karen Large, Director, Budget Division** KL

SUBJECT: **School Bus Replacement Plan**

DATE: **June 16, 2010**

Before a School Corporation may collect property taxes for the School Bus Replacement Fund in a particular calendar year, it must, after January 1st and not later than September 20th of the immediately preceding year, conduct a public hearing on and pass a resolution adopting a School Bus Replacement Plan.

The Department of Local Government Finance ("Department") is charged with the responsibility of prescribing the format of the plan, which is attached. Upon adoption by the School Corporation, the plan shall be certified to the Department for its approval, disapproval or modification. The Department may approve appropriations for the School Bus Replacement Fund only if the appropriations conform to the plan that has been adopted in compliance with the prescribed format. The bus replacement fund is still subject to the budget requirements under IC 6-1.1-17-3. **If the School Corporation is amending its bus replacement plan, information must be submitted to the Budget Division on or before December 16, 2010.**

Instructions for the Bus Replacement Plan Format are included with this memo.

Instructions for the Bus Replacement Plan Format

Section I – Replacement Cost of Bus/Vehicle During Specified Year

This section is applicable only to the *Replacement and Accumulation for Future Bus Replacement* of buses/vehicles for the twelve (12) year period of the plan.

Count - Number of Buses: Represents the number of buses/vehicles to be replaced for the designated year.

Bus Description: Represents the Make of each bus/vehicle to be replaced.

Corporation ID Number of Bus to be Replaced: Indicate the identification number of the bus to be replaced.

Type of Vehicle per DOE "TN": Indicate the type of bus/vehicle per DOE classification.

Owned or Leased: Indicate whether the bus/vehicle is to be owned or leased by the school corporation.

Estimated Replacement Cost: Indicate the expected replacement cost of each bus/vehicle to be replaced for the year indicated.

Section II – Year 2011 Additional Bus Purchases

This section is to be used to indicate the number of Additional Bus/Vehicle Purchases to be made in the *Year 2011*. The Budget Division has determined that statutorily, only those additional buses to be purchased for the ensuing budget year are required to be included in the plan.

Additional Bus Count: Enter each additional bus to be purchased on a separate line.

Bus Description: Represents the Year of each bus/vehicle to be replaced.

Model Year: Indicate the model year of the bus/vehicle to be purchased.

Type of Vehicle per DOE "TN": Indicate the type of bus/vehicle per DOE classification.

Owned or Leased: Indicate whether the bus/vehicle is to be owned or leased by the school corporation.

Additional Bus Cost: Indicate the cost of the bus/vehicle to be added to the fleet.

This section is also to be used to indicate the dollar amount of bus contractual costs to be shifted to the Bus Replacement Fund. A form is attached to calculate the allowable amount. If you are shifting bus contractual costs to the Bus Replacement Fund do the following:

Bus Description: Enter the bus description as "Bus Contracts".

Additional Bus Cost: Enter the "Total Amount Requested" from the worksheet.

Section III – Justification for Replacement and/or Additional Bus Purchases

a) Question 1 must be answered in detail for *each* bus to be added to the current fleet for the *ensuing budget year* as indicated by Section II of the plan.

b) Question 2 must be answered in detail for *each* bus to be replaced earlier than twelve (12) years after the original bus was purchased.

Your total Bus Replacement Fund appropriation request (budget) will be the total of Section I (replacement cost for the ensuing year) and Section II (additional bus needs for the ensuing year which includes the total amount requested for bus contracts).

Do NOT include the "Amount to be accumulated in the ensuing year for future purchases" (column E from form 3 – Notice to taxpayers of School Bus Replacement Plan). This figure should be reflected on Line 11 of Form 4B.

Worksheet for Calculation Purposes Only

Line 1: Indicate the 2011 bus replacement cost total from Section I.

Line 2: Indicate the total of additional bus costs (including the bus contracts) from Section II.

Line 3: Indicate the appropriation balance (Line 13 from the Line 2 worksheet) or (Approved DLGF Budget Appropriations + Encumbrances + Approved Additional Appropriations to June 30 less Appropriated Disbursements).

Line 4: Indicate additional appropriations from July to December of the current year.

Line 5: Indicate any temporary loans to be repaid the last half of the current year or the first half of the ensuing year (Lines 4a and 4b on Budget Form 3)

Line 6: Enter total budget needs for the ensuing year (Add lines 1, 2, 3, 4 and 5).

Line 7: Enter the current year June 30th cash balance (include investments).

Line 8: Indicate the estimated amount of property taxes to be received in the current year for the period July 1st to December 31st (Line 7 of Budget Form 3).

Line 9: Indicate the amount of estimated miscellaneous revenues to be received in the current year for the period July 1st to December 31st (Col. A on Form 2).

Line 10: Indicate the amount of estimated miscellaneous revenues to be received in the ensuing year for the period of January 1st to December 31st (Col. B on Form 2).

Line 11: Determine the available revenues to fund the bus replacement plan (Add lines 7, 8, 9 and 10).

Line 12: Determine Bus Replacement Needs for 2011 (Subtract line 11 from line 6).

Line 13: Indicate the total allocations for future bus purchases that will carry forward to 2012.

Line 14: Determine the bus replacement levy to fund the plan (Add lines 12 and 13).

Line 15: Indicate the amount of property tax replacement credit (CAGIT counties only).

Line 16: Determine the net property tax levy required to fund the plan (Subtract line 15 from line 14).

Line 17: Determine the ensuing year tax rate required to fund the plan (Line 16/Line 18 * 100).

Line 18: Provide the assessed value used to determine the tax rate on Line 17.

RESOLUTION TO ADOPT THE YEAR 20____ BUS REPLACEMENT PLAN

This resolution is adopted by the Board of Trustees of _____
(School Corporation)
of _____ County, Indiana.
(County)

Whereas, a School Bus Replacement Plan has been established; and

Whereas, the Board of Trustees is required under IC 20-46-5 to adopt a plan with respect to a School Bus Replacement Plan; and

Whereas, the Board of Trustees held a public hearing on the plan on the ____ day of _____, 20_____ at _____.
(location)

THEREFORE, BE IT RESOLVED by the Board of Trustees that the plan entitled "School Bus Replacement Plan" for the years 2011 through 2022, is hereby incorporated by reference into this resolution, and is adopted as the Board of Trustees' Plan with respect to the School Bus Replacement Plan.

BE IT FURTHER RESOLVED, that the Board of Trustees shall submit a certified copy of this resolution (including the adopted plan and the Calculation Worksheet) to the Department of Local Government Finance as required by IC 20-40-7 for approval.

Adopted this _____ day of _____, 20____.

AYE	NAY
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Notice to Taxpayers of School Bus Replacement Plan for the Years 2011-2022

This is the ONLY form that is advertised for the Bus Replacement Plan. It announces the time, date and place of the public hearing and must be published at least ten (10) days before the public hearing. The Notice to Taxpayers of the School Bus Replacement Plan can be published by itself or with the Budget Form 3. The public hearing can be different than the budget public hearing. The majority of school corporations publish it with the Budget Form 3 and hold the public hearings at the same time.

I. Summary of Planned Replacements and Accumulation for Future Years

Col. A – Number of buses owned: Represents the number of buses that the School Corporation owns for each specific year.

Col. B – Number of buses to be replaced: Represents the number of buses to be replaced for each specific year. This normally represents approximately 8.5% of the school's fleet.

Col. C – Year: Indicates the specific year.

Col. D – Total of Replacement Cost: Represents the total expected replacement cost of all buses/vehicles to be replaced for each specific year. This amount should agree with the Replacement Cost Totals from Section I of your Bus Replacement Plan.

Col. E – Amount to be Accumulated in 2011 for future purchases: This column is utilized for the ensuing year only. It represents the amount of money the School Corporation desires to raise in the year 2011 to be carried over into 2012 for future purchases. If your 2010 Fund Report from the Department has an operating balance (line 11) in the Bus Replacement Fund, you add that figure to the amount in column E to represent line 13 on the "Worksheet – For Calculation Purposes Only". Example: If you want to carry forward $100,000 to 2012 and your line 11 on the Fund Report is zero, you will show $100,000 in column E. If your line 11 on the Fund Report is $25,000, you need to show $75,000 in column E. If your line 11 on the Fund Report is $100,000, you would not show an amount in column E.

II. Additional Bus Needs For Year 2011

List in this section only the buses being added to your fleet for the year 2011.

Number: Represents the count of a particular type of bus being added to the fleet.

Bus Capacity: Indicate the student capacity for one of these buses.

Year: Indicates the year 2011. This section represents the increase to your fleet for the year 2011 only.

Type of Bus/Vehicle per DOE "TN": Indicate the type of bus/vehicle per DOE classification.

To be Owned or Leased: Indicate whether the bus/vehicle is to be owned or leased by the school corporation.

Year 2011 Cost of Additional Buses: Indicate the expected cost of each bus/vehicle to be added to the fleet. Be sure that if you are purchasing multiple buses of one type to multiply the estimated cost by the number expected to be purchased.

The form should be dated and the names of the School Board of Trustees listed.