

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** School Superintendents and School Business Officials  
**FROM:** Courtney Schaafsma, Budget Division Director *CLS*  
**RE:** Capital Projects Fund – 2011 pay 2012  
**DATE:** July 1, 2011

**\*The following memorandum replaces the June 16, 2010 capital projects fund memorandum.**

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## I. INTRODUCTION

The purpose of this memorandum is to outline the policy and procedures of the Department of Local Government Finance ("Department") regarding School Capital Projects Funds ("CPF"). It is also suggested that readers become familiar with IC 20-40-8 and 50 IAC 9.

A school corporation must annually prepare a three-year CPF Plan ("Plan"), conduct a public hearing, publish notice of adoption, and allow taxpayers the opportunity to file petitions objecting to the Plan. The Plan is incorporated into the annual budget for the CPF. **The maximum tax rate of the CPF is limited to the lesser of \$.4167 per \$100 of Net Assessed Valuation adjusted for the effects of the general reassessment and annual adjustment or that necessary to fund the Plan, subject to the applicable budget laws.**

The CPF levy is adjusted to compensate for additional expenditures for insurance and utilities payable out of the CPF. School corporations must advertise and adopt a CPF rate and Plan sufficient to support the increased levy.

The formula used to calculate the CPF rate cap for each school corporation is provided later in this memorandum. The rate cap calculated will be adjusted each year for trending (annual adjustment). The tax rate will fluctuate from year to year, as the needs of the corporation change. In the current year, the corporation may change the Plan that was adopted by:

1. making transfers within building locations
2. applying to the Department for emergency amendments
3. pursuing non-emergency amendments under limited circumstances
4. approving additional appropriations to move future allocations into current year.

## II. UTILITY AND INSURANCE COSTS

IC 20-40-8-19 allows school corporations to pay up to 100 percent of the following costs from the CPF:

- Utility services;
- Property or casualty insurance; or
- Both utility services and property or casualty insurance.

A school corporation's expenditures under this subsection may not exceed three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

A school corporation may amend its plan to include expenditures for utility services, property or casualty insurance or both. The amendment is subject to any notice and hearing requirements.

For a school corporation that includes utility services or property or casualty insurance costs in its Plan, the school corporation may impose a property tax rate that exceeds the maximum CPF rate by determining the amount attributable to utilities or property or casualty insurance costs payable for the Plan and dividing the amount by the school corporation's net assessed value and multiplying by 100 to arrive at a rate.

Appropriations for this purpose should be classified as account number 26200 Utilities (Maintenance of Buildings) and 26700 Property and Casualty Insurance.

**III. PERMITTED USES OF THE CAPITAL PROJECTS FUND: (IC 20-40-8; 50 IAC 9-1-4; 50 IAC 9-1-13)**

The CPF may be used for the following purposes:

- (1) **Land Acquisition and Development:** Acquisition and development of sites for school purposes.
- (2) **Fees for Professional Services:** Fees paid to architects, engineers, attorneys, project managers, and fiscal consultants for land acquisition, site development, and building improvements; expenses for nonrecurring in-service technology training.
- (3) **Education Specifications Development:** Feasibility studies and educational specifications for building design for use by architects and others.
- (4) **Building Acquisition, Construction, and Improvement:**
  - A. purchase and construction of buildings
  - B. improvements or alterations to existing buildings
  - C. installation or extension of service systems for new or existing buildings
  - D. building sites for use by the school corporation
  - E. purchase of building materials for vocational building and trade classes
  - F. payments for the qualifying portion of Guaranteed Energy Savings Contracts under IC 36-1-12.5
  - G. under certain circumstances, payment of salaries and benefits for skilled craft employees
- (5) **Rental of Buildings and Equipment:** Rental or lease payments for new or existing real property, computers, or equipment, excluding payments to holding corporations as authorized under I.C. 20-47-2 and I.C. 20-47-3. The payments for the qualifying portion of Guaranteed Energy Savings contracts under I.C. 36-1-12.5 may be paid from this account.
- (6) **Purchase of Mobile or Fixed Equipment:** To purchase, lease, upgrade, maintain, or repair one or more of the following: computer hardware, computer software, wiring and computer networks, communication access systems used to connect with computer networks or electronic gateways. Educational technology may only be purchased if a three-year (3) year technology plan has been developed.
- (7) **Emergency Allocation:** Repair, replacement, or site acquisition that is necessitated by an emergency.
- (8) **Utilities (Maintenance of Buildings):** Utility services – not to exceed three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.
- (9) **Maintenance of Equipment:** Care, upkeep, or maintenance of equipment owned or used by the school corporation, including salaries of full or part-time computer repair personnel.
- (10) **Sports Facility:** For the construction, repair, replacement, remodeling or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this amended law may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.

- (11) **Property or casualty insurance:** Property or casualty insurance, not to include insurance on buses – not to exceed three and five-tenths percent (3.5%) of the school corporation’s 2005 calendar year distribution.
- (12) **Other Operation and Maintenance of Plant:** Other operating and maintenance costs (excludes utilities and insurance).
- (13) **Technology:** Funding the acquisition of any equipment or services necessary to implement technology under IC 20-40-8-13 or to participate in a program to provide educational technologies or to obtain any combination of equipment or services described in IC 20-40-8-13. Technology will be listed as two (2) categories:  
Account 22300 – Instruction Related Technology  
Account 25800 – Administrative Technology Services
- (14) **Allocation for Future Projects:** Accumulation of funds for projects that the school corporation has articulated with reasonable specificity within the plan, including size, purpose, features, estimated cost in constant dollars, and site or possible sites. (This is a common error in CPF Plans. Your Future Projects must be cumulative totals or your previous years’ dollars will be lost.)
- (15) **Funds transferred from one fund to another.** Examples of acceptable transfers would be a transfer from the CPF to a Repair and Replacement Fund or a transfer of interest income from CPF to the General Fund.

#### IV. FORMAT OF THE CPF PLAN: (50 IAC 9-1-6)

The Plan must be prepared annually using the following format.

1. **General Description of School Corporation**
  - A. Total land area
  - B. Location
  - C. Composition of governing body
  - D. Number of employees
  - E. Current annual operating budgets for each of your tax supported funds (general, debt service, transportation, bus replacement, special education/preschool, CPF, etc.)
  - F. Current annual property tax levies for all funds
2. **List of present facilities operated and maintained by the school corporation**
  - A. With respect to each facility:
    - (1) Name and location
    - (2) Grades housed or other use
    - (3) Year constructed
    - (4) Estimated current value
    - (5) Detailed evaluation of condition
  - B. Identification and description of all land owned for future needs
3. **Student Enrollment**
  - A. Five-year history of student enrollments by facility, including the current school year
  - B. Projected student enrollment of the School Corporation for each of the ensuing five years

**4. Proposed Use of the CPF**

For each location, list the proposed expenditures from the fund for all specific uses within the following classifications for all three years:

- (1) Land Acquisition and Development
- (2) Professional Services
- (3) Education Specifications Development
- (4) Building Acquisition, Construction, and Improvement
- (5) Rental of Buildings, Facilities and Equipment
- (6) Purchase of Mobile or Fixed Equipment
- (7) Emergency allocation (Other Facilities Acquisition and Construction)
- (8) Utility Services (Maintenance of Buildings)
- (9) Maintenance of Equipment
- (10) School Sports Facilities
- (11) Property or Casualty Insurance
- (12) Other Operation and Maintenance of Plant
- (13) Technology
  - Instruction – Related Technology
  - Administrative Technology Services
- (14) Allocation for Future Projects
- (15) Funds transferred from one fund to another

**5. Anticipated CPF resources that will be available for the term of the proposed plan**

For each year of the plan include the following: (CPF Plan Summary Page)

- (1) Sources and amounts of anticipated income
- (2) Amount of revenue to be retained for expenditures proposed for a future year (Allocation for Future Projects - should also include unappropriated cash from previous years' Future Projects allocations)
- (3) Projected assessed valuation of the school corporation for each year of the plan
- (4) Property tax rates and levies for the CPF based on the above assessed valuations

**V. DEFINITIONS FOR THE CPF: (50 IAC 9-1-2, 9-1-3)**

1. REPAIR means the restoration of a piece of equipment, a building, or land to its original condition of completeness from worn, damaged, or deteriorated condition.
2. EQUIPMENT means a mobile or fixed unit of furniture or furnishings, an instrument or a set of articles meeting the following conditions:
  - (a) It retains the original shape and appearance with use.
  - (b) It is non-expendable, which means that if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair than replace it with an entirely new unit.
  - (c) It represents an investment of money that makes it feasible and advisable to capitalize the item.
  - (d) It does not lose its identity through incorporation into a different or more complex unit or substance.
  - (e) It will be used by a Vocational Building Trade Class to construct new buildings or remodel existing buildings.

3. MUSICAL INSTRUMENTS may be purchased from CPF if the instrument is not typically transported between home and school and are not used primarily for extracurricular activities.
4. SKILLED CRAFT EMPLOYEES are corporation employees that are bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators, and tapers, plasterers, pipe fitters, roofers, installers, welders, carpenters, electricians, or plumbers, as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991 if they perform constructions of, renovation of, repair of, or maintenance on the facilities or equipment of the school corporation.

Only employees listed above may be included in the CPF Plan. Custodians, janitors, ground crew employees, and personnel who perform duties normally provided in the daily operation of the facilities or equipment do not meet the definition of a skilled craft employee.

5. NON-RECURRING, INSERVICE TECHNOLOGY TRAINING is training provided to employees of a school corporation to allow them to properly utilize technology (computer hardware and software). This training does not include the ongoing training that is provided to your employees by a permanent member of your staff.

#### **VI. ALLOCATION FOR FUTURE PROJECTS:**

The Allocation for Future Projects (AFP) allows the corporation to levy property taxes for expenditures planned for a future year.

**50 IAC 9-1-4 describes the standard for the AFP as** “The accumulation of funds for projects that the school corporation has articulated with reasonable specificity within the plan, including size, purpose, estimated cost, in constant dollars, and sites or possible sites.”

**The Department cannot assure you of property tax funding for an AFP that does not meet this minimum standard.**

**The Department will cut AFP before cutting the CPF budget unless the school corporation official directs otherwise.**

#### **VII. COMPLETING THE CPF PLAN SUMMARY PAGE:**

The purpose of the Plan Summary Page is to summarize the expenditures, allocations, transfers, and revenues for your Plan. The general format is the same as the public notices for the Plan.

**CURRENT EXPENDITURES:** a summary of the planned expenditures noted in each major classification in the Plan for each year of the plan for all locations.

**SUBTOTAL CURRENT EXPENDITURES:** the amount of expenditures, which require appropriation, planned in a given year. **This should agree with line 1 of the sixteen-line statement on Form 4-B.**

**ALLOCATION FOR FUTURE PROJECTS (AFP):** the amount of funds intended to accumulate or continue accumulating for projects to be expended in the second, third, or future year of the Plan. Any AFP(s) should

be clearly noted on the appropriate location page(s) in the CPF Plan. If planning to expend the AFP in the second or third years, this will increase the current expenditures and decrease the AFP. If you do not intend to spend the AFP in the second or third year, the AFP for those years should show the total expected to accumulate by the end of that year. The AFP budgeted in the third year should include the amount accumulated in years one and two, plus what will be accumulated during year three. The summary page of the AFP should be a cumulative summation of the AFP from each location. **Allocation for future projects is shown on Line 11 of the sixteen-line statement.**

**Example:** Your intent is to raise \$450,000 at \$150,000 per year. AFP should be  
Yr. 1=\$150,000 Year 2=\$300,000 Year 3=450,000 total should be cumulative.

**TRANSFER FROM ONE FUND TO ANOTHER:** If your school corporation has a properly established Repair and Replacement Fund, with approval of the Department, include the anticipated amount of funds to be transferred in this line.

**SOURCES AND ESTIMATES OF REVENUE:** The following should be included as sources of revenue to support the expenses listed in the plan:

- **Projected Cash Balance, January 1:** For the first year of the Plan, the projected January 1 cash balance will equal the estimated year end cash balance, less the estimated year end balance of appropriations. For the second and third years of the plan, assume that funded appropriations carried forward from the previous year have been exhausted. Under normal circumstances, the projected January 1 cash balance for the second and third years of the Plan will be the prior year's AFP plus any known additional revenue, such as reimbursement by a holding corporation for architect fees, sale of property, etc.
- **Estimated Excise Tax CVET and FIT Receipts:** estimates of revenue prepared in the same manner as your annual budget for other funds.
- **Other Revenue:** includes interest income if deposited in CPF, reimbursements for architect fees from a holding corporation, proceeds from the sale of buildings remodeled or constructed by a Vocational Trades Class, sale of property, etc.
- **Property Taxes Required to Fund the Plan:** The difference between the total needs identified (Total Expenditures, Allocations, Transfers) and the revenues available (Estimated Cash Balance, Excise Tax, CVET, FIT Revenue, and Other Revenue.)

**Note: Revenues must equal expenditures.**

## **VIII. PROCEDURE FOR ESTABLISHING A PLAN: (50 IAC 9-1-5)**

This general outline explains the steps necessary to establish a Plan:

1. Each school corporation annually proposes a Plan for a minimum of three years.
2. The school corporation must conduct a public hearing on the proposed Plan between **January 1 and November 1** of the year prior to collection of a CPF property tax levy. The Notice to

Taxpayers has been incorporated into School Budget Form 3 if you want to hold the hearing with your annual budget hearing.

**NOTE:** School officials must publish notice of the Plan two (2) times, at least one (1) week apart with the second publication at least three (3) days before the date of the hearing. See I.C. 5-3-1-2-(f). If two newspapers do not exist in your school district, refer to I.C. 5-3-1-4(e) or the State Board of Account's "Guide for Legal Publications" for the proper procedure.

After considering the testimony at the hearing, the school board may adopt the Plan as proposed or with revisions.

3. The adopted Plan should be prepared using the format prescribed in 50 IAC 9. The corporation should publish a Notice of Adoption as soon as possible after adoption. (See Appendix "C")

The Notice of Adoption reflects new project information and information on projects that have already been subject to taxpayer remonstrance. These "older" projects are ongoing and included in the portion of the Notice labeled "To Be Published in Years After the First Year."

4. Within ten days after the Notice of Adoption has expired for taxpayers to object to the Plan, provide the Auditor with a proof of publication of your Notice of Adoption and request a certificate that no objecting petitions were filed. Submit a copy of the Notice of Adoption and the certificate of no remonstrance when you mail a copy of your budget to your Department Field Representative.

**Note: Cross county schools must submit a certificate of no objection from the Auditor of each of the counties in which the cross-county school extends.**

**\*Schools should also submit a signed adoption resolution for the Plan. Meeting minutes do not suffice for the appropriate resolution.**

5. The first year a project is proposed, a minimum of ten (10) taxpayers affected by the adopted Plan may file a petition with the Auditor setting forth their objections. After the first year a project is proposed, ten (10) or more taxpayers who will be affected by the adopted Plan may file a petition with the County Auditor of a county in which the school corporation is located not later than ten (10) days after the publication, setting forth their objections to any item in the proposed Plan that does not concern a construction project that had previously been included in an adopted Plan.
6. The Auditor will compare the signatures on the petition with the county tax rolls (duplicate) and certify the number of valid petitioners to the Department.
7. The Department will fix a date for a hearing in your school district within a reasonable amount of time. Notice of the hearing will be provided at least five (5) days in advance. Taxpayers will be able to present written or oral testimony at the hearing. The hearing officers will prepare a recommendation for approval, disapproval or modification of the adopted Plan.
8. The Department will certify its approval, disapproval or modification of the Plan to the Auditor and the school corporation.

## **IX. THE CPF BUDGET:**

Expenditures from the CPF require appropriation. The tax rate, levy and budget of the CPF should be advertised along with other fund budgets subject to approval under I.C. 6-1.1-17. As much as possible, appropriations from the Plan should be made through the annual budget process. The account classifications on School Budget Form 1 translate from the totals shown on your Plan Summary Page as follows:

#41000	Land Acquisition and Development:
#43000	Professional Services
#44000	Education Specifications Development:
#45100	Building Acquisition, Construction, and Improvement:
#45500	Rental of Buildings, Facilities and Equipment:
#47000	Purchase of Mobile or Fixed Equipment:
#49000	Emergency Allocation – Other Facilities Acquisition and Construction (repair, replacement, or site acquisition that is necessitated by an emergency).
#26200	Utilities (Maintenance of Buildings)
#26400	Maintenance of Equipment
#45400	Sports Facility
#26700	Property and Casualty Insurance (Insurance)
#26800	Other Operating and Maintenance of Plant Technology
#22300	Instruction – Related Technology
#25800	Administrative Technology Services

Account numbers also are included on Budget Form 1 for repayment of emergency loans, if that is required by an emergency loan granted as part of emergency financial relief.

For purposes of School Budget Form 3, show the Subtotal Current Expenditures for the first year of the Plan in line 1. The Allocation For Future Projects should be included in line 11 of Budget Form 3 but should not be appropriated because its expenditure is planned for a future year, as documented in the Plan. Include any transfer to an established Repair and Replacement Fund or interest income transfer to the General Fund in line 11 of Budget Form 3, as an appropriation in the CPF is not required.

For budget purposes, the revenue projections used in the Plan may be revised when incorporated into School Budget Form 2. Always use the most accurate assessed value, projected cash available, or revenue estimates when proceeding through the steps necessary to obtain full approval of your CPF.

Please include a copy of the Plan when submitting/mailing your budget paperwork to your Department Field Representative, including proofs of publication of the Notice to Taxpayers of Hearing, Notice of Adoption, a signed CPF resolution, and a copy of the Auditor's certificate that no objecting petitions were filed. The Hearing Officer will review the Plan to insure that it was properly advertised and adopted, the prescribed classifications and format were used, and that the Allocation for Future Projects was properly identified.

During the current year, after your annual budget has been approved, additional appropriations should only be necessary to correct budgeting errors, to appropriate in a year earlier than planned, and to appropriate the proceeds from an amendment.

**X. NON-REVERTING APPROPRIATIONS: (IC 5-1-2-1)**

Appropriations from the CPF DO NOT expire at the end of the year, but continue until the project is accomplished or abandoned. To have an appropriation continue from a previous year, it must be identified specifically with an ongoing project. **Because an emergency allocation is not identified with a specific project, unused emergency allocations do not carry forward at the end of the year.** For audit purposes, the Department recommends that school boards take official action concerning which projects are being continued, and which projects are being abandoned. A list of projects carried forward from a year other than the current budget year should be submitted/mailed with your budget to your Department Field Representative.

**XI. CAPITAL PROJECTS PLANNED BY LOCATION:**

The Plan should be prepared with planned expenditures shown for each location used by a corporation. Few expenditures cannot be described on a location basis. The Department recommends these be limited to the Emergency Allocation and feasibility studies. A Plan will not comply with 50-IAC 9-1-6(5)(A) unless projects are planned by year and location.

**XII. EMERGENCY ALLOCATION:**

The Emergency Allocation may only be expended in response to an emergency. It may not be used to fund cost overruns or as a vehicle to amend the Plan. Other sections in this memorandum describe the Plan amendments. For purposes of IC 20-40-8-2 and 50 IAC 9, "emergency" is defined as follows:

1. Repair and replacement of buildings or equipment caused by a fire, flood, windstorm, mechanical failure of any part of a structure, or other unforeseen circumstances; and
2. The unforeseeable availability of real property for purchase with respect to site acquisition

The Emergency Allocation should be proposed on a corporation wide basis and expended as needed. It is included in the annual CPF budget. After becoming a part of your approved annual budget, expenditures from the Emergency Allocation may be made without further approval from the Department. When you prepare your Plan, do not indicate the use of the Emergency Allocation. If a specific purpose is known, provide for that use in the proper category of the Plan.

**XIII. EMERGENCY AMENDMENT OF THE CURRENT YEAR CPF PLAN: (50 IAC 9-1-11)**

If the Emergency Allocation is exhausted, and an emergency occurs, the corporation may contact the Department for permission to amend its Plan. The procedure for obtaining approval of an emergency amendment is as follows:

1. Within five working days of the occurrence of an emergency, contact the Department in writing, by telephone, or in person for a determination that an emergency has occurred. Be prepared to indicate how you plan to amend the Plan.
2. The amendment may require the payment of eligible emergency costs from funds accumulated in the Plan for other purposes, inter-fund loans, or funds borrowed from a financial institution. The amendment may require an increase in the following years' CPF property tax rate to repay the loan. (This may not cause the tax rate to exceed the \$.4167 limit or factored rate.)
3. An order will be issued by the Department within five (5) working days of your application. If favorable, the school will adopt a resolution increasing the Emergency Allocation and amending the current year's Plan.
4. A certified copy of the governing body's resolution should be forwarded to the Department, who may modify it within a reasonable amount of time. A follow up order will not be issued.
5. Approval of an emergency amendment does not waive compliance with the laws governing appropriation or borrowing of funds.

**XIV. APPROPRIATION IN A YEAR EARLIER THAN PLANNED: (50 IAC 9-1-8)**

An opportunity also exists to convert the AFP into a current appropriation during the budget year of the Plan. 50 IAC 9-1-8 allows a school corporation to appropriate funds for projects in a year earlier than planned. The following conditions apply:

1. The plan must be SPECIFIC as to the need to be addressed and the manner in which it will be addressed;
2. The school corporation must proceed with an additional appropriation. The Notice to Taxpayers must state the fund name, a description of the project, and the project cost. This action will result in the appropriation of the AFP.

**XV. TRANSFERS WITHIN A LOCATION: (50 IAC 9-1-13)**

A school corporation may expend money under a different classification than designated in their Plan as long as the expenditure is made in the same location and funds are available in another classification in that same location. The transfer shall be made by the school board in a regular public meeting. The transfer does not require the approval of the Department. You must notify your County Auditor and the Department of the transfer.

**XVI. NON-EMERGENCY AMENDMENTS TO THE CPF PLAN: (50 IAC 9-1-12)**

**A School Corporation may amend its Plan to provide initial or supplemental money for:**

- Land Acquisition and Development
- Professional Services
- Education Specifications Development
- Building Acquisition, Construction, and Improvement

- Emergency Allocations
- Utility Services
- Property or Casualty Insurance

The amendment may be made in the current year on a multi-location basis without a determination of an emergency by the Department.

The governing body must conduct a public hearing on the proposed amendment to their current year's Plan. Publish a Notice of Hearing on Amendment (See Appendix "D") following the requirements for the Notice of Taxpayers described earlier. At this hearing, the school board must declare the nature of and the need for the amendment in its resolution.

The corporation should publish a Notice of Amendment (See Appendix "E") to the Plan following the same requirements described for a Notice of Adoption earlier.

Ten (10) or more affected taxpayers may file a petition with the County Auditor setting forth their objections to the amendment. If a petition is filed, the Department will conduct a hearing using the procedure previously described.

If an objecting petition is not filed, the corporation should submit the following items to the Department:

- a. Proof of Publication of the Notice of Hearing
- b. The school board's resolution and meeting minutes
- c. Proof of Publication of the Notice of Amendment
- d. Auditor's certificate that no objecting petitions were filed
- e. A copy of the CPF Plan, as amended

If your amendment utilizes unappropriated funds you will also want to proceed with an additional appropriation. Be sure to publish notice for each issue separately and adopt separate resolutions. The Department will review your transcript and issue its order to approve, disapprove, or modify the amendment.

**The following classifications may not have additional funds provided to them in a non-emergency amendment:**

- Rental of Buildings and Equipment
- Purchase of Mobile or Fixed Equipment
- Maintenance of Equipment
- School Sports Facility
- Other Staff Services
- Technology

**XVII. REPAIR AND REPLACEMENT FUNDS: (I.C. 20-40-11)**

A school corporation may establish, with the Department's approval, a Repair and Replacement Fund with funding from the General Fund or CPF. If you choose to fund Repair and Replacement Fund from your CPF, include the amount to be transferred from the CPF in Line 11, the operating balance, of the School

Budget Form 3. Also be sure to clearly note this transfer in the Plan Summary as a separate item in your Plan (see Section VII of these instructions) and in the appropriate publications.

The Emergency Allocation of the CPF may be used for the repair and replacement of buildings or building fixtures that constitute loss capable of being covered by casualty insurance, similar to the opportunities available from the establishment of a Repair and Replacement Fund.

### **XVIII. SKILLED CRAFT EMPLOYEES:**

A school corporation may use the CPF to pay for the salaries of school corporation employees if they perform construction of, renovation of, repair of, or maintenance on the facilities or equipment of the school corporation and if:

1. the employee's job description is one of the following: bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, installers, welders, carpenters, electricians, or plumbers, as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991;
2. if the employee performs constructions of, renovation of, repair of, or maintenance on the facilities or equipment of the school corporation;
3. the school corporation's total annual salary and benefits cost for these employees is at least \$600,000 and the payment of the employees described in this section is included as part of the proposed Plan; and
4. the number of employees included does not exceed the number of such employees that existed on January 1, 1993.

The decision to include an employee in this section would depend on the employee's job title and job description as defined in the reference guide named above. A list of such employees that existed on January 1, 1993, and details of the expected costs of salaries and benefits for the coming year must be submitted to the Department at the annual budget hearing. Custodians, janitors, ground crew employees, and personnel who perform services normally provided in the daily operation of the facilities or equipment do not meet the definition of a skilled craft person.

The payment for the salaries and benefits for skilled craft employees may be included in line item four (4) Building Acquisition, Construction, and Improvement based on the restrictions now in the statute.

Benefits can be included in the Plan under "Other Staff Services." Traditional benefits such as Social Security, Health Insurance, Life Insurance, Dental and Vision Insurance, Retirement Benefits, and Workman's Compensation Insurance may be charged to CPF. Vehicles provided to employees cannot be included in the calculation of the benefit costs.

### **XIX. GUARANTEED ENERGY SAVINGS CONTRACTS: (I.C. 36-1-12.5)**

Procedures are in place to provide a means for schools to make school facility alterations that are designed to reduce energy consumption costs or other operating costs. In the case of guaranteed energy savings contracts, savings are guaranteed from the energy conservation measures to cover the cost of the payments

for the measures. The qualified provider will reimburse the school corporation for the difference between the guaranteed savings and the actual savings if this does not happen.

Since these contracts may extend for the lesser of ten (10) years or the average life of the conservation measures installed, there has been concern about using CPFs to make these payments. School corporations who make these payments must realize that CPFs may not be available in a future year because of an advertising error, a taxpayer objection, or legislative changes. If the CPF is not available, the total payment for the energy savings contract would then be forced into the school corporation's General Fund.

These payments should be budgeted under "Building Acquisition, Construction and Improvement."

**XX. NONRECURRING, INSERVICE TECHNOLOGY TRAINING: (I.C.20-40-8-13)**

The payment of nonrecurring in-service technology training for school employees is an allowable expense from the CPF. This would include payments to a trainer (if you brought the training to your location), the travel expenses of the trainer, and the registration fees and travel expenses for school corporation employees to attend training at another location. The employment of a permanent employee of the school corporation and the salary costs of substitute teachers who would replace teachers who are being trained *are not* permissible expenses.

The expenses for these activities should be budgeted in the Plan in line item (2) Fees for Professional Services.

**XXI. ADJUSTMENT OF THE \$.4167 RATE CAP AT EACH REASSESSMENT AND ANNUAL ADJUSTMENT:**

The maximum tax rate levied by each school corporation must be adjusted each year for trending (annual adjustment) and each time a general reassessment of property takes effect. The maximum rate cap will be determined by the formula stated below, will be different for each school corporation, and will be in effect until the next general reassessment.

The formula is as follows:

**Step One:** Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

**Step Two:** Determine the actual percentage increase in the assessed value of the district from the year preceding the effective year of the reassessment and the year that the general reassessment is effective.

**Step Three:** Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment does not first become effective.

**Step Four:** Compute for each of the calendar years determined in Step Three, the actual percentage increase (rounded to the nearest one hundredth percent (0.01%) in assessed value from the preceding year).

**Step Five:** Divide the sum of the three percentage increases determined in Step Four by 3.

**Step Six:** Determine the greater of: zero (0) or Step Two minus Step Five.

**Step Seven:** To determine the new maximum CPF rate cap: determine the quotient of the Step One tax rate divided by the sum of one (1) plus the Step Six percentage increase.

## **XXII. QUESTIONS ABOUT THE CPF:**

### **1. Can contracts for custodial/janitorial purposes be paid from CPF?**

No. Custodial expenses are not permitted to be paid from CPF.

### **2. Can salaries of school corporation employees be charged to CPF for repairs of equipment or buildings?**

Yes, in certain situations: The salaries of full and part time computer repair personnel may be made from the CPF. Additionally, the payment of salaries and benefits for skilled craft employees (such as plumbers, carpenters, or electricians) who perform construction, renovation, remodeling, repair, or maintenance on the facilities may be paid from the CPF if such payments exceed \$600,000 per year. Payments for repairs from the CPF must otherwise be made to outside contractors or be made from the General Fund.

### **3. What kind of vehicles can be purchased from the CPF?**

Only vehicles that are not subject to licensing under IC 9 can be purchased from the CPF. Yard tractors are an example of acceptable vehicles. Driver Education vehicles, school buses, and superintendent's autos are examples of vehicles which cannot be purchased from the CPF.

### **4. Are reference materials for a new structure acceptable as equipment?**

No, reference materials, such as encyclopedias, are not to be purchased from the CPF.

### **5. Can a gymnasium be built from the CPF?**

Yes, if the facility is not primarily for interscholastic sports or extra-curricular activities. If the facility is for a sports-related purpose, the Corporation may elect to use its 5% sports facility appropriations for such a purpose.

### **6. Can fixed or collapsible gym seating be purchased from CPF?**

Yes, this use is considered for school purposes.

### **7. Can outdoor stadium seating or lighting be purchased from CPF?**

Yes, this could be supported through the sports facility portion of the Plan.

### **8. Can band uniforms be purchased from CPF?**

No, band uniforms do not meet the criteria for equipment.

**9. Can the CPF include feasibility studies and architect fees?**

Yes, the planned expenditures should be included in planned Facility Needs. If the architect fees are to be reimbursed, typically from a holding corporation, the anticipated reimbursement would be included in the Plan Summary as other revenue.

**10. If I spend less than planned in one portion of the Plan, can I transfer surplus appropriations to another area where I would like to spend more than planned?**

Yes, in certain circumstances. A school corporation may transfer appropriations within a single location. However, the **movement of appropriations between locations is not allowed** unless you proceed with a non-emergency amendment. Remember, the non-emergency amendment cannot be used to add funds to the following classifications:

- Rental of Buildings and Equipment
- Purchase of Mobile or Fixed Equipment
- Maintenance of Equipment
- School Sports Facility
- Technology

**11. If we discover new revenue in the CPF, can the school corporation have an additional appropriation to spend it?**

Yes, additional revenue may be spent if you first obtain approval from the Department for both an Amendment to your Plan and an Additional Appropriation. The Department is prohibited from approving appropriations that do not conform to an adopted Plan. (See I.C. 20-40-8-8). Alternatively, the new revenue may be used to fund the next year's Plan.

Should you decide to amend your current Plan and pursue an additional appropriation, remember that additional expenditures are only allowed within the following classifications:

- Land Acquisition and Development
- Professional Services
- Education Specifications Development
- Building Acquisition, Construction, and Improvement
- Emergency allocation
- Utility Services
- Property or Casualty Insurance

**12. Can I pay for architect fees to design a building that a holding corporation will purchase at a later date?**

Yes, plan the expenditure under "Professional Services." Indicate receipt of the reimbursement from the holding corporation on the Plan Summary Page as "other revenue".

**13. We prefer to adopt a Plan in July; must we wait until budget adoption to adopt our Plan?**

No, you may adopt a Plan anytime between January 1 and November 1. If you advertise and adopt your Plan at a time different than your budget, instruct the publisher to delete the notice portion of Budget Form 3 pertaining to the Plan when you advertise the budget.

**14. The high school principal wants to purchase additional computer software. Can the CPF be amended for this purpose?**

No, non-emergency amendments are not permitted to increase the following categories:

- Rental of Buildings and Equipment
- Purchase of Mobile or Fixed Equipment
- Maintenance of Equipment

Computer software is purchased from above. However, you may transfer appropriations within a location if other projects at that location can be omitted or reduced to fund the software purchase.

**15. My Plan is controversial. Some taxpayers disagree with the need for a new administrative office, and we anticipate an objecting petition. Must we wait until after we adopt our budgets before we publish our Notice of Adoption?**

No, the Notice of Adoption should be published as soon as possible after the adoption of the Plan. We encourage school corporations to adopt their Plans early in the year to allow ample time to consider controversial issues at the local level and to allow sufficient time for a Department hearing and review of the objection should a petition be filed, without jeopardizing the ensuing year's tax rate. In all cases, school corporations should publish their Notice of Adoption immediately after adoption of the Plan.

**16. Our corporation participates in a cooperative education program. The school corporation that operates the program charges us for our share of building repair and equipment replacement cost. Can these expenses be paid from CPF?**

Yes, a school corporation may establish a Plan for any facility that it uses. We require that the cooperative education building be listed as a separate location in your Plan with expenditures noted in the proper categories. Several participating corporations may have the same building in their Plans, indicating their portion of the building and equipment cost. **It should be noted that the CPF cannot be used to pay operating expenses that would be attributed to the General Fund.**

**17. Is the annual cost for telephone lines an allowable expense from the CPF?**

No, telephone lines are not considered equipment so the rental charges for this item are not an allowable expense.

**18. Is the annual cost for telecommunications lines, used only for advanced communication links such as fiber optic technology for video distance learning services for innovative educational technology programs an allowable expense from CPF?**

Yes, in light of educational technology programs and the authority to expend CPF dollars for equipment and services to implement them, such expenditures would be allowable expenses only when incurred to fund the acquisition of each telecommunications service to participate in such

specific programs. To include such lines in expenditures from CPF, a detailed list of dedicated telecommunication lines must be included with the annual Plan or amendment to the Plan, which create such appropriations.

**19. Do vehicles that the corporation provides to skilled craft employees count in the calculation of the \$600,000 qualification required for skilled craft employees, and as an allowable expense that could be charged to the CPF?**

No, this expense may not be included in the calculation of the \$600,000 threshold nor may vehicles supplied to these employees be charged to the CPF.

**20. When attempting to determine if an individual qualifies as a skilled craft employee, can we include partial salaries if an employee spends half time as a custodian and half-time as a carpenter?**

No, with the changes to the definition of these employees, it would be unlikely that a custodian could meet the definition of a carpenter.

**21. Can I accumulate funds for a sports facility?**

While a school corporation may desire to accumulate funds for a sports facility for expenditure in a future year, the school corporation would not be able to expend more than five percent (5%) of the property tax revenues levied in the fund in the future year. Therefore, the Department does not allow for the accumulation of funds for a sports facility as the school corporation would be limited in its ability to spend such funds in the future.”

**22. Do I amend to appropriate the allocation for future projects in a year earlier than planned?**

No, an amendment is only necessary if the use of the allocation for future project is changed. Otherwise, an additional appropriation is the only requirement.

**23. Do technology appropriations listed in the CPF need to be apportioned by school?**

No, the school corporation may appropriate technology on a corporation-wide basis.

**24. Who do I call if I have CPF questions?**

If you have questions concerning the CPF, please contact the Budget Division at (317) 232-3777.

**APPENDIX A**

**NOTICE TO TAXPAYERS**

NOTICE TO THE TAXPAYERS OF \_\_\_\_\_  
 The proper officers of \_\_\_\_\_ School Corporation will meet at \_\_\_\_\_  
 at \_\_\_\_\_ (a.m./p.m.) on \_\_\_\_\_ to consider the establishment of a capital projects fund plan.

The following is a general outline of the proposed plan:

	Account No.	20__	20__	20__
<b>CURRENT EXPENDITURES</b>				
1) Land Acquisition and Development	41000	_____	_____	_____
2) Professional Services	43000	_____	_____	_____
3) Education Specifications Development	44000	_____	_____	_____
4) Building Acquisition, Construction and Improvement (Includes 45200 and 45300)	45100	_____	_____	_____
5) Rental of Buildings, Facilities, and Equipment	45500	_____	_____	_____
6) Purchase of Mobile or Fixed Equipment	47000	_____	_____	_____
7) Emergency Allocations (Other Facilities Acquisition and Construction)	49000	_____	_____	_____
8) Utilities (Maintenance of Buildings)	26200	_____	_____	_____
9) Maintenance of Equipment	26400	_____	_____	_____
10) Sports Facility	45400	_____	_____	_____
11) Property or Casualty Insurance	26700	_____	_____	_____
12) Other Operation and Maintenance of Plant	26800	_____	_____	_____
13) Technology		_____	_____	_____
Instruction – Related Technology	22300	_____	_____	_____
Administrative Technology Services	25800	_____	_____	_____
14) Allocation for Future Projects		_____	_____	_____
15) Transfer From One Fund to Another	60100	_____	_____	_____
<b>TOTAL EXPENDITURES, ALLOCATIONS &amp; TRANSFERS</b>		_____	_____	_____

**SOURCES AND ESTIMATES OF REVENUE**

1) Projected January 1, year _____ Cash Balance		_____	_____	_____
2) Less encumbrances carried forward from previous year		_____	_____	_____
3) Estimated cash balance available for plan (Line 1 minus Line 2)		_____	_____	_____
4) Property tax revenue		_____	_____	_____
5) Auto excise, CVET and FIT receipts		_____	_____	_____
6) Other revenue (interest income)		_____	_____	_____
<b>TOTAL FUNDS AVAILABLE FOR PLAN (Add lines 3,4,5,6)</b>		_____	_____	_____
Estimated property tax rate to fund plan		_____	_____	_____
Based upon an assessed valuation of _____		_____	_____	_____

Taxpayers are invited to attend the meeting for a more detailed explanation of the plan and to be heard on the proposed plan.  
 This notice includes future allocations for the years 20\_\_, 20\_\_, and 20\_\_ for the following construction projects:

Project - Location	Allocation 20__	Allocation 20__	Allocation 20__
_____	_____	_____	_____
_____	_____	_____	_____

Future Allocations as specified above will be subject to objections during the period stated in the Notice of Adoption to be published at a later date.

\*\*\*\*\*

**TO BE PUBLISHED IN YEARS AFTER THE FIRST YEAR**

This notice includes allocations for the years 20\_\_, 20\_\_ and 20\_\_ for the following construction projects, which have previously been subject to taxpayer objections.

Project- location	Allocation 20__	Allocation 20__	Allocation 20__
_____	_____	_____	_____
_____	_____	_____	_____

Future Allocations as specified above are not subject to objections during the period state in the Notice of Adoption to be published at a later date.

\*\*\*\*\*

Taxpayers are invited to attend the meeting for a detailed explanation of the plan and to exercise their rights to be heard on the proposal. If the proposal is adopted by resolution, such proposal will be submitted to the Department of Local Government Finance for approval.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Show names and titles of Board Members)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**APPENDIX B**

**RESOLUTION TO ADOPT THE 20 \_\_\_\_ CAPITAL PROJECTS FUND PLAN**

This resolution is adopted by the Board of Trustees of \_\_\_\_\_  
(School Corporation)  
of \_\_\_\_\_, Indiana.  
(County)

Whereas, a School Capital Projects Fund has been established; and

Whereas, the Board of Trustees is required under IC 20-46-6-5 to adopt a plan with respect  
to the capital projects fund; and

Whereas, the Board of Trustees held a public hearing on the capital projects fund plan on the  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_.  
(location)

THEREFORE, BE IT RESOLVED by the Board of Trustees that the plan for  
\_\_\_\_\_, for the years 20\_\_ to 20\_\_, is hereby incorporated by reference  
(school corporation name)  
into this resolution, and is adopted as the Board of Trustees' plan with respect to the School Capital  
Projects Fund.

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 20-40-8-8 for approval.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

AYE

NAY

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Attest: \_\_\_\_\_, Secretary of Board of Trustees

**APPENDIX C**

**NOTICE OF ADOPTION**

Notice is hereby given to the taxpayers of \_\_\_\_\_ School Corporation of \_\_\_\_\_ County, Indiana, that the Board of Trustees has established a Capital Projects Fund and adopted a plan under I.C. 20-46-6-5. The following is a general outline of the proposed plan:

CURRENT EXPENDITURES	20__	20__	20__
1) Land Acquisition and Development	_____	_____	_____
2) Professional Services	_____	_____	_____
3) Education Specifications Development	_____	_____	_____
4) Building Acquisition, Construction and Improvement (Includes 45200 and 45300)	_____	_____	_____
5) Rental of Buildings, Facilities and Equipment	_____	_____	_____
6) Purchase of Mobile or Fixed Equipment	_____	_____	_____
7) Emergency Allocations (Other Facilities Acquisition and Construction)	_____	_____	_____
8) Utilities (Maintenance of Buildings)	_____	_____	_____
9) Maintenance of Equipment	_____	_____	_____
10) Sports Facility	_____	_____	_____
11) Property or Casualty Insurance	_____	_____	_____
12) Other Operation and Maintenance of Plant	_____	_____	_____
13) Technology Instruction – Related Technology Administrative Technology Services	_____	_____	_____
SUB-TOTAL CURRENT EXPENDITURES	_____	_____	_____
14) Allocation for Future Projects	_____	_____	_____
15) Transfer From One Fund to Another	_____	_____	_____
TOTAL EXPENDITURES, ALLOCATIONS & TRANSFERS	_____	_____	_____
SOURCES AND ESTIMATES OF REVENUE			
1) Projected January 1 Cash Balance	_____	_____	_____
2) Less encumbrances carried forward from previous year	_____	_____	_____
3) Estimated cash balance available for plan (Line 1-Line 2)	_____	_____	_____
4) Property tax revenue	_____	_____	_____
5) Auto excise, CVET and FIT receipts	_____	_____	_____
6) Other revenue (interest income)	_____	_____	_____
TOTAL FUNDS AVAILABLE FOR PLAN (Add lines 3,4,5,6)	_____	_____	_____
Estimated property tax rate to fund plan	_____	_____	_____
Based upon an assessed valuation of:	_____	_____	_____

This notice includes allocations for the years 20\_\_, 20\_\_, and 20\_\_ for the following construction projects:

Project - Location	Allocation 20__	Allocation 20__	Allocation 20__
_____	_____	_____	_____

Allocations as specified above will be duly subject to objection during the period stated in this Notice of Adoption.  
\*\*\*\*\*

TO BE PUBLISHED IN YEARS AFTER THE FIRST YEAR

This notice includes allocations for the years 20\_\_, 20\_\_, and 20\_\_ for the following construction projects, which have previously been subject to the taxpayer objections.

Project - Location	Allocation 20__	Allocation 20__	Allocation 20__
_____	_____	_____	_____

Allocations as specified above are not eligible to be contested by the objection during the period stated in this Notice of Adoption.

Ten or more taxpayers in the school corporation who will be affected by the plan may file a petition with the County Auditor of \_\_\_\_\_ County, not later than ten (10) days after the publication of this notice, setting forth their objections to the plan. Upon filing of the petition, the County Auditor shall immediately certify the same to the Department of Local Government Finance, which Department will fix a date and conduct a public hearing on the plan before issuing its approval or disapproval thereof.

(Show names and titles of Board Members) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX D**

**NOTICE OF HEARING ON AMENDMENT**

Notice is hereby given to the taxpayers of \_\_\_\_\_ School Corporation of \_\_\_\_\_ County, Indiana that the Board of Trustees will meet at \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ (Place of Meeting) \_\_\_\_\_ (Month, Date, Year) \_\_\_\_\_ a.m./p.m. for the purposes of considering a proposed amendment to its 20\_\_ Capital Projects Fund Plan. A brief description of the amendment is as follows:

\_\_\_\_\_  
 \_\_\_\_\_

The following is a general outline of the plan with the proposed amendment:

CURRENT EXPENDITURES	20__	20__	20__
1) Land Acquisition and Development	_____	_____	_____
2) Professional Services	_____	_____	_____
3) Education Specifications Development	_____	_____	_____
4) Building Acquisition, Construction and Improvement (includes 45200 and 45300)	_____	_____	_____
5) Rental of Buildings, Facilities and Equipment	_____	_____	_____
6) Purchase of Mobile or Fixed Equipment	_____	_____	_____
7) Emergency Allocations (Other Facilities Acquisition and Construction)	_____	_____	_____
8) Utilities (Maintenance of Buildings)	_____	_____	_____
9) Maintenance of Equipment	_____	_____	_____
10) Sports Facility	_____	_____	_____
11) Property or Casualty Insurance	_____	_____	_____
12) Other Operation and Maintenance of Plant	_____	_____	_____
13) Technology	_____	_____	_____
Instruction – Related Technology	_____	_____	_____
Administrative Technology Services	_____	_____	_____
SUB-TOTAL CURRENT EXPENDITURES	_____	_____	_____
14) Allocation for Future Projects	_____	_____	_____
15) Transfer From One Fund to Another	_____	_____	_____
TOTAL EXPENDITURES, ALLOCATIONS AND TRANSFERS	_____	_____	_____
Estimated tax rate	_____	_____	_____
Based on an assessed valuation of _____	_____	_____	_____

Taxpayers are invited to attend the meeting for a more detailed explanation of the plan and to exercise their rights to be heard. If the proposal is adopted by resolution, such proposal will be submitted to the Department of Local Government Finance for approval.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Show names and titles of Board Members)

**APPENDIX E**

**NOTICE OF ADOPTION OF A CPF AMENDMENT**

Notice is hereby given to the taxpayers of \_\_\_\_\_ School Corporation of \_\_\_\_\_ County, Indiana that the Board of School Trustees has determined that the Capital Projects Fund Plan as adopted for 20\_\_\_\_ should be amended, following a public hearing on the matter held on \_\_\_\_\_. A brief description of the amendment is as follows: \_\_\_\_\_

The following is a general outline of the plan with the amendment:

CURRENT EXPENDITURES	20__	20__	20__
1) Land Acquisition and Development	_____	_____	_____
2) Professional Services	_____	_____	_____
3) Education Specifications Development	_____	_____	_____
4) Building Acquisition, Construction and Improvement (includes 45200 & 45300)	_____	_____	_____
5) Rental of Buildings, Facilities and Equipment	_____	_____	_____
6) Purchase of Mobile or Fixed Equipment	_____	_____	_____
7) Emergency Allocations (Other Facilities Acquisition and Construction)	_____	_____	_____
8) Utilities (Maintenance of Buildings)	_____	_____	_____
9) Maintenance of Equipment	_____	_____	_____
10) Sports Facility	_____	_____	_____
11) Property or Casualty Insurance	_____	_____	_____
12) Other Operation and Maintenance of Plant	_____	_____	_____
13) Technology	_____	_____	_____
Instruction – Related Technology	_____	_____	_____
Administrative Technology Services	_____	_____	_____
<b>SUB-TOTAL CURRENT EXPENDITURES</b>	_____	_____	_____
14) Allocation for Future Projects	_____	_____	_____
15) Transfer From One Fund Another	_____	_____	_____
<b>TOTAL EXPENDITURES, ALLOCATIONS, AND TRANSFERS</b>	_____	_____	_____
Estimated tax rate	_____	_____	_____
Based on an assessed valuation of _____	_____	_____	_____

Ten or more taxpayers in the school corporation who will be affected by the plan may file a petition with the County Auditor of \_\_\_\_\_ County, not later than ten (10) days after the publication of this notice, setting forth their objections to the plan. Upon filing a petition, the County Auditor shall immediately certify the same to the Department of Local Government Finance, which Department will fix a date and conduct a public hearing on the plan before issuing its approval or disapproval thereof.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Show names and titles of Board Members)

Attest:

\_\_\_\_\_  
 School Board of Trustees