



Department of Local Government Finance

DLGF Webinar Series July Estimates

Budget Division

May 2020



Overview

- The budgeting process is a 12 month cycle.
- While you are still months away from your official public hearings and adoption meetings, the spring and summer are spent identifying your revenue sources and spending priorities.
- In June and July, the Department provides units with a series of reports that are designed to assist them in the preliminary stages of specific parts of budget planning.



Overview

- The Department's July estimates are designed to supplement the data being collected and collated at the local level.
- In many cases, the Department will use historical activity to estimate future values.
- The Department acknowledges that our estimates are intentionally designed to be conservative.
- In some cases, units may use their own estimates instead of the values calculated by the Department.



Overview

As the reports are created, the Department will post the July Estimates in two places on our website:

1. County Specific Versions:

- Posted for each county beneath the budget orders

2. State Wide Versions:

- Posted beneath the list of counties on the County Specific Information Page.



Agenda

- July Estimates Overview
 1. Line 2 Report (Formerly “Line 7 Report”)
 2. MLGQ (formerly “AVGQ”)
 3. Max Levy Estimate
 4. Circuit Breaker Estimate
 5. Miscellaneous Revenue Report
 6. 2021 Local Income Tax Report
 7. Other Unit Specific Reports



July Estimates Overview



Line 2 Report – December Property Tax Draw Estimator



July Estimates – Line 2 Report

- By January 15, every unit in the State had a budget order that included a certified levy and certified budget.
 1. The certified levy represents expected property tax collections for the year.
 2. The certified budget is partially funded by the certified levy, and represents your spending authority for the year.



Definitions – Budget Order

2019 BUDGET ORDER

Year: 2019

County 32 Hendricks

Unit: 0503 PLAINFIELD CIVIL TOWN



	<u>Fund</u>	<u>Certified Budget</u>	<u>Certified AV</u>	<u>Certified Levy</u>	<u>Certified Rate</u>
0061	RAINY DAY	\$0	\$2,345,859,350	\$0	\$0.0000
0101	GENERAL	\$12,750,000	\$2,345,859,350	\$3,842,518	\$0.1638
Budget approved for displayed amount.					
Rate reduced to remain within statutory levy limitation.					
0182	BOND #2	\$815,925	\$2,345,859,350	\$921,923	\$0.0393

Budget has been reduced and approved for the displayed amt.

Rate reduced per unit request.

Units receive their first (Spring) tax draw by June 30, and their second (fall) tax draw by December 31.



July Estimates – Line 2 Report

- For budgeting, units will report their:
 - A. Cash balance as of June 30
 - B. Expected tax draw(s) between July 1 and Dec 31.
- The Line 2 Report is designed to assist units with estimating their fall property tax draw.
 - Units can use this tool while completing Line 2 (formerly Line 7) on the Form 4B.



July Estimates – Line 2 Report (Template)

**STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE**

Line 7 (December Property Tax Collections) Calculation Worksheet for Budget Year 2020

County: 03 Bartholomew
Unit: 0000 BARTHOLOMEW COUNTY

<u>Fund</u>	<u>2019 Certified Levy</u>	<u>2019 Abstract Levy</u>	<u>Starting Levy for Line 7</u>	<u>June 2019 Distributions</u>	<u>Estimated 2020 Line 7</u>
0101 GENERAL	13,858,804	13,388,572	13,388,572	_____	_____
0102 ELECTION/REGISTRATION	253,620	245,014	245,014	_____	_____
0124 2015 REASSESSMENT	541,628	523,251	523,251	_____	_____
0180 DEBT SERVICE	1,255,202	1,283,221	1,255,202	_____	_____
0702 HIGHWAY	0	0	0	_____	_____
0706 LOCAL ROAD & STREET	0	0	0	_____	_____
0790 CUMULATIVE BRIDGE	1,616,287	1,561,446	1,561,446	_____	_____
0801 HEALTH	971,492	938,529	938,529	_____	_____

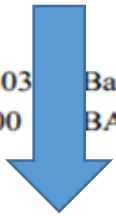
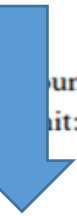


July Estimates – Line 2 Report (Template)

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Line 7 (December Property Tax Collections) Calculation Worksheet

County: 03 Bartholomew
Committee: 0000 BARTHOLOMEW COUNTY



<u>Fund</u>		2019 <u>Certified Levy</u>	2019 <u>Abstract Levy</u>
0101	GENERAL	13,858,804	13,388,572
0102	ELECTION/REGISTRATION	253,620	245,014
0124	2015 REASSESSMENT	541,628	523,251
0180	DEBT SERVICE	1,255,202	1,283,221
0702	HIGHWAY	0	0
0706	LOCAL ROAD & STREET	0	0
0790	CUMULATIVE BRIDGE	1,616,287	1,561,446
0801	HEALTH	971,492	938,529

This worksheet is being provided by the Department as a tool to assist units in calculating their Estimated Line 2 (December Property Tax Collections) for the Form 4B.

The Fund, Fund Description, and the Certified Levy can be found on the DLGF Certified Budget Order.

County Specific Information:

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



July Estimates – Line 2 Report (Template)

**STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE**

Line 7 (December Property Tax Collections) Calculation Worksheet

County: 03 Bartholomew
Unit: 0000 BARTHOLOMEW COUNTY



<u>Fund</u>		2019 <u>Certified Levy</u>	2019 <u>Abstract Levy</u>
0101	GENERAL	13,858,804	13,388,572
0102	ELECTION/REGISTRATION	253,620	245,014
0124	2015 REASSESSMENT	541,628	523,251
0180	DEBT SERVICE	1,255,202	1,283,221
0702	HIGHWAY	0	0
0706	LOCAL ROAD & STREET	0	0
0790	CUMULATIVE BRIDGE	1,616,287	1,561,446
0801	HEALTH	971,492	938,529

- If the certified levy was the January 15 estimate for property tax collection, the abstract levy represents a revised estimation based on updated information on March 15.
- Abstract Levy has been computed by multiplying the abstract tax rate by the abstract assessed value and then subtracting total property tax cap credits (circuit breaker) from this amount.



July Estimates – Line 2 Report (Template)

**STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE**

Line 7 (December Property Tax Collections) Calculation Worksheet

County: 03 Bartholomew
Unit: 0000 BARTHOLOMEW COUNTY

<u>Fund</u>		2019 <u>Certified Levy</u>	2019 <u>Abstract Levy</u>
0101	GENERAL	13,858,804	13,388,572
0102	ELECTION/REGISTRATION	253,620	245,014
0124	2015 REASSESSMENT	541,628	523,251
0180	DEBT SERVICE	1,255,202	1,283,221
0702	HIGHWAY	0	0
0706	LOCAL ROAD & STREET	0	0
0790	CUMULATIVE BRIDGE	1,616,287	1,561,446
0801	HEALTH	971,492	938,529

- For the purposes of estimating property taxes, the Line 2 Report will use the lesser of the Certified and Abstract levies.
- **Exception #1**
 - Debt funds will use the certified levy.
- **Exception #2**
 - Conservancies will use certified levy.
- **Exception #3**
 - Capital Projects fund (Libraries Only) will use the certified levy.



July Estimates – Line 2 Report (Template)

- The “Starting Levy for Line 7” will use the lesser of Certified and Abstract levy.
- Once a unit receives their 2020 property tax draw from the county auditor, they can populate the “June 2020 distribution.”
- The “Estimated 2021 Line 2” amount will be calculated by subtracting the “June 2020 Distributions” from the “Starting Levy for Line 7.”

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Worksheet for Budget Year 2020

<u>Starting Levy for Line 7</u>	<u>June 2019 Distributions</u>	<u>Estimated 2020 Line 7</u>
13,388,572	_____	_____
245,014	_____	_____
523,251	_____	_____
1,255,202	_____	_____
0	_____	_____
0	_____	_____
1,561,446	_____	_____
938,529	_____	_____



Maximum Levy Growth Quotient



July Estimates - MLGQ

- MLGQ is a 'cost of living adjustment' for the maximum levy for all taxing units.
- The quotient is calculated by the State Budget Agency
- HEA 1113 – 2020 has rebranded the AVGQ, but while the name has changed the calculation is still the same.
- The MLGQ is based on the "Indiana nonfarm personal income" for the previous six years.



July Estimates - MLGQ

- The State Budget Agency shall provide the growth quotient to the Department before July 1 of each year.

Date: 1st July, 2019

Subject: Assessed value growth quotient

The State Budget Agency has calculated the assessed value growth quotient pursuant to IC 6-1.1-18.5-2 for property tax levies first due and payable in CY 2020. The growth quotient for CY 2020 is 3.500%. The supporting documentation is contained in the attached file and uses the information released by the Bureau of Economic Analysis on June 25, 2019.

- The Department will post the new growth quotient, then use it to finalize several of our 2021 estimate reports.



Max Levy Estimate



July Estimates – Max Levy Estimate

- The Certified Budget is funded three key revenue sources:
 1. Property Tax Levy
 2. Miscellaneous Revenue Collections
 3. Cash
- For Budget Year 2020, local government was funded by:
 1. Statewide Property Tax Levy - \$ 8,200,000,000



July Estimates – Max Levy Estimate

- The Department will provide each unit with an estimated maximum levy at the beginning of the budget cycle.
- Regardless of adopted levy, during budget certification the Department will ensure that no unit exceeds their max levy in a given year.

Simplified max levy calculation:
(Prior Year Max Levy) times (Max Levy Growth Quotient)



July Estimates – Max Levy Estimate

- There are several caveats involved with the max levy:
 1. There is a difference between the max levy and the certified levy.
 - There are several funds that are considered “outside” the max levy, which means that a unit’s certified levy may be higher than maximum levy.
 2. Qualifying counties, cities, and towns will receive an annual, temporary adjustment to the max levy.
 - The adjustments are calculated and applied each year.



July Estimates – Max Levy Estimate

- There are several caveats involved with the max levy:
 3. Units will receive a max levy for each max levy type associated with the unit.
 4. The actual max levy used to work the budget may be different than the Department's estimate.
 5. The max levy estimate will include 2021 excess levy appeal amounts reported by the unit on the prebudget survey.



July Estimates – Max Levy Estimate

- **What is an excess levy appeal?**
- Indiana Code 6-1.1-18.5 permits the [Department](#) to provide relief for the following types of claims:
 - (1) Annexation, reorganization, or extension of services.
 - (2) Three-year growth factor >2% of the statewide average.
 - (3) Correction of advertising errors or errors in data.
 - (4) Shortfall due to erroneous assessed valuation.
 - (5) Emergency.



July Estimates – Max Levy Estimate (Example #1)

Unit: 0002 FRENCH TOWNSHIP	
Maximum Levy Type: UT Civil	Note 1
2019 Maximum Levy	Note 2 11,336
PLUS: 2019 Permanent Appeal Amount and New Max Levies	0
PLUS: Other Adjustments to 2019 Maximum Levy (1)	0
2019 Maximum Levy for Growth Quotient	11,336
TIMES: Assessed Value Growth Quotient (2)	Note 3 1.0350
Initial 2020 Maximum Levy	11,733
PLUS: Potential 2020 Appeals as Reported by Unit	0
Estimated 2020 Maximum Levy Prior to Allowable Adjustments	11,733
PLUS: Estimated 2020 Cumulative Capital Development Adjustment (3)	0
PLUS: Estimated 2020 Mental Health Adjustment (4)	0
PLUS: Estimated 2020 Developmental Disabilities Adjustment (4)	0
PLUS: Other adjustments reported by the taxing unit	0
Estimated 2020 Maximum Levy	Note 4 11,733

Note 1: The estimate will identify the unit and the specific max levy type.

Note 2: The estimate will begin by restating the prior year max levy.

Note 3: The Department will grow the prior max levy by the 2021 max levy growth quotient.

Note 4: The last line of the page is will be the estimated max levy.



July Estimates – Max Levy Estimate (Example #2)

Unit: 0000 BARTHOLOMEW COUNTY	
Maximum Levy Type: UT Civil	
2019 Maximum Levy	16,517,454
PLUS: 2019 Permanent Appeal Amount and New Max Levies	0
PLUS: Other Adjustments to 2019 Maximum Levy (1)	0
2019 Maximum Levy for Growth Quotient	16,517,454
TIMES: Assessed Value Growth Quotient (2)	1.0350
Initial 2020 Maximum Levy	17,095,565
PLUS: Potential 2020 Appeals as Reported by Unit	0
Estimated 2020 Maximum Levy Prior to Allowable Adjustments	17,095,565
PLUS: Estimated 2020 Cumulative Capital Development Adjustment (3)	0
PLUS: Estimated 2020 Mental Health Adjustment (4)	655,462
PLUS: Estimated 2020 Developmental Disabilities Adjustment (4)	1,568,117
PLUS: Other adjustments reported by the taxing unit	0
Estimated 2020 Maximum Levy	19,319,143

Note 5

Note 5: For county units, after applying the MLGQ, there are two adjustments applied to the max levy.

Under IC 6-1.1-18.5-10, the Department will make a temporary adjustment to the max levy to fund local Mental Health providers and community intellectual disability and other developmental disabilities centers.



July Estimates – Max Levy Estimate (Example #3)

Unit: 0703 EDINBURGH CIVIL TOWN	
Maximum Levy Type: UT Civil	
2019 Maximum Levy	1,234,484
PLUS: 2019 Permanent Appeal Amount and New Max Levies	0
PLUS: Other Adjustments to 2019 Maximum Levy (1)	0
2019 Maximum Levy for Growth Quotient	1,234,484
TIMES: Assessed Value Growth Quotient (2)	1.0350
Initial 2020 Maximum Levy	1,277,691
PLUS: Potential 2020 Appeals as Reported by Unit	0
Estimated 2020 Maximum Levy Prior to Allowable Adjustments	1,277,691
PLUS: Estimated 2020 Cumulative Capital Development Adjustment (3)	14,183
PLUS: Estimated 2020 Mental Health Adjustment (4)	0
PLUS: Estimated 2020 Developmental Disabilities Adjustment (4)	0
PLUS: Other adjustments reported by the taxing unit	0
Estimated 2020 Maximum Levy	1,291,873

Note 6

Note 6: For counties, cities, and towns that have established a cumulative capital development fund (Fund 2391), they will receive a temporary adjustment to their max levy.

The Department recalculates this adjustment each year.



July Estimates – Max Levy Estimate (Example #4)

Unit: 0000 GREENE COUNTY

Maximum Levy Type: UT Civil

2019 Maximum Levy	6,258,222
PLUS: 2019 Permanent Appeal Amount and New Max Levies	0
PLUS: Other Adjustments to 2019 Maximum Levy (1)	0
	6,258,222
2019 Maximum Levy for Growth Quotient	6,258,222
TIMES: Assessed Value Growth Quotient (2)	1.0350
	6,477,260
Initial 2020 Maximum Levy	6,477,260
PLUS: Potential 2020 Appeals as Reported by Unit	25,000
	6,502,260
Estimated 2020 Maximum Levy Prior to Allowable Adjustments	6,502,260
PLUS: Estimated 2020 Cumulative Capital Development Adjustment (3)	323,346
PLUS: Estimated 2020 Mental Health Adjustment (4)	157,752
PLUS: Estimated 2020 Developmental Disabilities Adjustment (4)	394,649
PLUS: Other adjustments reported by the taxing unit	0
	7,378,007
Estimated 2020 Maximum Levy	7,378,007

Note 7

Note 7: The [PreBudget Survey](#) is due on May 30.

Any unit that notifies of the Department of their intent to file an excess levy appeal will see an adjustment to their max levy.

The unit must still file and the Department must still approve the appeal for the change to be reflected in the final max levy.



Circuit Breaker Estimates



July Estimates – Circuit Breaker

- Property tax cap credits (or Circuit Breakers) are one of the most complicated topics in local government finance.
- In April, the Department delivered a 60 minute presentation on the CBs.
- The presentation slides are posted as continued education on the Department's website:
<https://www.in.gov/dlgf/9697.htm>



July Estimates – Circuit Breaker

- During the budgeting process, units estimate future expenses and revenue to be collected.
 - This includes estimating the CB impact on their levy collections.
- At the beginning of the budgeting cycle, the Department will release a CB estimate for every unit in the State.



July Estimates – Circuit Breaker

- In April 2021, the Department will calculate and post CB Reports that contain the actual CB for each unit and each fund.
- The actual CB are calculated from the tax data for the actual tax bills as summarized and submitted on the Abstract.

County Specific Information:

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



July Estimates – Circuit Breaker

Unit	Unit Type/Fund Name	Fund Code	Certified Levy	Levy Based on Abstract AV	Over 65 Circuit Breaker	1%/2%/3% Circuit Breaker	Total Circuit Breaker	Post-Circuit Breaker Levy	Exempt	Protected
ADAMS COUNTY	County		\$10,021,771	\$10,000,400.34	\$17,194.86	\$293,864.98	\$311,059.84	\$9,689,340.50		
	RAINY DAY	0061	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N
	GENERAL	0101	\$7,721,343	\$7,704,878.05	\$13,247.90	\$226,410.32	\$239,658.22	\$7,465,219.83	N	N
	2015 REASSESSMENT	0124	\$190,181	\$189,775.32	\$326.30	\$5,576.61	\$5,902.91	\$183,872.41	N	N
	CUMULATIVE COURT HOUSE	0590	\$57,815	\$57,691.70	\$99.20	\$1,695.29	\$1,794.49	\$55,897.21	N	N
	HIGHWAY	0702	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N

- The CB Actual Report shows all certified funds and along with their Over 65 and 1%/2%/3% CB loss.



July Estimates – Circuit Breaker

In July 2020, the following values are unknown:

1. Certified Net Assessed Values
2. Certified Tax Rates
3. List of adopted funds for each unit
4. Approved excess levy appeals
5. New debt issuances closed between July 1 and Dec 31

Each of these values is used in the calculation of the actual CB, but they are not available when the Department calculates its July CB estimates.



July Estimates – Circuit Breaker

2020 Estimated Property Tax Cap Impact Report Bartholomew County	
0000 BARTHOLOMEW COUNTY	Estimated Impact
Civil Max Levy Fund Credits	\$1,437,720
Debt Fund Credits	\$2,246
Total Estimated Credits	\$1,439,965
0001 CLAY TOWNSHIP	Estimated Impact
Civil Max Levy Fund Credits	\$720
Total Estimated Credits	\$720
0002 CLIFTY TOWNSHIP	Estimated Impact
Total Estimated Credits	\$0
0003 COLUMBUS TOWNSHIP	Estimated Impact
Civil Max Levy Fund Credits	\$112,200
Township Fire Credits	\$439
Total Estimated Credits	\$112,639

- In July, the Department will not know which funds will be adopted by the unit in the fall. So, the estimates are summarized by max levy type.
- The Department’s estimates factor in prior year actual CBs, the results of the prebudget survey, and the MLGQ.



Miscellaneous Revenue Report



July Estimates – Miscellaneous Revenue

- The Certified Budget is funded three key revenue sources:
 1. Property Tax Levy
 2. Miscellaneous Revenue Collections
 3. Cash
- For Budget Year 2020, local government was funded by:
 1. Statewide Property Tax Levy - \$ 8,200,000,000
 2. Miscellaneous Revenue - \$20,000,000,000



July Estimates – Miscellaneous Revenue

- The Department maintains a list of 82 unique types of miscellaneous revenue for civil units and 198 for schools.
- Note: Not all revenue types apply to all units.

Revenue Code	Revenue Name
R106	Food and Beverage Tax
R201	Electrical and Plumbing Licenses and Permits
R401	County Auditor Services
R502	Court Costs and Fees
R901	Sale of Investments



July Estimates – Miscellaneous Revenue

- The Department will post estimates for the revenues listed below:

Revenue Code	Revenue Name	Collected by	Distributed by
R136	ABC Gallonage	State of Indiana	Auditor of State
R111	Cigarette Tax - CCIF	State of Indiana	Auditor of State
R111	Cigarette Tax - General Fund	State of Indiana	Auditor of State
R113	Local Road and Street	State of Indiana	Auditor of State
R116	Motor Vehicle Highway	State of Indiana	Auditor of State
R135	Commercial Vehicle Excise Tax	State of Indiana	County Auditor
R112	Financial Institutions Tax	State of Indiana	County Auditor
R114	License Excise Tax	State of Indiana	County Auditor



July Estimates – Miscellaneous Revenue

- Each distribution has a series of dedicated revenue sources, unique distribution methodology, timing requirements, and recipients.
- Additional information about the State Distributions can be found:
 1. [2020 DLGF Presentation](#)
 2. [State Auditor's Office Website](#)



July Estimates – Miscellaneous Revenue

1. Financial Institution Tax (FIT)

- 3 year average as reported to Department by County Auditor
- Actual: <https://www.in.gov/auditor/1265.htm>

2. Commercial Vehicles Excise Tax (CVET)

- 3 year average as reported to Department by County Auditor
- Actual: <https://www.in.gov/auditor/1267.htm>

3. License Excise Tax

- 3 year average as reported to Department by County Auditor



July Estimates – Miscellaneous Revenue

- ABC Gallonage, Cigarette Tax – CCIF, Cigarette Tax - General Fund, Local Road and Street, and Motor Vehicle Highway are monthly, quarterly, and semi annual distributions made from the State.
- Department estimate is based on lesser of:
 - A. Average of previous 36 months of activity for unit
 - B. Average of previous 12 months of activity for unit



July Estimates – Miscellaneous Revenue

- For the 2021 Miscellaneous Revenue estimates, the Department will apply an additional adjustment to factor the impact of COVID – 19 on the revenue collections.
- **Units are not required to use the Department’s estimates.**
- Units are strongly encouraged to monitor their actual collections against any estimate used during the budgeting cycle.



2021 Local Income Tax Estimate



July Estimates – Local Income Tax (“LIT”)

- In 2020, there will be \$2.8B of LIT distributed to local units.
- The Department of Revenue (“DOR”), the State Budget Agency (“SBA”), and the Department determine:
 1. How much LIT is generated in each county?
 2. How much of the LIT should go to each unit?



July Estimates – Local Income Tax (“LIT”)

How is LIT – Certified Shares used during budgeting?

1. Based on IC 6-3.6-6-17, LIT certified shares can be used for any purpose of the civil taxing unit.
2. Units can pledge the certified shares to any fund including the rainy day fund.



July Estimates – Local Income Tax (“LIT”)

- **Why did my Certified Shares amount decrease?**
- Under IC 6-3.6-6-12, the Department is charged with calculating the amount of LIT – Certified Shares amount for each unit.
- The calculation includes, but is not limited to, a unit’s property tax levy, prior year LIT distribution, and debt configuration as a percentage of the total county activity.



July Estimates – Local Income Tax

- The CY 2020 LIT distribution was based on processed tax collections from July 1, 2018 to June 30, 2019.
- The CY 2021 LIT distribution will be based on processed tax collections from July 1, 2019 to June 30, 2020.
- The State is currently evaluating options for mitigating the impact of COVID – 19 on income tax processed collections and the 2021 LIT distributions.



July Estimates – Local Income Tax (“LIT”)

- In accordance with IC 6-3.6-9-5, LIT figures will be released three times this summer.

Report	SBA Release Date	DLGF Post Date
2021 Estimate #1	August 1, 2020	August 2, 2020
2021 Estimate #2	October 1, 2020	October 2, 2020
2021 LIT Certification	November 1, 2020	November 2, 2020

- LIT configurations can be changed year round. Changes made by October 31 will impact the 2021 LIT distributions.



Library Estimated Max Budget



July Estimates – Library Estimated Max Budget

- This slide pertains to libraries only.
- Library boards may adopt budgets and levies for libraries as long as their budget increases by no more than prior year budget multiplied by the max levy growth quotient (IC 6-1.1-17-20.3(a)(2)).
- If the budget is increased by more than the MLGQ, the budget will need to be adopted by the appropriate fiscal body.



July Estimates – Library Estimated Max Budget

2020 Library Estimated Maximum Budget Report

County: 01 Adams County

Library: 0001 Berne Public Library

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 assessed value growth quotient. 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.

2019 Certified Budget	594,000
x 2020 AVGQ	1.035
2020 Maximum Budget for Library Board Adoption	<hr/> 614,790

The Estimated max budget report is calculated by multiplying the prior year total certified budget by the MLGQ.

Note: The estimated maximum budget is based exclusively on the prior year's certified budget. Any additional appropriations approved during the year are not factored into the calculation.



Cumulative Funds



July Estimates – Cumulative Funds

- This slide pertains only to units that have a certified cumulative fund or that have established a new cumulative fund for the ensuing budget year.
- Cumulative funds are used by units to raise money for a specific and dedicated purpose.
- All units seeking to establish or reestablish a cumulative fund with the Department must submit the following documents to the Department by April 30, 2020.



July Estimates – Cumulative Funds

- Non-cumulative have no special procedures for adopting rates during the budget process.
- Cumulative funds are considered rate controlled funds.
 - There are special rules for what the maximum rate a unit can adopt each year.
- The “Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2021” report will outline the maximum rate for each cumulative fund.



July Estimates – Cumulative Funds (#1)

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2020

County: 01 Adams

Unit: 0005 KIRKLAND TOWNSHIP

Fund: 1190 CUMULATIVE FIRE (Township)

This fund is outside of the unit's maximum levy.

The maximum allowable rate for 2020 is estimated to be the lesser of the following:

2019 Maximum Rate Cap:	0.0281
2019 Certified Tax Rate:	0.0281
Estimated 2020 Maximum Tax Rate:	0.0281

The “Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2021” report will outline the maximum rate for each cumulative fund.

In example 1, this unit adopted and the Department certified a rate equal to the maximum allowable rate.

In the upcoming cycle, the Department estimates the maximum cap to be .0281.



July Estimates – Cumulative Funds (#2)

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2020

County: 01 Adams

Unit: 0000 ADAMS COUNTY

Fund: 0590 CUMULATIVE COURT HOUSE

This fund is contained within the unit's civil maximum levy.

The maximum allowable rate for 2020 is estimated to be the lesser of the following:

2019 Maximum Rate Cap:	0.0990
2019 Certified Tax Rate:	0.0038
Estimated 2020 Maximum Tax Rate:	0.0038

The “Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2021” report will outline the maximum rate for each cumulative fund.

In example 2, the unit elected to adopt a rate lower than the maximum allowable rate.

In the upcoming cycle, the Department estimates the maximum cap to be .0038.



July Estimates – Cumulative Funds

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2020

County: 01 Adams

Unit: 0407 DECATUR CIVIL CITY

Fund: 2391 CUMULATIVE CAPITAL DEVELOPMENT

This fund is contained within the unit's civil maximum levy, which will include an adjustment for this fund.

The maximum allowable rate for 2020 is estimated to be the lesser of the following:

2019 Maximum Rate Cap:	0.0486
2019 Certified Tax Rate:	0.0486
Estimated 2020 Maximum Tax Rate:	0.0486

The “Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2021” report will outline the maximum rate for each cumulative fund.

Example 3 was included to show how the report acknowledges that the CCD fund has a maximum rate, but that it will also receive a max levy adjustment.



Contact Us

Website: www.in.gov/dlgf

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Budget Field Representative Map:

https://www.in.gov/dlgf/files/Budget_Field_Reps.pdf

Gateway Support: Gateway@dlgf.in.gov

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