

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) 232-8779

TO: All School Superintendents and School Business Officials
FROM: Courtney Schaafsma, Budget Division Director *CS*
SUBJECT: School Bus Replacement Plan
DATE: July 1, 2011

Before a School Corporation may collect property taxes for the School Bus Replacement Fund in a particular calendar year, it must, after January 1 and not later than November 1 of the immediately preceding year, conduct a public hearing on and pass a resolution adopting a School Bus Replacement Plan ("Plan").

The Department of Local Government Finance ("Department") is charged with the responsibility of prescribing the format of the plan, which is attached. Upon adoption by the School Corporation, the plan shall be certified to the Department for its approval, disapproval or modification. The Department may approve appropriations for the School Bus Replacement Fund only if the appropriations conform to the plan that has been adopted in compliance with the prescribed format. The School Bus Replacement Fund is still subject to the budget requirements under IC 6-1.1-17. Additionally, the Budget Form 4-B must be prepared for the Bus Replacement Fund if you are requesting a budget and/or a tax levy (including a future allocation) for the ensuing year. Since the Budget Form 4-B contains substantially the same information as the calculation page found in previous years' bus plans, the calculation page has now been eliminated. You will, however, need to attach a copy of the Bus Replacement Fund Form 4-B to your Plan to fully comply with plan requirements in I.C. 20-46-5-8. Additional information about how to prepare the Form 4-B is available later in this memo.

If a School Corporation is amending its bus replacement plan, information must be submitted to the Department's Budget Division on or before December 16, 2011.

Please direct questions to the Indianapolis office at 317.232.3777 or a Department field representative. Please see www.in.gov/dlgf/2338.htm#BudgetFld for a contact list of representatives.

Instructions for the School Bus Replacement Plan Format

Section I – Replacement Cost of Bus/Vehicle During Specified Year

This section is applicable only to the *Replacement and Accumulation for Future Bus Replacement* of buses/vehicles for the twelve (12) year period of the plan.

- **Bus Description:** Indicate the Year and Make of each bus/vehicle to be replaced.

- **Corporation ID Number of Bus to be Replaced:** Indicate the identification number of the bus to be replaced.
- **Type of Vehicle per DOE “TN”:** Indicate the type of bus/vehicle per DOE classification.
- **Owned or Leased:** Indicate whether the bus/vehicle is to be owned or leased by the school corporation.
- **Estimated Replacement Cost:** Indicate the expected replacement cost of each bus/vehicle to be replaced for the year indicated.

Section II – Year 2012 Additional Bus Purchases (Including shifting a portion of bus contract costs to Bus Replacement Fund per IC 20-40-7-7)

This section is to be used to indicate the number of Additional Bus/Vehicle Purchases to be made in the *Calendar Year 2012*. The Budget Division has determined that statutorily, only those additional buses to be purchased for the ensuing budget year are required to be included in the plan. Enter each additional bus to be purchased on a separate line.

- **Bus Description:** Brief description for each bus/vehicle to be added. (Example: make and seating capacity)
- **Model Year:** The model year of the bus/vehicle to be purchased.
- **Type of Vehicle per DOE “TN”:** The type of bus/vehicle per Indiana Department of Education classification.
- **Owned or Leased:** Will the school corporation 1) own or 2) lease the bus/vehicle?
- **Additional Bus Cost:** Cost of the bus/vehicle to be added to the fleet.

New for 2012 you will find a special line at the bottom of Section II of the Bus Replacement Plan. If you are requesting to pay a portion of your bus contract costs from the Bus Replacement Fund in 2012, you must complete the Bus Contract Calculation Worksheet to help calculate the eligible amount. The requested amount must be shown at the bottom of Section II of the Bus Replacement Plan, and must be advertised appropriately. The Bus Contract Calculation Worksheet must be attached to the Bus Replacement Fund Plan only if you are requesting approval to shift a portion of the bus contract costs to the Bus Replacement Fund. Additionally, the supporting documentation required to substantiate the cost in Column G of the Bus Contract Calculation Worksheet must be attached to the worksheet if you are requesting to shift contractual costs to the Bus Replacement Plan.

Section III – Justification for Replacement and/or Additional Bus Purchases

- Question 1 must be answered in detail for *each* bus to be added to the current fleet for the *ensuing budget year* as indicated by Section II of the plan.
- Question 2 must be answered in detail for *each* bus to be replaced earlier than twelve (12) years.

Preparing the Bus Replacement Plan Form 4-B:

Line 1 -- Your total Bus Replacement Fund appropriation request (or Budget) will be the total of Section I (replacement cost for the ensuing year) and Section II (including the amount requested for bus contracts). **Do NOT include in line 1 the “Amount to be accumulated in the ensuing year for**

future purchases” (Column E from Form 3 – Notice to Taxpayers of School Bus Replacement Plan). This figure should be reflected in Line 11 of Form 4B. Future allocations are not appropriated until the year they are to be spent.

Line 11 – Include NOT ONLY the “Amount to be accumulated in the ensuing year for future purchases” (Column E from Form 3 – Notice to Taxpayers of School Bus Replacement Plan) but also any accumulation from the current year that you wish to carry forward into 2013.

Therefore, if you had an amount shown on the 2011 DLGF Fund Report Line 11, and you wish to add that to the new accumulation you are levying in 2012 (Column E from Form 3), then you must add the two amounts together and reflect the total on line 11 of the Bus Replacement Fund Form 4-B.

Example #1

If you want to carry forward \$100,000 into 2013 and line 11 of the 2011 Fund Report is zero, you will show \$100,000 on line 11 (and you will advertise \$100,000 in Column E on Form 3 – Notice to Taxpayers of School Bus Replacement Plan).

Example #2

If you wish to carry forward \$100,000 into 2013 but line 11 of the 2011 Fund Report was \$25,000 then you will show \$100,000 on line 11 of Form 4-B but only advertise the new accumulation amount (\$75,000) in Column E from Form 3.

Example #3

If you want to carry forward \$100,000 into 2013 and you had \$100,000 on line 11 of the 2011 Fund Report then you will show the \$100,000 amount on line 11 of Form 4-B but you will not show anything in Column E from Form 3 for the amount to be accumulated in 2012 for future purchases.

All other lines of the Form 4-B for the Bus Replacement Fund will be calculated just like all other funds.

RESOLUTION TO ADOPT THE YEAR 20____ BUS REPLACEMENT PLAN

This resolution is adopted by the Board of Trustees of _____
(School Corporation)

of _____ County, Indiana.
(County)

Whereas, a School Bus Replacement Plan has been established; and

Whereas, the Board of Trustees is required under IC 20-46-5 to adopt a plan with respect to
a School Bus Replacement Plan; and

Whereas, the Board of Trustees held a public hearing on the plan on the ____ day of
_____, 20____ at _____.
(location)

THEREFORE, BE IT RESOLVED by the Board of Trustees that the plan entitled
“School Bus Replacement Plan” for the years 2012 through 2023, is hereby incorporated by reference
into this resolution, and is adopted as the Board of Trustees’ Plan with respect to the School Bus
Replacement Plan.

BE IT FURTHER RESOLVED, that the Board of Trustees shall submit a certified copy of this
resolution (including the adopted plan) to the Department of Local Government Finance as required by
IC 20-40-7 for approval.

Adopted this _____ day of _____, 20____.

AYE

NAY

Notice to Taxpayers of School Bus Replacement Plan for the Years 2012-2023

This is the ONLY form that is advertised for the Bus Replacement Plan. It announces the time, date and place of the public hearing and must be published at least ten (10) days before the public hearing. The Notice to Taxpayers of the School Bus Replacement Plan can be published by itself or with the budget Form 3. The public hearing can be different than the budget public hearing. However, the majorities of school corporations publish it with the budget form 3 and hold the public hearings at the same time.

I. Summary of Planned Replacements and Accumulation for Future Years

Col. A – Number of Buses Owned: The number of buses that the School Corporation owns for each specific year.

Col. B – Number of Buses to be Replaced: The number of buses to be replaced for each specific year. This normally represents approximately 8.5% of the school's fleet.

Col. C – Year: Indicates the specific year.

Col. D – Total of Replacement Cost: The total expected replacement cost of all buses/vehicles to be replaced for each specific year. This amount should agree with the Replacement Cost Totals from Section I of Bus Replacement Plan.

Col. E – Amount to be Accumulated in 2012 for Future Purchases: Utilized for the ensuing year only. Represents the amount of money the School Corporation desires to raise in the year 2012 to be carried over into 2013 for future purchases. If your 2011 Fund Report from the Department has an operating balance (Line 11) in the Bus Replacement Fund, add that figure to the amount in column E to arrive at Line 11 for the Bus Replacement Fund Form 4-B. Example: If you want to carry forward \$100,000 to 2013 and your line 11 on the Fund Report is zero, you will show \$100,000 in column E. If your line 11 on the Fund Report is \$25,000, you need to show \$75,000 in column E. If your line 11 on the Fund Report is \$100,000, you would not show an amount in column E.

II. Additional Bus Needs For Year 2012 (Including Contractual Costs per I.C. 20-40-7-7)

List in this section the buses being added to your fleet for the year 2012 and any bus contracts to be paid from the Bus Replacement Fund in 2012.

Number: Represents the count of a particular type of bus being added to the fleet.

Bus Capacity: Indicate the student capacity for one of these buses.

Year: Indicates the year 2012. This section represents the increase to your fleet for the year 2012 only.

Type of Bus/Vehicle per DOE "TN": Indicate the type of bus/vehicle per DOE classification.

To be Owned or Leased: Indicate whether the bus/vehicle is to be owned or leased by the school corporation.

Year 2012 Cost of Additional Buses: Indicate the expected cost of each bus/vehicle to be added to the fleet. Be sure that if you are purchasing multiple buses of one type to multiply the estimated cost by the number expected to be purchased.

Shifting a portion of bus contract costs to Bus Replacement Fund per I.C. 20-40-7-7

If you are shifting a portion of your bus contract costs to the Bus Replacement Fund per IC 20-40-7-7 you must advertise the requested amount on the bottom line of Section II of the legal advertisement.