



116TH INDIANA GENERAL ASSEMBLY ★

SENATE DEMOCRATIC CAUCUS

NEWS RELEASE

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Senate Democrats release Indiana economic recovery package

Federal and state funds can produce Immediate jobs, Long-term gains

INDIANAPOLIS – Senate Democrats promoted an economic recovery package today focusing on four critical areas of investment that would jump-start immediate job creation and make long-term investments in Indiana's economy. The lawmakers proposed a series of actions that would direct \$2 billion in investments of state and federal dollars to put jobless Hoosiers back to work.

State Senator Vi Simpson (D-Ellettsville) said that the proposal is meant to turn the tide on an Indiana economy that is spiraling downward, out of control. "State leaders need to move beyond advocating broad positions and start discussing specific, bold proposals to get Hoosiers back to work and to turn Indiana's economy quickly around," Simpson said.

Simpson explained that today's proposal is only a "roadmap" for discussion since the federal stimulus package is still being considered by the U.S. Senate. "However, we know the broad outline of the package and where Congress and the President intend to see the investments made," Simpson said. "It is time to put the plans in motion."

"These proposals will help the governor with his stated objective to be out of the gate as fast as any state," Simpson added. "Putting these proposals into the budget will allow Indiana to speak with one voice and to move more quickly toward our recovery," she said. "We must be prepared to get these projects started and send these dollars straight to job creation."

Senate Democrats believe that the infusion of federal stimulus funds, if coordinated with the state budget, can free up state dollars for investment in Indiana's future through programs tailored to Hoosier needs.

"The Senate Democrats have a plan to bring about the change that Indiana needs now," State Senator Tim Lanane (D-Anderson) said. "We pledge to work with our colleagues in both chambers to refine these initiatives and maximize our use of federal stimulus dollars."

The Senate Democrats' jobs stimulus package focuses on four areas of investment for immediate jobs:

1. Investment in Indiana's Industries and Businesses
2. Investment in Indiana's Infrastructure
3. Investment in Indiana's Workers
4. Investment in Indiana's Educational Modernization

The caucus proposal also included several important legislative initiatives that would help to create jobs and stimulate the economy. The bills represented ideas from all four caucuses, a bipartisan mix of proposals for job creation. "Everyone's ideas and every caucus' best thoughts should be on the table at this most critical time," Lanane said.

For more information on the Senate Democratic Caucus or other business before the Indiana State Senate call 1-800-382-9467 or visit the website at www.senatedemocrats.in.gov.

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Senate Democrats Economic Recovery Package

Four Critical Areas of Investment for Immediate Jobs and Long-term Gains

The following references to federal stimulus funding are based on House Resolution 1, passed by the U.S. Representatives. The proposal is offered as a road map with the knowledge that the U.S. Senate version and the Conference Committee compromise will undoubtedly change funding amounts, formulas, and restrictions.

1. Investing in Indiana's Industries and Businesses

Action 1: Create "Retooling Indiana Fund"

To maintain our current industrial base, help existing Indiana industries reduce production costs by providing funds for plant modernization, energy efficiencies, and other capital projects.

\$50 million
HR1 Fiscal
Stabilization Fund

Action 2: Fully Fund "Innovation Alliance"

To become a global leader in research, innovation and biosciences job growth, invest in fundamental bioscience building blocks of university and corporate technology, developing and attracting talent and providing matching fund capital.

\$70 million
HR1 Fiscal
Stabilization Fund

Action 3: Fully Fund "Nanotech Initiative"

To support the Midwest Academy of Nanoelectronics and Architecture and to make Indiana the nation's leader in nanotechnology research, increase the state's investment in this public/private partnership.

\$10 million
HR1 Fiscal
Stabilization Fund

Action 4: Increase Funding for "21st Century Fund"

To support research and innovative partnerships and to bring research to the marketplace through the building of small businesses, increase grant program.

\$75 million
State Funds

Action 5: Restore funding for "High Growth Fund"

To compete for expansion and attraction opportunities with companies that engage in technology-intensive, high value-added activities paying above average wages, restore appropriation.

\$6 million
State Funds

Action 6: Restore funding for "Tourism Promotion"

To replace funds cut from Governor's budget recommendation and to promote tourism as an important industry in Indiana, restore appropriation.

\$10 million
State Funds

Action 7: Expand Broadband to Rural and Unserved Areas

To deploy wireless and traditional broadband services for economic development purposes, direct the Office of Community and Rural Affairs to create a competitive grant program for small towns and rural communities. OCRA should seek funding from the \$1.35 billion grant fund.

\$20 million est.
HR1 Broadband
and Wireless
Deployment Grant

Action 8: Adopt SB 448 (Charbonneau, Broden) IT Tax Credit

Creates personal property tax exemption for IT equipment for businesses with high wage jobs. Recommend the \$30 million threshold be lowered to \$10 million.

Action 9: Adopt HB 1434 (Yarde) New Business Recruitment Grants

To provide additional resources to local economic development organizations serving counties with an unemployment rate of greater than 8%, directs IEDC to establish a New Business Recruitment Grant Fund.

Action 10: Adopt SB 499 (Skinner) Preference to Green Industries

To expand Indiana’s focus on environmentally-conscious industries, direct IEDC to give special emphasis to those businesses and manufacturers producing or using biofuels when considering incentive packages and grants.

Action 11: Adopt SB 300 (Merritt, Errington) Net Metering

To encourage the use of renewable energy sources and to keep the cost of electricity low in Indiana, adopt Net Metering for production of power by users that is sold back to the grid.

Action 12: Expand “Healthy Indiana Plan” to Small Businesses

To encourage small business owners to provide employee health insurance and to keep costs low, implement a small business buy-in plan and explore an expansion of HIP to more uninsured adults.

2. Investing in Indiana’s Infrastructure

Action 1: Expedite Shovel Ready Projects by INDOT

To get projects rolling within the 120-day deadline imposed by HR1, direct INDOT to fast-track both state and local projects using existing wait lists and distribution formulas.

**\$411 million state
\$335 million local**
via state Motor
Vehicle Highway;
Local Roads and Streets
HR1 Highways
and Bridges

Action 2: Adopt SB 479 (Lanane) Regional Transit Districts

To assist in creation of jobs and to increase Indiana’s access to mass transit alternatives throughout the state, create Regional Transit Districts (RTD) for the purpose of planning and implementing mass transit projects.

Action 3: Create “Transit Capital Investment Grant Fund”

To encourage the development of mass transit and rail projects throughout the state, create Transit Grant Fund to provide funds to RTDs for planning, design and capital investment in alternative transportation projects.

\$70 million
HR1 Transit Fund

Action 4: Fixed Guideway Infrastructure Grant to NIRDA

To encourage improvements in the South Shore Rail Line, direct Northwest Indiana Regional Development Authority to apply for infrastructure grant for existing systems.

\$13 million
HR1 Transit Fund

Action 5: Expedite and Coordinate Amtrak Grants

To expedite and coordinate grants available from total \$1.9 billion in federal funds designated for Amtrak projects, direct IEDC to manage a competitive program for funds to upgrade and improve existing lines and build new lines for passenger service.

\$35 million est.
HR1 Amtrak grants

Action 6: Adopt SB 489 (Lanane) Airport Economic Development Districts

To facilitate the capture of funds available for airport improvement and capital investment, create airport economic development districts.

Action 7: Expedite and Coordinate Airport Projects

To expedite and coordinate grants available from a total \$3 billion for airport investment, direct the Office of Aviation (INDOT) to give technical and grant assistance to local airport authorities for projects ready by 2011.

\$60 million est.
HR1 Airport grants

Action 8: Increase Funding for Drinking Water and Wastewater Revolving Loan Funds

To expedite the turnaround on 64 local projects totaling more than \$1.2 billion that are on wait list, increase the balances available for interest free loans to local governments and private water providers. Access additional funds for rural water projects from a total of \$3.8 billion available in grants and loans to help small communities.

\$168 million
\$76 million,est.
HR1 Water Fund and add'l grants for rural water projects

Action 9: Adopt HB 1380 (Niezgodski) and HB 1620 (Pierce) Green Standards for Public Works Projects

To improve building standards and promote energy efficiency for all public buildings and economic development projects of the future, adopt both of these bills.

3. Investing in Indiana Workers

Action 1: Training for Green Jobs

To prepare workers for careers in the energy efficiency and renewable energy industries, direct Ivy Tech Community College to develop a worker training program that includes retrofitting of buildings, renewable power production, etc., and to submit the proposal for a share of \$500 million available for worker training.

\$10 million est.
HR1 Worker Training

Action 2: Training for Workers in High Growth and Emerging Industries **\$15 million est.**

To prepare workers for jobs in high growth and emerging industries, direct Ivy Tech Community College to develop a program that includes worker training in technology, life sciences and biosciences.

HR1 Worker Training grants

Action 3: Increase Employment Services to Unemployed **\$10 million est.**

To provide customized reemployment services to unemployment insurance claimants, direct DWD to apply for competitive grant to improve services.

HR1 Reemployment grants

Action 4: Increase Benefits and Eligibility for Unemployment Insurance

Adopt statutory changes required by HR1 in unemployment compensation statutes making Indiana eligible for additional benefits.

Action 5: Create “Youth Conservation Corps” for Summer Employment **\$10 million est.**

To provide summer employment opportunities for Hoosier youth and move forward with needed public works projects, direct DNR to create a Youth Conservation Corps with HR 1 grant funds allocated for summer jobs.

HR1 Workforce Investment for Youth - Summer Jobs

Action 6: Adopt HB 1103 (Tincher) Indiana Worker Preference
Creates an Indiana worker preference on public works projects.

Action 7: Adopt SB 131 (Errington) Lifelong Learning Accounts

Establishes a Lifelong Learning Account pilot program in which employees may deposit earned income, optionally matched by their employers, for use at an educational institution or a training program that may lead to employment.

4. Investing in Indiana’s Educational Modernization

Action 1: School Repair and Modernization Projects **\$248 million**

To reduce carbon footprint of schools and to modernize/update classrooms, labs and equipment, direct the IDOE to immediately solicit proposals from Indiana schools to meet the 30-day deadline in the “use it or lose it” grant program.

HR1 School R&R

Action 2: School Technology Investment Projects **\$16 million**

Direct the DOE to create a grant program aimed at improving access to technology for Indiana schools with first half of the projects due on July 1, 2009.

HR 1 School Technology

Action 3: Immediate Release of University R&R Funds Withheld
Current budget appropriations funded only 50% of R&R needs for FY 2008-2009. Additionally, \$30-35 million approved by the General Assembly have been withheld by the Budget Agency causing delay or cancellation of repair and maintenance construction. Direct the Budget Agency to release these dollars immediately through the existing R&R formula.

\$132 million
HR1 University
R&R

Action 4: Immediate Approval of University Building Projects
To create immediate jobs and much needed classroom improvements and to take advantage of very low interest rates, direct the Budget Agency to release all construction projects previously appropriated by the General Assembly.

\$228.3 million
State Debt Service

Action 5: Fast Track Flood Damage at Tamarack Hall – IUNW
To repair flood damage and to reopen important higher education facility, use federal funds to renovate IU-NW Tamarack Hall.

\$25 million
HR1 Fiscal
Stabilization

Indiana Allocations for Selected Grant Programs in House Stimulus Package
(dollars in thousands)

Fiscal Stabilization

Education	\$810,835
General Purpose	\$518,403
Medicaid	\$1,268,793
Foster Care/Adopt. Asst.	\$16,706
Highways & Bridges	\$746,339

Transit Capital Grants

Urban	\$53,826
Rural	\$15,164
Fixed Highway Mod.	\$12,993
Drinking Water SRF	\$27,908
Clean Water SRF	\$139,895
Weatherization	\$163,409
State Energy Program	\$82,154
LIHEAP	\$25,547
Preventive Health BG	\$5,202
Immunization	\$24,574
Elderly Nutrition	\$4,045
Child Care	\$42,764
Head Start	\$11,537
CSBG	\$14,560
Title I	\$223,886
IDEA	\$291,782
Ed. Tech.	\$16,485

School Construction

K-12	\$248,023
Higher Ed.	\$132,109
Byrne/JAG	\$53,199
WIA-Adult	\$9,488
WIA-Youth	\$23,917
Dislocated Workers	\$17,130

Total **\$5,000,673**

*Source: Federal Funds Information for States & State
Policy Reports, Budget Brief 09-02*