



DISTRESSED UNIT APPEAL BOARD EXECUTIVE DIRECTOR'S REPORT DECEMBER 13, 2017

The purpose of this report is to provide an update on the emergency management of Gary Community School Corporation and Muncie Community Schools and actions of the Distressed Unit Appeal Board (“DUAB”) executive director since the last Executive Director’s Report on October 31, 2017. The information below should not be considered complete documentation of all actions taken by the emergency managers, as the statements below highlight only specific actions taken by the emergency managers and meetings held in the timeframe covered by this report.

Gary Community School Corporation

- Dr. Cheryl Pruitt, Superintendent, has announced her resignation, effective February 2, 2018.
- Mrs. Rosie Washington, School Board President, has announced her resignation, effective December 31, 2017.
- The emergency management team has determined that a loan request is not necessary at this time, as originally expected. It is currently anticipated that they would submit a loan request in January for funding in February and March.
- The extended day programs at Beveridge and Marquette Elementary schools started November 1.
- The emergency management team is conducting customer service training with administrative personnel to assist in consistent public interaction across all schools.
- The emergency management team is working with the City of Gary and the Mayor to address illegal dumping at a closed school facility.
- A lawsuit has been filed by Mr. Derrick Hill of Gary, Indiana, against DUAB, the Emergency Manager, the emergency management team and the Gary Community School Corporation Board of Trustees alleging violations of the Open Door Law. DUAB and the emergency management team are working with the Attorney General’s Office on this filing. A similar complaint was filed with the Public Access Counselor.

Correction

- At the October 31 DUAB meeting, Mr. Eric Parish indicated that the acceptance of the Offer in Compromise by the IRS would stop the accruing of interest and penalties. It has since been determined that interest and penalties continue to accrue, but the threat of the IRS levying on the School Corporation is removed.

Upcoming Items

- The Fiscal Management Board is scheduled to meet on December 21, 2017 to provide feedback on the financial plan being prepared by the emergency management team. The emergency management team will also meet with the School Board of Trustees and other elected officials to gather suggestions and feedback.
- The emergency management team is preparing for community forums to be held in early 2018 to discuss facility planning and future needs of the school corporation.

Muncie Community Schools

- The emergency management team and the Muncie Teachers Association successfully negotiated the 2017-2018 collective bargaining agreement and the agreement has been ratified by the teachers. The agreement included health insurance savings of approximately \$1.9 million.
- The emergency management team accepted a bid of \$1.27 million from Ball State University for the sale of Northside Middle School. The sale allows Muncie Community Schools to lease Northside Middle School for \$1/year for up to four years. Ball State will also contribute \$60,000 toward maintenance while Muncie Community Schools occupies the building.
- The Muncie Redevelopment Commission has submitted a bid for the purchase of three closed elementary schools – Mitchell, Storer, and Sutton. The bid totals over \$700,000 and will result in the facilities be demolished so the land can be used for economic development.
- The restructuring bonds were placed with a bank on December 7.

Distressed Unit Appeal Board

- I presented at a seminar for the Indiana Association of School Business Officials on December 12, 2017. I provided an update on the emergency management of Gary Community School Corporation and Muncie Community Schools and also discussed fiscal monitoring of school corporations.