

**MINUTES**  
**STATE BOARD OF FINANCE**  
**January 16, 2007**  
**OFFICE OF THE OMB**  
**STATE HOUSE ROOM 212**

Members in Attendance:

Charles Schalliol, OMB Director

Tim Berry, Auditor

Marge O'Laughlin, Treasurer

Also in Attendance:

Kirke Willing, Deputy Auditor

Richard Mourdock, Treasurer

Jim Holden, Chief Deputy Treasurer

Debbie Hineline, Department of Education

Lottie Hooyer, Auditor of State's Office

Greg Strack, Budget Agency

**CALL TO ORDER**

The meeting was called to order by OMB Director Chuck Schalliol.

**APPROVAL OF MINUTES**

Auditor Tim Berry moved to approve the minutes from the December 19, 2006, meeting.

Treasurer O'Laughlin seconded, and the minutes were unanimously approved.

**DESIGNATION OF A DEPOSITORY FOR PUBLIC FUNDS OF THE STATE**

Great Lakes, Bank of Choice did not complete the necessary paperwork and were removed from the agenda.

**DEPARTMENT OF EDUCATION REQUEST FOR CAPITAL EXPENDITURE CLAIM**

Debbie Hineline of the Department of Education presented the submitted capital expenditure claim for nine replacement buses used to transport students attending MSD of Decatur Township as part of the IPS Desegregation order. MSD of Decatur Township submitted bills to the Department of Education totaling \$574,686.00 on December 22, 2006. Per Desegregation Order, reimbursement for capital outlay is due and payable 30 days from the billing date.

The Department of Education will pay the capital expenditure claim from the Indianapolis Desegregation account (1000/576000/217000) in the amount of \$574,686.00. Auditor Berry moved to approve the expenditure as submitted, Treasurer O'Laughlin seconded, and the expenditure payment was approved unanimously.

**BUDGET AGENCY TRANSFER OF FUNDS FOR STATE PERSONNEL**

Greg Strack of the State Budget Agency presented to the Board, a request for approval to transfer funds totaling \$2,487,007 from 11 agencies to the State Personnel Department to cover the costs of the HR centralization project.

In early FY 2005, the State Personnel Department (SPD) summarized all of state government's spending on human resources positions. At that time, 552 HR-classified positions with salaries and benefits totaling over \$26.1 million were identified. Of this total, 74 positions (or \$4.1 million) were within SPD. The remaining 478 positions (\$22 million) were in agencies other than SPD.

The chart below illustrates the funding affected by HR centralization to date. The "FY 07 Amount to Be Transferred" column recognizes SPD's costs for performing the HR duties. These include not only the payroll costs, but also other operating expenses. As this column shows, the total amount to be transferred for FY 06 is \$2,487,007.

<b>Agency</b>	<b>Fund Center</b>	<b>FY07 Funding Available</b>	<b>FY 07 Amount to be Transferred</b>
Department of Environmental Management	3610/101000	\$495,201	\$395,016
Bureau of Motor Vehicles	3010/123500	\$343,730	\$243,310
Department of Transportation	4000/108070	\$1,089,886	\$556,406
Civil Rights Commission	1000/102580	\$45,489	\$38,951
Department of Insurance	2800/110000	\$52,724	\$40,541
Department of Revenue	1000/100900	\$38,835	\$38,835
Department of Corrections - Central Office	1000/106150	\$832,417	\$536,595
Department of Corrections—Regional Office	1000/106350	\$39,267	\$24,675
Department of Corrections—Regional Office	1000/106070	\$34,243	\$21,844
Department of Corrections—Regional Office	1000/106200	\$97,555	\$61,891
Department of Corrections—Regional Office	1000/106400	\$36,344	\$23,057
Department of Corrections—Regional Office	3900/162100	\$39,267	\$24,675
Department of Corrections—Regional Office	1000/106280	\$154,053	\$97,893
Department of Corrections—Regional Office	1000/106650	\$65,260	\$41,261
Department of Corrections—Regional Office	1000/106800	\$143,458	\$91,016
Department of Corrections—Regional Office	1000/106950	\$29,007	\$18,204
Homeland Security	1000/102580	\$63,150	\$63,150
Department of Administration	1000/100610	\$243,181	\$103,091
Department of Labor	1000/102250	\$53,065	\$22,190
State Library	1000/107300	\$109,584	\$44,406
<b>Total</b>		<b>\$4,005,716</b>	<b>\$2,487,007</b>

This request covers SPD's increased FY 2007 costs caused by taking on the additional HR functions for those agencies that have now been centralized. All of these agencies are aware that these funds (totaling \$2,487,007) need to be moved to SPD's operating account (1000/100700).

Auditor Berry made a motion to approve the transfer of \$2,487,007 to the State Personnel operating account as requested, Treasurer O'Laughlin seconded, and the motion was approved unanimously.

**APPROVAL OF 2007 MEETING SCHEDULE**

Director Schalliol stated that it is necessary to have a quorum for the SBF meetings. Auditor Berry pointed out that it is only necessary to meet quarterly for desegregation distributions or as requests for projects from the BA such as today or requests for depository approval from the Treasurer's office. The schedule provides a date if necessary to meet, however new meeting dates and times can be set as need arises.

**ADJOURNMENT**

There being no further business before the board, the meeting was adjourned unanimously.

---

Auditor Tim Berry

---

Charles E. Schalliol, OMB Director

---

Treasurer Richard Mourdock