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# STATE OF INDIANA

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DISTRESSED UNIT APPEAL BOARD



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## Distressed Unit Appeal Board Meeting Memorandum

July 11, 2019

**Call to Order:** A meeting of the Distressed Unit Appeals Board (“DUAB” or “Board”) was held on July 11, 2019, at 10:00 a.m. EDT at the Indiana Government Center South Building, Conference Room 5, Indianapolis, Indiana. Members of the Board attending the meeting in-person include Cris Johnston, Chairman, Paul Joyce, Wes Bennett, Tracy Brown and Representative Jeff Thompson. Rebecca Kubacki attended by phone. Courtney Schaafsma, Executive Director, was also in attendance.

Chairman Johnston called the meeting to order and recognized compliance with the Open Door Law. Mr. Joyce made a motion that the Board approve the minutes for the April 11 and May 9 meetings and the June 18 and 25 executive sessions. Ms. Brown seconded the motion. The motion passed 5-0.

Ms. Schaafsma discussed the Executive Director’s Report and provided a recap of various activities at Gary Community School Corporation (“GCSC”), including a number of contract approvals that had occurred since the last meeting.

Chairman Johnston introduced the next agenda item – a contract amendment for Gary Schools Recovery, LLC. Ms. Schaafsma explained that the Board had approved a contract amendment in February 2019 to address legislative and personnel changes. During the contract approval process, the Office of the Attorney General had expressed concerns regarding the Statutory Limitations on Liability section of the proposed amendment. The decision had been made to withdraw the contract amendment and address those concerns. Ms. Schaafsma indicated that the amendment before the Board addressed the concerns of the Attorney General’s Office and updated names of certain signatories but did not make any other changes. Mr. Bennett made a motion that the Board approve the contract amendment, and Ms. Brown seconded. The motion passed 5-0.

Dr. Pete Morikis and Ms. Chelsea Whittington, members of the emergency management team for GCSC, provided an update on activities occurring at GCSC. Dr. Morikis discussed preparations for the upcoming school year including professional development and building maintenance. Ms. Whittington provided an update on ongoing enrollment efforts.

Mr. Eric Parish with the emergency management team for GCSC provided an update on facilities and actions being taken during the summer to prepare buildings for the upcoming school year. Mr. Joyce asked if GCSC had any hazardous facilities. Mr. Parish explained that all of the occupied buildings are up to code and are safe, though they need capital improvements. Mr. Parish explained that many of the unoccupied buildings are largely abandoned. Chairman Johnston asked if the new buildings and ground director would be leading the charge on larger capital items, and Mr. Parish indicated that the director would be responsible for preparing and executing plans and RFPs for those items. Mr. Bennett asked

about energy savings initiatives. Mr. Parish explained that GCSC is planning to do as much energy savings work in-house to allow for initial benefits prior to contracting for further improvements.

Mr. Parish then moved on to the next agenda item – consideration of a food services contract renewal with SodexoMagic for GCSC. Mr. Parish indicated that this would be year five of the contract and that GCSC, with the assistance of the new food services director, is working to take over all food service activities for the 2020-2021 school year. Mr. Joyce asked if a five-year projection had been prepared to justify taking over food services versus contracting it out. Mr. Parish indicated he expected a cost savings based on the ability to better control the service being provided. Chairman Johnston asked where those savings would come from, and Mr. Parish answered that he felt oversight and planning would provide the greatest opportunities for savings. Chairman Johnston asked what would occur if GCSC was not able to retake full control over food services for the 2020-2021 school year. Mr. Parish indicated that they could likely reach out to SodexoMagic for assistance, as Sodexo has been providing this service for the past five years. Mr. Joyce made a motion that the Board approve the food services contract renewal, and Mr. Bennett seconded. The motion passed 5-0.

Mr. Parish provided an update on the recent GCSC bond refunding that had been approved by DUAB in April. He explained that the refunding generated greater savings than originally estimated. He also indicated that the sale showed that the bond market may view GCSC more favorably than expected, which would be helpful with future refunding opportunities.

Ms. Amy Marsh with the GCSC emergency management team then presented the contract renewal for The Crossings for drop-out recovery services. Ms. Marsh explained that GCSC received feedback from the Indiana Department of Education (“DOE”) on the contract renewal and walked the Board through the feedback received. The feedback largely focused on ensuring compliance with special education laws. Ms. Brown asked if the contract was a standard contract as used with other school corporations, and Ms. Marsh explained that it was but for certain changes requested by DUAB in August 2018. Ms. Brown then asked about McKinney-Vento requirements for transportation and Ms. Marsh indicated that this could be added. Chairman Johnston asked how success would be measured. Ms. Marsh explained that comparison to students at West Side High School may be appropriate in regards to credit attainment. Mr. Bennett asked how many students may be eligible for The Crossings program, and Ms. Marsh explained that the universe of students is fairly large as it could also include students from outside of GCSC. Mr. Joyce asked about GCSC’s role in oversight over the program and reporting by the program. He asked that additional language be added to the contract to allow GCSC to monitor the reporting of the program and have access to necessary data to provide for this monitoring. Mr. Joyce made a motion that the Board approve the contract amendment with the inclusion of the changes from DOE, updates for McKinney-Vento requirements, and oversight responsibilities for GCSC, with the Executive Director verifying the inclusion of such changes. Ms. Brown seconded the motion. The Board approved the motion 5-0.

**New business:** Dr. Morikis indicated that GCSC had modified the manner in which it had split students between the two middle schools from what was originally presented in April 2019.

**Adjournment:** Chairman Johnston adjourned the meeting at 11:03 a.m.