
STATE OF INDIANA



DISTRESSED UNIT APPEALS BOARD ORDER RECOMMENDING DENIAL OF MT. VERNON COMMUNITY SCHOOL CORPORATION'S PETITION FOR RELIEF

Pursuant to IC 6-1.1-20.3-6, the governing body and the superintendent of a school corporation may jointly file a petition with the distressed unit appeals board (DUAB) seeking a loan from the counter-cyclical revenue and economic stabilization fund (State Rainy Day Fund) under IC 6-1.1-21.4-3(b). Upon receipt of such petition, the DUAB must conduct a hearing and make a recommendation to the State Board of Finance regarding the loan request.

PROCEDURAL HISTORY

1. On April 12, 2013, the DUAB received a petition from the Mt. Vernon Community School Corporation (Mt. Vernon) for approval of a loan from the State Rainy Day Fund in an amount not to exceed \$5 million.
2. The DUAB held the initial public hearing on July 2, 2013, to hear testimony from Mt. Vernon. Notice of the hearing was provided to Mt. Vernon Assistant Superintendent Mike Horton via telephone on June 24, 2013. The DUAB chair noted a quorum for the meeting and compliance with the Open Door Law. Representatives of Mt. Vernon gave testimony and DUAB members posed questions to the Mt. Vernon representatives. The Chair told Mt. Vernon that additional written questions from the DUAB would be forthcoming.
3. On July 26, 2013, Mt. Vernon submitted written responses to the DUAB's questions.
4. On September 24, 2013, the DUAB conducted a public hearing to hear additional testimony from Mt. Vernon and to take final action on Mt. Vernon's petition. Notice of the hearing was provided to Mt. Vernon Superintendent William Riggs via e-mail on September 6, 2013. The DUAB chair noted a quorum for the meeting and compliance with the Open Door Law. At the conclusion of Mt. Vernon's responses to the DUAB, the meeting was continued to October 1, 2013 at 9:00 a.m. for final action.
5. On October 1, 2013, the DUAB reconvened the public hearing that had been continued from September 24, 2013. DUAB member Micah Vincent commended Mt. Vernon for the work it had done with respect to cost savings and academic achievement but noted that the voters themselves had twice turned down financial assistance for Mt. Vernon and that there was uncertainty in how the loan would be repaid. Mr. Vincent, therefore, moved to recommend denial of the loan. DUAB member Bruce Hartman seconded Mr. Vincent's motion and stated that Mt. Vernon did not really need the loan for

urgent repairs or other necessities, but rather the loan would be used to get the general fund to a better looking position. Mr. Hartman also expressed concern about how the loan would be repaid.

6. At the October 1, 2013, public hearing, the DUAB voted 4-0 to deny Mt. Vernon's petition.

WAIVER OF DEADLINE

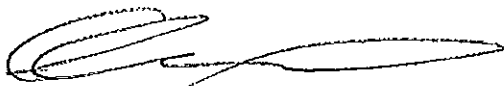
Pursuant to DUAB Policies and Procedures Rule 13, Waiver of Deadlines, Chairman Atkins hereby waives the seven (7) day deadline of Rule 12, Final Determination.

FINAL DETERMINATION

WHEREFORE, the DUAB hereby recommends to the State Board of Finance that Mt. Vernon be denied a loan from the State Rainy Day Fund.

Dated this 17th day of October, 2013.

STATE OF INDIANA
DISTRESSED UNIT APPEALS BOARD



Christopher D. Atkins, Chairman