



Department of Local Government Finance

State Library Introduction to the 2024 Budget Cycle

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Disclaimer

- This presentation and other Department of Local Government Finance materials are not a substitute for the law. The following is not legal advice, just an informative presentation. The Indiana Code always governs.



Agenda

- Maximum Non-Binding Budgets (IC 6-1.1-17-20.3)
- Public Library Eligibility for Binding Review by Fiscal Body Resolution (IC 6-1.1-17-20.4)
- Additional Appropriations and Libraries
- Abridged Budget Calendar
- Department Resources



Maximum Non-Binding Budgets for Libraries



Maximum Non-Binding Budgets for Libraries

- Libraries are unique as it relates to determining the appropriate fiscal body that is responsible for adopting their annual budget.
- Annually, libraries will determine whether the budget will be adopted by the library board or an appropriate county, city, or town fiscal body.
- The determination will be based on the:
 - Current year DLGF certified budget
 - MLGQ*
 - Ensuing year advertised budget
 - **IC 6-1.1-18.5-2 limits the MLGQ at no more than 4% for Pay 2024 and 2025.*



Maximum Non-Binding Budgets for Libraries

- Pursuant to IC 6-1.1-17-20.3, library boards may adopt budgets and levies for libraries that grow their budget by no more than the prior year budget multiplied by the MLGQ minus \$1 (rounded down).
- In the example below: For the ensuing year, the library board will have the authority to adopt any budget less than or equal to \$160,528.
- Any budget advertised for \$160,529 or more, must be adopted by the appropriate county, city, or town fiscal body.

Calculation	
2023 Total Certified Budget	\$ 154,355
Times (x) Maximum Levy Growth Quotient	1.04
Budget times (x) Maximum Levy Growth Quotient	\$ 160,529.20
Minus (-) \$1	-1.00
2024 Maximum Budget to remain Non-Binding (Rounded Down)	\$ 160,528



Maximum Non-Binding Budgets for Libraries

- The Department notes that the library may advertise a budget of any amount, but if the library in this example advertises a budget that is greater than \$160,528, then the library becomes subject to a binding budget adoption.
- For binding libraries, the appropriate fiscal body of the city, town, or county (whichever applies) shall review and adopt each budget and tax levy for the public library.
- The fiscal body may reduce or modify but not increase the proposed budget or tax levy.



Maximum Non-Binding Budgets for Libraries

- After the budget adoption by the appropriate fiscal body, the budget will be reviewed and certified by the Department.
- If the advertised budget does not exceed the prior year budget times the MLGQ, then the library board will be able to adopt their own budget.
- For the following budget cycle, the budget control will default back to the library board.



Maximum Non-Binding Budgets for Libraries

- The Department created a report specifically for libraries that will outline the maximum budget amount.
- The Library Report will be posted by July 15.
 - <https://www.in.gov/dlgf/files/2024-reports/Max-Library-Budget-2023-06-28-2.xlsx>
- This excel spreadsheet will display the detailed calculation after you select your county and library.
- Your DLGF Field Representative will have a copy of your report at your budget workshop.



Maximum Budgets for Libraries – FAQ #1

- If I accidentally advertise too high, can I just readvertise a lower amount so that I'm not binding?
 - IC 6-1.1-17-20.3(d) outlines that binding units, including certain libraries, must submit their budget to their appropriate fiscal body no later than September 1*.
 - So, a library may correct their advertised budget to avoid a binding adoption if it is readvertised by September 1. On September 2, the Form 3 can be changed, but the change will not change the appropriate adopting body.
 - **If Sept 1 falls on a weekend, the deadline is extended until the next business day.*



Maximum Budgets for Libraries – FAQ #2

- **Does that mean that a library cannot update any of their budget forms after September 1?**
 - A library may make updates to any of their budget forms throughout the process, but must be aware of the impact that the changes have on their advertised budget on the Form 3.
 - If the changes cause the library to advertise over their maximum budget, they will need to work with the appropriate fiscal body to have their budget adopted.
 - Libraries advertising a budget over their maximum non-binding amount will only have read-only access after Sept 1.



Maximum Budgets for Libraries – FAQ #3

- **When calculating the maximum budget for the ensuing year, do I include my home rule or gift funds?**
 - No. The maximum budget is calculated exclusively using the budgets for funds certified by the Department on the budget order.
 - This includes, but is not limited to the General, LIRF, Rainy Day, and/or any debt funds.



Maximum Budgets for Libraries – FAQ #4

- **Is the Department considering the advertised budget (Form 3), the adopted budget (Form 4), or the certified budget?**
 - When calculating the maximum budget, we are using the certified budget amount found on the Budget Order.
 - The advertised and adopted amounts are not considered for this calculation.



Maximum Budgets for Libraries – FAQ #5

- **What impact do approved additional appropriations have on the “maximum budget calculation”?**
 - The maximum budget calculation only considers the total budget amount listed on the DLGF budget order and the max levy growth quotient.
 - If a library had an approved additional appropriation during the budget year, it is not factored into the calculation.



Public Library Eligibility for Binding Review by Fiscal Body Resolution



Binding Review by Fiscal Body Resolution

- Libraries are unique as it relates to determining the appropriate fiscal body that is responsible for adopting their annual budget.
- In the prior section, we examined how the budgeted amount a library advertises may impact their authority to adopt their own budget.
- In this section, we will examine how the fiscal body of a county, city, or town may require a library to become subject to binding review (IC 6-1.1-17-20.4).



Binding Review by Fiscal Body Resolution

- A library will be subject to a binding adoption if both conditions below are met:
 1. Based on the AFR, if the library's cash balance of all funds derived from tax revenue is greater than one hundred fifty percent (150%) of the library's certified budget for the ensuing year.
 2. If the appropriate fiscal body for the library advertises a public hearing to make the library subject to binding adoption, and adopts the resolution not later than July 1.



Binding Review by Fiscal Body Resolution

- The fiscal body of the city, town, or county may not reduce a public library's proposed budget or levy in a budget year by more than ten percent (10%) of the public library's operating levy in the immediately preceding budget year.
- The library will be subject to binding review until the December 31 cash balance of all funds of the public library derived from tax revenue, as reported on the AFR, no longer exceeds one hundred fifty percent (150%) of the library's certified budget.



DLGF Budget Calendar



DLGF Calendar

- The Department has posted its 2024 budget calendar. The calendar contains the statutory submission/due dates for some of the key deadlines for the budget certification process.
- Units are encouraged to use the budget calendar as a starting point for creating a unit specific calendar.
 - <https://www.in.gov/dlgf/files/2024-memos/240207-Van-Dorp-Memo-2024-Budget-Calendar.pdf>



DLGF Calendar – June 1

- Estimated launch date for the 2024 PreBudget Worksheet in Gateway.
 - The Department will use the information on the Pre-Budget Worksheet to better prepare for budget workshops.
 - Units are able to and encouraged to provide any information that may be pertinent to the upcoming budget cycle.



DLGF Calendar – June 30

- Deadline for State Budget Agency (“SBA”) to provide Maximum Levy Growth Quotient (“MLGQ”) to civil taxing units, school corporations, and the Department. (Ind. Code § 6-1.1-18.5-2(c))
- Estimated launch date for the Budget Application in Gateway.



DLGF Calendar – July 15

- Department will provide each unit with an:
 - Estimate of the maximum amount of property taxes that may be levied in the ensuing budget year.
 - Estimate for non-property tax revenues for FIT, CVET, and Excise.
 - Estimate for Circuit Breaker Loss for the ensuing year.
- Department will provide each library with:
 - The “Library Estimated Maximum Budget Report” based on the MLGQ and the certified budget amount.



DLGF Calendar – August 1

- Last day for county auditor to certify net assessed values (“CNAV”) to the Department.
 - The Department will make AVs visible to every political subdivision via Gateway.
 - All units are encouraged to use Gateway’s public site to validate the AVs certified by the county auditor.
 - https://gateway.ifionline.org/report_builder



DLGF Calendar – September 2

- Last day for units with appointed boards, including certain libraries, to submit proposed 2025 budgets, tax rates, and tax levies to the appropriate fiscal body for binding adoption.
- Pertains exclusively to units that are subject to binding review, libraries that prepare a budget in excess of the maximum allowable, and libraries whose fiscal body adopted a resolution no later than July 1.



DLGF Calendar – Last Action Dates

- October 12: Last day to post a notice to taxpayers (“Budget Form 3”) of proposed 2025 budgets and net tax levies and a public hearing to Gateway.
- October 21: Last possible day for taxing units to hold a public hearing on their 2025 budgets.
- November 1: Deadline for all taxing units to adopt 2025 budgets, tax rates, and tax levies.



DLGF Calendar – Budget Order Dates

- December 31
 - Deadline for the Department to certify 2025 budgets, tax rates, and tax levies unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal.
- January 15
 - Deadline for the Department to certify 2025 budgets, tax rates, and tax levies if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal.

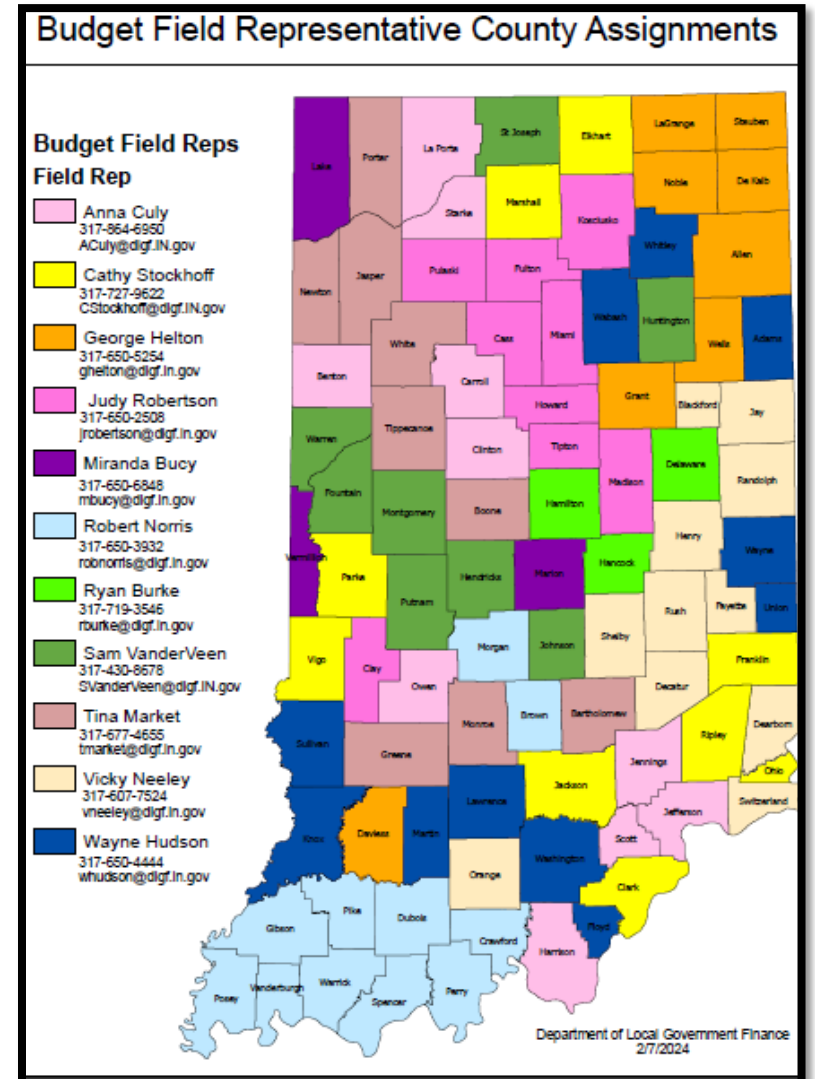


Resources



Budget Field Representatives (“FR”)

- The FRs are the primary points of contact for local government officials.
- While not able to provide legal or financial advice, they can:
 - Explain changes in procedures.
 - Identify resources available for local officials
 - Help you to avoid common mistakes made during the budget cycle.
- <https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf>





Memos and Presentations

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- The Department maintains a listing of the communications and legislative guidance from the last 5 years.
- The documentation represents the Department's current position on topics from Additional Appropriations to Binding library adoption procedures.



Memos and Presentations

- The Department is building an online presentation library for local government officials.
- The library contains both presentation slides and a recorded version of the presentation.
- Presentations include:
 - [Introduction to Budgeting](#)
 - [Introduction to Gateway](#)
 - Circuit Breaker ([Introduction](#), [Budgeting](#), and [Recon](#))
 - [Introduction to the Form 4B](#)



County Specific Information

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- In addition to the written guidance, the Department posts various calculations summarized by county.
- This includes Budget Orders, maximum levies, estimated CB report, and the Library Maximum Budget Report.



County Specific Information

- The Department will issue the following reports on the County Specific Information page.
- Not all reports will apply to all unit types.
 - ★• [2023 Circuit Breaker Report](#)
 - ★• [2023 Supplemental Local Income Tax Distribution](#)
 - ★• [2023 Certified Local Income Tax Report](#)
 - [2023 Maximum Mental Health and Developmental Disabilities Appropriations](#)
 - ★• [2023 Library Estimated Maximum Budget Report](#)
 - [2023 Calculation of Estimated Cumulative Fund Maximum Rates](#)
 - ★• [2023 Estimated Property Tax Cap Credits by Unit](#)
 - ★• [2023 Calculation of Estimated Maximum Levy](#)
 - ★• [2023 Estimated Debt Service Payments and Levies](#)
 - ★• [2023 Estimated Miscellaneous Revenues](#)
 - ★• [2023 December Property Tax Collections Calculation Worksheet](#)



Additional Resources

- The Department's website contains information to assist taxpayers and local officials in understanding the larger tax property certification, billing, and collection cycle.
- This includes maintaining a glossary of frequently used terms.

DLGF / UNDERSTANDING YOUR TAX BILL

Understanding Your Tax Bill

- [Property Tax Due Dates](#)
- [Citizen's Guide to Property Tax](#)
- [Assessed Value Search](#)
- [Notice of Assessment of Land and Improvements \(Form 11\)](#)
- [DLGF Public Hearings](#)
- [Property Tax Terms](#)
- [Taxpayer Rights](#)
- [Tax Bill Search](#)
- [Tax Bill 101](#)
- [TS-1 Tax Comparison Statement](#)
- [Taxpayer Calculators](#)



Contact the Department

- Website: www.in.gov/dlgf
 - “Contact Us”: <https://www.in.gov/dlgf/contact-us/>
 - Budget Field Representative Map:
https://www.in.gov/dlgf/files/Budget_Field_Reps.pdf
- Gateway Support: Support@dlgf.in.gov
- Telephone: (317) 232-3777