

**AGREEMENT FOR ADMINISTRATIVE REVIEW
OF FINANCIAL STATUS**

**Between
Saginaw Valley State University
and
Charlevoix Montessori Academy for the Arts**

WHEREAS, this administrative review agreement is dated April 26, 2016, and is between Charlevoix Montessori Academy for the Arts “PSA” and Saginaw Valley State University “Authorizer”. In this agreement, Charlevoix Montessori Academy for the Arts and Saginaw Valley State University may be referred to individually as a “Party” or jointly as the “Parties”.

WHEREAS, the state treasurer has declared that the potential for fiscal stress exists for a school district or public school academy.

WHEREAS, the PSA enters into this agreement to have the Authorizer perform an administrative review of the financial status of the PSA.

WHEREAS, MCL 380.1219(5) permits the Parties to enter into this agreement; and

WHEREAS, the Parties have reviewed this agreement and agree to be bound by the terms and conditions hereof.

NOW THEREFORE, the Parties agree to the following:

1. Within 90 days after entering into the contract, the Authorizer shall complete an administrative review and issue recommendations to the PSA concerning those steps the PSA should consider taking to avoid a deficit.
2. After completion of the administrative review, the Authorizer shall present the recommendations at the next scheduled public meeting of the governing body of the public school academy.
3. The Authorizer shall send a copy of the recommendations to the Department of Education and the Department of Treasury.
4. The Authorizer administrative review shall include, but is not limited to, all of the following:
 - a. An examination of financial practices, including at least an examination of the public school academy’s compliance with the uniform budgeting and accounting

act, 1968 PA 2, MCL 141.421 to 141.440a, budget to actual expense report monitoring, and budget amendment practices after budget adoption.

- b. An examination of staffing and a comparison of staffing to other school districts and/or public school academies, as applicable.
 - c. An examination of wages and a comparison of wages to other school districts and/or public school academies in the area, as applicable.
 - d. An examination of benefit costs as a percentage of wages and a comparison of benefit costs as a percentage of wages to other school districts and/or public school academies in the area, as applicable.
 - e. A school building student capacity utilization review.
 - f. An examination of non-instructional costs by function and a comparison of those costs to other school districts and/or public school academies, as applicable.
 - g. A review of enrollment projection methods and history.
 - h. An examination of deferred maintenance and capital investment needs. Capital investment needs include technology equipment and technology infrastructure needs.
 - i. An examination of substitute costs, workers compensation costs, unemployment compensation costs and forecasts, and a review of other insurance programs.
 - j. An examination of pupil transportation costs and routing.
 - k. An examination of the current and future costs of existing bargaining agreements.
 - l. An examination of state and federal grants.
 - m. An examination of any other revenue or expenditure that may have a material impact upon the financial condition of the PSA.
5. The PSA shall give the Authorizer or its contracted agent(s) access to any and all financial data or information relating to the financial condition of the PSA as requested by the Authorizer.
 6. The PSA shall allow the Authorizer or its contracted agent(s) to examine all financial records and books of account of the PSA.
 7. The PSA shall promptly and fully provide the assistance and information necessary and properly requested by the Authorizer or its contracted agent in the effectuation of the Authorizer's duties under this subsection, including, but not limited to, complying with a request that the PSA provide a facility condition assessment or a physical asset inventory if either of these has not been completed in the immediately preceding 24 months.

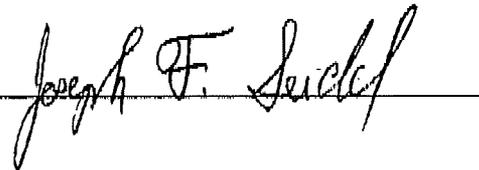
- 8. The PSA shall allow the Authorizer to work in a consortium with another Authorizer or multiple Authorizers in the effectuation of the Authorizer's duties under this subsection.
- 9. The PSA shall allow the Authorizer to use a contractor or contractors to assist in the review on a cost recovery basis as determined by the Authorizer.
- 10. Either the Authorizer or the PSA may rescind the contract, as follows:
 - a. The Authorizer may rescind the contract if the PSA is not complying with 1 or more of the recommendations issued to the PSA.
 - b. The PSA may rescind the contract for any reason.
- 11. The Authorizer shall submit quarterly reports to the Department of Treasury on the status of the implementation of the recommendations issued to the PSA by the Authorizer.

IN WITNESS WHEREOF, the Parties hereto on this day execute this Agreement as of the Effective Date.

**SAGINAW VALLEY
STATE UNIVERSITY**

**CHARLEVOIX MONTESSORI
ACADEMY FOR THE ARTS**

By: 

By: 

Name: David A. Lewis

Name: ~~BO~~ JOSEPH F. SEIDEL

Title: Director

Title: BOARD PRESIDENT

Date: April 26, 2016

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