



TO: Cities and Towns

FROM: Tera K. Klutz, Indiana Auditor of State

DATE: September 9, 2019

SUBJECT: CY 2020 Budgeting and Population Based Distributions

In preparing for the 2020 census, the Auditor of State (AOS) and the City of Indianapolis discovered the population factor used for the City of Indianapolis needed to be adjusted. Recognizing local units are in the process of budget development, we felt it was important you receive early notification of the following distribution adjustments.

IC 36-3-7-3 stipulates that the population of the fire special service district is considered the population of Indianapolis for purposes of certain distributions of money, including those out of the Motor Vehicle Highway Account (MVH), the Local Road and Street Account (LRS), and the Cigarette Tax Fund.

The fire special service district has expanded through consolidation of fire departments in accordance with IC 36-3-1-6.1 and IC 36-3-2-3(b). The expanded geographical area of the fire special service district has not been previously included for purposes of this distribution. AOS is currently working through the process to verify this updated population number.

We anticipate having the adjusted population ready to be used for January 2020 distributions. This adjustment will affect all cities and towns. As you continue to go through the 2020 budgeting process, please consider the following:

- **Early estimates of the population adjustment on MVH and Cigarette Tax distributions could result in an 8% decrease from FY19 distributions to cities and towns, assuming revenue collections are constant**
- **Local units within Marion County will see a decrease in LRS funding**
- **Local units outside of Marion County, your LRS distributions will not be affected**

Units should reach out to their DLGF budget representative if they need assistance in adjusting their revenue forecasts when considering these changes.

If you have any questions, please contact the Auditor of State Local Government division at 317.232.3309 or localgovernment@auditor.in.gov.