

# Michael Hicks: HB 1315 is a pragmatic fix to Muncie Schools dilemma

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(Photo: Photo provided by Ball State University)

House Bill 1315 would shift the responsibility for Muncie Community Schools from the state's appointed manager to Ball State University's trustees. This is a pragmatic response to a stubborn, long-term problem. Let me explain.

Most readers will recall that both Muncie and Gary schools have fallen under state control due to gross indebtedness. They both suffer other challenges, which when ignored for decades creates a crisis in confidence that has accelerated the exodus of students. One economist I know describes this as a "death spiral" whereby declining enrollment leads to budget reductions, that in turn cause more families to leave the school. Both corporations need a restoration of confidence before they can achieve any real stability.

Unfortunately, the current appointment of an emergency manager cannot achieve those goals. At current enrollment levels, it will take several decades for either school corporation to be released from state control. But enrollment at both Muncie and Gary will continue to decline for decades. That means an endless stream of new emergency managers every few years. Honestly, Indiana's distressed unit legislation could not have anticipated this level of financial malfeasance.

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The challenge is more urgent than it seems, at least for Muncie, because that school corporation cannot now secure a loan to meet its bond repayment schedule. If it doesn't, state law will impose a draconian repayment plan. This protects the low borrowing rates of the other 290 or so school corporations that complied with state law. The Muncie School Board was fully aware of this as it misspent these funds on excess staff. The issue is now at a crisis point, since starting next year the state will withhold school funding to pay the bond.

HB 1315 would create this needed stability, but some clarification of Ball State's role is also important. Ball State is a state research university with state-appointed trustees who will be making a majority of school board appointments. But Ball State doesn't possess the managerial structure to run a local public school and our experience with charter schools, the Indiana Academy and Burriss Laboratory School has little practical bearing on the challenges that face Muncie Community Schools. The only thing Ball State gets from this legislation is the end of unstable local schools that have placed a huge drain on our efforts to attract talent. That's more than enough.

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In this process, Muncie Community Schools will get a new, stable management team that will report to the school board. This management team can call upon a deep, innovative research capacity at Ball State, but Muncie Community Schools will be run by its own superintendent. It is just that simple.

It is important to recognize also that taxpayers across Indiana have made billions of dollars of investment in Ball State University. This move is one way to protect that investment. Indeed, the only criticism of this legislation is the bizarre and nonsensical claim that HB 1315 eliminates local control of schools.

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To be clear, right now Muncie voters have no voice in the operation of Muncie schools. The state runs both schools and the elected school board has no legal powers now or into the distant future. The fault for that lies wholly with dozens of successive school boards whose members accommodated deliberate misuse of funds.

To make matters worse, last year many in the Muncie community lobbied against a takeover without bothering to understand even the most fundamental facts about the financial or performance problems at the schools. Unlike Gary, where thoughtful city leadership understood the crisis and asked the state for an intervention, Muncie leadership continues to divert school property tax dollars to ineffectual economic development projects. If Muncie's leadership really cared about local control they could have paid off the school's debts. They chose otherwise.

The fact is that HB 1315 replaces decades of contract emergency managers with a school board. While this board is certain to have local members, residence status isn't nearly as important as the ability to read a budget. Without HB 1315, Muncie will not have a school board with any legal authority for many decades, and faces a calamity in 2019 that is much worse than anything that has come before. For this turn of events, the Muncie school board has nothing but its own serial dereliction of duty to blame. Muncie students, their families, teachers and staff deserve the stability and opportunity HB 1315 offers.

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