

---

# STATE OF INDIANA

---

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 974-1629

## Frequently Asked Questions

### 1782 Notice Report Webinar

November 7, 2019

**1. What role does a County Council member have in "this stage" of the budget process? What should I be looking at and for?**

This is an extremely complicated question. The short answer is that the county council or their designee should still be actively engaged throughout the 1782 process.

On or before November 1, the council adopted a budget, levy, and rate. The best case scenario would be that the Department would not need to make any changes to those three amounts. If the Department needs to make cuts, revisions, or updates to any fund, then the 1782 process is an opportunity for the council or their designee to continue to make decisions about how these changes will be applied.

**2. Exactly which adopted budget figures can be increased later in the 1782? For example, is it accurate that the tax rates cannot be increased from their adopted amounts, but the levies, operating balance, and miscellaneous revenues can?**

The unit will adopt a budget, levy, and rate for each fund. During the Department budget review and certification, the Department cannot approve a budget, levy, or rate that is higher than amounts advertised or adopted by the unit.

During the 1782 window, a unit may increase miscellaneous revenue amounts and operating balance totals for each fund.

**3. Also, what is a viable cash balance to carry for Pension/Debt?**

With Pension Debt, the cash balance cannot exceed 50% of the following year's payments. The cash balances vary by unit ranging anywhere from 0 to the 50% cap.

**4. How does the Department calculate the maximum allowable levy?**

The maximum levies were originally set in the 1980s. The annual increase to the maximum levy is outlined in statute.

In July, the Department releases the upcoming budget year's estimated max levy for each max levy type applicable to each unit. The estimate is based on the prior year maximum levy times the assessed value growth quotient ("AVGQ") plus any statutorily required adjustments. The Department also includes any anticipated increases to the maximum levy as reported by the unit during the Pre-Budget Survey. These anticipated increases are not binding and are subject to official submissions and formal approval by the Department later in the year.

[2020 Maximum Levy Estimates](#)

As the Department is working on budget certification, the Department will replace the estimates with the actual amounts that have been approved. The maximum levy calculation plus any and all adjustments can be found on the "Fund Report," "Max Levy Report," or "Miscellaneous Changes Report" on the 1782 report.

#### **5. How to handle the budget at the local level when the amount approved is less than what is requested.**

The best way to avoid this scenario is to exercise your local control and to make sure that the adopted budgets that are submitted to the Department are fundable. If the budgets are fundable, then the Department will not need to make any cuts.

While not explicitly required in statute, during the 1782 window, unit may consider having a meeting with the various Departments and their adopting body to discuss how the cuts will be spread across various funds and/or Departments. The results of these discussions can constitute the 1782 response that the unit sends to the Department.

The difficult part will be engaging with the interested parties and responding before the 1782 expiration date.

#### **6. How to can you use 1782 for next year's budgeting?**

The 1782 is a single report that can reflect the AV, funds, levies, June 30 cash balance, miscellaneous revenues, estimated property tax impact, and operating balances for each fund. While this information may be found on other reports or software systems, the 1782 compiles it into a single report.

A unit can use the 1782:

- 1) As source material when they start compiling budget information next year.
- 2) Tracking decreases in operating balances between years.
- 3) As a starting point for tracking changes in assessed value between years.
- 4) A tool to reconcile miscellaneous revenue and property tax cap losses during the budget year.

**7. My budget was not approved by the advisory board. What 1782 considerations should I anticipate?**

If the budget was not approved, the unit will still receive a 1782. While each fund's budget and the unit's total levy will be fixed, the unit may be able to reallocate the levy between funds.

**8. What should a unit consider when submitting a response to a 1782 Notice?**

The Department would encourage a unit to respond with any reductions, resolutions, requests, or reallocation of levies, a revision in the amount of miscellaneous revenues, and provide any pending or missing documentation. Additionally, information of any other item about which, in the view of the political subdivision, the Department is in error that should be considered.

The more specific the requests that come in, the better the Department will be able to understand what changes the unit is requesting.