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# STATE OF INDIANA

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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:** All School Superintendents and School Business Officials  
**FROM:** Brian E. Bailey, Commissioner *BEB*  
**SUBJECT:** Calculation of School Bus Replacement Maximum Levy  
**DATE:** July 1, 2011

House Enrolled Act 1004-2011 ("HEA 1004") amended IC 20-46-5-4 to require the Department of Local Government Finance ("Department") to establish a maximum levy for the School Bus Replacement Fund ("Fund") for the 2012 Budget Year.

In setting the levy, the Department will evaluate the reasonable needs of the school corporation to carry out the purposes of the Fund according to the following formula:

1. The number of buses, by bus type (A, B, C and D from 575 IAC 1-1-1), in the school corporation's fleet from the 2011 Bus Replacement Plan ("Plan"); multiplied by
2. The average price of buses sold for each type through the Central Indiana Educational Service Center ("CIESC"); plus
3. 2011 contractual obligations included in the Plan.

The Department will adjust the maximum levy based upon the estimate of miscellaneous revenue (e.g., financial institutions tax) from the 2011 Budget Year for each school corporation.

The Department has reviewed all the Plans filed with the Department. In the event that the Plan categorized a bus as something other than A, B, C or D, we have contacted the school corporation to determine which standard category should be used for that bus. The Department will e-mail the count and categories of school buses to each individual school corporation by July 6, 2011. School corporations will have ten days to verify that the Department has recorded the accurate counts and categories of buses from the Plan. During this time, the school corporation may also evaluate whether the Plan exceeds the needs of the school corporation. The Department will decrease the bus count if the school corporation indicates that the count is excessive. However, the Department will not increase the count above what was in the school corporation's published Plan.

The average price of bus sales has been determined by reviewing all the sales of school buses through CIESC from fall 2007 to fall 2010. The prices by category will be made available on July 6 along with the school bus counts.

If you have any questions, please contact Micah Vincent, General Counsel, at 317.233.6770 or [mvincent@dlgf.in.gov](mailto:mvincent@dlgf.in.gov).