
STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD



INDIANA GOVERNMENT CENTER NORTH
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Distressed Unit Appeal Board Meeting Memorandum

Tuesday, April 26, 2022

Call to Order: A meeting of the Distressed Unit Appeals Board (“DUAB” or “Board”) was held April 26, 2022, at 1:30 p.m. EDT at the Indiana Government Center South Building, Conference Room D, 302 W. Washington Street, Indianapolis, Indiana 46204. Members of the Board attending the meeting include Chairman Justin McAdam, Wes Bennett, Tracy Brown, Paul Joyce, Rebecca Kubacki, Rep. Vernon Smith, Rep. Jeff Thompson, and Sen. Liz Brown. Peter Miller, Executive Director, was also in attendance.

Chairman McAdam called the meeting to order and recognized compliance with the Open Door Law.

Chairman McAdam introduced agenda item 3 – *Approval of the Minutes*. The March 28, 2022 Public Meeting and April 21, 2022 Executive Session minutes were approved by consent.

Chairman McAdam introduced agenda item 4 – *Public Comment*.

- **Lovetta Tindal** stated she is a graduate of Roosevelt High School and is among several community members that believes the students of Gary deserve the best possible education. She discussed concerns with MGT’s management and school updates. She stated that she would like to see more attention paid to non-English speaking students. She stated that MGT has to go.
- **Kendra Johnson** stated that she has more than 25 years experience as a parent in the Gary Community School Corporation. She stated that she is deeply saddened that the academics had to suffer in order to get the financials corrected in Gary. She stated that before the takeover, she did not recall any of our schools receiving a “F” rating and stated that the state takeover has shut most of the parents out of the school.
- **Glen Eva Dunham** spoke on Bethune Childhood Development Center. She stated that they have a new administrator that came to us from East Chicago and shared specific teacher concerns.
- **Dwight Gardner** (virtual) stated that he is the pastor of Community Baptist Church in Gary, Indiana, and is also a parent of a student from the GCSC. He stated that he supported the referendum for the school corporation and has seen the improvements that have resulted. He stated that when the school was taken over by the state it was ranked at 289 out of 289 schools and cautioned that they need to be mindful of that reality. He added that he is aware of Ms. Dunham concerns but believes they can’t move forward alone. He expressed it is imperative that we move forward together.
- **Kim Robinson** (virtual) stated that she is the Calumet Township Trustee and was overwhelmingly happy when the referendum passed. She stated that she is a parent of a child in the GCSC and has

seen the many improvements at the school. She stated that she wants to lend her support for the school corporation and added that she will always make herself available to the school corporation.

- **Nina Burton** (virtual) stated that she is a lifelong Gary resident and mother. She stated that she is happy to see improvements coming and looks forward to future improvements coming. She agreed with Pastor Gardner that the state needs to remain a partner with the school, even after local control is returned to the school corporation.

Rep. Smith stated that the legislature passed a bill during the 2022 Legislative Session about school boards and the ability for members of the public to speak at school board meetings. He added that he is not sure if the board agrees with that legislation, but I would like to know if the board would agree that this legislation was specific to the fact that members of the public have the ability to speak on each item of the agenda. Chairman McAdam stated that he appreciates the issue being brought up, but that he does not have a position on that issue today. He added that he would be happy to discuss it at a later date.

Chairman McAdam introduced agenda item 5 – *Gary Community School Corporation Manager Update*. Dr. Paige McNulty presented updates on recent school events, graduation, and the demolition of the Lew Wallace building. Ms. Kubacki asked how many students will be graduating and Dr. McNulty stated that there are about 200. Ms. Kubacki asked how this compared to previous years and Dr. McNulty stated that it is about the same. Ms. Kubacki asked how many positions have been filled and Dr. McNulty stated about 45. Rep. Smith asked about the status of the Gary Community Scholarship Board and Dr. McNulty provided an update. Rep. Smith asked how they publicize scholarship opportunities and Dr. McNulty responded. Rep. Smith asked how members of the alumni association could obtain bricks from the demolition. Dr. McNulty stated that Chelsea Whittington is coordinating that process. Rep. Smith stated that the community continues to think the referendum ambassador program is not working, and still feels that the number needs to be reduced. Dr. McNulty stated that she would be happy to discuss that option. Mr. Bennett asked for more information on how they are dealing with students' mental health needs. Mr. Nathan Williamson provided multiple examples of implemented programs. Mr. Bennett asked if there is a way to also include family members. Mr. Williamson stated that when you get into recurring services, parent participation is required. He added that they recently hosted a social/emotional learning night for both students and parents and agreed that families are an important part of this effort. Mr. Bennett asked for summer school numbers and Dr. McNulty stated that last year was their largest enrollment in summer school, but that they do not have a definitive number at this time. Mr. Bennett asked how the initial numbers compare to last year and Ms. Kim Bradley stated that they are similar to last year's numbers. Mr. Williamson added that they are first prioritizing those students who have the greatest need for additional education. Rep. Smith asked for clarification on whether or not summer school is mandatory for certain students and Dr. McNulty stated that it is not required. Ms. Kubacki asked if summer school requires parent approval and Dr. McNulty stated that it typically does. Rep. Smith provided background information on how GCSC previously handled summer school programs. Dr. McNulty clarified that not all GCSC schools are "F" schools, specifically stating that Westside Leadership Academy is ranked as a "B" school. Rep. Smith stated that they should work to publicize that information.

Chairman McAdam introduced agenda item 6 – *School Improvement Fund/1065 Claims*. Ms. Nicole Wolverton provided an update on improvement projects. Mr. Bennett made a motion the claims docket be approved as presented. Ms. Kubacki seconded the motion. The motion passed (5-0).

Chairman McAdam introduced agenda item 7 – *Bond Refinancing*. Ms. Wolverton provided an overview. Ms. Brown made a motion the resolution be passed as presented. Mr. Joyce seconded the motion. The motion passed (5-0).

Chairman McAdam introduced agenda item 8 – *iReady Testing*. Chairman McAdam reminded the Board that Rep. Smith had raised some concerns regarding the testing process and stated that the district has looked into this. Dr. McNulty stated that they had conducted a thorough review, and also an outside company completed a forensic audit. Ms. Bradley added that they do take these claims very seriously. She stated that they did reach out to the vendor and had them look at the data from the last test, and they said there was nothing nefarious found with the data. She added that teachers were never directed by any administrator to restart tests to improve scores. Chairman McAdam stated that Mr. Miller also had an opportunity to review the data and the report provided by the vendor. Mr. Miller stated that out of 2,400 tests there were 34 Math and 38 English instances of multiple tests without a rush flag, but that is within the range of normal and was only about 1.5% of the total number. He added that there was one grade at one school with a slightly elevated numbers, but with additional research, it was found this was due to a misunderstanding of the retake procedures among a subset of teachers and was not intentional. Rep. Smith asked how many students were retested and Ms. Bradley stated that there were 50 students between both middle schools. Rep. Smith asked if they had talked to the teachers and Ms. Bradley stated that they talked with the principals and the coaches. Rep. Smith asked they got to the source of the confusion and Ms. Bradley stated that it was only an issue with two teachers. Chairman McAdam added that they had indicated that these two teachers were met, and the confusion was addressed. Ms. Bradley stated that they also found that when a student is taking the test and there is a long break in active testing, the test would automatically reset. Rep. Smith stated that he appreciated them looking into this and asked if he would be able to send this information to those who had raised the concern with him. Dr. McNulty confirmed that he would be able to pass this information along.

Chairman McAdam introduced agenda item 9 – *Contract Authorization by the DUAB Executive Director*.

Learning Sciences International – Needs Assessment

Mr. Miller stated he had authorized one purchase since the Board's last meeting. GCSC had applied for a state School Improvement Grant that would cover five schools of the eight schools (or \$125,000) and remaining three schools (or \$75,000) would come from ESSER III funds. If the grant was not awarded, the entire amount would come from ESSER III. Rep. Smith asked for clarification what the contract is for and Mr. Williamson responded that this will provide them with a third-party set of eyes to evaluate school performance. Rep. Smith asked if this is just an assessment and Mr. Williamson confirmed that it is an assessment and evaluation of their baseline. Rep. Smith asked what the status of the school corporation is in regard to bringing in an expert to help the school. Mr. Parish stated that they are working through the individual phases of our improvement plan. He added that a proposed phase three will include a specific team to evaluate and address those needs. Rep. Smith asked if they have begun phase three and Mr. Parish stated that they have not. Chairman McAdam stated that he is hearing consideration of a phase three option, and there are a number of options being considered there. Dr. McNulty stated that as MGT has done in the past, they are looking at continued additional supports. Mr. Parish stated that he is not sure how the school improvement grant connects to the question that was asked. Rep. Smith stated he is looking at the situation holistically. Chairman McAdam stated that the assessment is part of a multi-phase strategy and Mr. Williamson confirmed that is correct. Rep. Smith stated that at the beginning of the Phase 2 contract he had expressed my concerns on the academic improvement. He requested they have a report on the benchmarks that they were supposed to complete

during Phase 2. He also requested there be a hearing in Gary before MGT's contract is renewed. Mr. Bennett asked a clarifying question and Dr. McNulty responded. Mr. Joyce asked what will be done following this plan and Mr. Williamson stated that the results of the assessment are going to drive the scope and cost for the next phase. Chairman McAdam stated that it would be helpful for that assessment data to be brought to the Board. Mr. Joyce asked if they are expecting positive results and Mr. Williamson responded that they are not. Rep. Smith raised concerns about the school improvement plan. Chairman McAdam noted that the presented plan outlined broad concepts and that they did not really see a plan of attack. Rep. Smith stated that they cannot solve a problem if they do not recognize that there is a problem and suggested they get more serious about this. Chairman McAdam stated that the Board is serious about academics noting that they saw some of the fruits of that during our last meeting. He added that he does see a consistent approach out of MGT. Ms. Kubacki stated that every meeting she has attended scores and academics have been covered. She stated that the progress is not as fast as they may want it to be, but that she does believe they have to respect all the work that the teachers have been doing. She stated that it will take time to get the students to where they need to be and added that to imply that the Board does not take academics seriously is a disservice. Rep. Smith stated that he would never say anything discouraging about the teachers and that it is the teachers that have come to him with concerns. Ms. Kubacki stated that they all have the same goal whether it is the teachers, DUAB, the parents, etc. She stated that they all want it to go faster, but they cannot dismiss what has been done. Sen. Brown stated that there has been learning loss across this state, as well as across the country because of the pandemic to the point that the legislature has negated the school grades for the third year. She stated that the \$100M debt that the state had to grapple with here is beyond her comprehension, but the progress made by GCSC in the middle of the pandemic is impressive. She added that appearance of schools and community pride matter. She stated that she would like to continue to move on the agenda but would like to go on the record and say that the academic loss is not specifically unique to the GCSC.

Chairman McAdam introduced agenda item 10 – *Consideration of GCSC Contractual Obligations & Purchases.*

a) Anderson Lock – Security Retrofit

Mr. Williamson stated that this contract is to address the interior locks of all buildings across the entire district to make sure there are master keys to all doors and to upgrade the technology of all of the locks. He noted that this is being done as a part of a safety audit recommendation.

b) Blue Bird – Activity Buses

Mr. Williamson stated that this contract is for the purchase of three buses. Chairman McAdam asked how these buses would operate. Mr. Williamson stated that some work would be done in house and some by outside vendors. Dr. McNulty stated that they do have a facility to house and safely store the vehicles in the evening. Mr. Bennett asked about the life expectancy and Mr. Williamson responded. Mr. Miller asked if they need to consider any potential pricing changes and Mr. Williamson confirmed that price will not be locked in until the agreement is signed.

c) Anthony Roofing – Roof Restoration

Mr. Williamson stated that this contract addresses three buildings that are now roughly twenty years old so they are not in need of full roof replacement. He stated that the new technology available would allow for the school corporation to ensure that these roofs will last for an additional twenty years. Mr. Bennett asked how much this will extend the life and Mr. Williamson Responded. Rep. Smith stated concerns about Anthony Roofing and Anderson Locks. He asked how these projects advertised and Dr. McNulty responded. Rep. Smith asked if any Gary businesses bid and Dr. McNulty responded that they did not.

Rep. Smith stated that neither company is an Indiana company and Mr. Williamson explained that projects being paid by federal funds thus we cannot require a state-specific vendor. Rep. Smith stated that he wanted to remind everyone that they do have skills and local businesses that can be used for these contracts.

d) CDWG – ViewSonic Boards

Mr. Williamson stated that this contract is Phase 2 to outfit all classrooms with ViewSonic Boards for teachers to use during the day.

Chairman McAdam stated that he will take these items as a group. Ms. Kubacki moved to approve the contracts as presented, with an allowance for a 10% contingency on the activity buses to be approved by Executive Director Miller, if needed. Mr. Joyce seconded the motion. The motion passed (5-0).

Chairman McAdam introduced agenda item *11 – Discussion of GCSC Manager Contract.*

Chairman McAdam provided contextual information to MGT's contract and surrounding law. He reminded the Board that they entered into a contract with MGT for two years beginning in 2020 and that it is set to expire at the end of June. He noted that the state's involvement under statute was the help the school corporation get to a point of fiscal solvency and that they have reached that point. He noted that the statute does not currently provide how we transition the school back to someone else and while they do have the authority to remove the distressed status of the school corporation, a plan forward has not yet been outlined. He stated that they tried to address this question during the previous legislative session, but these conversations will need to continue into the next legislative session in 2023. He stated that until next session, they will continue to discuss options for transitioning the school corporation to the next phase and establishing a governing body and that it leaves them about two years away from a responsible transition. He stated that they really have two options: (1) renew MGT to a phase three of the engagement – subject to any legislation; or (2) the Board could seek out alternative managers that would take us through the final two years of this process. He stated that he would like to give the Board an opportunity to weigh in on this question and decide what the right course of action would be before they move forward.

Mr. Bennett stated that he has given this quite a bit of thought and that the timetable of two years is right – depending on what the General Assembly does. He stated that changing emergency managers at this time would result in a loss in the progress that has been made. He added that he would like to make sure that they push even harder to receive quantitative improvement from the school corporation. He stated that he will make sure that they aggressively manage a real academic plan. He concluded that his feeling right now is that moving to a new emergency manager would be disruptive.

Mr. Joyce stated that he has been on the Board since Day 1. He stated that they were asked to come in and make sure the school corporation got to fiscal solvency and that without financial stability, the GCSC will fail. He stated that if it were to fail, the schools would have to default to the charter school model and that no one wants that. He stated that he does believe they are at the point where GCSC is financially stable, and part of that included the referendum. He stated that as Sen. Brown pointed out, learning loss is something that all schools are facing. He stated that it does not mean they cannot look at Gary and say there is improvement needed. He stated that it does not matter what school they go to, the requirement for a person to be educated is on them. He stated that any education, no matter who brings it, is only as successful as the community as a whole. He stated that there are 11,370 available kids within the GCSC boundaries, and over 6,000 students are opting out of the GCSC. He stated that they

now have to work together to find a solution to the academic issues that are present and that it will take the community and any management company working together. He stated that it does not matter if I like MGT or I do not like MGT. He stated that he has said from the beginning he does not want to be on the GCSC board, that he wants Gary to be on the GCSC board. He concluded that he would agree that moving to another emergency manager at this time would only harm the work we have done.

Ms. Kubacki stated that she would be supportive of continuing with MGT and agrees with Mr. Bennett that the focus on academics from now will be paramount. She concluded that she believes it will be harmful to students to change course at this time.

Rep. Smith stated that this discussion is what he expected two years ago when the Board extended the contract with MGT. He noted that the argument that the learning loss in Gary is unique has been rejected and stated that he believes they are comparing apples and oranges, that the loss in Gary occurred prior to COVID-19. He stated that if the Board wants engagement with this community, they have to involve them. He stated that he feels they have not really addressed the issues, that he appreciates the progress that has been made fiscally but at the same time believes their contract should have been adjusted to address their academic achievement. He stated that when you look at the operation of schools, there are two domains: (1) operations; and (2) management and the community does not want MGT. He stated that they know they do not have the authority to make that call but they no longer want MGT to be in place. He stated that they know they have to have a transition plan, and the Gary delegation worked hard during the last session to come to a resolution on this transition plan. He stated that he would be a lesser representative of his district if he were to approve of the continuation of MGT in his community.

Ms. Brown stated that she too is in favor of continuation of the contract. She stated that she cannot get her head around shifting gears at this point. She concluded that she would also request focus on academic needs.

Sen. Brown stated that she could not go back to the Senate Appropriations committee in good conscience and recommend that they put a transition plan in place if the Board were to shift away from MGT at this point. She stated that any good management company would want to do a full top-to-bottom assessment, and they do not have the luxury of time. She stated that she does not believe that the entire academic staff was overturned when MGT took over and that she is going to turn to those teachers and ask them to help. She stated that GCSC had the shortest day in the state and a \$100M debt, and that they no longer have a deficit. She stated that several years ago, members of the Board talked about removing state oversight way too prematurely and that the value of this board is to ensure that this board does not have to take over another school corporation in the future. She stated that at the time of takeover, there were basic needs that were not being met and that everyone has done an excellent job to get to the success they have seen thus far. She stated that the referendum could not have been successful without the support of the community. She stated that she thinks they are making great progress and that she would encourage that they look at the Ball State model and how Muncie transitioned.

Rep. Thompson stated that Dr. Smith, Sen. Brown and himself understand that there is a constitutional requirement for education. He stated that he can say the other 147 members of the General Assembly really want the students of Gary to be successful. He stated that they can never dispute that they all want the students to be the best educated students that they can be. He stated that he does not want to go backwards and that he thinks including both academics and financials would help make a good transition plan. He stated that some of the transition issues that would occur if we moved away from

MGT would be insurmountable and that he would encourage members of the Board to continue to push for academic results.

Chairman McAdam stated that he if he thinks of where they are and what is left ahead, the idea of starting a new transition this summer – only to have another transition a year from now – would be detrimental. He stated that any time you bring someone new in, there is going to be a learning curve and that assuming they could find someone better, that entity will have its own leadership and their own ideas. He stated that he worries about the whipsaw that would occur if we made more than one change in the coming years. He stated that the other piece is whether we can find somebody better and that they had an extensive search the first time. He stated that it is very difficult to evaluate success from the outside and that the grass is always greener on the other side, but only until you get up to there. He stated that he has gotten to know this team very well and he know their hearts and what they are trying to accomplish. He stated that although there is a financial foundation, GCSC still does not have a savings account. He stated that there are still efforts that need to be made to stabilize the people in the community and that they now have the luxury to focus on building academic infrastructure. He stated that it is an opportunity to continue to push forward and work towards the next chapter of GCSC's governance without losing any ground.

Mr. Bennett stated that it would be appropriate to have a meeting in Gary, as suggested by Rep. Smith. Chairman McAdam agreed. Mr. Bennett stated that he would like the Board to focus on going to Gary and would like to see the contract revised to a point where they really focus in on academics. Rep. Smith stated that the community's concerns still fall in the same three areas: (1) academics; (2) communications; and (3) engagement. He said that they have not changed. Mr. Bennett stated that engagement is a two-lane highway. Rep. Smith stated that he believes the parents can better speak for themselves. Mr. Bennett and Rep. Smith discussed parent access. Chairman McAdam stated that it is important that the Board go to Gary to hear from MGT on how they would proceed in the upcoming two years and to engage with the Gary community. Ms. Kubacki stated that in order for the board to be effective, it is important for GCSC to help communicate to the community that they are seeking input from as many parents as they can.

Chairman McAdam asked if there was any new business to discuss. Mr. Bennett thanked Dr. McNulty for bringing a brick from the Lew Wallace building and stated that he would be happy to make a donation to whoever is accepting them.

Chairman McAdam adjourned the meeting.