
DISTRESSED UNIT APPEALS BOARD
ORDER APPROVING BEECH GROVE CITY SCHOOLS' PETITION FOR RELIEF

Pursuant to IC 6-1.1-20.3-6, the governing body and the superintendent of a school corporation may jointly file a petition with the distressed unit appeals board (DUAB) seeking a loan from the counter-cyclical revenue and economic stabilization fund (State Rainy Day Fund) under IC 6-1.1-21.4-3(b). Upon receipt of such a petition, the DUAB must conduct a hearing and make a recommendation to the State Board of Finance regarding the loan request.

PROCEDURAL HISTORY

1. On May 3, 2013, the DUAB received a petition from Beech Grove City Schools (Beech Grove) for approval of a \$2 million loan from the State Rainy Day Fund.
2. The DUAB scheduled a public hearing for June 28, 2013, to hear testimony from Beech Grove and scheduled a public hearing for July 2, 2013, to vote on Beech Grove's petition. On June 24, 2013, notice of the hearings was sent to Beech Grove legal counsel Jane Herndon. Notice of the first and second hearings was posted outside the meeting room on June 25 and June 27, 2013, respectively. Copies of the notices were posted on the Department of Local Government Finance website.
3. On June 28, 2013, the DUAB conducted a public hearing where it heard testimony from representatives of Beech Grove, including Beech Grove legal counsel Jane Herndon, Superintendent Dr. Paul Kaiser, Assistant Superintendent Dr. Tom Keeley, and Beech Grove Treasurer Brian Tomamichel.
4. On July 1, 2013, Beech Grove submitted to the DUAB an answer to a question previously posed by the DUAB.
5. On July 2, 2013, the DUAB conducted a public hearing at which DUAB board member Micah Vincent stated that: one of the factors the DUAB considered in recommending approval of the loan was the fiscal discipline of the school with respect to salaries and health care costs; Beech Grove has exercised good cost containment; Beech Grove has exhibited a fine grasp of its finances and internal operations; and for these reasons as well as the school's repayment plan, its downsizing of administrator positions in coming years, and its salary schedule and health care benefit reform, he recommended approval of the loan.
6. At the July 2, 2013 public hearing, the DUAB voted 4-0 to approve Beech Grove's petition.

FINAL DETERMINATION

THEREFORE, the DUAB hereby recommends to the State Board of Finance that Beech Grove be granted a loan not to exceed \$2 million from the State Rainy Day Fund.

Dated this 30th day of September, 2013.

STATE OF INDIANA
DISTRESSED UNIT APPEALS BOARD



Christopher D. Atkins, Chairman