

The background of the top section is the Indiana State Seal, featuring a large five-pointed star in the center, with the word "INDIANA" arched above it and "1816" below it. The seal is set against a blue background with golden rays emanating from the star.

Distressed Unit Appeal Board

Muncie Community Schools

May 1, 2017



Distressed Unit Appeal Board (DUAB)

- Voting Members
 - Micah Vincent, Chair – Office of Management and Budget Director
 - Courtney Schaafsma – Department of Local Government Finance Commissioner
 - Paul Joyce – State Examiner, State Board of Accounts
 - Kent Hatcher – Superintendent of Public Instruction Designee
 - Governor's Appointee



Distressed Unit Appeal Board (DUAB)

- Advisory Non-Voting Members
 - Representative Milo Smith – Speaker of the House of Representatives Appointee
 - Senate President Pro Tempore Appointee
 - Appointee of the Minority Leader
 - Senate Minority Leader in Odd-Numbered Years
 - House of Representatives Minority Leader in Even-Numbered Years



Senate Enrolled Act 567



Senate Enrolled Act 567

- Signed by Governor Holcomb on April 28, 2017.
- Adds Indiana Code 6-1.1-20.3-7.1.
 - Specific to Muncie Community Schools.
 - Effective upon passage.
- Muncie Community Schools designated as a fiscally impaired school corporation.
 - Designation expires January 1, 2018.



Emergency Manager

- DUAB shall appoint an emergency manager for Muncie Community Schools.
- DUAB determines and pays the emergency manager's compensation.



Emergency Manager

- DUAB may appoint the superintendent of Muncie Community Schools as the emergency manager on a temporary basis.
 - May not continue for more than 6 months.
 - The superintendent may be considered for the permanent emergency manager position.



Emergency Manager Powers Before January 1, 2018

- Shall take actions to implement the deficit reduction plan that was presented on April 17, 2017.
- Shall work with the school board and superintendent to:
 - Achieve financial stability.
 - Provide for payment of outstanding debt obligations and anticipated future debt obligations.
 - Align personnel and facilities with anticipated revenues and enrollment.



Emergency Manager Powers Before January 1, 2018

- May negotiate and enter into labor contracts and collective bargaining agreements.
- Shall review existing labor contracts and collective bargaining agreements.
 - May attempt to renegotiate such labor contracts and collective bargaining agreements.



Emergency Manager Powers Before January 1, 2018

- May do any of the following:
 - Set salaries and other compensation of school corporation employees.
 - Identify and implement labor force reductions.
 - Outsource services performed by school corporation employees.
- These actions are subject to applicable labor contracts and collective bargaining agreements.



Emergency Manager Powers Before January 1, 2018

- May do any of the following:
 - Close facilities of the school corporation.
 - Sell, transfer, or lease property of the school corporation.
 - If selling real property, local governments within the school district or higher education institutions in Indiana shall be given 30 days right to make an offer to purchase.
 - Ball State University shall have the right of first refusal for any property sold, transferred or leased.
 - Emergency manager determines whether to accept an offer and negotiates the terms and conditions of the sale of real property.



Emergency Manager Powers Before January 1, 2018

- Must approve the following actions:
 - Acquiring real property.
 - Constructing or remodeling or renovating existing buildings.
 - Incurring a contractual obligation of more than \$30,000.
 - Purchasing or entering into an agreement to purchase personal property at a cost of more than \$30,000.



Emergency Manager Powers Before January 1, 2018

- Must approve the following actions:
 - Making, approving, or disapproving the following:
 - A loan.
 - The creation of any new position.
 - The filling of any vacant position.



Emergency Manager Powers Before January 1, 2018

- Shall submit a written report to DUAB and the school board each month concerning:
 - Actions taken by the emergency manager and the school corporation.
 - Expenditures made by the school corporation.
 - The progress that has been made toward achieving financial stability for the school corporation.



Termination of Fiscally Impaired Designation

- Muncie Community Schools' designation as a fiscally impaired school corporation terminates on January 1, 2018.
- Not later than December 1, 2017, DUAB shall hold a public hearing to determine if the school corporation should be designated as a distressed political subdivision effective January 1, 2018.



Termination of Fiscally Impaired Designation

- After the public hearing, DUAB shall do one of the following:
 - Adopt a resolution providing that the school corporation will not be designated as a political subdivision, if DUAB finds that:
 - The school corporation has developed and is implementing a deficit reduction plan.
 - The action taken by the school corporation to implement the deficit reduction plan have resulted in progress toward achieving financial stability for the school corporation.
 - It is in the best interest of the students, community, the school corporation and its employees to not designate the school corporation as a distressed political subdivision.



Termination of Fiscally Impaired Designation

- After the public hearing, DUAB shall do one of the following:
 - Adopt a resolution designating the school corporation as a distressed political subdivision effective January 1, 2018.



Termination of Fiscally Impaired Designation

- If not designated as a distressed political subdivision, the position of the emergency manager is termination on January 1, 2018.
- If designated as a distressed political subdivision, the emergency manager assumes all powers, authority and responsibilities granted to emergency managers of school corporations.



Impact on Referendums

- While designated as a fiscally impaired school corporation or a distressed political subdivision,
 - The school corporation may approve a controlled project that requires either a referendum or petition/remonstrative only if the project is first approved by the emergency manager.
 - The school corporation may pursue an operating referendum only if first approved by the emergency manager.



Next Steps



Request for Information

- DUAB will be issuing a Request for Information (RFI) to solicit interested candidates for the role of emergency manager.
 - Anticipated timeline:
 - By May 5 – Post RFI
 - By June 1 – Receive responses
 - By June 20 – Interview selected candidates
 - By June 30 – Select emergency manager



DUAB Expectations

- The emergency manager may be an individual or a team of people.
- The emergency manager must have extensive knowledge in:
 - School fiscal management, including debt management.
 - Employee relations.
 - Academic programming.
 - Capital planning.
 - Indiana property taxation.



DUAB Expectations

- The emergency manager will be present at Muncie Community Schools on a near-continual basis.
- The emergency manager will solicit feedback and involvement from the Muncie community.
- The emergency manager will work to ensure Muncie Community Schools has the administrative infrastructure to achieve financial stability.



Ongoing Monitoring

- July – November
 - The emergency manager will be in regular contact with DUAB.
 - As needed, DUAB will convene a meeting and request the emergency manager present on current actions.
 - DUAB will continue to work with stakeholders to solicit feedback on the process and progress being made.



Termination Decision

- No later than December 1, DUAB will hold a public hearing in Muncie to gather public input on the progress the emergency manager has made toward achieving financial stability for the school corporation.
- By December 31, DUAB will make the decision on whether or not to declare Muncie Community Schools as a distressed political subdivision.



Public Resources



DUAB Webpage

- <http://in.gov/dlgf/7175.htm>

The screenshot shows the DLGF website interface. At the top, there is a navigation menu with categories: BUSINESS & AGRICULTURE, RESIDENTS, GOVERNMENT, EDUCATION, TAXES & FINANCE, VISITING & PLAYING, and FAMILY & HEALTH. Below the menu is the text 'Department of Local Government Finance' and a search bar with the DLGF logo. The main content area is divided into several sections:

- DLGF HOME:** A sidebar menu with links: About Us, Memos & Presentations, News & Calendar, **Distressed Unit Appeals Board** (circled in red), County Specific Information, Reports and Data, and Contact Your Local Officials.
- DLGF Quick Links:** A section with icons for 'Status Maps', 'Gateway Budget Data for Local Governments', **Distressed Unit Appeals Board** (circled in red), 'Online Budget Notices', and 'Personal Property'.
- Online Services:** A list of services including Search Budget Notices, Indiana Gateway for Government Units, County Tax Bill Calculator, Search Assessed Value Database, Search Sales Disclosure Database, Search Past Tax Bill Database, Sales Disclosure Application, and Forms.IN.gov.
- Top FAQs:** A list of five frequently asked questions regarding budget notices and appeals.



DUAB Webpage

- Notice of DUAB Meetings
- Agendas for DUAB Meetings
- Minutes from DUAB Meetings
- Monthly Report Submitted by Emergency Manager
- Other Information as Needed



DUAB Listserv

- Sign up for the DUAB Listserv for Muncie Community Schools to get notification of future meetings and other important information delivered to your inbox.
- Sign up sheets here today.



DUAB Listserv

The screenshot shows a web browser window displaying the Indiana Department of Local Government Finance website. The browser's address bar shows the URL in.gov/dlgf/7175.htm. The website's navigation menu includes categories such as BUSINESS & AGRICULTURE, RESIDENTS, GOVERNMENT, EDUCATION, TAXES & FINANCE, VISITING & PLAYING, and FAMILY & HEALTH. The main content area is titled "DISTRESSED UNIT APPEALS BOARD" and contains information about the board's responsibilities and members. A list of "DUAB Members" is provided, including Micah Vincent, Courtney Schaeffsma, Paul Joyce, Kent Hatcher, and the Governor's appointee. A list of "Advisory (Nonvoting) Members" includes Representative Milo Smith, Senate President Pro Tempore, and Senate Minority Leader. A link to "DUAB Administrative Policies and Procedures" is also present. A sign-up section for "DUAB information and updates" lists several units, with "Muncie Community Schools Listserv" circled in red. A sidebar on the right contains "Online Services" and "Top FAQs". The Windows taskbar at the bottom shows the date and time as 1:40 AM on 4/30/2017.

DLGF HOME
About Us
Memos & Presentations
News & Calendar
Contact Us
Distressed Unit Appeals Board
Legislation & Policy Information
County Specific Information
Reports and Data
Contact Your Local Officials

INFORMATION FOR TAXPAYERS
Overview
Understanding Your Tax Bill
Referendum Information
Assessments
Property Tax Appeals Process
Property Tax Deductions
Forms
Township Look Up

INFORMATION FOR LOCAL GOVERNMENT

DISTRESSED UNIT APPEALS BOARD
In 2012, the General Assembly passed House Enrolled Act 1192 amending the responsibilities of the Distressed Unit Appeals Board (DUAB). The DUAB will now receive petitions from both distressed political subdivisions and school corporations in need of relief.

DUAB Members:

- Micah Vincent, Chairman (OMB)
- Courtney Schaeffsma (DLGF)
- Paul Joyce (SBOA)
- Kent Hatcher (DOE)
- Governor's Appointee (to be determined)

Advisory (Nonvoting) Members:

- Representative Milo Smith, Speaker of the House of Representatives Appointee
- Senate President Pro Tempore Appointee (to be determined)
- Senate Minority Leader Appointee (to be determined)

[DUAB Administrative Policies and Procedures](#)

Sign up to stay informed of DUAB information and updates regarding the following units:

- [Muncie Community Schools Listserv](#)

For more information, please contact:
Aaron Bennett

Online Services

- Search Budget Notices
- Indiana Gateway for Government Units
- County Tax Bill Calculator
- Search Assessed Value Database
- Search Sales Disclosure Database
- Search Past Tax Bill Database
- Sales Disclosure Application
- Forms.IN.gov

MORE ONLINE SERVICES »
SUBSCRIBER CENTER »

Top FAQs | I Want To...

1. Are local government units required to publish their budget notices in a newspaper?
2. How can I find information about all the local government units that are associated with my address?
3. How can I find information about all the local government units that are in my county?
4. How can I find out when my local government unit will hold their budget hearing?
5. How do I appeal the assessment of my home?



Plan for Tonight's Meeting



Prepared Comments

- Superintendent (15 min)
- School Board Members (15 min)
- Muncie Teachers Association (10 min)
- Area legislators (15 min)
- Mayor of Muncie (10 min)
- Public Comment



Public Comment

- Sign up if you would like to speak.
- You will be called in order of signing up.
- Each speaker gets one turn.
- At the start of your comments, provide your name, address and affiliation.
- Each speaker will have 2 minutes and will be asked to stop at end of 2 minutes.
- If others have already made the comments you planned to make, please just indicate your agreement with the previous speaker. Please do not restate comments that have already been made.



Public Comment

- Written comments can also be submitted to DUAB.
- Above all else, please be respectful of all in your comments.