



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

August 7, 2008

MEMORANDUM

TO: State Board of Education

FROM: Michael Flanagan, Chairman 

SUBJECT: Report on Camp Tuhsmeheeta (Camp T) and Michigan School for the Blind Trust Fund Committee

At the June 10, 2008 State Board of Education meeting, a representative of Opportunities Unlimited for the Blind (OUB) provided testimony concerning a 2007 cash match agreement for Camp T. History on this testimony follows. At the June 8, 2007 Michigan School for the Blind Trust Fund Committee meeting, OUB requested trust money to help run Camp T for summer 2007. The Committee determined that \$40,000 could be provided. To secure additional funds for this purpose, the Department entered into a cash match partnership with the Michigan Commission for the Blind (MCB). This cash match agreement was signed by OUB, the MCB and the Department. This 2007 cash match agreement provided funding for the Quest for Success program and student summer employment opportunities. Through Quest for Success and other applicable programs for MCB clients, 18 students were served; OUB billed the MCB \$34,635 to cover the costs of this program. The student summer employment opportunities program employed seven students; OUB billed the MCB \$54,987.50 to cover the costs of these students. By entering into a cash match agreement with the MCB, the \$40,000 from the trust fund actually paid for \$89,622.50 of costs for the 2007 Camp T summer program.

A timeline of recent events concerning Camp T is provided below:

April 30 - A meeting was called by Representative Pearce to discuss the possible sale of Camp T to OUB for \$1. Two draft bills were ready to move unless the Department had concerns to the contrary. Attendees included: Carol Wolenberg, Lisa Hansknecht, Rick Floria, representatives from OUB, the president of the National Federation of the Blind of Michigan, staff from Senator Jensen's and Representative Spade's offices, an OUB board member, and staff from the House

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Fiscal Agency and the Legislative Service Bureau. The outcome of the meeting was twofold, Representative Pearce planned to meet with State Board of Education members to discuss this issue and he requested that the Department host a meeting to discuss operational issues at Camp T.

May 15 - State Board members Straus, Bauer, Curtin and McGuire met with Representative Pearce to discuss the Representative's interest in passing legislation to sell Camp T to OUB. The State Board members reaffirmed the May 13 Board decision not to declare this property surplus and provided additional information about the history of the camp. Representative Pearce still has a fundamental question about the role of the SBE in owning a camp, but it appears he now understands there are several larger policy issues.

June 23 - MSB Trust Fund Committee meeting was held to review documents provided by OUB at the last SBE meeting, discuss the lease approved by the State Administrative Board, and discuss the upcoming June 27 Camp T operational meeting. For the June 27 meeting, it was requested that the Department prepare a fact sheet (Attachment A) concerning the history of all trusts. For the August 12 SBE meeting, Department staff were requested to explain how the cash match agreement works.

June 27 - Department hosted the meeting agreed to on April 30 concerning operational issues at Camp T. Attendees included Liz Bauer, representatives from MDE, DMB/Facilities, DLEG/Bureau of Construction Code, OUB, Michigan Parents of the Visually Impaired, MCB and the National Federal of the Blind of Michigan, and representatives from Representative Pearce's and Senator Jansen's offices. Representatives from DMB and DLEG gave clear direction concerning the processes required for construction and inspections required for state owned property. OUB was encouraged to put modification requests in writing to MDE before they proceed with any projects. MDE will provide requests to DMB and DLEG as needed.

August 4 - State Board members Straus, Bauer, Curtin and McGuire visited Camp T to observe the camp programs.

At the direction of the State Board of Education at its May 13, 2008 meeting, the Department officially notified the Department of Management and Budget to hold the three-year lease with OUB for Camp T pending receipt of an audited financial statement. The Department has not received this financial statement and the lease has not been provided to OUB.

Finally, the FY 2009 spending plan for Camp T is attached (Attachment B). The Board will be asked to approve this spending plan at its September meeting.

Michigan Department of Education

Facts Regarding the Michigan School for the Blind Trust Fund

- The following Trusts and/or Endowments have been bequeathed to the Michigan School for the Blind. The trusts listed have their own specific criteria and specific named trustees.

Bank One/Chase (NBD) Trust

This trust is a composite of gifts that were received as cash or converted from stocks, bonds, land contracts, or property over many years. Earnings may be used for the maintenance of Camp Tuhsmeheeta, student and staff activities and training in accordance with State Board approved policy.

Bank One/Chase (NBD) Sale of the Lansing Campus Trust

Per 2006 PA 180, Section 12(b), the balance of the net revenue shall be deposited in the Michigan School for the Blind Trust Fund managed by the State Board of Education and shall be used for the support of Camp Tuhsmeheeta in Greenville, Michigan.

On April 30 of each year, the balance above the base shall be identified as potential funding for programs at Camp Tuhsmeheeta. A Memorandum of Understanding may be developed with the Department of Labor and Economic Growth, Commission for the Blind, in order to maximize potential Federal cash match opportunities for program development at Camp Tuhsmeheeta.

- Roy Johnson Trust

The purpose of the trust is to promote and further the education of blind persons in the United States of America by providing funds to blind college graduates who are pursuing or propose to pursue graduate college studies in an accredited college in the State of Michigan in order to provide for graduate school educational expense and room and board expenses while attending graduate school.

Stanley Herman Trust

The Stanley Herman Trust supports three (3) beneficiaries of which the Michigan School for Blind is one of the beneficiaries. This trust is to be used to help indigent persons who need treatment and training. Indigent has been defined as those school age students qualifying for the Federal USDA free and reduced lunch program.

Armond Touscany, Jr. Trust

This is an irrevocable trust. The benefactor of the trust is living. The trust provides for all living expenses for the benefactor. MSB receives no benefit from the trust at this time.

- Documentation based on MDE research in 1991 states that 98.7% of the Bank One/Chase Trust (first bullet above) is unrestricted.

Over --- >>>

- The Camp Tuhsmeheeta (Camp T) property was purchased in 1971 by the State of Michigan. Two contiguous parcels of land were purchased – one parcel from Joseph N. Roth and May H. Roth, for \$80,572.00 for the use and benefit of the Michigan School for the Blind, of Lansing, Michigan or its successors (Roth Cabin on the property is named after the Roths); one parcel from F. Spencer Cornell and R. June Cornell for \$16,427.92 for the use and benefit of Michigan School for the Blind, Lansing, Michigan or its successors. Documents available to the Department state that trust funds were used to purchase the property.
- At the request of the State Board of Education Trust Fund Committee, a survey and assessment of the Camp T property was completed in 1999 and again in 2007. The 2007 appraisal listed the market value of the Camp T property (approx. 300 acres) as \$2,385,500. A split value was also requested: the Campground Parcel which consists of 150.95 acres was valued at \$1,828,400; the residual property of 150.61 acres is valued at \$594,900.
- Opportunities Unlimited for the Blind (OUB) has had use of Camp T for its camping programs since approximately 1995.
- The Michigan Department of Education has spent \$1,964,112.88 for maintenance, operation, and renovations of Camp T over the time period of 1996-2007.
- Following is the action of the State Board of Education at its meeting of May 13, 2008.

Mrs. Danhof moved, seconded by Mrs. Curtin, that the State Board of Education:

- (1) support the recommendation of the State Board of Education Trust Fund Committee to not declare the Camp Tuhsmeheeta property located in Greenville, Michigan as surplus, and therefore, it does not support any legislative effort to sell the property to Opportunities Unlimited for the Blind (OUB) or any other party interested in purchasing the property;
- (2) support the 2008-09 no-cost lease of the Camp Tuhsmeheeta property to Opportunities Unlimited for the Blind only upon receipt of an independent audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and
- (3) approve the 2007-08 spending plan for maintenance of Camp Tuhsmeheeta, as attached as Exhibit B to the memorandum dated May 8, 2008 from Kathleen Straus.

The vote was taken on the motion.

The motion carried unanimously.

- Currently OUB is operating its 2008 summer camp programs at Camp T under a one year rental agreement. The MDE has developed a three year lease agreement with OUB for the period October 1, 2007 – September 10, 2010. This agreement also provides for three one-year lease extensions. The three year lease agreement, although approved by all parties, is “on hold” until the MDE receives the independent audit requested by the State Board of Education at its May 13, 2008 meeting.

June 27, 2008

**Michigan Department of Education
Camp Tuhsmeheeta
FY 2009 Spending Plan
Account 01520**

August 12, 2009

	Description:
Salary portions of A Davlantes; R Floria; P Johnson	\$ 16,700.00
Travel:	\$ 1,500.00
CSS & M:	
Telecommunications:	\$ 4,000.00
Utilities:	
Propane	\$ 14,000.00
Electric	\$ 7,500.00
Other Purchased Services i.e: Electrical Repairs; Camping Inspection; Well Repairs; Dumpster Service; Fire Inspections; Exterminator	\$ 18,000.00
Postage:	\$ 100.00
Non Employee Maintenance & Repair Service i.e: Boiler Repairs; Bruce Bishop contract; snowplowing; septic tank service	\$ 37,100.00
Other Fees and Compensation	\$ 2,000.00
Supplies - General	\$ 6,500.00
Supplies - Computer	\$ 500.00
Replacement Parts	\$ 6,000.00
Total CSS&M:	\$ 95,700.00
Maintenance items OR Grant dollars available	\$ 28,100.00
Total Operation:	\$ 142,000.00