STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD

INDIANA GOVERNMENT CENTER NORTH
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Distressed Unit Appeal Board
Public Session Meeting Memorandum

Tuesday, May 12, 2026

Call to Order: A meeting of the Distressed Unit Appeals Board ("DUAB" or "Board") was held May 12, 2026, at 1:30 p.m. EST at the State Board of Accounts Conference Room, Indiana Government Center – South Room E418, 302 W. Washington Street, Indianapolis, Indiana 46204. Members of the Board attending the meeting in person include Chairman Pete Miller, Beth Kelley, Jason Cockerill, Courtney Schaafsma, and David Holt. Dan Schmidt, Executive Director, and Stephen Lucas, General Counsel, were also in attendance.

Chairman Miller called the meeting to order at 1:39 pm and recognized compliance with the Open Door Law.

Chairman Miller introduced agenda item **2 – Approval of Minutes.** Ms. Schaafsma made a motion to approve the minutes for the April 14, 2026, DUAB Public Session and Executive Session. Mr. Holt seconded the motion. The motion was approved by voice vote.

Chairman Miller introduced agenda item **3 – Public Comment.** Mr. Miller noted that no one was present to provide public comments.

Chairman Miller introduced agenda item **4 – Presentation – Muncie Community Schools Petition to Amend Common School Fund Loan.** Mr. James Williams, President of the Muncie Community Schools ("MCS") Board of Trustees, presented the MCS Petition to amend the corporation's Common School Fund Loan Agreement with the State Board of Finance. Mr. Williams said that MCS was requesting an extension of the payment terms for a $12 Million loan issued in 2020. MCS was requesting an extension of the repayment period from June 2028 to June 2030. MCS' cash flow forecast indicates an operating funds deficit in 2029. The repayment request is one of several actions MCS is taking to address its cash flow forecast. Mr. Williams shared MCS' academic progress and outlined the proposed repayment plan. Mr. Dan Schmidt noted that he and Mr. Stephen Lucas conferred with representatives from State Budget Agency, the Office of the State Comptroller, and the Office of the State Treasurer, and the consensus was there is a legal basis for extending the repayment terms of the Common School Fund Loan. Mr. Schmidt noted that MCS' request is a proactive measure to alleviate anticipated financial challenges, not a bailout for a mismanaged school district, and recommended that the Board approve DUAB Resolution 2026-02. Mr. Miller noted that MCS was in a unique situation when the loan was originally made and that MCS had done a lot of good things since that time. Ms. Kelly moved that the Board approve DUAB Resolution 2026-02 recommending that the State Board of Finance authorize the amendment of the Common School Fund Loan to extend MCS' repayment terms. Mr. Cockerill seconded the motion. The Board approved the Resolution 3-0, with Ms. Schaafsma and Mr. Holt abstaining due to potential conflicts of interest.

Chairman Miller introduced agenda item **5 – Executive Director Update.** Mr. Schmidt said he had no specific updates and offered members the opportunity to ask questions. There were none.

Chairman Miller introduced agenda item **6 Board Discussion - Town of West Terre Haute Petition for Technical Assistance**. Mr. Miller said the agenda item had been tabled at the previous DUAB meeting and suggested that DUAB should, at the least, further acknowledge the petition and consider whether to act. Ms. Schaafsma was encouraged by the Town working with financial advisors and utilizing relevant associations. Ms. Schaafsma did not see a role for DUAB right now. Mr. Holt concurred with Ms. Schaafsma's comments, noting that he needs a better understanding of the Town's issues and what "technical assistance" would mean for the Town. Mr. Holt reiterated that should rely on financial advisors and professional organizations. Mr. Miller said that he did not sense a need to adopt the resolution authorizing technical assistance. Mr. Miller asked for the will of the Board. No Board member made a motion. Mr. Miller stated that the Board would not move forward with the request for technical assistance.

Seeing no further business, Chairman Miller adjourned the meeting at 2:07pm.