

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: School Corporations
FROM: Courtney Schaafsma, Budget Division Director *ELS*
RE: Bus Replacement Fund Notices and Plan Template for Budget Year 2014
DATE: July 9, 2013

Pursuant to IC 20-46-5-11, a school corporation desiring to have a Bus Replacement Fund ("Fund") budget or tax levy must adopt a Bus Replacement Plan ("Plan") for the upcoming budget year. Prior to the adoption of the Plan, the school corporation must provide its taxpayers with proper notice of the proposed Plan. The Department of Local Government Finance ("Department") is providing the attached notice template to assist school corporations in meeting this notice requirement. In addition, the Plan template to be used for 2014 also accompanies this memorandum.

Notice to Taxpayers

The Notice to Taxpayers notifies taxpayers of the date, time, and location at which a public hearing will be held on the proposed Plan. In addition to this information, the Notice to Taxpayers provides a summary of the proposed Plan, which includes the proposed number of buses to be replaced and the total estimated replacement cost.

In addition to the proposed bus replacements, the Notice to Taxpayers must identify the sources of revenue that will be available to fund the Plan. The detailed items to be included in the Notice to Taxpayers are as follows:

REVENUES

- Projected January 1 Cash Balance for the year identified.
- Encumbrances Carried Forward from Previous Year.
- Estimated Cash Balance Available for the Plan – Calculated by subtracting the encumbrances identified above from the projected January 1 cash balance.
- Property Tax Revenue – Proposed property tax levy for the year identified.
- Auto Excise, CVET, and FIT Receipts – Estimated revenues for the year identified.
- Other Revenue – Includes interest income and any other available or anticipated revenues not identified above.

PLEASE NOTE: The property tax revenue value identified on the Notice to Taxpayers for the ensuing budget year will be used as a determining factor by the Department in approving the corresponding levy. An erroneous entry for Property Tax Revenue for the ensuing budget year can result in a reduced or denied levy for the Fund. Please ensure that this value is correct prior to submitting the Notice to Taxpayers to the newspaper(s) for publication. On the attached template, you will notice that this cell is highlighted in yellow. This highlight will go away once a value is entered in this cell. In addition, you will see two warning messages to the right of the cell. Before a value is entered into the cell, the warning will read, "Please enter the proposed tax levy for the budget year." After a value is entered, the warning will read, "Please ensure correct proposed tax levy prior to publication of this notice." These warnings are for information purposes only and are not to be published.

Lastly, the Notice to Taxpayers provides details on increased transportation needs and the need to replace a bus earlier than anticipated, as applicable. If these situations pertain to your school corporation, the school corporation should ensure that the proper statements are included on the notice.

Accurate completion of the attached notice and appropriate publication of this notice is crucial for the successful and timely completion of budget reviews by the Department. Your assistance in meeting these requirements is appreciated.

If you have any questions on the attached notices, please contact Courtney Schaafsma, Budget Division Director, at cschaafsma@dlgf.in.gov or (317) 234-3937.