

*Budget Committee
January 2011*

State Budget Committee
Meeting Minutes
Monday, January 24, 2011

Members:

Senator Luke Kenley, Chairman
Senator John Broden
Representative Jeffrey K. Espich
Representative William Crawford
Adam M. Horst, State Budget Director

Alternate Members:

Senator Brandt Hershman

Senator Kenley called the meeting to order at 4:30 PM in State House Room 431. Following his introductory remarks, Senator Kenley asked members for proposed amendments to the agenda. Hearing no amendments, Senator Kenley proceeded with the agenda.

Director Horst introduced the Kokomo-Center Township Consolidated School Corporation and Northwestern School Corporation Rainy Day Fund loan requests. Director Horst referenced his January 14, 2011 memorandum addressed to Budget Committee members which outlined the Board of Finance resolution to approve the Rainy Day Fund loans to Kokomo-Center Township Consolidated School Corporation and Northwestern School Corporation in the amount of \$1,494,000 and \$1,556,000, respectively. Director Horst indicated that, upon Budget Committee review, the Board of Finance resolution would be effective and the loan agreements executed.

Director Horst further explained that the schools are eligible for the loan under I.C. 6-1.1-21.3 due to the significant revenue shortfall resulting from a transmission manufacturer's default on property tax payments due and payable in 2010. Furthermore, Director Horst indicated that in the event delinquent taxes are collected from the transmission manufacturer, Howard County would be responsible for returning the schools' share to the state within 60 days of receipt by the County.

Rick Hall, representative for the Kokomo-Center Township Consolidated School Corporation and Northwestern School Corporation, formally presented the Rainy Day Fund loan requests. Mr. Hall explained the significant revenue shortfalls experienced by the school corporations as a result of the property tax default and discussed the impact of those shortfalls on the schools.

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Following committee discussion, Representative Espich motioned to adopt the proposed agenda. Budget Director Horst seconded. A roll call vote was taken as follows:

Sen. Luke Kenley	AYE
Sen. John Broden	NAY
Rep. Jeffrey K. Espich	AYE
Rep. William Crawford	NAY
Director Horst	AYE

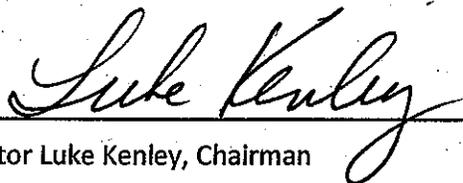
I. Minutes

1. December 14, 2010
2. January 13, 2011

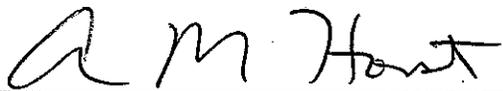
II. Review Items

1. Howard County – Loan Requests
 - a. Kokomo-Center Township Consolidated School Corporation
 - b. Northwestern School Corporation

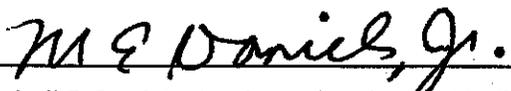
Pursuant to the provisions of IC 4-12-1, the State Budget Committee has reviewed the above items.



Senator Luke Kenley, Chairman



Adam M. Horst, State Budget Director



Mitchell E. Daniels, Jr., Governor, State of Indiana