

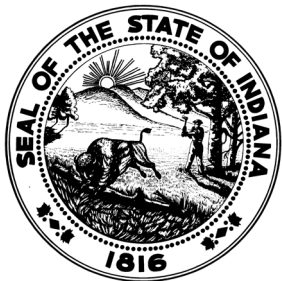


## **Budget 2021 Preview**

**Fred Van Dorp**

**Department of Local Government Finance**

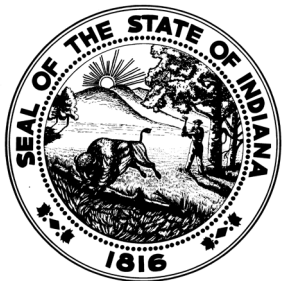
**May 27, 2021**



# Agenda

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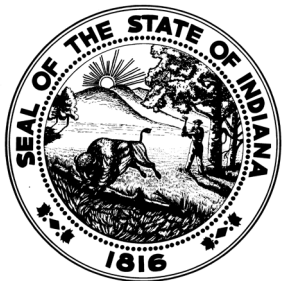
1. 2020 Budget Certification Review
2. 2021 Budget Calendar Overview
3. 2021 Departmental Resources
  - Prebudget Reports
  - DLGF Webinar Series
  - DLGF Budget Workshops
4. 2021 Budget Best Practices
5. Question and Answer Session



# 2020 Budget Certification Recap

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- The Budget Cycle ends with the Department's certification of the budgets, levies, and tax rates for 10,000 funds and 2,500 taxing units.
- In 2021, the total of all budgets certified is \$21.1B.
- In 2021, the total of all levies certified is \$8.6B.
- The Department's Budget Certification deadline is Dec. 31, but if one unit in a county closes on debt or file a shortfall appeal in December, the entire county will have a budget certification date of January 15th.

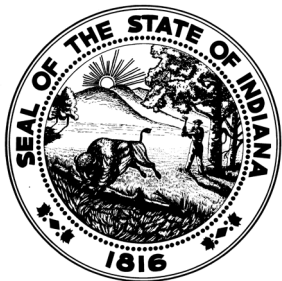


# 2020 Budget Certification Recap

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## Key Metrics for 2020 Budget Certification

Date	Milestone
Nov. 11, 2020	First 545 units received a 1782
Dec. 18, 2020	1 <sup>st</sup> County received Budget Order
Dec. 31, 2020	52 Counties had Budget Orders
Jan 15, 2021	92 <sup>nd</sup> County received Budget Order



# 2020 Budget Certification Recap

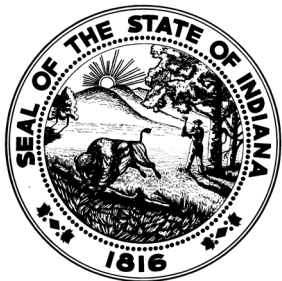
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The Department met its statutory deadline, but there are still areas where we can improve:

1. Increased promotion of DLGF resources
  - Budget Calendar
  - Gateway
2. Proactive Preseason Outreach
  - Teams Meetings with 93 out of 237 libraries
  - Teleconferences with 40 out of 237 libraries
3. Increased emphasis on recommended Budget Preseason Activities



# 2022 Budget Calendar Overview



# 2022 Budget Calendar Overview

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- The Department releases a preliminary Budget Calendar that lists some of the deadlines and key events and for all units during the year related to budgets.
- The calendar may be amended after the legislative cycle ends.

**January 28, 2021**

**Preliminary 2021 Budget Calendar**

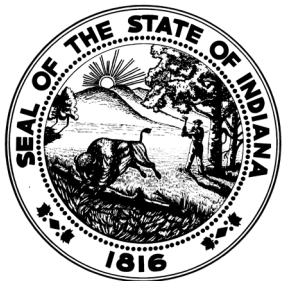


# 2022 Budget Calendar Overview

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Date	Description
May 1	Last day for State Budget Agency to provide the amount of the supplemental Local Income Tax distribution to Department and qualifying counties. (IC 6-3.6-9-15)
May 14	Last day for the Department to provide unit level Supplemental LIT distribution reports qualifying counties. (IC 6-3.6-9-15)
May 31	Last day for county auditor to distribute to each taxing unit the amount of the supplemental distribution that is allocated to the taxing unit under subdivision. (IC 6-3.6-9-15)



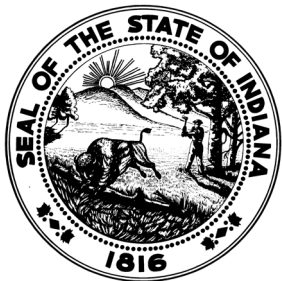


# LIT Supplemental Distribution

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- Over the last three years, the number of counties eligible for a supplemental LIT has increased. In 2021, 81 Counties received a Supplemental LIT distribution.

Year	Recipient Counties	Total Supplemental LIT Amount
May 2019	47	\$140,708,492
May 2020	69	\$225,903,750
May 2021	81	\$226,500,247

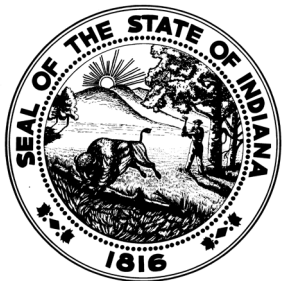


# LIT Supplemental Distribution

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County qualification for the supplemental distribution is based on IC 6-3.6-9-15(a):

- (a) If the budget agency determines that the balance in a county trust account exceeds fifteen percent (15%) of the certified distributions to be made to the county in the **determination year**, the budget agency shall make a supplemental distribution to the county from the county's trust account. The budget agency shall use the **trust account balance** as of December 31 of the year that precedes the determination year by two (2) years...



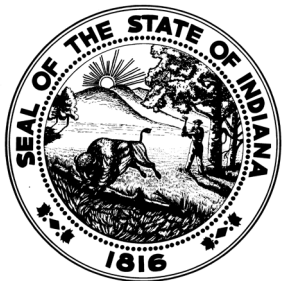
# LIT Supplemental Distribution

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The DLGF will calculate the unit level breakdown for the supplemental distribution based on IC 6-3.6-9-15(d)(2)(A)&(B).

- (2) The department of local government finance shall determine for the county and each taxing unit within the county:
  - (A) the amount and allocation of the supplemental distribution attributable to the taxes that were imposed as of December 31 of the trust account balance year, including any specific distributions for that year; and
  - (B) the amount of the allocation for each of the purposes set forth in this article, using the allocation percentages in effect in the trust account balance year.

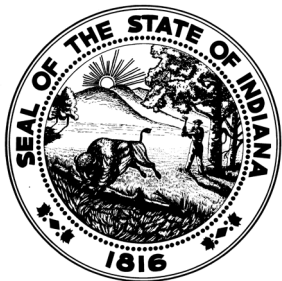
**For 2021, the Department calculates the unit level breakdown for each recipient county based on the 2019 configuration, levies, and rates.**



# 2021 Budget Calendar Overview

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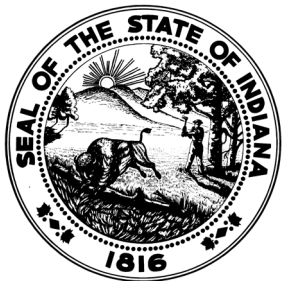
Date	Description
June 1	The Department will begin scheduling (optional) Summer Budget Workshops.
June 30	Deadline for State Budget Agency (“SBA”) to provide the Max Levy Growth Quotient (“MLGQ” or formerly “AVGQ”) to civil taxing units, school corporations, and Department. (IC 6-1.1-18.5-2(c))
July 1	The Department will begin the calculation of a variety of Statewide Budget Reports.



# 2021 Budget Calendar Overview

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Date	Description
July 15	Department provides each taxing unit an estimate of the maximum permissible property tax levy for the ensuing year and guidance on calculating allowable adjustments to the maximum levy. (IC 6-1.1-18.5-24)
July 15	Department provide each unit with an estimate of several non-property tax revenue sources, including FIT, CVET, and Excise.
July 15	Department provides to each taxing unit that levies a property tax an <b><u>estimate</u></b> of the amount by which property tax distributions will be reduced in the ensuing year due to <b><u>circuit breaker credits</u></b> . (IC 6-1.1-20.6-11.1)
July 15	<b>Department provides each library with an estimated maximum budget that can be adopted by the Library Board.</b> (IC 6-1.1-17-20.3(a)(2))

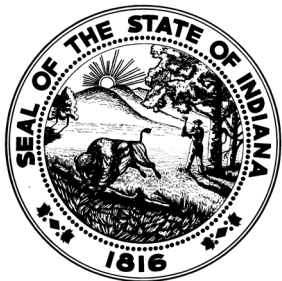


# 2021 Budget Calendar Overview

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- The Department created a presentation to review the various July Estimates in detail.
- The 59-slide presentation is available on the Department's website.

<https://www.in.gov/dlgf/files/200527%20-%20Van%20Dorp%20Presentation%20-%20July%20Estimates.pdf>



# 2021 Library Estimated Maximum Budget Report

The report below is specific to libraries. The goal is to provide each library with the maximum budget amount that can be adopted by the library board. Libraries seeking a budget greater than the amount listed, will need to have library's fiscal body adopt the budget.

Pursuant to Indiana Code ("IC") 6-1.1-17-20.3(a)(2), library boards may adopt budgets and levies for libraries that grow their budget by no more than the prior year budget multiplied by the maximum levy growth quotient minus 1, rounded down to the nearest dollar. Library boards intending to adopt their own budgets and levies are required to verify that the adopted budget is within the maximum permitted by law. Budgets adopted by library boards above the calculated maximum are invalid and will result in a continuation of the library's prior year budget.

Proposed budgets that are above the calculated maximum may be valid only if adopted by the library's fiscal body pursuant to IC 6-1.1-17-20.3.

**This report is for informational purposes only and is not a final calculation.**

2020 Total Certified Budget	614,500
Times the MLGQ	1.042
Budget times MLGQ	<hr/> 640,309.00
Minus \$1	<hr/> -1
2021 Maximum Budget for	640,308
Library Adoption (Rounded Down)	



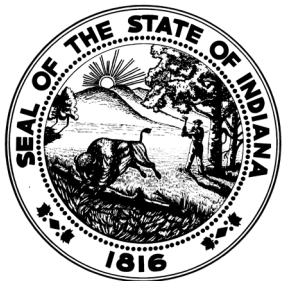
# 2021 Budget Calendar Overview

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Date	Description
July 19	Beginning of DLGF Summer Workshops

- In May 2021, the Department presented on how to prepare for, participate in, then complete steps after the DLGF Summer Workshops.
- The Presentation and slides are available on the Department's website.
- **Budget Overview & Budget Workshop Preparation**  
Presentation: [https://youtu.be/56F4k0\\_yZqg](https://youtu.be/56F4k0_yZqg)  
Slides: [Presentation Slides](#)

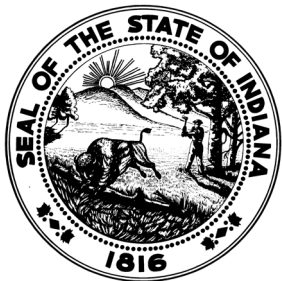




# DLGF Budget Workshops

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- Workshops are a voluntary, one on one meeting with your DLGF Budget Field Representative.
- The workshop sessions will be capped at 45 minutes.
- The Budget Division will conduct approximately 2,000 Workshops between July 19 and August 31.
- The 2021 Workshops will be held virtually through Microsoft Teams.

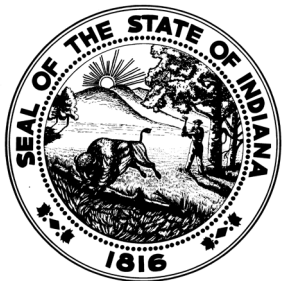


# DLGF Budget Workshops

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- Prior to attending a DLGF workshop each unit must:
- Prepare a financial software report/ledger book
- List of encumbrances for each fund\*
- Original, Lender-Generated Amortization schedules\*
- Listing of CY Additional Appropriations\*
- Complete Form 1 for each fund
- Initial compilation of Form 2 Data
- Estimated Budget Hearing & Budget Adoption dates

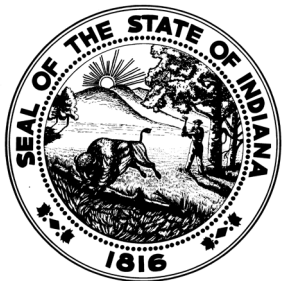
\*If applicable



# 2021 Budget Calendar Overview

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Date	Description
Oct. 12	Last day to post notice to taxpayers of proposed 2021 budgets and net tax levies and public hearing (Budget Form 3) to Gateway. (IC 6-1.1-17-3)
Oct. 22	Last possible day for taxing units to hold a public hearing on their 2021 budgets. Public hearing must be held at least ten days before budget is adopted. (IC 6-1.1-17-5) <b>Note: This deadline is subject to scheduling of the public hearing.</b>
Nov. 1	Deadline for all taxing units to adopt 2021 budgets, tax rates, and tax levies. (IC 6-1.1-17-5(a)) <b>Note: This deadline is subject to the public hearing.</b>
Nov. 8	Last day for units to submit their 2021 budgets, tax rates, and tax levies to the Department through Gateway as prescribed by the Department.



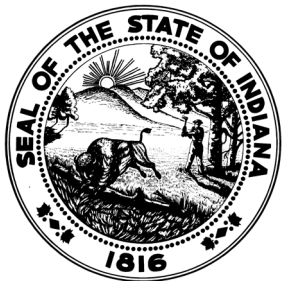
# Budget Calendar – Best Practices

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- The Department's calendar contains the statutory last action dates, but units are encourage to consider:
  - Creating a custom calendar that includes local availability of key personnel
  - Begin discussions about when/how the budget expectations and budget presentation.
  - Start collecting answers to any budget questions as early as possible.



# Departmental Resources

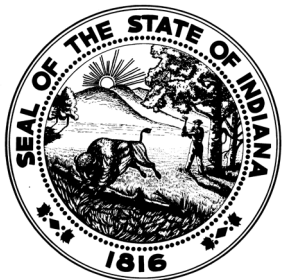


# Departmental Resources

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The Department provides local governments with tools, resources, and reports for understanding and managing their budget cycle.

- 1) Budget Field Representatives
- 2) DLGF Website
- 3) Gateway – Budget Application
- 4) Gateway – Public Side



# Departmental Resources

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The most important resource that the Department provides is our Field Staff. These staff members should be used as your primary point of contact for all questions to the Department.

## Budget Field Representatives

- 10 Team Members
- 200+ Budget Seasons of Experience

2021 Map and County Assignments

<https://www.in.gov/dlgf/files/Field%20Rep%20Map%20-%20Budget%20Draft.pdf>

## Assessment Field Representatives

- 8 Team Members
- 125+ Assessment Cycles of Experience

2021 Map and County Assignments

<https://www.in.gov/dlgf/files/Field%20Rep%20Map%20-%20Assessment.pdf>



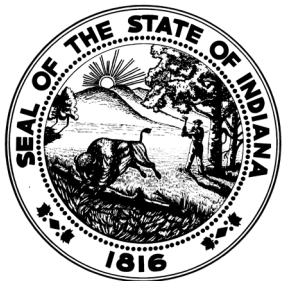
# Departmental Resources

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The Department's website ([www.in.gov/dlgf](http://www.in.gov/dlgf)) is designed to be a resource for both taxpayers and local government.

- For Taxpayers:
  - Definitions, timetables, and overviews of the budget cycle and tax billing process
- For Local Government:
  - Memos, forms, reports, templates, and presentations





# Departmental Resources

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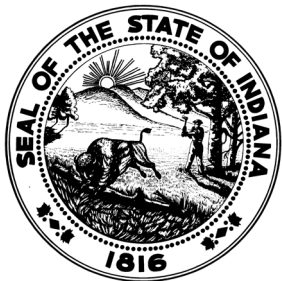
Most units will spend most of their time reviewing information posted in two places on the Department's website:

1) County Specific Information

<https://www.in.gov/dlgf/2339.htm>

2) Continued Education

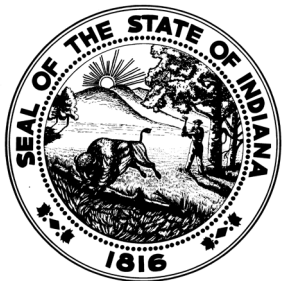
<https://www.in.gov/dlgf/7533.htm>



# County Specific Information

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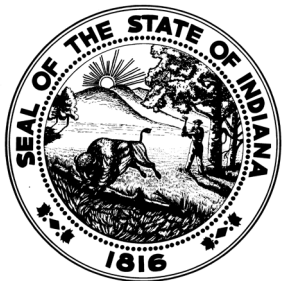
- County Specific Information is where the Department posts current and prior year:
  - Certified Budget Orders
  - Estimated Max Levy Report
  - Local Income Tax Report
  - Supplemental Local Income Tax Report
  - Ensuring Year Circuit Breaker Estimates
  - Miscellaneous Revenue Reports



# Continued Education

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- Webinar enrollment is processed through the Continued Education link.
- The Department is working on developing a presentation library for local government.
- In addition to the making the slides available, we have begun recording the webinars.
- Staging presentations will allow the Department to expand the topics that we present on.

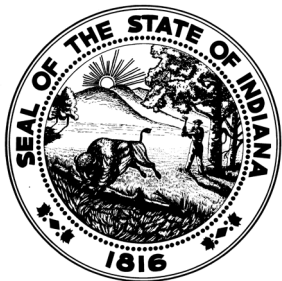


# Continued Education

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- Many of the upcoming webinars are focused on Budget Related topics.
- June 16 is the Department's webinar on updates from the recent legislative session.

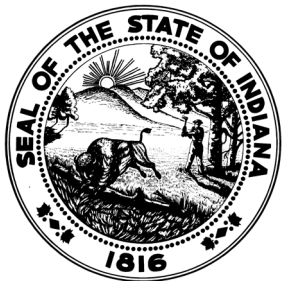
April 21, 2021	Circuit Breaker Overview	Power Point	PDF	Video	Survey	CE Form
May 19, 2021	Budget Overview & Budget Workshop Preparation	Power Point	PDF	Video	Survey	CE Form
June 16, 2021	Legislative Overview					
July 21, 2021	Compliance Review Process Overview					
August 18, 2021	Budget Notices, Adoption, Calendar and Submission Overview					
September 15, 2021	Gateway Overview					



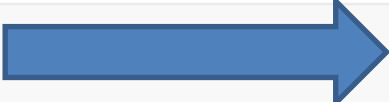
# Departmental Resources

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- While Gateway is generally presented in the context of “where to submit” current year information, it should also be considered a resource for units during the budget cycle.
  - 1) Budget User Guides
  - 2) Prior Year Budget Information
  - 3) Gateway - Public Side



# Gateway User Guides

 [? User Guides](#)

The Indiana Gateway for Government Units provides a central location for government units to submit their financial forms to the State of Indiana.

**Authorized Personnel Login**

User Name:

Password:

[Forgot your password?](#)

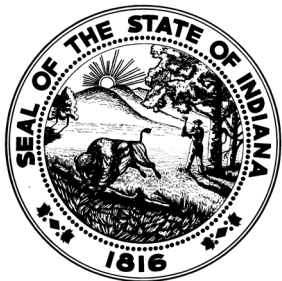
Please note: Passwords are CASE sensitive.

After 5 failed attempts to log in, your account will be locked—  
notify [ibrctech@iu.edu](mailto:ibrctech@iu.edu).

[Request Authorization to Access Gateway](#)

- The User Guides are designed to be a step-by-step guide for completing various aspects of the budgeting cycle.
- These guides can supplement any support that a unit receives from their FR.

<https://gateway.ifionline.org/help.aspx>



# Gateway User Guides

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- The User Guides are designed to be a step-by-step guide for completing various aspects of the budgeting cycle.
- These guides can supplement any support that a unit receives from their FR.

<https://gateway.ifionline.org/help.aspx>

## Budgets

### Guides

- Adding Deleting and Connecting Funds and Departments
- Completing the Current Year Financial Worksheet
- Completing the Debt Worksheet
- Completing the Form 1
- Completing the Form 2
- Completing and Printing the Form 3
- Completing and Printing the Form 4
- Completing the Form 4A
- Notice to 1782 Recipients
- Pre-Budget Worksheet User Guide
- Submitting Budget Forms
- Uploading Proof of Publication and Signed Form 4
- Uploading Optional Flat Files
- Completing the Form 4B
- Printing budget forms
- Uploading LOIT ordinance to Gateway
- Upload specifications/file format



# Gateway – Budget Application

Within Gateway, users will have access to all submitted information from 2012 – 2021.

- All Budget forms
- Budget Resolutions and Ordinances

The prior year forms can give you a starting point for evaluating how the budgets have been compiled over the last 10 years.

## Department of Local Government Finance Tasks



Pre-Budget Worksheet - Submitted on 5/5/2020 1:45:46 PM

Provide information and estimates in advance.



Customize Funds, Departments, Debts, Rev. Codes

View and edit lists of funds, depts., debts by fund and rev. codes.



View Forms, Enter and Edit Budgets

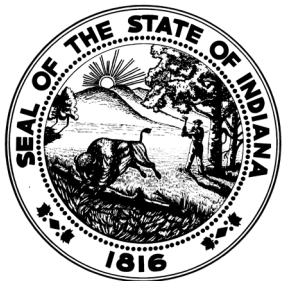
View, edit and submit Forms to DLGF.



Submit Signed Form 4 and Other Documents

View, upload and submit budget-related documents to DLGF.





# Gateway – Public Side

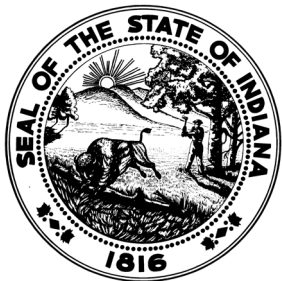
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Annually, the Department summarizes and posts all information submitted through Gateway onto the “Public Side” of Gateway.

Gateway Public Side – Report Builder

[https://gateway.ifionline.org/report\\_builder/](https://gateway.ifionline.org/report_builder/)

This makes the State’s budget data available to the public, financial advisors, and other elected officials.



# Gateway – Public Side

Indiana Gateway for Government Units

https://gateway.ifonline.org/default.aspx

**Gateway** INDIANA

Dashboard Report Search Download Tools Learn More

## An Open Door into Local Government Finance

Gateway collects and provides access to information about how taxes and other public dollars are budgeted and spent by Indiana's local units of government.

[Local Officials: Login Here »](#)  
[Conflict of Interest Upload Tool »](#)

[TIF District Viewer](#)

[Search for reports](#)

[Taxpayer Portal](#)

[Public employee compensation](#)

[Access local expenditures](#)

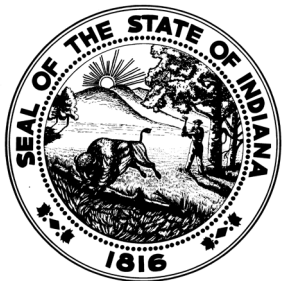
[When is your budget hearing?](#)

About Gateway • Contact Us

Indiana Gateway for Government Units is the collection platform for local units of government to submit required data to the State of Indiana, as well as a public access tool for citizens. It represents a unique partnership between the State of Indiana and the [Indiana Business Research Center](#) at IU's Kelley School of Business, with initial support from the Lilly Endowment and sustainable support from the State of Indiana.

Participating state agencies currently include the [Department of Local Government Finance](#), the [State Board of Accounts](#), the [Indiana Education Employment Relations Board](#), the [Indiana Gaming Commission](#) and the [State Auditor](#).

POWERED BY  
Information  
for Indiana



# Departmental Resources

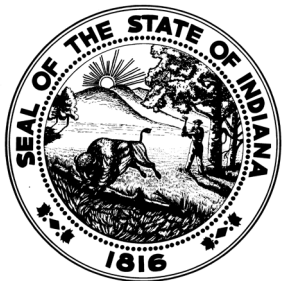
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The public side of Gateway can provide information about:

1. Budgets, Rates, Levies

- All Active Budget Forms (2012 – 2021)
- All Certified Budgets, Levies, Rates for all funds (1984 – 2021)

[https://gateway.ifionline.org/report\\_builder/Default3a.aspx?rpttype=budget&rpt=CertBudgLevyRate&rptName=Certified%20Budget,%20Levy,%20Rate](https://gateway.ifionline.org/report_builder/Default3a.aspx?rpttype=budget&rpt=CertBudgLevyRate&rptName=Certified%20Budget,%20Levy,%20Rate)



# Departmental Resources

- The report builder will show the certified budget, levy, and tax rates for any unit from 1984 to the current year.

**Report Builder: Certified Budget, Levy, Rate Report**

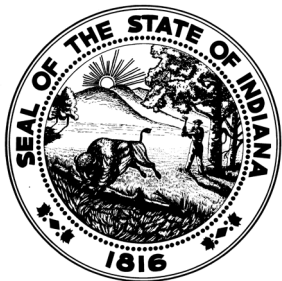
County:  Unit Type:

Unit Name:

1 of 1 Find | Next

**Certified Budget, Levy & Tax Rates**

Year ↕	County	Unit	Fund	Fund Name	Certified Budget	Certified Levy	Certified Tax Rate
1984	Allen	Allen County Public Library	0101	GENERAL	\$0	\$4,165,706	0.2994
1984	Allen	Allen County Public Library	0180	DEBT SERVICE	\$0	\$306,097	0.0220
1985	Allen	Allen County Public Library	0101	GENERAL	\$0	\$4,372,696	0.3134
1985	Allen	Allen County Public Library	0180	DEBT SERVICE	\$0	\$320,906	0.0230
1986	Allen	Allen County Public Library	0101	GENERAL	\$6,405,162	\$4,798,339	0.3285
1986	Allen	Allen County Public Library	0180	DEBT SERVICE	\$364,493	\$321,350	0.0220
1987	Allen	Allen County Public Library	0101	GENERAL	\$6,675,919	\$5,561,677	0.2881



# Departmental Resources

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The public side of Gateway can provide information about:

## 2. Debts submitted into Debt Management

- Total Debt by Unit
- Debt Affirmation Log

[https://gateway.ifionline.org/report\\_builder/Default3a.aspx?rpttype=debt&rpt=TotalDebtByUnit&rptName=Total%20Debt%20by%20Unit](https://gateway.ifionline.org/report_builder/Default3a.aspx?rpttype=debt&rpt=TotalDebtByUnit&rptName=Total%20Debt%20by%20Unit)



# Departmental Resources

The report builder allowed us to select criteria to identify a specific debt associated with any unit.

**Report Builder: Bond/Lease Report**

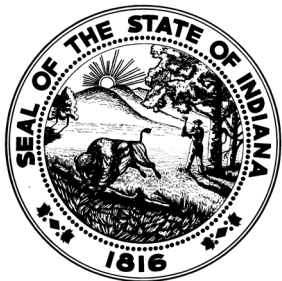
County	Bartholomew	Unit Type	Library	View Report
Unit	BARTHOLOMEW COUNTY PUBLIC LIBRARY	Debt Status	Outstanding Debt	
Debt Type	All	Source of Repayment	All Sources of Repayment	
Debt Name	Ted-Mill Properties			

1 of 1 Find | Next

Bartholomew County Public Library, Bartholomew County  
Submitted to the State on Wednesday, February 17, 2021  
Report printed on Thursday, May 27, 2021  
*Note: Data contained in Gateway Debt Management is self-reported by local government officials and/or their designees. Debt Reports may not have been audited for accuracy or completeness by the Department of Local Government Finance. The Department is not responsible for any errors or omissions in this data.*

**Basic Debt Information**

**Debt Name:** Ted-Mill Properties  
**Debt Status:** Outstanding  
**Type of Indebtedness:** Lease  
**Base CUSIP Number:**  
**Is this debt exempt from the property tax caps?** N



# Departmental Resources

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The public side of Gateway can provide information about:

## 3. Annual Financial Reports (SBOA Requirement)

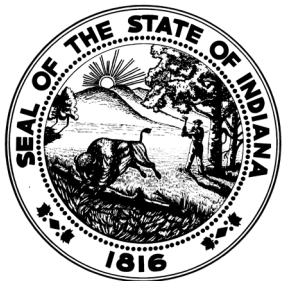
- Core Financial Reports
- Additional Reports

[https://gateway.ifionline.org/report\\_builder/Default3a.aspx?rpttype=afr&rpt=AFR\\_PrintFull\\_public&rptName=Annual%20Financial%20Report%20-%20Full%20Report](https://gateway.ifionline.org/report_builder/Default3a.aspx?rpttype=afr&rpt=AFR_PrintFull_public&rptName=Annual%20Financial%20Report%20-%20Full%20Report)



# Budget Best Practices (Preseason Edition)

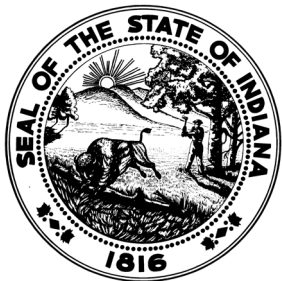




# Budget Best Practices

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- Although budget certification occurs once a year, budgeting should be considered a year-round exercise.
- Once the Department starts workshops on July 19, there is less time available for topic specific training and in-depth discussion.
- Until then, there are preliminary steps that each unit should consider doing each Spring to streamline and improve their budget process.

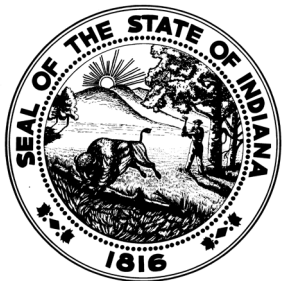


# Budget Best Practices

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## 1. Plan ahead

- Identify your internal/external budget resources.
- Use the budget calendar to develop a library specific calendar.
- Evaluate last year's process and identify areas that can be improved.
- Compare prior year estimates for budget, non property tax revenue, and circuit breaker to actual values.

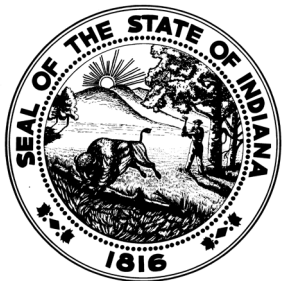


# Budget Best Practices

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- Below is a timetable of when Circuit Breaker values are available or incorporated into the budget cycle.
- As updated information becomes available, units are encouraged to compare the actual values with the earlier estimates.

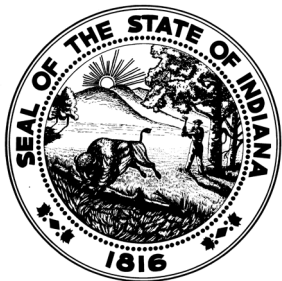
Date	Circuit Breaker	Source
July 2020	2021 CB Estimate	DLGF
November 2020	2021 CB Estimate	Unit
April 2021	2021 CB Actual	County Auditor



# Budget Best Practices

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- In April 2021, the Department presented on circuit breakers and their budget impact.
- The presentation and slides are available on the Department's website.
- **Circuit Breaker Overview Presentation**  
Presentation: <https://youtu.be/W6EEQVmAkWk>  
Slides: [Presentation Slides](#)

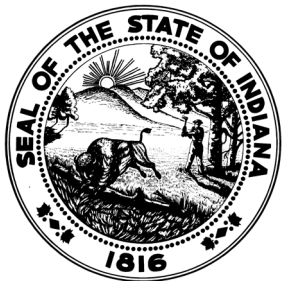


# Budget Best Practices

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- Some units will find that 2021 estimates during the budget cycle equaled the 2021 actual circuit breaker losses.

Library	2021 Estimate	2021 Actual	Total Difference
EVANSVILLE-VANDERBURGH COUNTY PUBLIC LIBRARY	2,156,601	2,184,497	\$27,896
LOGANSPOUT-CASS PUBLIC LIBRARY	175,771	177,764	\$1,993
WASHINGTON TOWNSHIP PUBLIC LIBRARY	1,923	1,910	\$ (13)

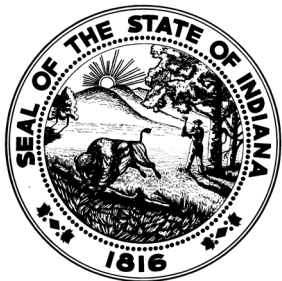


# Budget Best Practices

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- Other units will find that the estimates don't reflect the actual circuit breaker losses.

Circuit Breaker Comparison	Number of Units
Estimate 50% Less than Actual	100
Estimate 150% more than Actual	263
Estimate \$250,000 more than Actual	133
Estimate \$250,000 less than Actual	42



# Budget Best Practices

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## 2. Engage with the Department

- Review the Commissioner's Weekly Email
- Review the subject specific memos
- View PDF or recorded versions of these presentations and others
- Explore the "County Specific Information" section of our home page



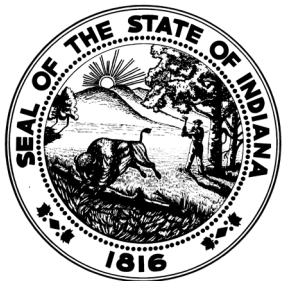
# Budget Best Practices

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## 3. Stay in contact with your Field Rep (“FR”)

- **Ask questions!**
- Recap the 2020 Budget Cycle
- Discuss how best to participate in the 1782 review process
- Understand the differences between what was advertised, adopted, and certified.





# Budget Best Practices

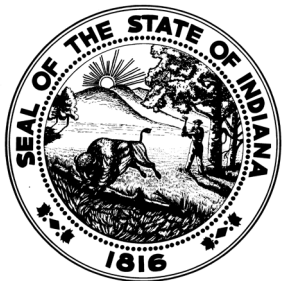
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Stay in contact with your Field Rep (“FR”)

- Prepare for the 2020 Budget Cycle
- Relay your unit’s priorities and explore options to achieve them
- Understand how to be thoroughly prepared for Budget Workshops so you can benefit the most from it



# Questions?



# Contact the DLGF

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Website: [www.in.gov/dlgf](http://www.in.gov/dlgf)  
“Contact Us”: [www.in.gov/dlgf/2338.htm](http://www.in.gov/dlgf/2338.htm)  
Telephone: (317) 232-3777

Gateway Support: [gateway@dlgf.in.gov](mailto:gateway@dlgf.in.gov)

Budget Field Representative Map:  
[http://www.in.gov/dlgf/files/Field\\_Rep\\_Map -  
\\_Budget.pdf](http://www.in.gov/dlgf/files/Field_Rep_Map_-_Budget.pdf)