

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
100 NORTH SENATE AVENUE
IGC-N, ROOM N1058
INDIANAPOLIS, INDIANA 46204**

**IN THE MATTER OF THE REVIEW OF)
PROPOSED LANGUAGE FOR A BALLOT)
QUESTION REGARDING MT. VERNON) No. 12-003-REF
COMMUNITY SCHOOL CORPORATION,)
BOONE COUNTY)**

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
JANUARY 24, 2012**

1. Mt. Vernon Community School Corporation (“Corporation”) plans to seek voter approval to refinance up to 50% of its outstanding bonded indebtedness. Voter approval would reduce the semi-annual interest payment on that debt. It would also extend the life of that debt for up to ten years longer. The tax rate to pay debt service would remain the same. The money saved on interest through what is essentially refinancing would then be transferred to and spent out of other school funds.
2. Under Indiana law, voters in the area served by the Corporation will vote in a referendum to approve or deny the issuance of refunding bonds.
3. Indiana law governs the format and wording of the ballot question for the referendum.
4. Under Indiana law, the “question to be submitted to the voters in the referendum **must read as follows**”:

“Shall _____ (insert the name of the school corporation) issue refunding bonds to refund not more than fifty percent (50%) of its outstanding bonds to provide an annual savings to the school’s debt service fund that can be transferred from the school’s debt service fund to the school’s capital projects fund, transportation fund, or school bus replacement fund?”

Indiana Code 5-1-5-2.5(d)(2)(B) (emphasis added).

5. According to IC 5-1-5-2.5(d)(2)(B), the referendum is to be conducted pursuant to the process prescribed by IC 20-46-1, which normally governs school referenda levies. Consistent with IC 20-46-1-8, the Department of Local Government Finance (“Department”) reviews proposed referendum language and either approves or rejects it.

6. On January 24, 2012, the Department received the Corporation's proposed ballot question for the referendum.
7. The Corporation requested that the Department review this proposed question:

"Shall Mt. Vernon Community School Corporation issue refunding bonds to refund not more than fifty percent (50%) of its outstanding bonds to provide an annual savings to the school's debt service fund that can be transferred from the school's debt service fund to the school's capital projects fund, transportation fund, or school bus replacement fund?"

Compliance of Language

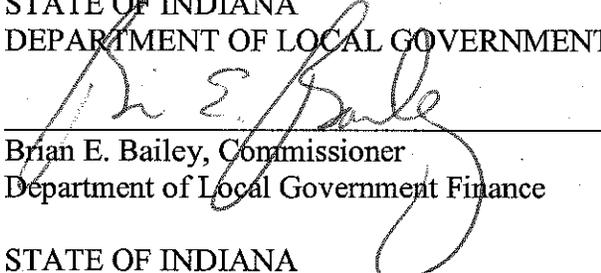
8. In accordance with IC 5-1-5-2.5(d)(2)(B) and IC 20-46-1-8, the Department has reviewed proposed language for a referendum on issuing refunding bonds for compliance with IC 5-1-5-2.5(d)(2)(B). The Department concludes that the School Corporation's proposed language is in compliance with IC 5-1-5-2.5(d)(2)(B).

Final Determination

WHEREFORE, based on the above findings and applicable law, the Department finds that the proposed ballot question is in compliance with IC 5-1-5-2.5(d)(2)(B) and approves it.

Dated this 31st day of January, 2012.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Brian E. Bailey, Commissioner
Department of Local Government Finance

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Micah G. Vincent, General Counsel for the Department of Local Government Finance, hereby certify that the above is an order of the Commissioner of the Department of Local Government Finance made this date in the above-entitled matter and that the Commissioner has personally signed the same under his statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 31st day of January, 2012.



Micah G. Vincent, General Counsel
Department of Local Government Finance