

Muncie Community Schools

2501 N. OAKWOOD AVENUE • MUNCIE, IN 47304-2399

Prepare Now - Anticipate the Future

June 13, 2013

Glenda Ritz
Superintendent of Public Instruction
Indiana Department of Education
State House – Room 229
Indianapolis, IN 46204

Superintendent Ritz:

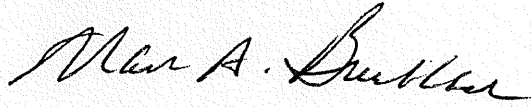
Enclosed is a petition for a waiver of the three (3) year notice required (per IC 20-27-13-3) for a school district to cease school bus service. Muncie Community Schools is petitioning for the Indiana Department of Education to waive the three (3) year notice allowing instead a one (1) year notice of termination of school bus service. Our interpretation of Indiana Code indicates the Indiana Department of Education (IDOE), rather than the Indiana State Board of Education, is the proper authority to act on this petition.

Our need to pursue this waiver is based on 2012 General Assembly action establishing "Protected Taxes". HEA 1072-2012 as amended by SEA 517-2013, will result in Muncie Community Schools receiving Property Tax funding in 2014 for only 10% of the current (2013) Transportation Fund appropriations as approved by the Indiana Department of Local Government Finance. This loss of 90% of the revenue needed to continue current school bus operations is motivating this waiver petition.

This is not a step Muncie Community Schools wants to implement. Therefore, the school district is considering a referendum vote on November 5, 2013, to see if Muncie voters will approve a Property Tax levy to continue service beyond the 2013/2014 school year. If this referendum is held and passes or if the 2014 session of the General Assembly provides relief from Protected Taxes, Muncie Community Schools would then intend to restore school bus service beyond 2013/2014. However, absent either of these steps, the school district cannot sustain student bus service beyond June, 2014.

It is requested that an IDOE administrative determination be made in this matter as soon as possible so that any required notice of cessation of school bus service can be provided timely to Muncie Community Schools patrons.

Respectfully Submitted,



Mark A. Burkhart
Chief Financial Officer/Treasurer

Enclosure

Copy: T. Heller
E. Faulkner
L. Sloan
C. Hensley
B. Hughes

sonyIDOEWaiver

STATE OF INDIANA

SS

DELAWARE COUNTY

BEFORE THE INDIANA DEPARTMENT OF EDUCATION

IN THE MATTER OF MUNCIE
COMMUNITY SCHOOLS

PETITION FOR WAIVER UNDER INDIANA CODE 20-27-13-7

Petitioner, Muncie Community Schools ("MCS"), for its Petition for Waiver under Indiana Code 20-27-13-7, says that:

1. This waiver request and the filing of this petition were approved by majority vote of the Board of School Trustees, the governing body of MCS, at its meeting on June 11, 2013.
2. MCS currently provides transportation services to students as follows: 3,555 students are transported daily, consisting of 2,960 general education students, 400 special education students, 120 high ability students and 75 vocational education students, on 108 routes covering 1,675 miles, at an approximate total cost for the 2012-2013 school year of \$ 3,500,000.
3. Because of revenue losses to the MCS transportation fund caused by the imposition of real property tax limits, as shown in Exhibit A attached hereto, the provision of the transportation services to students under the program described above will no longer be feasible and must be terminated effective as of the end of the 2013-2014 school year.
4. MCS will continue to provide transportation services to students who are required by federal or state law to receive transportation services to and from school. Attached hereto as Exhibit B is the MCS written plan for the safe movement of eligible students to and from school.
5. MCS is not able to give a three year notice of the termination of its transportation

program as required by Indiana Code 20-27-13-3; the statute requiring such notice had not been enacted in 2011 when such notice would have been required. MCS could not have reasonably foreseen the necessity of terminating the transportation program described above in order to give such notice as required.

WHEREFORE, Petitioner, Muncie Community Schools, pursuant to Indiana Code 20-27-13-7, requests a waiver of the requirement to give notice three (3) years before the date after which transportation will no longer be provided under the current transportation program, except for transportation services to students as required by federal or state law.

MUNCIE COMMUNITY SCHOOLS

By: 

Bev K. Kelly, President, Board of School Trustees

ATTEST:



Robert A. Warner, Secretary, Board of School Trustees

William V. Hughes
Beasley & Gillison LLP
110 E. Charles Street
Muncie, IN 47305
Telephone: (765) 289-0661
Facsimile: (765) 282-4966
hughes@beasleylaw.com
Attorneys for Petitioner

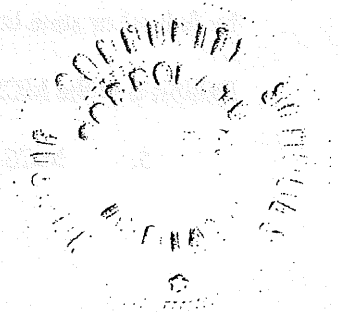


EXHIBIT A

New "Protected Taxes" legislation enacted by the Indiana General Assembly in 2012 is now set to be implemented in 2014. This law will divert Property Taxes levied for the Transportation Fund to the "protected" Debt Service Fund and the "protected" Pension Debt Fund. Using the state-approved 2013 Property Tax budgets for Muncie Community Schools as an example in looking at "Protected Taxes" in 2014, the anticipated impact of "Protected Taxes" is as follows:

<u>FUND</u>	<u>LEVY</u>
Debt Service	\$ 9,213,143
Pension Debt	890,640
Capital Projects	6,028,949
Transportation	3,782,107
Bus Replacement	<u>56,054</u>
Total 2013 Levy	\$ 19,970,893
Circuit Breaker Loss	- 8,746,133
Net Levy (To Be Collected)	\$ <u>11,224,760</u>
Debt Service (Protected)	- 9,213,143
Pension Debt (Protected)	- 890,640
Remaining (For all Other Funds)	\$ <u>1,120,977 *</u>
*61% Capital Projects	\$ 683,796
38% Transportation	\$ 425,971
1% Bus Replacement	\$ 11,210

Only \$425,971 in Property Taxes would be available to fund an approved Transportation Fund budget of \$4,100,000.

Delaware County Property Tax Levy and Circuit Breaker Loss Changes, 2012 - 2013

Taxing Unit	2012			2013			Change		
	Levy	Net Levy	Circ Brkr Loss	Levy	Net Levy	Circ Brkr Loss	Levy	Net Levy	Circ Brkr Loss
Delaware County	21,740,063	17,434,958	4,305,105	22,932,695	17,281,155	5,651,540	1,192,632	1,346,435	-153,803
Center Township	2,624,348	1,848,598	775,750	2,262,412	1,271,602	990,810	-361,936	215,060	-576,996
Delaware Township	53,817	53,253	564	54,247	53,518	729	430	165	265
Hamilton Township	147,444	145,806	1,638	154,740	152,449	2,291	7,296	653	6,643
Harrison Township	79,583	79,030	553	27,474	27,329	145	-52,109	-407	-51,702
Liberty Township	105,333	104,949	384	109,625	108,899	726	4,292	343	3,949
Monroe Township	185,637	180,941	4,696	96,006	92,958	3,048	-89,631	-1,648	-87,983
Mt. Pleasant Township	271,096	243,172	27,924	70,956	60,368	10,588	-200,140	-17,336	-182,804
Niles Township	22,558	22,395	163	19,908	19,743	165	-2,650	2	-2,652
Perry Township	31,087	31,075	12	32,345	32,290	55	1,258	43	1,215
Salem Township	63,354	62,596	758	64,839	62,996	1,843	1,485	1,085	400
Union Township	52,401	50,632	1,769	53,876	51,667	2,209	1,475	1,036	400
Washington Township	38,152	37,600	552	39,212	38,440	772	1,060	220	840
Muncie Civil City	24,489,363	15,752,056	8,737,307	30,478,063	16,556,355	13,921,708	5,988,700	5,184,401	804,300
Albany Civil Town	325,574	303,317	22,257	325,844	300,246	25,598	270	3,341	-3,071
Eaton Civil Town	473,257	387,452	85,805	515,067	399,247	115,820	41,810	30,015	11,795
Gaston Civil Town	206,730	161,321	45,409	213,015	150,965	62,050	6,285	16,641	-10,356
Selma Civil Town	107,914	102,887	5,027	110,786	99,918	10,868	2,872	5,841	-2,969
Yorktown Civil Town	2,307,569	2,012,406	295,163	2,293,230	2,036,397	256,833	-14,339	-38,330	23,991
Chesterfield Civil Town	92,570	87,336	5,234	84,714	80,871	3,843	-7,856	-1,391	-6,465
Daleville Civil Town	308,568	289,921	18,647	321,394	295,147	26,247	12,826	7,600	-5,226
Delaware Community School Corp	5,048,771	4,890,106	158,665	4,971,695	4,779,338	192,357	-77,076	33,692	-110,768
Wes-Del Community School Corp	1,738,952	1,703,633	35,319	1,788,930	1,739,430	49,500	49,978	14,181	35,797
Liberty-Perry Community School Corp	1,697,677	1,686,748	10,929	2,125,369	2,099,538	25,831	427,692	14,902	412,790
Cowan Community School Corp	1,436,416	1,400,080	36,336	1,520,299	1,472,031	48,268	83,883	11,933	71,950
Yorktown Community Schools	4,977,612	4,288,291	689,321	4,880,893	4,126,837	754,056	-96,719	64,735	-161,454
Daleville Community Schools	1,814,782	1,771,592	43,190	1,916,692	1,839,832	76,860	101,910	33,670	68,240
Muncie Community School Corp	19,353,005	12,765,891	6,587,114	19,970,893	11,224,760	8,746,133	617,888	2,159,019	-1,541,131
Muncie Public Library	3,847,505	2,537,544	1,309,961	4,461,308	2,535,562	1,925,746	613,803	615,785	-1,982
Yorktown - Mt Pleasant Library	453,340	396,058	55,282	465,895	404,718	61,177	12,555	5,895	6,660
Muncie Sanitary	6,751,680	4,593,246	2,158,434	8,605,763	5,060,326	3,545,437	1,854,083	1,387,003	467,080
Muncie Public Transportation	4,052,857	2,606,880	1,445,977	4,158,680	2,259,087	1,899,593	105,823	453,616	-347,793
Delaware Airport	473,731	379,920	93,811	591,956	446,074	145,882	118,225	52,071	66,154
East Central Indiana Solid Waste	257,813	206,759	51,054	265,580	200,130	65,450	7,767	14,396	-6,629
Delaware County Redevelopment	0	0	0	0	0	0	0	0	0
Town of Yorktown Redevelopment	0	0	0	0	0	0	0	0	0
Muncie Redevelopment Commission	0	0	0	0	0	0	0	0	0
Total	105,630,559	78,620,448	27,010,111	115,984,401	77,360,222	38,624,179	10,353,842	11,614,069	-1,260,227

EXHIBIT B

The only mandated transportation would be per the federal Title VII-B McKinney-Vento Homeless (Student) Assistance Act as amended by the No Child Left Behind Act of 2001.

The Muncie Community Schools is a one-township (36 square miles) district with nine (9) neighborhood elementary schools evenly located throughout the corporation. No elementary child is further than two (2) miles from their closest school. Secondary students have free/no fee access to buses of the Muncie Indiana Transit System (MITS).