

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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MEMORANDUM

TO: All School Officials

FROM: Courtney Schaafsma, Director, Budget Division *CLS*

SUBJECT: School Excess Levy Appeals

DATE: July 1, 2011

The purpose of this memorandum is to outline the excess levy appeal that is available for schools to seek additional property tax dollars beyond their maximum levies. The types of appeals available have changed significantly in the last few years.

The only appeal that is available to school corporations is the Transportation Appeal (IC 20-46-4-10). Note that all appeals will be reviewed by the Department of Local Government Finance ("Department").

Appeal Procedures for Transportation Appeal

- 1) The School Corporation advertises a budget and levy for the following year twice before September 9. A public hearing is held pursuant to IC 6-1.1-17-3. The advertised budget and levy must include the school's excess levy amount, as outlined in #2 below.
- 2) The School Corporation must advertise the total amount of excessive levy appeal within the maximum estimated budget levy and on the excessive levy appeal line on Notice to Taxpayers (Budget Form 3). **The appeal amount must be advertised on both the excessive levy appeal line and included in the estimated transportation fund levy. Failure to include the appeal levy in both places may result in denial of the appeal request.**
- 3) The School Corporation adopts the budget, rate, and levy for the following year on or before November 1, as required by IC 6-1.1-17-5.
- 4) **Appeal petitions are sent to the Department office in Indianapolis.**
- 5) Copies of the annual budgets are forwarded to the County Auditor, as provided by IC 6-1.1-17-5. The budget is reviewed by the County Board of Tax Adjustment (TAB), if any. The TAB, or in the absence of such, the county auditor, may not approve an amount over the maximum controlled levy. For this reason, appeals to the Department for excessive levies are

also considered appeals against the action of the TAB. The Department requests that you send a copy of your budget directly to your assigned Field Representative.

- 6) The Department's Hearing Officers conduct annual budget hearings. The Hearing Officer will consider the appeal in the budget, rate, and levy recommended for approval.
- 7) The Department will consider relevant information and make a final decision (with the exception of a referendum levy, which is approved by the voters). The School Corporation will be notified of the Department's final action on the excessive levy request.

Officials must file the following information regarding an excessive levy appeal:

- 1) **Proofs of publication for the ensuing budget year;**
- 2) **School board resolution to adopt an excessive levy appeal;**
- 3) **Completed excessive levy appeal application;**
- 4) **A petition requesting consideration of an excessive levy appeal; and**
- 5) **Any other information related to the excessive levy appeal request.**

Transportation Appeal

A school corporation may appeal to the **Department on or before October 19** to increase the maximum operating transportation levy that is permitted for the school corporation's operating in the transportation fund under IC 20-40-6.

Indiana law sets forth the circumstances under which a school may appeal for an increased transportation tax levy:

"A school corporation may appeal to the [Department] under IC 6-1.1-19 to increase the maximum levy permitted for the school corporation's fund. To be granted an increase by the [Department], the school corporation must establish that the increase is necessary because of a Transportation cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

- (1) A fuel expense increase.
- (2) A significant increase in the number of students enrolled in the school corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared with the previous year.
- (3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared with the previous year.
- (4) Increased Transportation costs due to compliance with a court ordered

desegregation plan.

(5) The closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

In addition, before the [Department] may grant a maximum levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The department of local government finance may grant a maximum operating costs levy increase that is less than the increase requested by the school corporation.

(b) If the [Department] determines that a permanent increase in the maximum permissible levy is necessary, the maximum levy after the increase granted under this section becomes the school corporation's maximum permissible levy under this chapter.”

The Department cannot approve a tax levy increase resulting from a Transportation increase that would authorize the school corporation to collect a levy in excess of that initially advertised and adopted by the school corporation. The levy increase from this type of appeal is a permanent increase to the corporation's Transportation Maximum Levy limit.

Information sheets are attached at the end of this document for use in requesting a transportation appeal.

If you have any questions, please contact Assistant Budget Director Dan Jones at djones@dlgf.in.gov or (317) 232-0651.

The "Transportation Appeal Formula" form requires the AVGQ (max levy growth factor). That factor is .029 (2.9%).

The School Board of the _____ School Corporation, _____ County, State of Indiana, has determined to file for an excess levy appeal.

(Please check the appropriate excessive levy appeal(s) and provide the amount(s) the School Corporation is requesting:

Transportation appeal: _____ Amount requested: _____
To increase the Transportation Maximum Levy Limit due to operating increases in excess of ten percent (10%) pursuant to IC 20-46-4-10.

The governing body of said school corporation hereby resolved to proceed with a petition for an Excess Levy to the Department of Local Government Finance.

Adopted this _____ day of _____, _____.

FOR _____

AGAINST _____

ATTEST: _____

TRANSPORTATION FUND APPEAL IC 20-46-4-10

School Corporation Name: _____

County: _____

Amount requested \$ _____ Tax rate impact \$ _____

Did the School District Board advertise/adopt a levy and tax rate high enough to allow an excessive levy appeal? Y _____ N _____

(Please provide proof(s) of publication with appeal documentation)

The need for a levy increase is due to:

1. FUEL INCREASE:

2011 gallon _____ x Per gallon price _____ = _____
2012 gallon _____ x Per gallon price _____ = _____
Increase _____

2) SIGNIFICANT CHANGE IN NUMBER OF STUDENTS TRANSPORTED OR MILES TRAVELED:

2011 Students transported _____ 2011 Miles traveled _____
2010 Students transported (Est.) _____ 2010 Est. miles traveled _____
Difference _____ Difference _____

3) SIGNIFICANT CHANGE IN NUMBER OF SPECIAL EDUCATION STUDENTS TRANSPORTED OR MILES TRAVELED BY BUSES TRANSPORTING SPECIAL EDUCATION STUDENTS:

2011 Special Education Students Transported _____
2012 Special Education Students Transported (Est.) _____
Difference _____

2011 Special Education Miles Transported _____
2012 Special Education Miles Transported (Est.) _____
Difference _____

4) CHANGE IN TRANSPORTATION COSTS DUE TO COURT ORDERED DESEGREGATION PLAN:

2011 Transportation Desegregation Expense _____
2012 Transportation Desegregation Expense (Est.) _____
Difference _____

5) CLOSURE OF A BUILDING WITHIN THE SCHOOL CORPORATION THAT RESULTS IN A SIGNIFICANT INCREASE IN THE DISTANCES STUDENTS MUST BE TRANSPORTED TO ANOTHER SCHOOL BUILDING

2011 Miles traveled _____ Date of closure: _____
 2012 Miles traveled (Est.) _____
 Building that closed: _____

Please complete the following sections to provide more detail on the transportation appeal:

Has the school corp. added any new transportation positions during the last three years? Y N

If yes, please provide a list of positions and costs.

Position	Year Added	Salary	Benefits	Total Costs
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Assessed valuation growth during the last five years:

Year	Assessed valuation	Percentage inc/dec from previous year
2007 p 2008	_____	_____
2008 p 2009	_____	_____
2009 p 2010	_____	_____
2010 p 2011	_____	_____
2011 p 2012 (projected)	_____	_____

Student Count - ADM

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Comments:

Transportation Appeal Formula

Historically, the Department of Local Government Finance used the following formula in its review of Transportation appeals

$$(A - B) \times (C) = \text{Levy Increase Allowed}$$

A = % increase in budget (1.2 in example below)

(2012 budget / 2011 budget = % increase in budget)

NOTE: when calculated, this number must be at least 1.10 to qualify for an appeal

B = Maximum levy growth factor (2.9%)

C = 2011 transportation maximum levy (\$100,000 in example below)

Example:

2012 budget = \$1,200,000

2011 budget = \$1,000,000

1,200,000 / 1,000,000 = 1.20 (% increase in budget)

(1.20 - 1.029) x (\$100,000) = Levy Increase Allowed

(.171) x (\$100,000) = Levy Increase Allowed

(17,100) = Levy Increase Allowed

School Calculation:

- | | |
|---------------------------------------|------------|
| 1. 2012 budget = | \$ _____ |
| 2. 2011 budget = | \$ _____ |
| A. % increase in budget | _____ |
| B. Maximum levy growth factor = | _____ .029 |
| C. 2011 Transportation maximum levy = | \$ _____ |

Line 1 / Line 2 = Line A

$$(\text{Line A} - \text{Line B}) \times \text{Line C} = \text{Levy Increase Allowed}$$

Levy Increase Allowed: \$ _____

ACCOUNTS TO BE CONSIDERED FOR INCREASED TAX LEVY					
Account Name and Number to be Considered for a Transportation Appeal	*Column 1 2007 Actual Expenditures	*Column 2 2008 Actual Expenditures	*Column 3 2009 Actual Expenditures	Column 4 2010 Certified Appropriations	Column 5 2011 Projected Expenditures
25520 Vehicle Operations					
25530 Monitoring Services					
25540 Vehicle Service Maintenance					
25560 Bus Insurance					
25570 Insurance on Pupils					
25580 Contracted Pupil Transp. Service					
25590 Other Pupil Transp. Service					
25591 Bus Driver Training					
26491 PERF					
26492 Social Security					
26493 Workmen's Comp.					
26494 Group Insurance					
26496 Unemployment Comp.					
26497 Teachers Retirement Fund					
26498 Severance/Early Retirement Pay					
Other					
Other					
Other					
Total Operating Expenses					

Amount of change from previous year: Col. 6 minus Col. 4 divided by Col. 4 = _____ % change
 Percentage change must be a minimum of ten percent (10%) to have consideration of an appeal.

***If totals do not agree with your Calendar Financial Report submitted to the Indiana Department Of Education, please provide a detailed explanation.**