

**MINUTES
STATE BOARD OF FINANCE
JANUARY 13, 2011
OFFICE OF THE OMB DIRECTOR
STATE HOUSE ROOM 212**

Members in Attendance:

Adam Horst, SBA Director
Tim Berry, Auditor of State
Richard Mourdock, Treasurer of State

Also in Attendance

Kirke Willing, Deputy Auditor
Jay Collins, Budget Agency
Ann Kaiser, OMB
Kathy Frick, Auditor Office

CALL TO ORDER

SBA Director Adam Horst called the meeting to order.

APPROVAL OF MINUTES

SBA Director Adam Horst moved to approve the minutes from the December 16, 2010 meeting, Treasurer Richard Mourdock seconded, and the minutes were unanimously approved.

TRANSFER TO DEPARTMENT OF EDUCATION

The Indiana Department of Education (IDOE) was awarded a grant from the Federal Department of Education for development of a Charter School Facilities Incentive Grants Program. In accordance with IC 20-24-7-11(b), "The department shall use the common school fund interest balance to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools". IDOE requested the transfer of \$2,000,000 from the Treasurer of State (TOS) [Fund 10450] to IDOE [Fund 62620/Project 7000U282D090013] to be used as matching funds for the federal grant.

Auditor Berry moved to approve the transfer, Treasurer Richard Mourdock seconded, and the transfer was unanimously approved.

HOWARD COUNTY

State Budget Agency asked the Board to approve a loan from the Rainy Day Fund to each of the Borrowers in the following amounts, which do not exceed the amount of the delinquent taxes owed by the qualifying taxpayer under the Act (the current amount of which is set forth on Exhibit A of this resolution): \$1,494,000 for Kokomo Center School Corporation and \$1,556,000 for Northwest School Corporation. These loans shall be made at an interest rate of 2% and a term of 60 months. (Resolution attached)

Richard Mourdock moved to approve the transfer adding that the Rainy Day Fund current balance is \$4,123,401.06, SBA Director Adam Horst seconded, and the loan was unanimously approved.

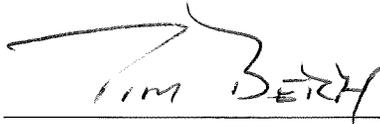
NEW OR OTHER BUSINESS

No new business was brought before the Board.

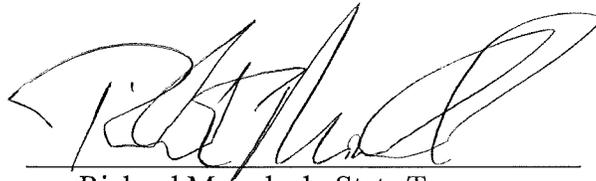
ADJOURNMENT

Handwritten signature of Adam Horst in black ink, featuring a large, stylized 'A' and 'M' followed by 'Horst'.

Adam Horst, SBA Director

Handwritten signature of Tim Berry in black ink, with 'Tim' and 'Berry' written in a cursive style.

Tim Berry, State Auditor

Handwritten signature of Richard Mourdock in black ink, characterized by large, sweeping loops and a prominent 'R'.

Richard Mourdock, State Treasurer

**RESOLUTION OF THE
STATE BOARD OF FINANCE**

WHEREAS, Indiana Code 6-1.1-21.3 as added by HEA-1001ss (2009) (the "Act") authorizes the State of Indiana (the "State") to make a loan under certain conditions to any "qualified taxing unit" as that term is defined in Indiana Code 6.1.1-21.3-1; and

WHEREAS, each of the Kokomo Center School Corporation; and Northwestern School Corporation (collectively, the "Borrowers"), will experience a shortfall in 2010 property tax revenues as a result of the bankruptcy proceedings instituted by Old Carco LLC (formerly Chrysler, LLC), which is a "qualifying taxpayer" under the Act;

WHEREAS, each of the Borrowers is a "qualified taxing unit," as defined in Indiana Code 6-1.1-21.3-1(b); and

WHEREAS, the Borrowers may request from the State a loan from the Counter-Cyclical Revenue and Economic Stabilization Fund established pursuant to Indiana Code 4-10-18 (the "Rainy Day Fund"); and

WHEREAS, each of the Borrowers meets the requirements for a loan set forth under the Act; and

WHEREAS, this State Board of Finance (the "Board") desires to approve a loan from the Rainy Day Fund for each of the Borrowers.

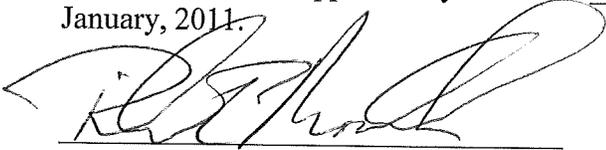
NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF FINANCE that:

1. Pursuant to the Act, the Board hereby approves a loan from the Rainy Day Fund to each of the Borrowers in the following amounts, which do not to exceed the amount of the delinquent taxes owed by the qualifying taxpayer under the Act (the current amount of which is set forth on Exhibit A of this Resolution): \$1,494,000 for Kokomo Center School Corporation and \$1,556,000 for Northwestern School Corporation. These loans shall be made at an interest rate of two (2) percent and a term of sixty (60) months. Such a loan shall be made to a Borrower upon the request of such Borrower, and the State Budget Agency shall report the amount of each loan to the Board.

2. The Board hereby authorizes the Governor of the State or his designee to execute and deliver, and any other officer of the State or its designee to attest to the execution and delivery, of a Loan Agreement with respect to each loan made pursuant to this Resolution. The Governor, any other officer of the State, and representatives of the Office of Management and Budget and the State Budget Agency are authorized and directed to take any action and execute any documents, agreements and certificates as deemed necessary and desirable to effectuate the foregoing resolutions, and any such actions, documents, agreements and certificates heretofore taken or executed are hereby ratified and approved.

3. This Resolution shall be in full force and effect immediately upon review of the terms of the loan by the Budget Committee.

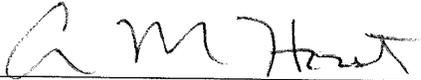
Resolution approved by a vote of: 3 in favor and 0 opposed on the 13th day of
January, 2011.



Treasurer of State of Indiana or designee



Auditor of State of Indiana or designee



Governor of State of Indiana or designee

Exhibit A

Qualified Taxing Unit

Amount

Kokomo Center School Corporation

\$1,494,000

Northwest School Corporation

\$1,556,000