
STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD



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Distressed Unit Appeal Board Meeting Memorandum

April 11, 2019

Call to Order: A meeting of the Distressed Unit Appeals Board (“DUAB” or “Board”) was held on April 11, 2019, at 10:00 a.m. EDT at the Indiana Government Center South Building, Conference Room D, Indianapolis, Indiana. Members of the Board attending the meeting in-person include Paul Joyce, Tracy Brown and Rebecca Kubacki. Courtney Schaafsma, Executive Director, was also in attendance. Mr. Joyce acted as chair for the meeting.

Chairman Joyce called the meeting to order and recognized compliance with the Open Door Law. Chairman Joyce presented the minutes for the March 14, 2019 meeting. Ms. Kubacki made a motion that the Board approve the minutes. Ms. Brown seconded. The Board voted 3-0 to approve the minutes.

Ms. Schaafsma discussed the Executive Director’s Report and provided a recap of actions being taken by the emergency management team for Gary Community School Corporation (“GCSC”). She also noted the approval of two contracts for GCSC – Infinite Campus and UChicago Impact. Chairman Joyce asked what actions had led to the contracts. Ms. Schaafsma explained that the emergency management team had completed a review of various student information systems prior to selecting Infinite Campus. The survey contract with UChicago Impact was based on various conversations had with the organization and review of the tools available through the survey. Chairman Joyce asked if the contracts had gone through an RFP process. Mr. Eric Parish (present by phone), a member of the emergency management team, indicated that the contracts had not gone through a formal RFP process, though the team evaluated a number of student information system packages prior to selection.

The Board made the decision to skip agenda item 5 (emergency manager update) temporarily and move to agenda item 6 – consideration of potential debt refunding for GCSC. Ms. Schaafsma explained that GCSC had a potential debt refunding opportunity and that the Board would need to approve GCSC to move forward with the refunding before GCSC could do so. Mr. Parish provided background information on the refunding. He indicated that the refunding would refinance the 2009 bonds for GCSC and was estimated generate approximately \$280,000 in savings. He also indicated that the refunding provided an opportunity for GCSC to test the market to see how their bonds would be received in the bond marketplace. The costs of issuance on the refunding would be paid through the bond proceeds, so GCSC would not have cash outflow associated with this transaction. Mr. Jay Ryals (present by phone), underwriter with Fifth Third Bank, explained that the market was strong and interest rates were not expected to rise. Chairman Joyce asked some clarifying questions regarding the estimated bond schedules provided and Mr. Ryals provided explanations. Ms. Schaafsma asked about the timing for completing the refunding. Mr. Karl Cender (present by phone), financial advisor with Cender and Company, and Mr. Jimmy Shanahan (present by phone), bond counsel with Taft Stettinius & Hollister, explained the timeline. Ms. Kubacki made a motion that the Board approve Resolution 2019-1

authorizing GCSC to move forward with the bond refunding. Ms. Brown seconded. The Board approved the motion 3-0.

The Board returned to agenda item 5 – emergency manager update. Dr. Pete Morikis and Ms. Nakia Douglas presented on behalf of the emergency management team. Ms. Douglas provided an update on academics, including a discussion on testing, summer school, and comprehensive needs assessments that were being done throughout the school corporation. She also discussed the four pillars that would make up the focus for GCSC moving forward – behavior-based supports, core instruction, intervention, and clean data and accountability. Ms. Kubacki asked about the number of students that are expected to attend summer school, and Ms. Douglas explained that they could see approximately 200 students per grade level. Ms. Kubacki and Chairman Joyce asked what GCSC is doing to help students become school-ready. Ms. Douglas explained that GCSC was focusing on soft skills for students and ensuring they can be successful from the start. Chairman Joyce asked what was being done to help students feel secure and safe, and Ms. Douglas explained various initiatives underway.

Chairman Joyce introduced the next agenda item – consideration of the emergency manager’s recommendation to convert Frankie Woods McCullough Academy for Girls to a co-educational facility starting with the 2019-2020 school year. Ms. Schaafsma discussed the public hearing that was held in February and the feedback received from the community on the proposal. Dr. Morikis explained that McCullough currently operated with approximately a 30% utilization rate, which was financially unsustainable. Chairman Joyce asked about necessary repairs to the facility, and Dr. Morikis answered that there were no repairs needed beyond typical maintenance. Dr. Morikis discussed that the target enrollment for McCullough was 500 students and explained that pre-school would also be added to McCullough. Ms. Kubacki asked about the ability to provide same-sex classes within the co-ed facility. Ms. Douglas indicated that these options were being explored. Ms. Kubacki made a motion that the Board approve the conversion of McCullough to a co-educational facility starting with the 2019-2020 school year. Ms. Brown seconded. The Board voted 3-0 to approve the motion.

Ms. Schaafsma then explained the next agenda item – recommendation from the emergency manager regarding the establishment of a second middle school and associated elementary school changes. Dr. Morikis explained that the proposal was to create a second middle school at the current Bailly Elementary School. A second middle school would allow GCSC to provide more specialized opportunities for students, focusing on arts and STEM. Elementary students at Bailly would be relocated to Glen Park Academy. Dr. Morikis presented various enrollment scenarios and the financial impact of such scenarios, showing that in all scenarios GCSC would realize a savings as a result of this change. Dr. Morikis emphasized the importance of enrollment growth throughout GCSC and the potential enrollment changes that could be derived from this proposal. Chairman Joyce requested that GCSC hold a public hearing to consider the recommendation and requested that Ms. Schaafsma attend and report back to the Board on the hearing.

New business: None.

Adjournment: Chairman Joyce adjourned the meeting at 11:04 a.m.