MUNCIE, Ind. — The Indiana Senate Appropriations Committee is scheduled to conduct a hearing Thursday, Feb. 15, on the bill to give Ball State University control of financially unstable Muncie Community Schools.

The measure, House Bill 1315, passed the House by a margin of 65-26 on Feb. 1. Rep. Karlee Macer, Indianapolis, was the only Democrat to support it. All members of the Republican caucus voted for the legislation.

Besides allowing BSU to govern the school district using a newly appointed seven-member school board, the bill allows the State Board of Finance to make an interest-free loan to the district; removes the district's fiscally "distressed" label; and provides extra state financial support to the district from July 1 of this year to June 22, 2022.

The law specifies that the state’s Distressed Unit Appeal Board (DUAB) will provide funding to the district in 2018-22 in an amount equal to the compensation that would have been provided to the district had it retained its status as a distressed unit.

MCS is currently operated by a state-appointed emergency management firm, Administrator Assistance, as a "distressed political subdivision."

There is no contract specifying how much DUAB is paying the emergency manager this year. The firm was paid $300,000 over the last six months of 2017, when it was given partial control of the district.

A contract for the first six months of this year certainly will exceed $300,000, as the emergency management firm has beefed up its staff in Muncie.

But it seems unlikely the contract would approach the amount being paid by the state to the emergency manager of Gary Community School Corp., which is in far worse shape than Muncie financially and academically.

The base compensation paid to the Gary emergency manager is up to $3.25 million for year one, $3 million for year two and $2.75 million for year three, with performance incentives ranging from $650,000 to $950,000 each year.

A DUAB meeting is scheduled this Friday.

"We are working to finalize the contract with Administrator Assistance," DUAB Director Courtney Schaufsma told The Star Press. "If it is finalized in time for the meeting, we would place it on the agenda for board ratification."

She went on, "You’re correct: the challenges facing Gary Community School Corporation and Muncie Community Schools are significantly different, as are the..."
existing resources and administrative infrastructure. As such, the contracts for the emergency managers will vary in both scope and amount."

Senators, from left, Ryan Mishler, R-Bremen; Ed Charbonneau, R-Valparaiso; and Luke Kenley, R-Noblesville, confer after the Senate wrapped up a short session of business on Tuesday, January 7, 2014, as they reconvened for the 2014 session one day after the planned Monday start. (Photo: Charlie Nye/The Star)

A notice of Friday’s DUAB meeting says it concerns Muncie and Gary schools.

Rep. Tim Brown, R-Crawfordsville, who chairs the House Ways and Means Committee, authored HB 1315. Its first sponsor in the Senate is Ryan Mishler, R-Bremen, who chairs the Appropriations Committee. Other members of the committee include Sens. Travis Holdman, R-Markle, and Doug Eckerty, R-Yorktown.

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