

CONSENT AGREEMENT

This consent agreement is dated September 23, 2014, and is between STATE TREASURER R. KEVIN CLINTON, a Michigan state officer ("Treasurer"), and BENTON HARBOR AREA SCHOOLS, a Michigan public school district ("District").

A financial emergency exists within the District under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to MCL 141.1575 ("Act 436").

To address the financial emergency, the District selected the consent agreement option under section 8 of Act 436 on August 25, 2014.

The Treasurer offers state financial management and technical assistance to assist in alleviating the District's current financial emergency.

The parties want to provide for remedial measures considered necessary to address the financial emergency within the District and provide for the long-term financial stability of the District.

The parties want to engage in a collaborative effort to expeditiously restore long-term financial stability in the District while also assuring the provision of essential and effective public educational services to residents of the District on a sustainable basis.

The parties want to assure stability in the District's student enrollment and encourage future growth in the District's student enrollment.

The parties therefore agree as follows:

1. **Remedial Measures.** The District shall implement the remedial measures detailed in schedule 1 (each a "Remedial Measure") by the date provided in schedule 1. After attempting to implement or comply with a Remedial Measure, if the District is unable to implement or comply with a Remedial Measure, the District may request a waiver under section 21.
2. **Educational Plan.** The District shall implement the educational plan for the District detailed in schedule 2 (the "Educational Plan"). Any changes to the Educational Plan must be approved in writing by the state superintendent of public instruction ("State Superintendent") and the Treasurer.
3. **State Assistance.** The Department of Treasury ("Treasury") or the Department of Education ("MDE") shall provide the District with the financial and technical assistance detailed in schedule 3. Consistent with section 12(1)(s) of Act 436, the superintendent of the District ("Superintendent") with the approval of the consent agreement consultant appointed under section 8 (the "Consultant"), or the Consultant, may apply for a loan from the state to the District, subject to conditions under the Emergency Municipal Loan Act, 1980 PA 243, MCL 141.931 to 141.942, or other applicable law, as necessary to implement the financial and operating plan under section 5 or otherwise.
4. **Reports.** (a) By the 15th day of each month, the District shall provide a monthly financial status report in the form detailed in schedule 4 to the Treasurer and the State Superintendent, with a copy to the District's board of education (the "Board") and each state senator and state representative representing the District.

(b) Beginning November 15, 2014 and ending on the date that the Treasurer notifies the District that the Remedial Measures have been implemented, the District shall transmit to the

Treasurer, with a copy to the Board, a monthly written report indicating the status of the District's implementation of Remedial Measures during the prior month.

(c) Beginning January 15, 2015, the District shall transmit to the Treasurer, with a copy to the Board, a quarterly written report indicating the status of the District's implementation of Service Alternatives during the previous three months.

(d) Beginning January 15, 2015, the District shall file with the Treasurer and provide the Board with a copy of a quarterly written report listing pending lawsuits or other legal actions in which the District is a party during the previous three months. For each listing, the District shall include (1) the name of the plaintiff or plaintiffs, (2) the name of the defendant or defendants, (3) the name of the court and judge with jurisdiction, (4) the name of the attorney representing the District, (5) the cause of action, (6) the length of time pending, (7) an estimate of the budgetary impact on the District if the District does not prevail, (8) the details of any settlement agreement, and (9) any applicable insurance coverage.

(e) The Treasurer also may require the District to produce other financial reports to assure that the Treasurer, Treasury, MDE, and the Consultant have access to accurate and timely financial information about the District.

5. **Financial and Operating Plan.** (a) With assistance from the Consultant, the Superintendent shall develop a written financial and operating plan for the District consistent with this agreement. District officers and employees shall assist the Superintendent in the development of the plan as requested by the Superintendent. After consultation with the Consultant, the Board shall approve the plan developed by the Superintendent, with or without modifications. By December 31, 2014, the Superintendent shall submit to the Treasurer the plan approved by the Board. Before taking effect, the plan must be reviewed and approved by the Treasurer. If disapproved by the Treasurer, the District shall develop and submit a revised plan using the procedures detailed in this subsection for an initial plan.

(b) Upon approval by the Treasurer, the District shall be responsible for the timely and effective implementation of the financial and operating plan approved by the Treasurer under subdivision (a) ("**Financial and Operating Plan**"). Consistent with section 11(3) of Act 436, the Financial and Operating Plan will serve as a deficit elimination plan otherwise required by law.

(c) The Financial and Operating Plan will have the objectives of assuring that the District is able to provide or cause to be provided governmental services essential to the public health, safety, and welfare and assuring the fiscal accountability of the District in a timely manner.

(d) The Financial and Operating Plan will provide for all of the following:

- (1) the conduct of all aspects of the operations of the District within available resources and projected cash flow;
- (2) payment of scheduled debt service requirements on bonds, notes, and municipal securities of the District, contract obligations in anticipation of which bonds, notes, and municipal securities are issued, and all other uncontested legal obligations of the District;
- (3) modification, rejection, termination, and renegotiation of contracts of the District to the extent authorized by law, this agreement, and approved by the Treasurer;

- (4) timely deposit of required payments to the Michigan Public School Employees Retirement System established by the Public School Employees Retirement Act of 1979, 1980 PA 380, MCL 38.1301 to 38.1347, or any other pension plan in which the District participates;
- (5) efforts to attract additional students to enroll in the District;
- (6) the reinvestment, consistent with the Educational Plan, of surplus funds in the educational needs of the District's students, including needs relating to class sizes, professional personnel, and school buildings and technology;
- (7) implementation of the Educational Plan;
- (8) a detailed projected budget of District revenues and expenditures, including reasonably necessary maintenance and capital expenditures, over a period of five fiscal years indicating that the District's expenditures will not exceed its revenues, with this component of the Financial and Operating Plan updated at least annually;
- (9) a cash flow projection for the current fiscal year and the next fiscal year, with this component of the Financial and Operating Plan updated at least annually;
- (10) implementation of procedures for cash control and cash management, including procedures for timely collection, securing, depositing, balancing, and expending of cash, and designation of appropriate fiduciaries;
- (11) identification of factors and circumstances contributing to the District's financial emergency and implementation of measures to correct the factors and circumstances;
- (12) measures to satisfy the District's outstanding obligations;
- (13) alignment of District staffing levels with projected revenue, notwithstanding any previously established minimum staffing levels; and
- (14) any other action necessary to implement this agreement, achieve the objectives of the Financial and Operating Plan, rectify the District's financial emergency, and restore financial accountability and stability to the District.

(e) District officials, employees, agents, and contractors shall take and direct action necessary and advisable to assure compliance with the Financial and Operating Plan. Beginning on the 15th day of the month after the initial appointment of a Consultant, the Consultant shall update the Board monthly in writing on the District's progress in implementing the Financial and Operating Plan and the District's compliance with the Financial and Operating Plan during the previous calendar month.

(f) The District shall reevaluate the Financial and Operating Plan on a regular and periodic basis. The Board shall amend the Financial and Operating Plan when requested in writing by the Consultant at the Board's next regularly scheduled meeting, or at a special meeting if the Consultant and the Treasurer request approval at a special meeting. If District revenue estimates change, as determined by the Consultant, the Consultant shall notify the Board in writing of the change in the revenue estimate and the Board shall amend the Financial and Operating Plan to conform to the revised revenue estimates at the Board's next regularly scheduled meeting, or at a special meeting if the Consultant and the Treasurer request approval at a special meeting. An amendment of the Financial and Operating Plan is not effective until approved by the Treasurer. The District shall amend the Educational Plan for

consistency with any changes in the Financial and Operating Plan, subject to the approvals required under section 2. Board meetings under this subdivision (f) shall be held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275 ("OMA").

(g) If the Financial and Operating Plan relies upon an emergency loan to the District (the "Emergency Loan"), under the Emergency Municipal Loan Act, 1980 PA 243, MCL 141.931 to 141.942 ("Act 243"), the Treasurer shall use Reasonable Efforts to secure approval of the Emergency Loan by the Local Emergency Financial Assistance Loan Board. The parties acknowledge that Act 243 currently limits the total amount of emergency loans to school districts and that the Loan Board has limited capacity to issue new emergency loans. For purposes of this subdivision (g), "Reasonable Efforts" with respect to an obligation means the efforts consistent with the practice of other state officers with respect to governmental action that a reasonable person in the Treasurer's position would use to comply with that obligation as promptly as possible.

6. **Budget.**(a) With assistance from the Consultant, the Board shall adopt and adhere to a budget for each District fiscal year consistent with applicable law and this agreement, including the Financial and Operating Plan. Each budget shall comply with all of the following:

- (1) be approved by the Treasurer before taking effect;
- (2) be prepared, presented, and adopted in compliance with the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a ("Budget Act"), and 1963 (Ex Sess) PA 43, MCL 141.411 to 141.415; and
- (3) be based upon a forecast of monthly cash demands necessary to satisfy the expenditures authorized in the budget, with an appropriation not being a mandate to spend.

(b) For the District's 2014-2015 fiscal year, the District shall amend the annual budget for consistency with the Financial and Operating Plan by January 15, 2015. The District shall transmit the proposed amended budget to the Treasurer by December 31, 2014. Before final approval of the amended budget by the Board, the amended budget must be approved by the Treasurer.

(c) Beginning with the budget for the District's 2015-2016 fiscal year, the District shall transmit the annual budget for each fiscal year, as adopted by the Board, to the Treasurer at least 30 calendar days before the beginning of the fiscal year. Any amendments to an adopted budget after the District's 2014-2015 fiscal year must be approved by the Treasurer before adoption by the Board and transmitted to the Treasurer within 10 calendar days of adoption by the Board.

(d) If a shortfall in anticipated revenue occurs in any District fund, or if the Treasurer determines that unusual or extraordinary expenditures arise during a fiscal year, the District shall reduce budgeted expenditures in the adopted annual budget on a timely basis as provided under the Budget Act so that the District may close the fiscal year with a balanced budget. As used in this paragraph, "a timely basis" means the time period necessary to adjust budgeted expenditures or budgeted revenues, or both, so as to preclude an expenditure being made for which adequate revenues are unavailable or are projected to be unavailable.

(e) District officials may amend an adopted budget by transferring funds between and among accounts as permitted by law, subject to the requirements of this section 6.

(f) The District shall not incur an operating deficit during a District fiscal year in a fund according to the uniform minimum standards of and guidelines for financial accounting and reporting standards for state and local governments issued by the Government Accounting Standards Board ("GASB"), including GASB's hierarchy of generally accepted accounting principles for state and local governments ("Generally Accepted Accounting Principles"), unless both of the following occur:

- (1) the fund in which the operating deficit occurred had a sufficient beginning balance to offset the deficit consistent with the Budget Act; and
- (2) the financial statements of the District indicate that the sufficient beginning balance fairly represents the financial position of the District according to an independent auditor in a qualified or unqualified opinion using Generally Accepted Accounting Principles and the professional standards and guidance included in government accounting standards issued by the Comptroller General of the United States ("Generally Accepted Government Auditing Standards").

(g) The District shall include a five-year financial forecast in each annual budget adopted.

7. **Audits.** (a) For each District fiscal year ending after the effective date of this agreement the District shall retain a recognized independent certified public accounting firm to perform an annual audit of the District ("Independent Auditor"). The Consultant may assist the District in identifying and selecting a firm. The Independent Auditor selected by the District must be approved by the Treasurer. If the District fails to retain an Independent Auditor in compliance with this subdivision (a) or the annual audit required under this section 7 is not completed, the Treasurer shall conduct the audit or appoint a firm to perform the audit, with the cost paid by District.

(b) The annual audit required under this section 7 must:

- (1) comply with Generally Accepted Government Auditing Standards;
- (2) include an opinion as to whether the District's financial statements for the fiscal year were prepared in accordance with Generally Accepted Accounting Principles;
- (3) state whether the audit of the District's financial statements was made in accordance with Generally Accepted Government Accounting Standards and accordingly included tests of the District's accounting records and other auditing procedures as considered necessary under the circumstances;
- (4) disclose any fiscal irregularities, including defalcations, misfeasance, nonfeasance, or malfeasance identified by the Independent Auditor;
- (5) note the nature and extent of any variations from Generally Accepted Accounting Principles reflected in the District's financial statements; and
- (6) comply with the requirements of the Budget Act, and other applicable law.

(c) The Independent Auditor shall prepare a report of the auditing procedures applied in each annual audit on a form prepared by the Treasurer.

(d) An annual audit required under this section 7 shall be completed within 150 days after the end of a fiscal year. The District shall require the Independent Auditor to transmit upon completion

a copy of the annual audit and the audit procedures report required under subdivision (c) to the Board, the Consultant, and the Treasurer.

(e) The District shall make available for inspection and duplication all records required by the Independent Auditor to perform the annual audit required under this section 7. The District shall make its officers and employees available to, and shall cooperate with, the Independent Auditor to facilitate timely completion of the annual audit by the Independent Auditor.

8. **Consultant.** (a) To assist the District in implementing this agreement, within 14 days after the effective date of this agreement, the District shall create and establish within the District the position of consent agreement consultant, with the position established as an assistant superintendent and officer of the District.

(b) Not less than 21 days after the creation of the Consultant position under this section 8, the District shall appoint and retain an individual recommended by the Treasurer to serve as the Consultant. Before recommending an individual to serve as the Consultant, the Treasurer shall consult with the Superintendent regarding the one or more individuals the Treasurer is considering recommending. The District shall notify the Treasurer of a vacancy in the office of Consultant within seven days of the vacancy. The District shall fill a vacancy with an individual recommended by the Treasurer within 14 days after receiving a recommendation from the Treasurer.

(c) Within seven days after appointing a Consultant, the District shall enter into an employment contract with the Consultant retaining the Consultant. The employment contract will not be effective without the approval of the Treasurer.

(d) The District shall not alter the duties, functions, and responsibilities of the Consultant or terminate the Consultant without the approval of the Treasurer. If the Consultant violates this agreement or takes action inconsistent with the Financial and Operating Plan, the District shall terminate the Consultant as requested by the Treasurer.

(e) To assist the District in implementing this agreement, the Consultant shall exercise the powers, duties, functions, and responsibilities vested in the Consultant under this agreement. When assisting officials of the District in implementing this agreement, the Consultant shall provide District officials with written monthly reports on actions taken by the Consultant to implement this agreement, beginning on the first day of the month following the first month of the Consultant's employment contract and shall advise the Board on the District's compliance with this agreement. The Consultant also shall coordinate communications with the Treasurer under this agreement on behalf of the District.

(f) To assist the District in implementing this agreement, after the creation of the Consultant position and appointment of a Consultant, the Superintendent, when approved or requested by the Consultant, shall exercise the powers under Act 436 described in this subdivision (f) for periods and upon the terms and conditions as the Treasurer deems necessary or convenient, in the Treasurer's discretion, as authorized under section 8(10) of Act 436. If the Superintendent does not act upon a request by the Consultant, or if the District has no Superintendent, the Consultant is granted and may exercise the powers under Act 436 described in this subdivision (f) for periods and upon the terms and conditions as the Treasurer deems necessary or convenient. The powers granted and that may be exercised under this subdivision (f) include all of the following powers:

- (1) amend, revise, approve, or disapprove the budget of the District, and limit the total amount appropriated or expended consistent with section 12(1)(b) of Act 436;
- (2) receive and disburse on behalf of the District all federal, state, and local funds earmarked for the local District, including funds for specific programs and the retirement of debt, consistent with section 12(1)(c) of Act 436;
- (3) require and prescribe the form of special reports to be made by the District to the Board, the creditors of the District, the Consultant, or the public, consistent with section 12(1)(e) of Act 436;
- (4) examine all records and books of account of the District, and require under the procedures of the Budget Act or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the District, consistent with section 12(1)(f) of Act 436;
- (5) make, approve, or disapprove any appropriation, contract, expenditure, or loan, the creation of any new position, or the filling of any vacancy in a position by any appointing authority within the District, consistent with section 12(1)(g) of Act 436;
- (6) review payrolls or other claims against the District before payment, consistent with section 12(1)(h) of Act 436;
- (7) establish and implement staffing levels for the District, notwithstanding any minimum staffing level requirements established by charter or contract, consistent with section 12(1)(i) of Act 436;
- (8) reject, modify, or terminate 1 or more terms and conditions of an existing contract, consistent with section 12(1)(j) of Act 436;
- (9) act as sole agent of the District in collective bargaining with employees or representatives and approve any contract or Agreement, consistent with section 12(1)(l) of Act 436;
- (10) consolidate or eliminate departments of the District or transfer functions from one department to another and appoint, supervise, and at the Superintendent or Consultant's discretion, remove administrators, including heads of departments other than elective officers of the District, consistent with section 12(1)(n) of Act 436;
- (11) employ or contract for, at the expense of the District and with the approval of the Treasurer, auditors and other technical personnel, consistent with section 12(1)(o) of Act 436;
- (12) retain one or more persons or firms, which may be an individual or firm selected from a list approved by the Treasurer, to perform the duties of a local inspector or a local auditor as described in section 12(1)(p) of Act 436;
- (13) issue to the appropriate District officials and to employees, agents, and contractors of the District binding orders considered necessary to accomplish the purposes of Act 436 and this agreement consistent with section 10 of Act 436, including orders for the timely and satisfactory implementation of the Financial and Operating Plan or to take actions, or refrain from taking actions, to enable the orderly accomplishment of the Financial and Operating Plan, and institute court proceedings relating to the orders consistent with section 12(1)(q) of Act 436;

- (14) enter into agreements with creditors or other persons or entities for the payment of existing debts, including the settlement of claims by the creditors, consistent with section 12(1)(w) of Act 436;
- (15) enter into agreements with creditors or other persons or entities to restructure debt on terms, at rates of interest, and with security as shall be agreed among the parties, subject to approval by the Treasurer, consistent with section 12(1)(x) of Act 436;
- (16) authorize or require the District to enter into agreements with other local governments, public bodies, or entities for the provision of services, the joint exercise of powers, or the transfer of functions and responsibilities, consistent with section 12(1)(y) of Act 436;
- (17) enter into agreements with 1 or more other local governments or public bodies for the consolidation of services, consistent with section 12(1)(aa) of Act 436;
- (18) take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the District, whether elected or appointed, relating to the operation of the local District, consistent with section 12(1)(ee) of Act 436;
- (19) remove, replace, appoint, or confirm the appointments to any non-elected office, Board, commission or authority, or other entity which is within or is a component unit of the District, consistent with section 12(1)(ff) of Act 436;
- (20) negotiate, renegotiate, approve, and enter into contracts on behalf of the District, consistent with section 14(a) of Act 436;
- (21) receive and disburse on behalf of the District all federal, state, and local funds earmarked for the District, including funds for specific programs and the retirement of debt, consistent with section 14(b) of Act 436;
- (22) seek approval from the State Superintendent for a reduced class schedule in under administrative rules governing the distribution of state school aid, consistent with section 14(c) of Act 436;
- (23) employ or contract for, at the expense of the District, school administrators considered necessary to implement this agreement, with the approval of the Treasurer, consistent with section 14(g) of Act 436; and
- (24) if there is reason to believe that criminal conduct has occurred within the District, refer the matter to the state of Michigan's attorney general and the prosecuting attorney for the county of Berrien for investigation, consistent with section 16 of Act 436.

(g) The Superintendent or the Consultant shall not exercise the powers prescribed for an emergency manager under section 12(1)(k) of Act 436.

(h) Officials and employees, agents, and contractors of the District shall promptly and fully provide the assistance and information necessary and properly requested by the Superintendent or the Consultant in the effectuation of the Supervisor's or Consultant's duties under this agreement and the powers and purposes of Act 436, consistent with section 27 of Act 436.

(i) The Consultant, with the approval of the Treasurer, may appoint additional staff and secure professional assistance to fulfill the Consultant's responsibilities under this agreement,

consistent with section 9(4) of Act 436, but only if the Consultant provides written documentation to the District and the Treasurer that sufficient funds remain available under schedule 3 to reimburse the District for the cost of the additional staff and professional assistance.

(j) In the event of a vacancy in the position of Superintendent, the District shall not fill the vacancy or designate an acting Superintendent without the approval of the Treasurer. The Superintendent shall not be terminated by the Board without the approval of the State Treasurer. If the Superintendent fails to comply with this agreement or violates Michigan law, the Board, upon request of the Treasurer, shall terminate the Superintendent.

9. **Service Alternatives.** The District also shall use Reasonable Efforts to pursue alternative means to more effectively and efficiently provide public educational services to residents of the District and perform other functions and responsibilities of the District (each alternative a "Service Alternative"). The Service Alternatives may be implemented through agreements or cooperative arrangements with other entities, public or private, including the Berrien Regional Education Service Agency, or by joining organizations as part of performing the functions of the District as authorized under section 11a(4) of The Revised School Code, 1976 PA 451, MCL 380.11a(4). The District shall consider Service Alternatives recommended by the Consultant. Before implementing a Service Alternative, the District shall obtain the written consent of the Treasurer. For purposes of this section 9, "Reasonable Efforts" means, with respect to a given goal, the efforts, that a reasonable person in the position of the District would use so as to achieve that goal as expeditiously as possible.

10. **District Property.** (a) The District shall sell, lease, convey, assign, or otherwise allow the use or transfer of District assets, liabilities, functions, or responsibilities on terms and conditions, and with parties, acceptable to the District, including the closing of schools or other school buildings, if the Consultant advises the District that the sale, lease, assignment, use, or transfer is necessary to implement the Financial and Operating Plan. Unless waived by the Treasurer under section 21, before selling, leasing, conveying, assigning, or otherwise transferring real property of the District, the District shall obtain an appraisal from a licensed appraiser approved by the Consultant.

(b) Consistent with section 12(1)(r) of Act 436, if provided in the Financial and Operating Plan, or otherwise with the prior written approval of the governor of the state of Michigan (the "Governor") or the Governor's designee, the Superintendent with the approval of the Consultant, or the Consultant, may sell, lease, convey, assign, or otherwise use or transfer the assets, liabilities, functions, or responsibilities of the District, provided the use or transfer of assets, liabilities, functions, or responsibilities for this purpose does not endanger the health, safety, or welfare of residents of the District or unconstitutionally impair a bond, note, security, or uncontested legal obligation of the District, subject to all of the following:

(1) If the asset, liability, function, or responsibility involves an amount of \$50,000.00 or more, the Superintendent with the approval of the Consultant, or the Consultant, shall submit the proposed action under this subdivision (b) to the Board. The Board shall have 10 days from the date of submission to approve or disapprove the action proposed by the Superintendent or Consultant. If the Board does not act within 10 days, the proposed action is considered approved by the Board and the Superintendent or Consultant requesting the proposed action may then execute the proposed action; and

(2) If the Board disapproves the proposed action within 10 days under subparagraph (1), the Board shall, within 7 days of its disapproval of the action proposed by the Superintendent with the approval of the Consultant, or the Consultant, submit to the Local Emergency Financial Assistance Loan Board

created under section 2 of the Emergency Municipal Loan Act, 1980 PA 243, MCL 141.932 (the "Loan Board"), an alternative proposal that would yield substantially the same financial result as the action proposed by the Superintendent or Consultant. The Loan Board shall have 30 days to review both the alternative proposal submitted by the Board and the action proposed by the Superintendent or Consultant and to approve either the alternative proposal submitted by the Board or the action proposed by the Superintendent or Consultant. The Loan Board shall approve the proposal that best serves the interest of the public in the District. The Superintendent or Consultant requesting the proposed action shall implement the alternative proposal submitted by the Board or the proposed action, whichever is approved by the Loan Board.

11. **Contracts.** (a) By November 15, 2014, the District shall provide a report detailing all District contracts for services and all individual District employment contracts to the Treasurer, excluding collective bargaining agreements. For each contract, the report must detail the nature the contract, the scope of services provided under the contract, the duration of the contract, whether the contract was awarded using a competitive process, and compensation payable under the contract.

(b) The District shall not enter into a contract or contract amendment with a value of more than \$25,000.00 without approval by the Treasurer. Before final approval or award of a contract or contract amendment by the District, the District shall submit information relating to the contract or contract amendment in a form and manner prescribed by the Treasurer and the Treasurer shall respond to the District within 14 days. The District may enter into new contracts or contract amendments with an estimated value of up to \$25,000.00 but shall keep a detailed log of contracts and contract amendments entered into under the \$25,000.00 threshold for inspection and review by the Consultant or the Treasurer.

(c) Except as provided in subdivision (b), the District shall not amend, extend the term, or renew a contract to which the District is a party without first issuing a public request for proposals or using another form of competitive procurement, unless the District obtains written approval from the Treasurer.

(d) Subject to any contrary provisions in an applicable collective bargaining agreement, the District may take the following actions only with the prior approval of the Treasurer:

- (1) change the salary, wage rate, or benefits payable to officers, employees, or retirees of the District;
- (2) pay overtime, or authorize flex-time or comp-time for District personnel;
- (3) change a rate or price payable to an outside vendor providing services to the District under a contract with the District;
- (4) settle a workers' compensation claim;
- (5) challenge or appeal, or decide not to challenge or appeal, an unemployment insurance claim by former employee of the District;
- (6) settle a grievance under a collective bargaining agreement or other employment contract; or
- (7) initiate or settle any adversarial proceeding.

12. **Debt.** The District shall not issue or incur Debt without the approval of the Treasurer. The District may, with the approval of the Treasurer, enter into agreements with creditors or other persons or entities for the payment of existing Debts, including the settlement of claims by the creditors. The District also may, with the approval of the Treasurer, enter into agreements with creditors or other persons or entities to restructure debt, on terms, at rates of interest, and with security as agreed among the parties, subject to approval by the Treasurer. As used in this section 12, "Debt" means that term as defined in section 103 of the Revised Municipal Finance Act, 2001 PA 34, MCL 141.2103, and also includes all of the following:

- (1) capital lease transactions and certificates of participation entered into by or on behalf the District;
- (2) lease transactions, installment purchase transactions, certificate of participation transactions, or contractual payment obligations supporting indebtedness issued or incurred by or on behalf of the District; and
- (3) any other indebtedness issued or incurred by or on behalf of the District that obligates the District under generally accepted accounting principles.

13. **Elections.** (a) The District shall, as necessary to implement the Financial and Operating Plan and this agreement, or as necessary to repay any obligations to the State, hold one or more millage or limitation override elections for the District consistent with the Michigan Election Law, 1954 PA 116, MCL 168.1 to 168.992, Const 1963, art 9, §§ 6 and 25 to 34, and other applicable state law.

(b) If the Treasurer requests the District to hold an election under subdivision (a) and the District does not hold the election as requested, the Superintendent shall order, as necessary, one or more millage elections for the District consistent with the Michigan Election Law, 1954 PA 116, MCL 168.1 to 168.992, Const 1963, art 9, §§ 6 and 25 to 34, and other applicable state law, consistent with section 12(1)(t) of Act 436. If the Superintendent does not act upon the Treasurer's request, or if the District has no Superintendent, the Consultant shall order, as necessary, one or more millage elections for the District consistent with the Michigan Election Law, 1954 PA 116, MCL 168.1 to 168.992, Const 1963, art 9, §§ 6 and 25 to 34, and other applicable state law, consistent with section 12(1)(t) of Act 436.

(c) If the Treasurer authorizes the District to issue obligations under this section 13 or otherwise requires the District to issue obligations for the compliance with and implementation of the Financial and Operating Plan or this agreement, or both, and approval of the issuance of the obligations the electors of the District is required under applicable law, the District shall hold one or more elections for the approval of the issuance of the obligations.

14. **Public Employees.** (a) By November 15, 2014, the District shall provide the Treasurer with a copy of each effective collective bargaining agreement between the District and District employees.

(b) The District shall not sign, enter into, or execute a collective bargaining agreement, nor sign, enter into, or execute any amendment of a collective bargaining agreement unless the collective bargaining agreement or amendment receives the prior written approval of the Treasurer.

(c) Consistent with section 8(11) Act 436, as authorized under section 8(11) Act 436, beginning 30 days after the effective date of this agreement, the District is not subject to section 15(1) of 1947 PA 336, MCL 423.215, for the remainder of the term of this agreement.

15. **Bankruptcy.** This agreement does not authorize the District to initiate an action under chapter 9 of title 11 of the United States Code, 11 USC 901 to 946.

16. **Term.** This agreement is effective on the date signed by the parties and remains effective until the end of the fiscal year of the District in which the District is released from this agreement under section 17, except that sections 17(c) and 17(d) survive the termination of this agreement.

17. **Release.** (a) The District is released from the requirements of section 8 of Act 436 upon written notification from the Treasurer that the District has complied with this agreement and is released from the requirements of section 8 of Act 436. Before release under this section 17, consistent with section 21(1) of Act 436, the Treasurer may require the Superintendent to adopt and implement a two-year budget, including all contractual and employment agreements, for the District beginning with the release from the requirements of section 8 of Act 436. If the Treasurer requires a two-year budget and the Superintendent does not adopt and implement the budget, or if there is no Superintendent, the Consultant shall adopt and implement a two-year budget, including all contractual and employment agreements, for the District beginning with the release from the requirements of section 8 of Act 436.

(b) If a two-year budget is adopted under subdivision (a), the District shall be released from the requirements of section 21(1) of Act 436 upon the expiration of the two-year budget. After adoption, the Board may amend the two-year budget with the approval of the Treasurer. The District shall be deemed by the Treasurer to have complied with this agreement and the District shall be released by the Treasurer from the requirements of section 8 of Act 436 if the District certifies in writing to the Treasurer, with the concurrence of the Consultant, that all of the following conditions are satisfied:

(1) the fiscal stability of the District has been restored as demonstrated by one or more of the following:

- (A) the audited financial statements of the District indicate on the basis of generally accepted accounting principles for state and local governments, that for the immediate two prior fiscal years no fund maintained by the District was in a deficit condition, excluding any revenue from borrowed funds; or
- (B) the District is not required to submit, or projected to be required to submit in the next fiscal year of the District, a deficit elimination plan under state law;

(2) the audited financial statements of the District indicate on the basis of generally accepted accounting principles for state and local governments, that in the immediate two prior fiscal years the general fund of the District ended the fiscal year with a positive fund balance (excluding proceeds from issuance of Debt by the District) equal to eight percent or more of the total general fund expenditures (excluding Debt service expenditures) of the District for that fiscal year; and

(3) none of the factors used to determine the existence of probable financial stress under section 4(1) of Act 436 are present within the District.

(c) After release from the requirements of section 8 of Act 436, the Board shall not amend any two-year budget adopted for the District by the Superintendent or Consultant exercising powers under section 21(2) of Act 436 without the approval of the Treasurer, and shall not revise any order issued by the Superintendent or Consultant under section 8(e)(10) before one year after the release from the requirements of section 8 of Act 436.

(d) The District shall continue to use a two-year budgeting process and five-year financial forecast after the expiration of this agreement.

18. **Compliance and Breach.** (a) The District, through its Board and officers is bound by, and shall comply with this agreement. Failure of the District to comply with this agreement is a breach of this agreement. Violation of state or federal law, including OMA and the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246, by the District, the Board or an officer of the District also is a breach of this agreement. Except as provided in section 21, the obligations of the District under this agreement are not subject to release or discharge due to any contingencies, including missed due dates, clerical errors, computer failures, late mailings or deliveries, adverse weather, natural disaster, or acts of third parties.

(b) *Material Breach.* An uncured breach of this agreement is a material breach of this agreement if, in the judgment of the Treasurer any of the following apply:

- (1) the uncured breach materially impairs the timely and complete implementation of the Remedial Measures;
- (2) the uncured breach materially impairs the timely and complete implementation of the Financial and Operating Plan, including the Educational Plan;
- (3) the uncured breach materially impairs the Consultant's ability to perform the Consultant's functions and responsibilities under this agreement; and
- (4) the breach materially impairs the implementation of this agreement because the District has contested, through legal proceedings or otherwise, the constitutionality, validity, or enforceability of Act 436, this agreement, or the powers or jurisdiction of the Treasurer or other state officers under Act 436, other applicable law, or this agreement.

(c) *Notice of Material Breach.* If the Treasurer determines that a material breach of this agreement has occurred or is occurring, the Treasurer shall immediately notify the Board, the Superintendent, and the Consultant of the determination. The District will take all lawful steps necessary to cure the material breach within 14 days and report to the Treasurer the steps taken to cure the material breach, unless the Treasurer determines that the material breach is of a nature that cannot be cured within 14 days. If the Treasurer determines that the material breach cannot be cured within 14 days, the Treasurer will provide the District with a longer period to cure the material breach and the District will report the steps taken to cure the material breach within the longer period provided by the Treasurer. If the Treasurer determines that a material breach must be cured within fewer than 14 days to address a projected deficiency in the District's cash flow, the Treasurer will require the District cure the deficiency in a shorter time period and the District will report the steps taken to cure the material breach within time period provided by the Treasurer.

(d) *Statutory Declaration of Material Breach.* Notwithstanding subdivisions (a) to (c), and as required by section 8(1) of Act 436, nothing in this agreement limits the ability of the Treasurer,

in his or her sole discretion, to declare a material breach of this agreement, including a declaration of a material breach for any of the following reasons:

- (1) repeated failure of the District to provide accurate and timely financial reports;
- (2) repeated failure of the District to meet a deadline or due date under this agreement;
- (3) delay by the District in addressing a projected deficiency in the District's cash flow;
- (4) action by an officer, employee, agent, or contractor of the District to impede or hinder implementation of this agreement;
- (5) repeated delays or other action by the District inconsistent with advice or guidance provided by the Treasurer or the Consultant or other action or inaction by the District inconsistent with the goals and objectives of this agreement.

(e) *Uncured Material Breach.* If a material breach is declared and not cured, one of the following will occur, as required by section 8(1) of Act 436:

- (1) the Governor may place the District in receivership as defined under section 2(q) of Act 436 ("receivership") and the District shall not contest the placement in receivership or the resulting appointment of an emergency manager under Act 436; or
- (2) the Governor may place the District in the neutral evaluation process as defined under section 2(o) of Act 436 ("neutral evaluation process"), and the District shall not contest the placement in the neutral evaluation process and will initiate the neutral evaluation process as required by and consistent with section 25 of Act 436.

19. **Treasury Designees.** The Treasurer may designate an individual within Treasury to perform the Treasurer's functions and responsibilities under this agreement. The Treasurer may designate an individual or agency, division, or other organizational unit within Treasury to receive reports or other notifications under this agreement and will notify the District of a designation under this section 19.

20. **Due Dates.** If a due date for a report or other document under this agreement falls on a Saturday, Sunday, or legal holiday, then the due date for the report or document will be the first day after the listed due date that is not a Saturday, Sunday, or legal holiday. If a report or other document is provided to Treasury by the Consultant, the report, or other document shall be deemed to have been received by Treasury from the District.

21. **Modification; Waiver.** No amendment of this agreement will be effective unless it is in writing and signed by the parties. The parties shall amend this agreement if necessary to comply with applicable law. The Treasurer may waive a provision of this agreement if the Treasurer determines that the District demonstrates good cause for the waiver, including a material breach of this agreement caused by a third party or solely by the Consultant. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation. To be valid, any document signed on behalf of the District under this section 21 must first be approved by the Board.

22. **Severability.** The parties intend as follows:

- (1) that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
- (2) that if an unenforceable provision is modified or disregarded in accordance with this section 22, then the rest of the agreement will remain in effect as written; and
- (3) that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

23. **Counterparts.** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.

24. **Governing Law.** The laws of the state of Michigan, without giving effect to its principles of conflicts of law, govern all adversarial proceedings arising out of this agreement.

25. **Entire agreement.** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties, except agreements relating to Debt of the District.

The parties are signing this agreement on the date stated in the introductory clause.

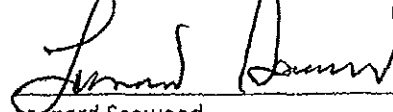
[signatures on following page]



R. Kevin Clinton
STATE TREASURER

BENTON HARBOR AREA SCHOOLS

By:



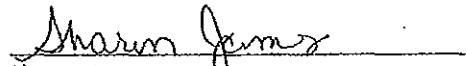
Leonard Seawood
Superintendent

CERTIFICATION

I, Sharon James, Secretary of the Board of Education of Benton Harbor Area Schools certify all of the following:

- (1) that this consent agreement was approved and the signing of the consent agreement by the Superintendent of Benton Harbor Area Schools was authorized on behalf of Benton Harbor Area Schools by the Board of Education of Benton Harbor Area Schools by a resolution adopted at a special meeting of the Board of Education held on September 23, 2014;
- (2) that the resolution remains in effect;
- (3) that the meeting was held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275; and
- (3) that the minutes of the meeting were kept and have been or will be made available as required by the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

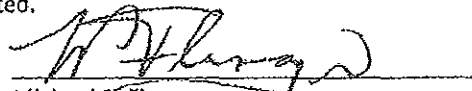
Date: September 23, 2014


Sharon James
Secretary

SIGNING BY STATE SUPERINTENDENT

As required by section 8(1) of the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1548(1), because this agreement contains an educational plan, this agreement is signed by the superintendent of public instruction on the date indicated.

Date: September 23, 2014


Michael P. Flanagan
Superintendent of Public Instruction

SCHEDULE 1
REMEDIAL MEASURES

Action #	Date (on or Before)	Remedial Measure
1	Effective Date of Agreement	The District shall not enter into new contracts without approval by the Treasurer.
2	October 10, 2014	The District shall submit a pupil count for the 2014-2015 to the Treasurer and the State Superintendent.
3	October 31, 2014	The District shall prepare an amended balanced budget for its 2014-2015 fiscal year, consistent with projected revenues and the pupil count reported in item 2. The District shall submit the propose amended budget to the Consultant, or if there is not a Consultant in place, to the Treasurer, for review and approval.
4	November 15, 2014	The District shall adopt and amended balanced budget for the 2014-2015 fiscal year as approved by the Consultant or Treasurer under item 3.
5	November 15, 2014	The District shall provide a report detailing contracts for professional services and individual employment contracts to the Consultant, if in place, and the Treasurer. The report shall detail the nature of the contract, scope of service, duration, and compensation.
6	November 15, 2014	The District shall submit its FY 2013-2014 financial audit to the Treasurer and State Superintendent.
7	December 31, 2014	Issue a request for proposals for custodial services currently provided by Sodexo.
8	December 31, 2014	Amend each collective bargaining agreement between the District and its employees to assure compliance with the applicable requirements of state law.
9	December 31, 2014	The District shall provide a report detailing all real property owned by the District to the Consultant, if in place, and the Treasurer. The report shall detail each parcel of real property, its current use, improvements on the property, and its estimated value.
10	January 31, 2015	The Superintendent and each Board member will attend training regarding financial best practices and school district management, conducted by an organization approved by the State Treasurer.
11	March 31, 2015	Issue a request for proposals for the provision of transportation services using a competitive bidding process.

SCHEDULE 2 EDUCATIONAL PLAN

This Educational Plan is intended to provide a framework to support efforts of teaching and learning in the Benton Harbor Area Schools as it otherwise implements a strict set of actions to ensure the fiscal viability of the District. The goal of this plan is to provide considerations and requirements of the District to ensure that the primary mission of the district to support the needs of the students in Benton Harbor while addressing the fiscal issues that led to the selection of this Consent Agreement as a mode of structuring the financial and operational activities within the District.

In accordance with Section 2 of the Consent Agreement between the Benton Harbor Area Schools ("District") and the State Treasurer ("Treasurer"), this Educational Plan is a required component of the Consent Agreement, and is approved by the Superintendent of Public Instruction as authorized by the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to 141.1575 ("the Act"). This Educational plan is effective September 25, 2014 as approved by the governing board and Superintendent of the District.

Components of the Educational plan requirements are based upon existing plans, tools, or practices that the District must engage in as legislated. In order to support the District's efforts to complete these requirements, the Michigan Department of Education will provide technical assistance as needed to support the District or its selected educational service provider in complying with this plan in order to support the approval of all plan components by the Superintendent of Public Instruction.

Agreement

The District, in accordance with the requirements identified in the Consent Agreement, shall complete the following actions in the timeline presented hereafter, to specifically address the educational mission and objectives of the district, and improve the aforementioned outcomes for the District and the students attending the District's schools.

Section 1. **Administrative Functions and Partnerships.** In order to provide necessary support to implement the requirements identified in this Educational plan, the District shall conduct needs and capacity assessments for educational support services including, but not limited to, curriculum, instruction, assessment, school improvement and reform support, professional development, educator evaluation, instructional technology support, and grant program management. This needs analysis can be completed internally, and can include findings from the ERS survey used by Priority school districts, data analysis conducted in coordination with district Intervention Specialists that are provided to Priority school districts, feedback from external monitoring and/or auditing processes for schools, and recent (last five years) third-party analyses conducted by educational service providers. The District shall utilize this information to determine internal capacities for support, and to ensure broader capacity to

support the activities of this Educational Plan. The District shall provide summaries of documentation used for this analyses to the Michigan Department of Education, and shall incorporate this information into a plan for provision of educational services and supports, as identified below. The District may submit the needs and capacity assessment and a draft plan for how these educational services will be provided to the Superintendent of Public Instruction, so that feedback and technical assistance may be provided prior to any negotiation with a potential provider of educational services as identified in the following section.

- 1.1 **Provision of Educational Services and Supports.** In order to address the aforementioned educational support services, the District shall devise a plan to provide these services, which may include additional district employees and/or a contract with an educational service provider ("Educational Service Provider") with appropriate capacity to support academic responsibilities, including responsibilities related to grant management, of the Educational plan. If an educational service provider is considered to be part of the District's plan, the District must first consider and attempt to reach an agreement or cooperative arrangement for the provision of services from a cooperative group of service provider organizations, which might include the Berrien RESA, other ISDs, neighboring or regional school districts, or other organizations that provide district or school specific services, that might, collectively, provide needed capacities for the District. If a particular service is already being provided by the Berrien RESA or another service provider that has already been established through agreement and/or competitive bid process, or is in process as of the signing of this agreement, such services should be noted in the District's educational services plan. The District shall develop a plan for the provision of educational services in a coordinated manner, which shall include the documentation of needs of the District, internal capacity (current or additional staff support, as well as capacity of the preferred Educational Service Provider), and a list of services, deliverables, and deadlines for the provision of educational support services as identified above. The District shall include capacities provided through regional or state sources (such as MI Excel services for Priority and Focus schools) as well as capacities that are planned for or anticipated as a result of externally funded grants and programs, including the School Improvement Grant program administered by the Michigan Department of Education ("MDE"). The District shall submit the plan for the provision of educational services, which may include a plan for the contract with the Educational Service Provider, for approval by the Superintendent of Public Instruction by November 3, 2014, which shall include a list of services required, the identified service provider for these services, whether internal to the district or to be provided by the external provider, and documentation justifying the capacity of the provider of these services for no less than three years. This documentation must be submitted with the plan, and approved by the District and Educational Service Provider(s).

Upon approval of the service plan by the Superintendent for Public Instruction, the District shall contract for those functions identified in the service plan with the Educational Service Provider(s) as identified by the service plan to oversee those functions as identified in the service plan for no less than three years prior to the start of the 2014-15 school year. Additionally, the District shall work with the Educational Service Provider(s) to contract for other administrative functions to address fiscal or operational inefficiencies or quality of service where appropriate. This contract(s) shall be in place by December 1, 2014, or within 14 days of the approval of the plan by the Superintendent of Public Instruction. Failure to meet this approval deadline may result in a material breach of the consent agreement at the discretion of the Superintendent of Public Instruction.

- 1.2 **Contingency Plans for Supports and Implementation of the Educational plan.** The District shall also work with the Educational Service Provider(s) as defined by the plan to develop contingency arrangements for all reasonable scenarios in the District that involve closure, transfer, or mergers of existing schools within the district. Such scenarios shall be developed and reviewed on a semi-annual basis, with the first such review completed by March 31, 2015. Contingency plans will be developed in collaboration with the Intermediate School District, and shall be communicated to the Educational Service Provider(s) prior to submission to the Superintendent of Public Instruction, and shall only be submitted with written approval of the District Superintendent, ISD Superintendent, and Consent Agreement Consultant.

- 1.3 **Format, Structure, and Approval Process.** The District shall develop plan for provision of educational support services based upon need and capacity assessment, and shall provide this to the Superintendent of Public Instruction no later than November 3, 2014, for review and approval. This plan shall include documentation of needs for the district; capacities for services that will be conducted internally by the District, as well as of a preferred Educational Service Provider(s) selected by the District for contracted services; and timelines, deliverables, and services to be performed. If the Educational Service Provider is not a single organization or entity, the District shall include information documenting how multiple entities will collaborate and coordinate the provision of these services, and on why these services are not being provided by a single organization or entity. It is the preference of the Superintendent of Public Instruction that services identified for provision by a contracted provider are bundled where possible to ensure the efforts are focused and cohesive in nature.

The Superintendent of Public Instruction shall approve or disapprove the plan within 7 days of receipt from the District. If disapproved, the District may revise and submit a new plan and documentation within 7 days of the disapproval notice for re-evaluation of the plan. If the services plan is disapproved a second

time, this shall be considered a material breach of the Consent Agreement, in accordance with Section 9 below.

If the services plan is approved by the Superintendent of Public Instruction, the District may then contract with an Educational Services Provider. The contract must be reviewed by the Superintendent of the District, and the Consent Agreement Consultant, if in place by this time, and be consistent with the Financial Operating Plan, as identified in the Consent Agreement, approved by the Treasurer. A copy of the contract must be submitted to the Michigan Department of Education as an assurance with the District Improvement Plan.

Section 2. **Revision of District Improvement Plan (DIP).** The District shall develop its written educational plan using the District Improvement Plan (DIP) structure and submission process. The District shall revise its current DIP, which shall then become the working “educational plan” per this consent agreement, and the basis for subsequent revisions of reform plans, school improvement plans, or other required activities stated in this agreement. The revised DIP must address the following requirements.

2.1 Cross-Cutting Big Ideas. The District has engaged in multiple building- and District-wide reviews of data over the last three school years as a part of the requirement to develop reform plans for those schools identified as Priority schools who are currently implementing these plans under the purview of the School Reform Office. The District shall review these data to identify 2-3 cross-cutting ideas designed to yield academic improvement for all students. These ideas shall become the basis for the revised DIP. These cross-cutting ideas should be based upon a wide range of data, and should incorporate strategies to improve proficiency in all core subject areas, engage more students, reduce achievement gaps, improve basic literacy and numeracy skills, improve graduation rates, and provide more personalized learning options for all students.

The District shall engage support personnel from the MI Excel Technical Assistance program, or regional assistance grant programs, that were identified to provide support to these Priority schools, and who collaborated with the District in this data initiative, in the DIP revision process. Due to the anticipated role in supporting the implementation of the plan, the District shall be required to allow the Educational Service Provider(s) to review the plan prior to its submission to the Michigan Department of Education, and provide written acknowledgement of the review, along with any comments regarding their role in the planned activities. Failure to receive written acknowledgement of the review by the Educational Service Provider(s) shall allow for the District to provide documentation of requests for such acknowledgement, and an inquiry process from the Michigan Department of Education. Failure to achieve such

documentation from all parties may constitute a material breach per Section 9 below.

- 2.2 Goals and Content Subject Areas.** The District shall revise the DIP to develop specific strategies for each of the core subject areas (Language Arts, Mathematics, Science, and Social Studies) to align student expectations with Michigan's Career and College Ready Standards. The District shall also address elective content offerings and instructional strategies to align with existing standards, as well as the Michigan Merit Curriculum. Cross-cutting practices, such as reading, writing, and numeracy skills across content areas shall also be addressed within the revised DIP.
- 2.3 Grade Level Bands and Special Populations.** The District shall develop a specific strategy for each of the following grade bands and/or special populations, and shall use existing achievement and other data from current students in each school (both formative and summative assessment data aligned to the content standards as outlined in the previous section) to inform decisions to support instructional and learning programming for these populations:
- Pre-school through early elementary,
 - Upper elementary,
 - Middle school,
 - High school,
 - English Language Learners (across all grade spans),
 - Students with Disabilities (across all grade spans), and
 - Career and Technical Education or Alternative Education students.
- Each of the cross-cutting ideas should have a strategy to address each of these groups within the revised DIP.
- 2.4 Alignment of Programs.** The District shall review progress on the implementation of the revised DIP using student achievement data and other locally identified data, in coordination with the Educational Service Provider(s), if any, and shall identify programs and strategies that are not aligned with DIP goals, not being implemented with fidelity, or those that may be at cross-purposes with other adopted programs and strategies. Programs and services so identified shall be revised to ensure alignment with DIP goals or be eliminated. Alignment information shall be called out within the language of the revised DIP.
- 2.5 Outcomes and Considerations for Monitoring Progress.** The District shall identify a series of short-term tangible outcomes on a quarterly basis over the course of the 2014-15 school year that support progress on the identified "Big Ideas" of the DIP. The outcomes shall be identified by the District based on outcomes for which the District can provide data and determine whether the District is meeting the outcome through its own calculation. These outcomes

shall focus on both implementation progress and student performance in each goal and grade band / population and content area identified in the revised DIP, and these shall be used to document progress for the broader educational plan. The outcomes shall be reported on a quarterly basis to the Michigan Department of Education, and may be monitored by MDE through parallel monitoring efforts, including the monitoring of progress on reform plan implementation, monitoring of federally funded programs, and monitoring of education efforts for special needs populations. The District may contract with the Educational Services Provider(s) to support this function. Failure to meet the targeted benchmarks based on these outcomes may be considered a material breach of the Educational plan, at the discretion of the Superintendent of Public Instruction, and therefore, of the Consent Agreement.

- 2.6 Strategies for Climate and Culture Improvements and Student Engagement.** The District shall revise the DIP to include specific strategies for improving the climate and learning culture of all schools in the District. Each component of the revised DIP shall have a strategy to improve student engagement in instruction (as well as the assumed focus on student achievement in these areas). Similarly, as the District proceeds with implementation of this broad educational plan, individual School Improvement and/or Reform Plans for each of the District schools shall include a focused program to improve climate and academic culture, including, but not limited to, school safety and security, student and staff attendance, student behavior, parent engagement, and truancy and tardiness. Each of these considerations shall identify specific outcomes for quarterly benchmarks to monitor progress.

It is recommended that the District contract with the Educational Service Provider(s) to support the planning and implementation of these strategies, and to develop clear outcomes-based benchmarks for progress that will be monitored at the discretion of the Superintendent of Public Instruction. Failure to accomplish these benchmarks may result in a material breach of the Educational plan.

- 2.7 Professional Learning Communities.** Professional learning opportunities for the educators of the District are a critical component for effective implementation of the academic strategies identified by the District in both the DIP and individual school plans. To ensure effective implementation of the plan, the District shall incorporate the use of professional learning communities, or other collaborative, job-embedded, research-based professional learning practices, as the primary means of professional development to ensure effective implementation of both the revised DIP and individual School Improvement or Reform/Redesign Plans. The District will develop a plan with the Educational Service Provider(s), if any, or any other consultants to implement this approach to provide short-term feedback and strategy development for instructional efforts identified in the DIP

and school improvement plans. The District's plan for professional learning shall identify and review monthly student outcomes of practice, which will be used in the quarterly monitoring for implementation of the DIP strategies and activities. Failure to implement some form of standards-based professional learning as a process of effective plan implementation shall be considered a material breach of the Educational plan.

- 2.8 Assessment of Student Learning.** The District shall develop a plan for formative and summative assessment of student learning for each grade-band, student population, and content area identified above in Sections 2.2 and 2.3. The District shall identify an assessment strategy that is consistent from year to year, and is used to inform instructional decisions in accordance with the Big Ideas and Goals of the revised DIP. The assessment plan must be approved by the Superintendent of Public Instruction in order to approve the revised DIP. The District may contract with the Educational Services Provider to assist with selection of assessments, implementation of the plan, and review of data to inform instructional decisions based upon these assessments.
- 2.9 Alignment of Curriculum and Instruction.** The District shall develop a comprehensive curriculum that incorporates content standards and an instructional learning sequence as approved by the Michigan State Board of Education. The curriculum should include a common instructional sequence for core topic areas across all grade levels, and should address learning progressions in core topics to ensure that student understanding is developed progressively through the K-12 experience. The District shall align professional learning community activities to the implementation of the aligned curriculum. The District should utilize tools provided by the state of Michigan, Berrien RESA, or other providers to evaluate the implementation of the aligned curriculum, including the Surveys of Enacted Curriculum. Curriculum development and alignment benchmarks, as per section 2.5, shall be included in the quarterly benchmarks through at least the 2015 calendar year.
- 2.10 Format, Structure, and Approval Process.** The District shall revise the DIP within the ASSIST platform on the Advanc-Ed website, using the existing DIP structure and format. Additional plan details shall be uploaded as an assurance, along with the detailed timeline and benchmarking outcomes to evaluate progress in implementation. The following deliverables shall be provided through the ASSIST platform:
- 2.10.1 Revised District Improvement Plan.** The revised DIP shall be submitted on or prior to December 15, 2014. Subsequent annual submissions of the DIP shall be submitted on the assigned date for statewide submission each year. The DIP shall include goals for each content area (from section 2.2 above), strategies and activities for each of the grade bands / special populations (section 2.3), goals and strategies for improvement of

- climate and school culture (2.6), a plan for implementation of professional learning communities or other standards-based, job-embedded professional learning activities (2.7), and activities for curriculum and instructional alignment and implementation (2.9).
- 2.10.2 **Cross-cutting Big Ideas.** These ideas shall be submitted as an assurance within the ASSIST Platform at the time of submission of the revised DIP, by December 15, 2014 at the latest for the 2014-15 school year. A revised set of Big Ideas shall be submitted with each DIP on an annual basis.
- 2.10.3 **Strategy Alignment Actions.** The District shall submit a list of those programs being reviewed for alignment per section 2.4 above as an assurance on December 15, 2014. A similar review shall be conducted annually by each school, and shall be identified in School Improvement Plans starting in 2015.
- 2.10.4 **Baseline data for each grade band / population group for each subject.** The District shall provide a summary of baseline data results that will be used to identify potential issues to be addressed by strategies and activities of the DIP per sections 2.2 and 2.3 above. Where possible, the District shall include data based upon the assessments identified in Section 2.8 above for the current and/or previous years. A summary of such data shall be submitted as an assurance on December 15, 2014. Subsequent submissions shall be addressed for individual schools within the School Improvement Plan starting in 2015.
- 2.10.5 **Benchmarks for Implementation and Student Outcomes.** The District shall provide a schedule of progress benchmarks (quarterly) based upon both observable data and/or student learning outcomes for the 2014-15 school year as an assurance for the revised DIP through the ASSIST platform on or by December 15, 2014. The District shall also provide a comprehensive plan for student assessment based upon Section 2.8 above. Subsequent benchmarks shall be included in each annual submission of the DIP. Data collected during the monitoring process shall be provided on a quarterly basis, along with any revised benchmarks developed through formative assessment of progress by the District and/or the Educational Service Provider(s).
- 2.10.6 **Review and Approval.** The aforementioned documents and components of the revised DIP are subject to the approval of the Superintendent of Public Instruction. Following receipt of the revised DIP by December 15, 2014, the Michigan Department of Education (MDE), on behalf of the Superintendent of Public Instruction, shall evaluate the DIP and all components within 10 business days, and make a recommendation to the Superintendent of Public Instruction. The Superintendent of Public Instruction shall approve or disapprove the revised DIP and components at his sole discretion. If approved, the District shall proceed in implementing the revised DIP according to plan. If disapproved, the District shall be given feedback by MDE within that same 10-day period.

The District will then have 30 business days to revise the DIP for re-submission and evaluation. If this revised DIP is again disapproved, this shall result in a material breach of the Consent Agreement, per Section 9 of this Plan.

Section 3. **Revision of School Improvement Plans and Building Reform/Redesign Plans.** Upon approval of the revised DIP for the District, all individual schools within the District shall revise their School Improvement Plans (SIPs) to meet the unique needs of the student populations within each school. However, these schools should modify plans to ensure alignment between building level improvement plans and the revised District Improvement Plan strategies and activities. The District shall revise building level plans to address the following requirements:

3.1 **Revision and Benchmarking of Implementation of Priority School Plans.** Due to limited success of the implementation of the reform/redesign plans for Priority Schools, the District shall develop a set of implementation plans and benchmarks to ensure that these Priority schools can engage in a successful turnaround effort. This applies to:

- Benton Harbor High School – first identified as Persistently Low Achieving (PLA) in 2010, resulting in a reform plan, which was revised in 2013. The school was awarded a School Improvement Grant (SIG) in 2014.
- STEAM Academy at MLK – first identified as Priority in 2012, resulting in a reform plan, and repeated Priority status in 2013 and 2014.
- International Academy at Hull – first identified as Priority in 2013, resulting in a reform plan, and repeated Priority status in 2014. The school was awarded a School Improvement Grant (SIG) in 2014.
- Montessori Academy at Henry C Morton - first identified as Priority in 2013, resulting in a reform plan, and repeated Priority status in 2014. The school was awarded a School Improvement Grant (SIG) in 2014.

The SIG program will be strictly monitored by the state for implementation issues and drawdown and appropriate use considerations, with the potential risk of freezing funds or losing the grant in the event that implementation benchmarks are not implemented. The District shall identify these implementation considerations and include these in documentation to MDE regarding plan implementation. In addition to close oversight of the SIG effort in this school, the District shall develop contingency plans for any Priority schools that incorporate the following:

- Reform plan revisions based upon monitoring recommendations from the School Reform Office of the Michigan Department of Education.
- Possible scenarios that include the transfer of any school to the statewide reform district as a result of poor implementation or unsuccessful outcomes of the reform plan, or required implementation of other models or

considerations for the high school (such as implementation of a Restart model, or other changes). Such scenarios should address implications for students in the school, and impact on the District as a whole.

- Possible scenarios related to transition of school buildings due to grade level changes in BHAS schools for financial or programmatic reasons, possible changes in local districts or public school academies that would result in a gain or loss of students in BHAS, or other considerations that could cause dramatic changes in the number of students in a given school in the District.

The District may work with the Educational Service Provider(s) and the Consent Agreement Consultant to develop scenarios and plans for the Priority Schools. The revised plan and contingency plans shall be provided within 30 days of request by the School Reform Officer and/or Superintendent for Public Instruction, based upon the authority to oversee the reform plan implementation for the Priority Schools, no earlier than December 15, 2014.

- 3.2 Priority School Reform/Redesign Plans and School Improvement Grant Efforts.** Schools within the District identified as Priority Schools require a reform/redesign plan monitored by the School Reform Office of the MDE, as per MCL 380.1280c. The plans for these Priority Schools shall align with and include all components of the DIP addressed previously. These plans will be reviewed and approved by the School Reform Office.

Two of these schools (International Academy at Hull and Montessori Academy at Henry C Morton) were awarded SIG grants in August 2014. As per arrangements identified earlier in Section 3.1, these schools must develop implementation benchmarks that will be monitored and reviewed on a quarterly basis by MDE to ensure proper implementation of grant activities and associated program changes identified within the reform plans. Failure to meet these benchmarks may result in freezing of funds for these grants, or the loss of the grants to support implementation of the reform plan. Assuming some of these benchmarks will tie in with quarterly indicators of the revised DIP, failure to meet benchmarks could result in a material breach of this agreement.

- 3.3 Alignment of Models for All Schools within the District.** Remaining schools within the District that have not been identified for reform/redesign plans shall modify current and future school improvement plans to align activities and strategies with those identified in the reform/redesign plans of Priority schools in the District. Non-priority schools are not required to identify and implement a full reform/redesign plan based upon the Transformation model currently used by Priority schools within the District, but these schools should identify strategies within their annual School Improvement Plan that are aligned with those identified in reform/redesign plans, including, but not limited to:
- Development of Leadership Capacities and Competencies

- Administrator and Educator Evaluation
- Professional Development Based on Data
- Identification of Instructional Programs Based on Data, and Alignment of Curricula
- Differentiated Instruction for Students Based on Classroom Data for Individual Students
- Extended Learning Time for Students, or Development of Efficiencies in Scheduling and Instruction to Improve Quality Learning Time
- Parent and Community Engagement
- Operational Flexibility at the Building Level to Support Improvement

3.4 Format, Structure, and Approval. The District shall revise the Reform/Redesign Plans per feedback from the School Reform Office and/or School Improvement Plans for all individual District schools within the ASSIST platform on the Advanced website, using the existing structure and format of the appropriate plan for each school, as follows:

- 3.4.1 Revised reform/redesign plans shall be submitted by February 27, 2015.
- 3.4.2 The aforementioned documents and components of the revised SIPs and reform plans are subject to the approval of the Superintendent of Public Instruction. Following receipt of the revised SIPs or Reform/Redesign Plans by the required dates, the Michigan Department of Education (MDE), on behalf of the Superintendent of Public Instruction, shall evaluate plans within a period of 30 days, and make a recommendation to the Superintendent of Public Instruction. The Superintendent of Public Instruction shall approve or disapprove the revised plans at his sole discretion. If approved, the District shall proceed in implementing the revised SIPs and/or reform/redesign plans. If disapproved, the District shall be given feedback by MDE within that same 30-day period. The District will then have 30 days to revise the SIP and/or Reform/Redesign Plans for re-submission and evaluation. If the revised SIPs and/or Reform/Redesign Plans are again disapproved, this shall result in a material breach of the Consent Agreement, per Section 9 of this Plan.

Section 4. Staff Support and Screening for Removal and Replacement. In order to ensure quality instruction and service to students while addressing the District's financial distress, the District shall implement the following set of strategies with respect to staffing for the District as a whole by the end of the 2014-15 school year:

- The District shall use a collaborative process of evaluating educators and administrators that utilizes student growth as a significant factor, and identifies strategies to support ongoing practice.

- The District shall identify a set of competencies that will be used to screen all existing staff throughout the District, and shall use these competencies in an objective manner to remove ineffective staff, and to remove the least effective staff in the event of a District-wide layoff or staff reduction. These competencies should be focused on high-leverage instructional practices that result in significant student growth, and are aligned to the rapid-turnaround considerations of the reform/redesign models of their Priority schools.
- The District shall identify strategies, including non-financial incentives, to reward educators who are able to demonstrate increased student achievement and implement strategies for promotion and career growth.
- The District shall identify strategies to recruit and retain high quality staff to meet the needs of the students of the District. These shall include strategies for development of instructional leaders within each school, and should be based upon demonstrated student growth indicators.
- The District shall remove educators, administrators, and staff who are evaluated per state requirements or local contract, who have been given multiple opportunities to improve but have not effectively increased student outcomes or school operations per requirements of MCL 380.1249. The District shall utilize consideration of rapid turnaround competencies for those schools that are identified as Priority schools, and shall seek to remove administrators in these schools who do not have such competencies.

The District may contract with the Educational Service Provider(s) to provide guidance to address these strategies, or to specifically assist in the development and application of screening criteria for all staff in order to accommodate fiscal decisions in accordance with the Consent Agreement.

By the start of the 2015-16 school year, the District shall be required to screen and replace staff based upon the identified set of competencies for all teachers. The screening may use educator evaluations, student data, observations, and other relevant data to support this process. Those staff that do not meet the screening criteria should be removed from the District. While this screening is based upon the federal "Turnaround Model" for school reform, individual schools or the District as a whole are not required to replace 50% or more of building staff through this process. If a similar screening was conducted for a specific school on or after January 1, 2013, then results of that screening shall qualify for this requirement.

During this process, the District shall adjust staffing to ensure that the student / teacher ratio does not expand to unreasonable proportions as a result of fiscal or staff replacement/removal decisions. The District may work with the Consent Agreement Consultant and/or Educational Service Provider to identify strategies for staffing and contract revision based upon financial models for the District to an average of no greater than 30 to 1 student/teacher ratio throughout the

District in grade K-12 and within each individual school during the implementation of the five-year plan for District improvement. Early-childhood programs (Pre-K), programs for students with disabilities, and all other programs or grade bands or age-level groups that are identified in law, regulations, federal or state guidance, or grant criteria must meet staffing requirements and student/teacher ratios identified in administrative rule, legislation and/or policy.

Section 5. **Timeline and Implementation of Plans.** The District shall implement the DIP and school reform/redesign or improvement plans in a manner that identifies quarterly benchmarks based upon measurable outcomes in both program implementation and student performance. Such benchmarks must be established by the District, so that the District can monitor and report progress on a quarterly basis at the discretion of the Superintendent of Public Instruction. The District shall develop and implement plans based upon the following:

5.1 **Revision of Plans.** The District shall revise the District Improvement Plan and submit the plan to the Superintendent of Public Instruction by December 15, 2014. MDE, on behalf of the Superintendent of Public Instruction, shall review and provide feedback to the Superintendent of Public Instruction within 10 business days, based upon the guidelines identified in this document and Consent Agreement. The District shall develop the revised plan to adhere to general guidance and requirements provided for the District Improvement Plan process as identified by the Michigan Department of Education, and posted on the Advanc-Ed site for Michigan. The Superintendent of Public Instruction, at his sole discretion, will approve or disapprove the revised DIP within 10 business days. If approved, the District shall proceed with the implementation of the plan in accordance with the timeline provided in the plan, as outlined in Section 5.3 below. If not approved, a revision process as outlined in Section 2.10.6 may be used to revise and resubmit the DIP. Failure to submit a DIP by December 15, failure to submit a revised DIP within 14 days of disapproval, or failure to submit an approvable revised DIP at that time constitutes a material breach of plan as outlined in Section 9 below, and shall be addressed in accordance with Section 18 of the Consent Agreement.

If the District Improvement Plan is approved, the District shall submit revised School Improvement Plans by March 2, 2015. Any reform plan requirements or modifications or school improvement plan submissions shall then be incorporated in the regular annual cycle of District and School Improvement Plans, submitted by the deadline dates identified by the Michigan Department of Education.

The District Improvement Plan for the 2015-16 school year shall identify specific goals, strategies, and activities for that school year, AND shall also provide information about the long-term plan for the District to achieve both the fiscal

stability and academic goals over a period of no less than five years. This plan shall be revised and shall incorporate annual progress benchmarks based on data as identified in Section 5.2 below. Each annual submission of the DIP shall be developed or revised to address a period of planning of no less than five years, and shall align with the fiscal plans required of this consent agreement.

- 5.2 Benchmarks for Progress Monitoring.** Both the revised District Improvement Plan (DIP) and the aligned School Improvement Plans for non-Priority schools shall identify a set of quarterly benchmarks for progress for each strategy or activity identified in the plan. These benchmarks must identify a quantifiable or documentable outcome for the specific activity based on either implementation metrics (for strategies and activities that are not specifically linked to student's academic progress) or student performance metrics and leading indicators as identified by the School Reform Office for schools implementing one of the four models provided by the U.S. Department of Education. Benchmarks for progress should be based upon actual data for these indicators, which should also be monitored by the District on a quarterly basis. This data shall be provided on a quarterly basis at the request of the Superintendent for Public Instruction.
- 5.3 Implementation of Plans.** The District shall implement all strategies and activities based upon the timelines identified in the revised District Improvement Plan and School Improvement Plans of individual schools. The District may work with an Educational Service Provider per a contracted agreement per Section 1 above to support the implementation of the plan through targeted technical assistance and provision of appropriate professional learning for educators utilizing the professional learning communities or other collaborative, job-embedded, research-based professional learning practices where appropriate. Failure to meet contract obligations to the Educational Service Provider shall be considered a material breach of this agreement, per Section 9 below. In addition, the following strategies and components shall be employed in the implementation schedule:
- 5.3.1 Professional Learning Communities or other standards-based, job-embedded professional learning activities shall be established at the school level to address strategy specific and content specific learning needs for students starting no later than January 2015. These communities or other standards-based, job-embedded professional learning activities shall meet no less than two hours per month using protocols aligned to Michigan's Standards for Professional Learning.
 - 5.3.2 Strategies designed to directly support student achievement shall be implemented based upon the Instructional Learning Cycle promoted by the MI-Excel program. Teachers shall identify monthly outcomes to determine growth, and shall gather student performance data to review progress and modify instruction as needed to support learning outcomes. Data should be gathered monthly, and made available to the MDE for

progress monitoring on a quarterly basis at the request of the Superintendent for Public Instruction.

- 5.3.3 The District shall undertake an implementation review process on a quarterly basis to determine if strategies or activities need to be modified due to a lack of progress in student achievement or identified outcomes. If such benchmarks are not achieved, modifications of strategies are expected, and shall be communicated to the Michigan Department of Education. A lack of modifications of strategies if benchmarks are not achieved, or lack of communication of such modifications may be considered a material breach as per Section 9 of this document, and may implement the processes identified in Section 18 of the Consent Agreement, at the discretion of the Superintendent for Public Instruction.
- 5.3.4 The District shall use the MDE program evaluation tool on an annual basis to make improvements in the plan design and implementation based on student achievement and subgroup achievement gap closure.

Section 6. Funding Considerations of the Plan. Due to the nature of this Educational plan, all required activities of the District identified in this plan shall comply with fiscal considerations of the Financial and Operating Plan, as identified in the Consent Agreement, under the authority of the Treasurer. In addition, if the District is utilizing an educational service provider, the District shall seek opportunities to collaborate with the provider of these services in the development of any grant proposals and the development of the consolidated application for federal funding. All such proposals will be subject to approval by the Consent Agreement Consultant, based upon review and recommendations by the Consultant before they can be submitted for consideration by the funding organization. This is to ensure that such grants are considered in fiscal decisions by the District in accordance with the Consent Agreement.

Section 7. Sustainability of Plans. In addition to the regular program evaluation process and implementation review identified in Section 5 above, the District shall develop and implement plans in a manner that can be sustained over time. The District shall develop fiscal and organizational models based upon student enrollment data, staffing data, and data from the ERS resource survey to ensure that measures proposed or implemented in the DIP and SIPs can be sustained over a period of no less than five years, or build toward such sustainability as intermediate measures. The District shall review such plans on a quarterly basis with the Consent Agreement Consultant and their consortium of Educational Service Providers, as well as their local school board, to ensure the academic and financial sustainability of such plans.

Section 8. Monitoring of Implementation and Sustainability. In order to ensure appropriate implementation and sustainability of the Educational plan, the District shall provide implementation information and data on benchmarks at

the request of the Superintendent for Public Instruction. This information shall be provided on a quarterly schedule, with the first quarterly benchmark at the end of February 2015, and subsequent benchmarks in May, August, and November, in order to better align with the current school year schedule. The Superintendent for Public Instruction may authorize the MDE to monitor progress, review documentation, communicate with District personnel who are responsible for program implementation, conduct site-visits to schools and District offices, and communicate with stakeholders of the educational plan for the District. The MDE may meet on at least a quarterly basis with the District to review this information, as well as with the Consent Agreement Consultant and select District staff and educational service providers to provide independent feedback on the implementation of the Educational plan, and on considerations for ongoing review of progress.

Section 9. Compliance, Material Breach, and Waivers of the Educational plan. The District, through its Board and officers, is bound by and shall comply with the requirements of the Educational Plan. Failure of the District to comply with this plan, in the judgment of the Treasurer, or, on his behalf, the Superintendent of Public Instruction, shall constitute a breach of the Consent Agreement as a whole, and shall be subject to the measures identified in Section 18 of the Consent Agreement. All considerations regarding such a breach and the required outcomes shall follow the steps identified in Section 18, with the Superintendent of Public Instruction having authority of the monitoring and review of the Educational plan component of the Consent Agreement.

The Superintendent of Public Instruction may waive a provision of this Educational plan if, in the Superintendent of Public Instruction's sole discretion, the District demonstrates good cause for the waiver. No waiver or satisfaction of a condition of nonperformance of an obligation under this plan will be effective unless it is in writing and signed by the Superintendent of Public Instruction, and no such waiver will constitute a waiver of satisfaction of any other condition or nonperformance of any other obligation. The lack of a specific action by the Superintendent of Public Instruction shall not be construed as a waiver of a provision of this Educational plan.

Schedule of Actions for the Educational plan

Action #	Date (on or Before)	Action
1	9/24/14	Benton Harbor Area Schools (BHAS) presents consent agreement and educational plan to BHAS Board of Education
2	9/25/14	BHAS signs the consent agreement
3	9/25 – 12/15	Michigan Department of Education (MDE) responds as appropriate to requests for guidance or technical assistance on the educational plan.
4	11/3/14	BHAS submits a plan for educational support services to the Superintendent of Public Instruction for review and approval, including the needs assessment documentation used to guide the service plan. This may include plans associated with educational support services currently provided by the Berrien RESA or through the SIG grant plan.
5	11/10/14	Superintendent of Public Instruction provides approval or disapproval with feedback to BHAS on educational services plan
6	12/1/14	BHAS submits contract as necessary per Section 1 for Educational Service Provider, if any, to support implementation of the following instructional administrative functions starting on this date: School Improvement, Curriculum, Instruction, Assessment, Grants Management, Educator Evaluation, and Professional Development to Superintendent of Public Instruction
7	12/15/14	BHAS submits revised District Improvement Plan through ASSIST Platform (Advanc-Ed web site)
8	12/31/14	Superintendent of Public Instruction approves or disapproves the District Improvement Plan based upon the adherence with the requirements identified in Schedule B of the consent agreement. Disapproved plans allow for 10 business days for feedback to be provided to BHAS, and an additional 14 days for submission of a revised DIP for approval.
9	2/28/15	Professional Learning Communities or other job-embedded professional learning activities shall be implemented to support all instructional staff within BHAS. Documentation included with Benchmark Report
10	2/28/15	Winter Benchmark Date for achieving proposed outcomes in the DIP.
11	3/2/15	Revised School Improvement Plans for all schools submitted per requirements identified in Consent Agreement
12	3/16/15	MDE, on behalf of SPI, will follow up prior to Mar. 16, 2015 for monitoring of educational plan implementation for 2 nd benchmark of 2014-15
13	5/29/15	Spring Benchmark Date for achieving proposed outcomes in the DIP.
14	6/12/15	MDE, on behalf of SPI, will follow up prior to June 12 for monitoring of educational plan implementation for 2 nd benchmark of 2014-15
15	6/30/15	Revised District Improvement Plan, which should include plans for 2015-16 school year, and broader long-term goals and plans for BHAS through 2019
16	8/28/15	Summer Benchmark Date for achieving proposed outcomes in the DIP – largely based on year-end data and upcoming DIP plans
17	9/11/15	MDE, on behalf of SPI, will follow up during week of Sept. 7-11, 2015 for monitoring of educational plan implementation for last benchmark of 2014-15
18	9/1/15	BHAS submit School Improvement Plans for all schools in alignment with

		revised DIP
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SCHEDULE 3
STATE ASSISTANCE

1	Treasury shall make Treasury staff available to the District to discuss and advise on monthly cash flow reporting and matters relating to debt or public finance alternatives, or both, that may be available to the District, and other related matters.
2	Treasury shall use Reasonable Efforts to provide support for the issuance of debt by the District, including, tax anticipation notes and emergency loans. However, this agreement does not require Treasury or the Michigan Finance Authority (the "MFA") to issue any debt. This agreement is not constitute or be deemed a waiver or modification of any provision of any existing agreement between the District and the State or the MFA. For purposes of this paragraph, "Reasonable Efforts" means with respect to a given goal, the efforts, consistent with Treasury's past practice, that a reasonable person in the position of Treasury would use so as to achieve that goal as expeditiously as possible.
3	Treasury shall provide the District with financial compensation for the cost of any additional staff appointed or professional assistance (including assistance grants management for the District) secured by the Consultant with the approval of the Treasurer under sections 3 or 8 for a period not to exceed 24 months in an amount not to exceed \$500,000.00. While the District is responsible for initially paying these costs, Treasury shall reimburse the District for these expenses within 45 days of submission of an invoice for reimbursement by the District. Financial compensation under this paragraph is subject to the availability of funds appropriated by the Michigan Legislature.
4	MDE staff will be made available to discuss and advise on items related to the Five-Year Plan, the Educational Plan, compliance with The Revised School Code, 1976 PA 451, MCL 380.1 to 380.1853, and The State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, and other related matters.
5	MDE shall assist the District with implementation of the Educational Plan, including assistance with requests for waivers or pilot projects relating to the use of federal funds.

SCHEDULE 4
FINANCIAL STATUS REPORT FORM

SCHEDULE 4
CASH FLOW PROJECTIONS

BENTON HARBOR AREA SCHOOLS

JULY 2014- JUNE 2015 Cash Flow

ACTUAL AS OF 31 JULY 2014

	31-Jul-14			31-Aug-14		30-Sep-14		31-Oct-14		30-Nov-14		31-Dec-14	
	10 Jun 2014 Projection	10 Jul 2014 Projection	31 Jul 2014 ACTUAL	10 Jul 2014 Projection	10 Aug 2014 Projection	10 Jul 2014 Projection	10 Aug 2014 Projection	10 Jul 2014 Projection	10 Aug 2014 Projection	10 Jul 2014 Projection	10 Aug 2014 Projection	10 Jul 2014 Projection	10 Aug 2014 Projection
BEG BAL	594,482	931,285	931,285	2,056,862	2,411,703	2,737,262	2,447,103	1,202,262	912,103	2,793,841	2,503,682	2,674,841	2,384,682
STATE AID	1,406,000	1,406,000	1,417,899	1,406,000	1,420,000			1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000
STATE AID-MPERS STABILIZION													
NET TAX COLLECTIONS	20,000	20,000	1,775	20,000	20,000	620,000	620,000	4,725,000	4,725,000	20,000	20,000	20,000	20,000
FED TITLE 1	300,000	300,000		300,000	600,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
OTHER FEDERAL GRANT	150,000	125,000		125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
NOTES - SAN				8,849,000	8,507,000								
MISC. DEPOSITS	20,000		44,350	20,000	20,000	20,000	20,000	200,000	200,000	50,000	50,000	100,000	100,000
NOTES - TAN	2,700,000	3,022,000	3,022,000										
SOM FACS-FOOD SVC REIMB			227,335										
CONSORTIUM			6,223										
BRESA			102,750	100,000	100,000	130,000	130,000			150,000	150,000	100,000	100,000
OTHER LOCAL GRANTS/RECEIPTS													
TRANSFERS IN-to be transferred out													
EMERGENCY LOAN REQUEST													
TOTAL RECEIPTS-MONTHLY	4,596,000	4,873,000	4,822,332	10,820,000	10,792,000	1,195,000	1,195,000	6,756,000	6,756,000	2,051,000	2,051,000	2,051,000	2,051,000
AVAILABLE CASH	5,190,482	5,804,285	5,753,617	12,876,862	13,203,703	3,932,262	3,642,103	7,958,262	7,668,103	4,844,841	4,554,682	4,725,841	4,435,682
DISBURSEMENTS													
PAYROLL-GROSS w/Fica-Medicare-Retiremt	640,000	640,000	567,018	550,000	596,000	610,000	610,000	530,000	530,000	530,000	530,000	530,000	530,000
PAYROLL-GROSS w/Fica-Medicare-Retiremt	590,000	590,000	586,923	550,000	550,000	610,000	610,000	530,000	530,000	530,000	530,000	530,000	530,000
PAYROLL-GROSS w/Fica-Medicare-Retiremt	590,000	590,000			550,000								
ADDITIONAL MPERS	60,000	60,000	40,077	40,000	61,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
MESSA	220,000	440,000	452,101	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
NOTE PYMTS - EMERGENCY LOAN								963,421	963,421				
NOTE REPAYMENTS -TAN				375,000	375,000	375,000	375,000	2,031,000	2,031,000				
TRANSF SET ASIDE ACCOUNT													
NOTE REPAYMENTS - SAN	552,423	552,423	536,333	7,529,600	7,529,600								
2002B & 2007A Debt Service w Interest													
INVOICE ACCOUNT	675,000	875,000	981,669	875,000	875,000	875,000	875,000	850,000	850,000	850,000	850,000	850,000	850,000
Trans to other misc cash accts			3,120										
To Food Service Account			174,673										
Miscellaneous													
TOTAL EXPENSES-MONTHLY	3,327,423	3,747,423	3,341,914	10,139,600	10,756,600	2,730,000	2,730,000	5,164,421	5,164,421	2,170,000	2,170,000	2,170,000	2,170,000
ENDING BALANCE	1,863,059	2,056,862	2,411,703	2,737,262	2,447,103	1,202,262	912,103	2,793,841	2,503,682	2,674,841	2,384,682	2,555,841	2,265,682
OUTSTANDING PAYABLES													
TOTAL			3,754,193										
OVER 30 DAYS			3,585,042										

BENTON HARBOR AREA SCHOOLS
JULY 2014- JUNE 2015 Cash Flow
ACTUAL AS OF 31 JULY 2014

	31-Jan-15		28-Feb-15		31-Mar-15		30-Apr-15		31-May-15		30-Jun-15		TOTAL YR
	10 Jul 2014	10 Aug 2014	10 Jul 2014	10 Aug 2014	10 Jul 2014	10 Aug 2014	10 Jul 2014	10 Aug 2014	10 Jul 2014	10 Aug 2014	10 Jul 2014	10 Jul 2014	JUL 2014 - JUN 2015
	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	PROJECTION
BEG BAL	2,555,841	2,265,682	1,886,841	1,596,682	1,767,841	1,477,682	1,225,211	1,358,682	683,574	1,240,675	690,944	999,712	931,285
STATE AID	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	15,491,899
STATE AID-MPERS STABILIZION													
NET TAX COLLECTIONS	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	700,000	700,000	6,206,775
FED TITLE 1	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,600,000
OTHER FEDERAL GRANT	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,375,000
NOTES - SAN													8,507,000
MISC. DEPOSITS	200,000	200,000	100,000	100,000	100,000	100,000	50,000	50,000	100,000	100,000	100,000	100,000	1,084,350
NOTES - TAN													3,022,000
SOM FACS-FOOD SVC REIMB													227,335
CONSORTIUM													6,223
BRESA			100,000	100,000	100,000	100,000	100,000	100,000	50,000	50,000	50,000	50,000	982,750
OTHER LOCAL GRANTS/RECEIPTS													-
TRANSFERS IN-to be transferred out													-
EMERGENCY LOAN REQUEST													-
TOTAL RECEIPTS-MONTHLY	2,051,000	2,051,000	2,051,000	2,051,000	2,051,000	2,051,000	2,001,000	2,001,000	2,001,000	2,001,000	2,681,000	2,681,000	40,503,332
AVAILABLE CASH	4,606,841	4,316,682	3,937,841	3,647,682	3,818,841	3,528,682	3,226,211	3,359,682	2,684,574	3,241,675	3,371,944	3,680,712	41,434,617
DISBURSEMENTS													
PAYROLL-GROSS w/Fica-Medicare-Retiremt	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	480,000	480,000	6,493,018
PAYROLL-GROSS w/Fica-Medicare-Retiremt	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	480,000	480,000	6,466,923
PAYROLL-GROSS w/Fica-Medicare-Retiremt	530,000	530,000											1,080,000
ADDITIONAL MPERS	60,000	60,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	521,077
MESSA	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	2,872,101
NOTE PYMTS - EMERGENCY LOAN													963,421
NOTE REPAYMENTS -TAN													2,781,000
TRANSF SET ASIDE ACCOUNT													-
NOTE REPAYMENTS - SAN					423,630	-	423,630	-	423,630	671,963	423,630	671,963	9,409,859
2002B & 2007A Debt Service w interest							319,007	319,007					319,007
INVOICE ACCOUNT	850,000	850,000	850,000	850,000	850,000	850,000	480,000	480,000	250,000	250,000	1,050,000	1,050,000	9,611,669
Trans to other misc cash accts													3,120
To Food Service Account													174,673
Miscellaneous													-
TOTAL EXPENSES-MONTHLY	2,720,000	2,720,000	2,170,000	2,170,000	2,593,630	2,170,000	2,542,637	2,119,007	1,993,630	2,241,963	2,693,630	2,941,963	40,695,868
ENDING BALANCE	1,886,841	1,596,682	1,767,841	1,477,682	1,225,211	1,358,682	683,574	1,240,675	690,944	999,712	678,314	738,749	738,749
OUTSTANDING PAYABLES													
TOTAL													
OVER 30 DAYS													

slow down of payables apr-jun to make
first payroll of each month

SCHEDULE 4

ACCOUNTS PAYABLE

BENTON HARBOR AREA SCHOOL ACCOUNTS PAYABLE AGING
AS OF JULY 31, 2014

VENDOR	INVOICE	DESCRIPTION	DATE	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211+
CAREFUL TRANSIT INC	CAREFUL 2821	NOV. 21 THRU DEC. 20, 2013	2/12/2014	30,558.22						30,558.22		
CAREFUL TRANSIT INC	CAREFUL 2826	DEC. 21 THRU JAN. 20, 2014	3/5/2014	15,418.80					15,418.80			
CAREFUL TRANSIT INC	CAREFUL 2832	JAN. 21, 2014 - FEB. 20,	3/13/2014	28,331.05					28,331.05			
CAREFUL TRANSIT INC	CAREFUL 2838	FEB. 21 THRU MARCH 20, 2014	5/9/2014	31,669.12			31,669.12					
CAREFUL TRANSIT INC	CAREFUL 2844	MARCH 21 THRU APRIL 20, 2014	5/9/2014	26,786.31			26,786.31					
CAREFUL TRANSIT INC	CAREFUL 2850	APRIL 21 THRU MAY 20, 2014	6/6/2014	35,621.06		35,621.06						
CAREFUL TRANSIT INC	CAREFUL 2856	MAY 21 THRU JUNE 6, 2014	6/9/2014	17,925.25		17,925.25						
	CAREFUL Total			186,309.81	-	53,546.31	58,455.43	-	43,749.85	30,558.22	-	-
FIRST STUDENT INC.	FIRST 10904485	DEC. 2013 TRANSPORTATION	1/14/2014	153,057.72							153,057.72	
FIRST STUDENT INC.	FIRST 10913394	JAN. 2014 TRANSPORTATION	2/7/2014	132,523.64						132,523.64		
FIRST STUDENT INC.	FIRST 10923981	FEB. 2014 TRANSPORTATION	3/6/2014	190,982.74					190,982.74			
FIRST STUDENT INC.	FIRST 10937244	MARCH 2014 TRANSPORTATION	4/9/2014	190,759.35				190,759.35				
FIRST STUDENT INC.	FIRST 10948713	APRIL 2014 TRANSPORTATION	5/6/2014	173,673.90			173,673.90					
FIRST STUDENT INC.	FIRST 10969234	MAY 2014 TRANSPORTATION	6/16/2014	206,951.43		206,951.43						
	FIRST Total			1,047,948.78	-	206,951.43	173,673.90	190,759.35	190,982.74	132,523.64	153,057.72	-
BERRIEN RESA	RESA 1001002123	TRANS. SERVICES FOR	9/6/2011	148,796.50								148,796.50
BERRIEN RESA	RESA 1001300205	TRANSPORTATION SERVICES FOR	9/7/2012	131,745.90								131,745.90
BERRIEN RESA	RESA 1001300905	2012/2013 REMC11	1/9/2013	9,196.98								9,196.98
BERRIEN RESA	RESA 1001301011	DATA PROCESSING SERVICES FOR	1/25/2013	3,894.25								3,894.25
BERRIEN RESA	RESA 1001301676	TRANSPORTATION SERVICES FOR	7/2/2013	96,033.56								96,033.56
BERRIEN RESA	RESA 1001500042	TRANSPORTATION SERVICES FOR	6/30/2014	99,809.88		99,809.88						
BERRIEN RESA	RESA 1001500030	SKYWARD BILLING, 1ST	7/14/2014	3,790.08	3,790.08							
	RESA Total			493,267.15	3,790.08	99,809.88	-	-	-	-	-	389,667.19
SODEXO INC. & AFFILIATES	SODEXO 100064907		2/1/2013	104,046.83								104,046.83
SODEXO INC. & AFFILIATES	SODEXO 1000653963		3/1/2013	154,044.83								154,044.83
SODEXO INC. & AFFILIATES	SODEXO 1000668748		4/1/2013	154,044.83								154,044.83
SODEXO INC. & AFFILIATES	SODEXO 1000661311		5/1/2013	154,044.83								154,044.83
SODEXO INC. & AFFILIATES	SODEXO 1000676558		6/1/2013	154,044.83								154,044.83
SODEXO INC. & AFFILIATES	SODEXO 1000683904		7/1/2013	154,044.83								154,044.83
SODEXO INC. & AFFILIATES	SODEXO 1000690327	FOR THE MONTH OF JULY 2013 -	8/1/2013	154,044.83								154,044.83
SODEXO INC. & AFFILIATES	SODEXO CM-301119-JUL	TO CREDIT AMOUNT OVER BILLED	8/7/2013	(50,000.00)								(50,000.00)
SODEXO INC. & AFFILIATES	SODEXO CM-301134-AUG	TO CREDIT AMOUNT OVER BILLED	9/24/2013	(50,000.00)								(50,000.00)
SODEXO INC. & AFFILIATES	SODEXO 1000719549	FOR THE MONTH OF NOVEMBER	11/21/2013	110,000.00								110,000.00
SODEXO INC. & AFFILIATES	SODEXO 1000719541	FOR THE MONTH OF OCTOBER	11/21/2013	110,000.00								110,000.00
SODEXO INC. & AFFILIATES	SODEXO CM-1000717654-NOV	TO CREDIT AMOUNT OVER BILLED	11/21/2013	(8,333.00)								(8,333.00)
SODEXO INC. & AFFILIATES	SODEXO 301148	TEEN CENTER/POOL	11/22/2013	95.00								95.00
SODEXO INC. & AFFILIATES	SODEXO 301149	HULL-REPLACED STOP VALVE &	11/22/2013	368.76								368.76
SODEXO INC. & AFFILIATES	SODEXO CM-1000717654-OCT	TO CREDIT AMOUNT OVER BILLED	11/23/2013	(8,333.00)								(8,333.00)
SODEXO INC. & AFFILIATES	SODEXO 301155	SKILL CENTER-FOUND BAD	12/13/2013	324.50								324.50
SODEXO INC. & AFFILIATES	SODEXO 301156	H.S.-RESET BOILER	12/13/2013	313.50								313.50
SODEXO INC. & AFFILIATES	SODEXO 301157	DEC-PK-CRACKED BURNER &	12/13/2013	993.67								993.67
SODEXO INC. & AFFILIATES	SODEXO 301158	CALVIN BRITAIN- NO HEAT-GAS	12/13/2013	104.50								104.50
SODEXO INC. & AFFILIATES	SODEXO 301159	WEST-NO HEAT 11/16/2013	12/13/2013	104.50								104.50
SODEXO INC. & AFFILIATES	SODEXO 301160	HULL-CLEANED IGNITOR, DRAIN	12/13/2013	470.25								470.25
SODEXO INC. & AFFILIATES	SODEXO CM-1000720560-SEP	TO CREDIT AMOUNT OVER BILLED	12/16/2013	(8,333.00)								(8,333.00)
SODEXO INC. & AFFILIATES	SODEXO 1000727038	FOR THE MONTH OF JANUARY	1/1/2014	110,000.00								110,000.00
SODEXO INC. & AFFILIATES	SODEXO CM-1000727699-JAN	TO CREDIT AMOUNT OVER BILLED	1/1/2014	(8,333.00)								(8,333.00)
SODEXO INC. & AFFILIATES	SODEXO 301166	SKILL CENTER-NO HEAT POWER	1/17/2014	209.00							209.00	
SODEXO INC. & AFFILIATES	SODEXO 301167	MLK-FLOOR-DRAIN RODDED &	1/17/2014	905.14							905.14	
SODEXO INC. & AFFILIATES	SODEXO 301168	FP WEST-NO HEAT-CHANGED	1/17/2014	313.50							313.50	
SODEXO INC. & AFFILIATES	SODEXO 301169	HULL-RESTROOM IN OFFICE	1/31/2014	604.20							604.20	
SODEXO INC. & AFFILIATES	SODEXO 301170	BUS GARAGE-NO HEAT (BER)	1/31/2014	571.89							571.89	
SODEXO INC. & AFFILIATES	SODEXO 301171	HULL-NO HEAT, CONTROL SYSTEM	2/7/2014	550.00						550.00		
SODEXO INC. & AFFILIATES	SODEXO 301172	MLK-BAD MOTOR IN ROOFTOP	2/7/2014	1,176.64						1,176.64		
SODEXO INC. & AFFILIATES	SODEXO 301173	SKILL CENTER-NO HEAT, BROKEN	2/7/2014	324.50						324.50		
SODEXO INC. & AFFILIATES	SODEXO 301174	WEST-BROKEN WATER LINE,	2/7/2014	134.20						134.20		
SODEXO INC. & AFFILIATES	SODEXO 301175	H.S.-LARGE STEAM	2/7/2014	819.60						819.60		
SODEXO INC. & AFFILIATES	SODEXO 301176	HEALTH CLINIC-NO HEAT/BROKEN	2/28/2014	252.96						252.96		
SODEXO INC. & AFFILIATES	SODEXO 301177	BUS GARAGE-URGENT-NO	2/28/2014	1,546.60						1,546.60		
SODEXO INC. & AFFILIATES	SODEXO 301178	H.S.-STOOL PLUGGED/AUTOMATIC	2/28/2014	419.65						419.65		
SODEXO INC. & AFFILIATES	SODEXO 301179	H.S.-RM 236/HEAT COIL MAJOR	2/28/2014	2,040.58						2,040.58		
SODEXO INC. & AFFILIATES	SODEXO 301180	BOYNTON-NO HEAT/REBUILD	2/28/2014	682.68						682.68		
SODEXO INC. & AFFILIATES	SODEXO 301181	H.S. WALK IN FREEZER/BROKEN	2/28/2014	586.10						586.10		
SODEXO INC. & AFFILIATES	SODEXO 301182	H.S.-WATER LEAK ON 1.5"	2/28/2014	528.02						528.02		
SODEXO INC. & AFFILIATES	SODEXO 301183	SKILL CENTER-BOILER NOT	2/28/2014	569.27						569.27		
SODEXO INC. & AFFILIATES	SODEXO 301184	HULL-AFTER HOURS STEAM LEAK	2/28/2014	104.50						104.50		

BENTON HARBOR AREA SCHOOL ACCOUNTS PAYABLE AGING
AS OF JULY 31, 2014

VENDOR	INVOICE	DESCRIPTION	DATE	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211+	
SODEXO INC. & AFFILIATES	SODEXO 1000744194	CONTRACT PRICE FOR SERVICES	3/1/2014	110,000.00									
SODEXO INC. & AFFILIATES	SODEXO CM1000746453	Mar-14	3/1/2014	(8,333.00)						110,000.00			
SODEXO INC. & AFFILIATES	SODEXO 301185	CALVIN BRITAIN-BROKEN PIPE	3/14/2014	104.50					104.50				
SODEXO INC. & AFFILIATES	SODEXO 301186	CHEMICAL BANK CHECK ON HEAT	3/14/2014	209.00					209.00				
SODEXO INC. & AFFILIATES	SODEXO 301187	MLK-COOLING UNIT FOR IT	3/21/2014	507.06					507.06				
SODEXO INC. & AFFILIATES	SODEXO 301188	SORTER-SEWER LINE RODDED OUT	3/21/2014	472.36					472.36				
SODEXO INC. & AFFILIATES	SODEXO 301189	H.S.-REPLACE BACK FLOW	3/21/2014	825.53					825.53				
SODEXO INC. & AFFILIATES	SODEXO 301190	H.S. - BREAKER KIT VACUUM	3/21/2014	10.94					10.94				
SODEXO INC. & AFFILIATES	SODEXO 301191	MLK - DAMPER ACTUATOR FOR	3/21/2014	275.94					275.94				
SODEXO INC. & AFFILIATES	SODEXO 301192	D.E.C. & KINDERGARTEN - ZONE	3/21/2014	228.60					228.60				
SODEXO INC. & AFFILIATES	SODEXO 301193	KINDERGARTEN-ACTUATOR VALVE	3/28/2014	252.32					252.32				
SODEXO INC. & AFFILIATES	SODEXO 301194	CHEMICAL BANK - CSD-1	3/28/2014	313.50					313.50				
SODEXO INC. & AFFILIATES	SODEXO 301195	MORTON-FROZEN PIPES & STEAM	3/28/2014	592.72					592.72				
SODEXO INC. & AFFILIATES	SODEXO 301196	SKILL CENTER-ROOF TOP UNIT	3/28/2014	272.25					272.25				
SODEXO INC. & AFFILIATES	SODEXO 301198	H.S. - WALK-IN COOLER FREON	3/28/2014	462.00					462.00				
SODEXO INC. & AFFILIATES	SODEXO 301199	SKILL CENTER - CSD-1 STATE	3/28/2014	313.50					313.50				
SODEXO INC. & AFFILIATES	SODEXO 301200	CHEMICAL BANK-REPAIR DAMAGED	3/28/2014	1,705.00					1,705.00				
SODEXO INC. & AFFILIATES	SODEXO 301201	CHEMICAL BANK-REPAIR DAMAGED	3/28/2014	2,440.90					2,440.90				
SODEXO INC. & AFFILIATES	SODEXO 301202	H.S. BOILER-NOT PRODUCING	3/28/2014	365.75					365.75				
SODEXO INC. & AFFILIATES	SODEXO 301203	ACA - FRZ BROKEN PIPES 2/25,	3/28/2014	2,363.68					2,363.68				
SODEXO INC. & AFFILIATES	SODEXO 1000752441	CONTRACT PRICE FOR SERVICES	4/1/2014	110,000.00					110,000.00				
SODEXO INC. & AFFILIATES	SODEXO CM1000750586	Apr-14	4/1/2014	(8,333.00)					(8,333.00)				
SODEXO INC. & AFFILIATES	SODEXO 301204	REKEY & INDEX ALL CORE &	4/18/2014	3,077.80				3,077.80					
SODEXO INC. & AFFILIATES	SODEXO 301208	MCCORD- CSD - 1 INSPECTION	4/18/2014	627.00					627.00				
SODEXO INC. & AFFILIATES	SODEXO 301209	H.S.-BOILERS-REPLACED 4	4/18/2014	4,840.00					4,840.00				
SODEXO INC. & AFFILIATES	SODEXO 301213	SORTER, MCCORD - PERFORMED	4/18/2014	731.50					731.50				
SODEXO INC. & AFFILIATES	SODEXO 301214	KINDERGARTEN - PERFORMED	4/18/2014	470.25					470.25				
SODEXO INC. & AFFILIATES	SODEXO 301215	H.S. WALK IN FREEZER-DRAIN	4/18/2014	319.72					319.72				
SODEXO INC. & AFFILIATES	SODEXO 301216	BOYNTON - CSD-1 INSPECTION	4/18/2014	470.25					470.25				
SODEXO INC. & AFFILIATES	SODEXO 301217	FPNW & HULL - CSD-1	4/18/2014	940.50					940.50				
SODEXO INC. & AFFILIATES	SODEXO 301218	ACA - CSD-1 INSPECTION ON	4/18/2014	679.25					679.25				
SODEXO INC. & AFFILIATES	SODEXO 301220	H.S. BASEBALL FIELD	4/18/2014	596.29					596.29				
SODEXO INC. & AFFILIATES	SODEXO 301221	CB-REMOVED GAS TRAIN & PARTS	4/18/2014	313.50					313.50				
SODEXO INC. & AFFILIATES	SODEXO 301222	H.S. BOILERS 2 & 3 REPLACED	4/18/2014	1,927.07					1,927.07				
SODEXO INC. & AFFILIATES	SODEXO 301223	MLK(STEAM)-WALK IN COOLER,	4/18/2014	341.64					341.64				
SODEXO INC. & AFFILIATES	SODEXO 301224	ADMIN-BLOWN FUSE ON PUMPS,	4/18/2014	890.78					890.78				
SODEXO INC. & AFFILIATES	SODEXO 1000759427	CONTRACT PRICE FOR SERVICES	5/1/2014	110,000.00					110,000.00				
SODEXO INC. & AFFILIATES	SODEXO CM1000758180	May-14	5/1/2014	(8,333.00)					(8,333.00)				
SODEXO INC. & AFFILIATES	SODEXO 301225	SORTER - CSD INSPECTION	5/5/2014	1,899.06				1,899.06					
SODEXO INC. & AFFILIATES	SODEXO 301226	H.S.-COMPUTER ROOM, BAD	5/5/2014	310.75				310.75					
SODEXO INC. & AFFILIATES	SODEXO 301227	TEEN CENTER-CSD INSP.,	5/5/2014	940.50				940.50					
SODEXO INC. & AFFILIATES	SODEXO 301228	MLK(STEAM)-CSD ON 3 BOILERS	5/5/2014	2,229.19				2,229.19					
SODEXO INC. & AFFILIATES	SODEXO 301229	ADMIN.(BANK BDLG.)-ALL UNITS	5/5/2014	391.88				391.88					
SODEXO INC. & AFFILIATES	SODEXO 301230	H.S.-CSD 3/2714, 3 RELIEF	5/5/2014	2,650.87				2,650.87					
SODEXO INC. & AFFILIATES	SODEXO 301231	FPNW-BOILERS, UV FLAME	5/5/2014	365.75				365.75					
SODEXO INC. & AFFILIATES	SODEXO 301232	MLK(STEAM) - WATER HEATER,	5/5/2014	496.10				496.10					
SODEXO INC. & AFFILIATES	SODEXO 301233	ACA-REPLACE & REINSTALL	5/12/2014	1,870.00				1,870.00					
SODEXO INC. & AFFILIATES	SODEXO 301234	MORTON-CSD-1 ON BOILERS	5/13/2014	470.25				470.25					
SODEXO INC. & AFFILIATES	SODEXO 301235	BUS GARAGE-TESTED &	5/23/2014	137.50				137.50					
SODEXO INC. & AFFILIATES	SODEXO 301236	H.S.-SERVER ROOM A/C, BAD	5/23/2014	787.60				787.60					
SODEXO INC. & AFFILIATES	SODEXO 301237	H.S. ROOM 204, BAD	5/23/2014	1,288.10				1,288.10					
SODEXO INC. & AFFILIATES	SODEXO 301238	FP WEST CSD-1 5/2/14 (BER)	5/23/2014	522.50				522.50					
SODEXO INC. & AFFILIATES	SODEXO 301239	MLK STOOL-BROKEN, REPLACED,	5/23/2014	1,634.82				1,634.82					
SODEXO INC. & AFFILIATES	SODEXO 301240	TEEN CENTER-CSD-1 ON BOILER	5/29/2014	313.50				313.50					
SODEXO INC. & AFFILIATES	SODEXO 1000767860	CONTRACT PRICE FOR SERVICES	6/1/2014	110,000.00				110,000.00					
SODEXO INC. & AFFILIATES	SODEXO CM1000768907	Jun-14	6/1/2014	(8,333.00)				(8,333.00)					
SODEXO INC. & AFFILIATES	SODEXO 1000122488		7/1/2014	110,000.00	110,000.00								
SODEXO INC. & AFFILIATES	SODEXO 1000122488-CM		7/1/2014	(8,333.00)	(8,333.00)								
SODEXO Total				1,792,681.99	101,667.00			117,975.37	117,892.55	113,382.55	111,402.30	2,603.73	1,227,758.49
9N3-PRAXAIR DISTRIBUTION INC	MISC 49991406	ACCT.#JU848 JULY 2014	7/20/2014	95.30	95.30								
9N3-PRAXAIR DISTRIBUTION INC	MISC 49991407	ACCT.#JU849 JULY 2014	7/20/2014	216.60	216.60								
ADAMS REMCO INC	MISC 61486	06/01/14-07/01/14	6/3/2014	4,189.51		4,189.51							

BENTON HARBOR AREA SCHOOL ACCOUNTS PAYABLE AGING
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VENDOR		INVOICE	DESCRIPTION	DATE	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211+
ADAMS REMCO INC	MISC	61904	06/01/14-07/01/14	8/5/2014	7,614.75								
ADAMS REMCO INC	MISC	65716	07/01/14-08/01/14	7/10/2014	4,079.30	4,079.30		7,614.75					
AMERICAN ELECTRIC POWER	MISC	170-20866471 5	POLE RENTAL FEE	7/14/2014	1,769.02	1,769.02							
AT & T	MISC	269 027-0601 839 2	07/16/14-08/15/14	7/18/2014	808.95	808.95							
BENTON CHARTER TOWNSHIP	MISC	11-03-0026-0005-07-2	2014 SUMMER TAXES -	7/2/2014	3,548.73	3,548.73							
BENTON CHARTER TOWNSHIP	MISC	11-03-0030-0029-01-0	2014 SUMMER TAXES - 600	7/7/2014	14,205.98	14,205.98							
CAMBRIDGE	MISC	IN001629		5/13/2014	74,000.00			74,000.00					
DISCOUNT ELECTRONICS	MISC	484589		6/11/2014	3,691.62		3,691.62						
ENCOMPASS CONSULTING SERVICES	MISC	145	6/30,7/2,7,8,9,14,15, &	7/16/2014	7,100.00	7,100.00							
FEDEX	MISC	2-710-94887		7/9/2014	57.27	57.27							
HANDWRITING WITHOUT TEARS	MISC	72214	REGISTRATION FEES FOR HWT 2	7/22/2014	3,000.00	3,000.00							
INDIANA MICHIGAN POWER	MISC	040-560-736-2-2	BARD - 06/19/14-07/21/14	6/30/2014	41.36		41.36						
INDIANA MICHIGAN POWER	MISC	043-860-736-2-7	BARD - 06/19/14-07/21/14	6/30/2014	727.99		727.99						
INDIANA MICHIGAN POWER	MISC	047-380-736-2-0	BARD - 06/20/14-07/21/14	6/30/2014	82.51		82.51						
INDIANA MICHIGAN POWER	MISC	049-259-416-1-1	BARD - 06/20/14-07/22/14	6/30/2014	20.77		20.77						
LAKE MICHIGAN MAILERS	MISC	304663	MAIL PICK UP/POSTAGE	6/30/2014	5.62		5.62						
LAKE MICHIGAN MAILERS	MISC	305911	MAIL PICK UP/POSTAGE	7/21/2014	0.94	0.94							
LAKE MICHIGAN MAILERS	MISC	308380	MAIL PICK UP/POSTAGE	7/28/2014	9.49	9.49							
LAKESHORE LEARNING MATERIALS	MISC	4113720714		7/22/2014	478.89	478.89							
LAKESHORE LEARNING MATERIALS	MISC	4134030714		7/23/2014	685.70	685.70							
MOBYMAX	MISC	18873	SUMMER SCH LICENSE	6/17/2014	49.00		49.00						
NASCO	MISC	16160		7/23/2014	362.50	362.50							
ORKIN	MISC	95082125	TRANS.CENTER -	7/11/2014	41.00	41.00							
ORKIN	MISC	95082149	SKILL - ACCT.#D-9698083	7/11/2014	45.00	45.00							
ORKIN	MISC	95062124	STUMP - ACCT.# D-9698010	7/12/2014	41.00	41.00							
ORKIN	MISC	95062128	WEST - ACCT.#D-9698022 JULY	7/12/2014	46.00	46.00							
ORKIN	MISC	95062130	NW - ACCT.#D-9698030 JULY	7/12/2014	41.00	41.00							
ORKIN	MISC	95062133	TEEN CENTER -	7/12/2014	46.00	46.00							
ORKIN	MISC	95062134	ADMIN. - ACCT.#D-1038049	7/12/2014	41.00	41.00							
ORKIN	MISC	95062136	ALTERNATIVE ED @ SORTER -	7/12/2014	46.00	46.00							
ORKIN	MISC	95062138	NE - ACCT.#-9698055 JULY	7/12/2014	41.00	41.00							
ORKIN	MISC	95062140	INTERNATIONAL @ HULL -	7/12/2014	46.00	46.00							
ORKIN	MISC	95062143	BOYNTON - ACCT.#D-9698069	7/12/2014	41.00	41.00							
ORKIN	MISC	95062144	ACA @ FPR - ACCT.#D-9698077	7/12/2014	60.00	60.00							
ORKIN	MISC	95062148	MONTESSORI -	7/12/2014	52.00	52.00							
ORKIN	MISC	95062147	MCCORD - ACCT.#D-9698088	7/12/2014	51.00	51.00							
ORKIN	MISC	95062151	KINDERGARTEN - ACCT.	7/12/2014	48.00	48.00							
ORKIN	MISC	95062155	CALVIN BRITAIN -	7/12/2014	52.00	52.00							
ORKIN	MISC	95062157	S.T.E.A.M. @ MLK -	7/12/2014	68.00	68.00							
ORKIN	MISC	95062527	ADMIN. - ACCT.#D-10385288	7/12/2014	51.50	51.50							
PLAY WITH A PURPOSE	MISC	8780916		6/17/2014	983.79		983.79						
PLAY WITH A PURPOSE	MISC	8783624		6/25/2014	1,279.98		1,279.98						
PLAY WITH A PURPOSE	MISC	8786642		7/3/2014	1,157.13	1,157.13							
PLAY WITH A PURPOSE	MISC	8787769		7/8/2014	3,890.25	3,890.25							
PLAY WITH A PURPOSE	MISC	8789212		7/10/2014	5,261.49	5,261.49							
PLAY WITH A PURPOSE	MISC	8790695		7/14/2014	923.13	923.13							
PLAY WITH A PURPOSE	MISC	8791124		7/15/2014	2,303.73	2,303.73							
PLAY WITH A PURPOSE	MISC	8791603		7/16/2014	2,805.66	2,805.66							
PLAY WITH A PURPOSE	MISC	8792923		7/18/2014	3,345.03	3,345.03							
SCHOLASTIC INC	MISC	9157815		6/18/2014	383.60		383.60						
SCHOLASTIC INC	MISC	9172296		6/20/2014	151.66		151.66						
SCHOLASTIC INC	MISC	9191070		6/24/2014	600.00		600.00						
SCHOLASTIC INC	MISC	9222104		7/1/2014	3,216.15	3,216.15							
SCHOLASTIC INC	MISC	43949667-034		7/18/2014	3.49	3.49							
SCHOLASTIC INC	MISC	43949667-035		7/18/2014	3.49	3.49							
SCHOLASTIC INC	MISC	43949667-036		7/18/2014	3.49	3.49							
SCHOLASTIC INC	MISC	43949667-033		7/18/2014	4.74	4.74							
SODEXO MAGIC	MISC	297335	WMU (LMC) LUNCH CATERING MAY	5/23/2014	150.00			150.00					
SODEXO MAGIC, LLC	MISC	1000778527	COST FOR MONTH OF JUNE 2014	6/30/2014	76,288.53		76,288.53						
THAYER INC	MISC	393093A	SUPPLIES	6/4/2014	50.69		50.69						
THOMAS KELLY SOFTWARE ASSOC.	MISC	71407	EZ REPORTS SAAS TO SERVE 5	7/10/2014	3,500.00	3,500.00							
	MISC Total				233,965.33	63,693.95	96,141.38	74,150.00					
Grand Total					3,754,193.06	169,151.03	456,449.00	424,254.70	308,651.90	348,115.14	274,484.16	155,661.45	1,617,425.68

BENTON HARBOR AREA SCHOOL ACCOUNTS PAYABLE AGING
AS OF JULY 31, 2014

VENDOR	INVOICE	DESCRIPTION	DATE	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211+
			OVER 30	3,585,042.03								

SCHEDULE 4

DEP SUMMARY – FY 2014

SCHOOL DISTRICT NAME: 0
SUMMARY MONTHLY DEP RECONCILIATION REPORT
FOR THE MONTH ENDING _____

	Acct Codes		A DEFICIT ELIMINATION PLAN 2013-2014	B ACTUAL Year-to Date	C PROJECTED To-Year-End	D(B+C) TOTAL PROJECTED	E(D-A) VARIANCE	F(E/A) % VARIANCE	Variance Explanation
1		Beginning Fund Equity	#DIV/0!	\$0		\$0	#DIV/0!	#DIV/0!	
2		Add: Revenues							
3	11X	Local Sources	\$0	\$0	\$0	\$0	\$0	0.00%	
4	51X	Local Rec'd Thru Other Public Schl	\$0	\$0	\$0	\$0	\$0	0.00%	
5	2xx	Local Thru Other Political Sub	\$0	\$0	\$0	\$0	\$0	0.00%	
6	3xx	State Sources	#DIV/0!	\$0	\$0	\$0	#DIV/0!	#DIV/0!	
7	4xx	Federal Sources	\$0	\$0	\$0	\$0	\$0	0.00%	
8	52x-6xx	Incoming Transfers & Other	\$0	\$0	\$0	\$0	\$0	0.00%	
9		Total Current Year Revenues	#DIV/0!	\$0	\$0	\$0	#DIV/0!	#DIV/0!	
10		TOTAL RESOURCES AVAILABLE	#DIV/0!			\$0	#DIV/0!	#DIV/0!	
11		Less: Expenditures							
12	1xx	Classroom Instruction	\$0	\$0	\$0	\$0	\$0	0.00%	
13		Support Services:							
14	21x	Pupil Support	\$0	\$0	\$0	\$0	\$0	0.00%	
15	22x	Instructional Staff Supp	\$0	\$0	\$0	\$0	\$0	0.00%	
16	23x	General Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
17	24x	School Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
18	25x	Business Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
19	26x	Oper/Maintenance	\$0	\$0	\$0	\$0	\$0	0.00%	
20	27x	Transportation	\$0	\$0	\$0	\$0	\$0	0.00%	
21	28x	Central Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
22	29x	Other	\$0	\$0	\$0	\$0	\$0	0.00%	
23	3xx	Community Services	\$0	\$0	\$0	\$0	\$0	0.00%	
24	41,42,43	Outgoing Transfers	\$0	\$0	\$0	\$0	\$0	0.00%	
25	45x	Facilities Acquisition	\$0	\$0	\$0	\$0	\$0	0.00%	
26	51x	Debt Service	\$0	\$0	\$0	\$0	\$0	0.00%	
27	6xx	Fund Modifications	\$0	\$0	\$0	\$0	\$0	0.00%	
28		TOTAL EXPEND. & OUTGOING TRNSFRS	\$0	\$0	\$0	\$0	\$0	0.00%	
29		ENDING FUND BALANCE	#DIV/0!			\$0			

Notes:

SCHEDULE 4

DEP SUMMARY – FY 2015

SCHOOL DISTRICT NAME: 0
SUMMARY MONTHLY DEP RECONCILIATION REPORT
FOR THE MONTH ENDING _____

	Acct Codes		A DEFICIT ELIMINATION PLAN 2014-2015	B ACTUAL Year-to Date	C PROJECTED To-Year-End	D(B+C) TOTAL PROJECTED	E(D-A) VARIANCE	F(E/A) % VARIANCE	Variance Explanation
1		Beginning Fund Equity	#DIV/0!	\$0		\$0	#DIV/0!	#DIV/0!	
2		Add: Revenues							
3	11X	Local Sources	\$0	\$0	\$0	\$0	\$0	0.00%	
4	51X	Local Rec'd Thru Other Public Schl	\$0	\$0	\$0	\$0	\$0	0.00%	
5	2xx	Local Thru Other Political Sub	\$0	\$0	\$0	\$0	\$0	0.00%	
6	3xx	State Sources	#DIV/0!	\$0	\$0	\$0	#DIV/0!	#DIV/0!	
7	4xx	Federal Sources	\$0	\$0	\$0	\$0	\$0	0.00%	
8	52x-6xx	Incoming Transfers & Other	\$0	\$0	\$0	\$0	\$0	0.00%	
9		Total Current Year Revenues	#DIV/0!	\$0	\$0	\$0	#DIV/0!	#DIV/0!	
10		TOTAL RESOURCES AVAILABLE	#DIV/0!			\$0	#DIV/0!	#DIV/0!	
11		Less: Expenditures							
12	1xx	Classroom Instruction	\$0	\$0	\$0	\$0	\$0	0.00%	
13		Support Services:							
14	21x	Pupil Support	\$0	\$0	\$0	\$0	\$0	0.00%	
15	22x	Instructional Staff Supp	\$0	\$0	\$0	\$0	\$0	0.00%	
16	23x	General Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
17	24x	School Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
18	25x	Business Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
19	26x	Oper/Maintenance	\$0	\$0	\$0	\$0	\$0	0.00%	
20	27x	Transportation	\$0	\$0	\$0	\$0	\$0	0.00%	
21	28x	Central Admin.	\$0	\$0	\$0	\$0	\$0	0.00%	
22	29x	Other	\$0	\$0	\$0	\$0	\$0	0.00%	
23	3xx	Community Services	\$0	\$0	\$0	\$0	\$0	0.00%	
24	41,42,43	Outgoing Transfers	\$0	\$0	\$0	\$0	\$0	0.00%	
25	45x	Facilities Acquisition	\$0	\$0	\$0	\$0	\$0	0.00%	
26	51x	Debt Service	\$0	\$0	\$0	\$0	\$0	0.00%	
27	6xx	Fund Modifications	\$0	\$0	\$0	\$0	\$0	0.00%	
28		TOTAL EXPEND. & OUTGOING TRNSFRS	\$0	\$0	\$0	\$0	\$0	0.00%	
29		ENDING FUND BALANCE	#DIV/0!			\$0	#DIV/0!	#DIV/0!	

Notes:

SCHEDULE 4
DEP INSTRUCTIONS

SCHEDULE D - MONTHLY FINANCIAL REPORTING

DEP Instructions

Monthly Budgetary Control Report Guidance

The Michigan Department of Education (MDE) Monthly Budgetary Control Report can be a valuable tool for monitoring the financial health of a school district if the report is completed using actual to-date and realistic projections of revenues and expenditures over the balance of the year. It is expected that the board/district would regularly review this report in order to determine the need for mid-year budget amendments. The procedures for analysis of this report are intended to encourage the board/district to monitor the Deficit Elimination Plan (DEP) vs. actual revenues and expenditures in a timely fashion.

These monthly reports are due by the end of the following month. For example, the November report is due by December 31st. The district should begin sending these reports immediately after the DEP has been approved. For example, if the MDE approved the DEP in November, we would expect a November report by the end of December. The local school board does not have to approve the reports. These monthly reports should be sent to Chad Urchike at urchikec1@michigan.gov and to Jeff Kolb at kolbj2@michigan.gov.

The following is a breakdown of the Monthly Budgetary Control Report. The guidelines help explain what information the MDE is looking for in these reports. An example of a completed report follows this guidance.

Column A

This column will automatically fill in with information from the DEP tab. It will always be based on your most current MDE approved DEP. Even if you submit a revised DEP, these monthly reports will still be based on your existing approved DEP. Therefore, it is important to create a new DEP worksheet when submitting a revised plan, as opposed to overwriting the numbers on your existing file. The only time column A will change is when the MDE approves a revised DEP. It is important to remember that this column represents your plan to eliminate the deficit. The information you provide in columns B and C will show how the district is performing relative to their approved DEP on a monthly basis.

Column B

This column represents monies the district has spent/collected, thus far, in the fiscal year. For example, the Budgetary Control Report for December would show how much the district has spent/collected from July 1st through December 31st. These numbers should always reflect the most current data for the accounts. This column starts with Beginning Fund Equity, which should be your audited fund balance as of July 1st. Until the audit is complete, the amount would come from the adopted budget for the current year.

Column C

This column represents monies the district projects to spend/collect during the rest of the fiscal year. For example, the Budgetary Control Report for December would show how much the district expects to spend/collect from January 1st through June 30th. Your DEP was developed using certain assumptions for revenues and expenditures. As the year progresses, these assumptions will be modified based on new information, such as more accurate pupil counts and staff concessions. After each monthly report is created, column C projections should become more accurate and certain adjustments may be needed in other areas. This detailed analysis can be a time consuming process, but it is essential for staying on the path to deficit elimination.

Column D

Columns B and C are added, totaling what the district expects to spend for the year.

Column E

This column will calculate the difference between column A (your DEP/Budget) and column D (what the district expects to spend). As the school year progresses, **the MDE fully expects to see some variations in this column.** One example is the variation between the Beginning Fund Equity balances. It is the difference between your projected fund balance and your audited fund balance. No variation within this column shows that the district is simply forcing the numbers in Column C to coincide with the DEP, as opposed to using authentic numbers that come from detailed budget analysis.

Column F

This column will calculate the percentage difference between columns E and A.

Variance Explanation Column

This column is used to explain the differences between the DEP and total projected expenditures. These explanations provide the MDE with some insight as to what is happening at the district.

SCHEDULE D - MONTHLY FINANCIAL REPORTING

DEP Instructions

SCHOOL DISTRICT NAME: Home Town School District
SUMMARY MONTHLY DEP RECONCILIATION REPORT
FOR THE MONTH ENDING DECEMBER 31, 2013

Line	Account	A DEFICIT ELIMINATION PLAN 2013-2015	B ACTUAL Year-to-Date	C PROJECTED To Year-End	D(B+C) TOTAL PROJECTED	E(D-A) VARIANCE	F(E/A) % VARIANCE	Variance Explanation
1	Operating Fund Equity	\$5,241,351	\$5,321,215		\$5,001,310	\$320,541	-15.53%	Added Number
2	Local Sources	\$12,664,052	\$12,509,473	\$12,401,473	\$11,971,901	\$537,572	-4.32%	Property Tax Decrease
3	Local Fund Other P.A.D. Sold	\$215,000	\$243,562	\$243,413	\$215,000	\$28,562	0.00%	
4	Local Non-Fund P.A.D. Sold	\$0	\$0	\$0	\$0	\$0	0.00%	
5	State Sources	\$4,970,874	\$19,579,025	\$31,540,959	\$30,219,414	\$1,320,941	1.11%	Student Count Adjustment
6	Federal Sources	\$130,000	\$56,234	\$50,650	\$130,000	\$7,000	5.45%	Federal Revenue From Last Year
7	Grants, Incentives & Other	\$440,364	\$0	\$440,364	\$440,364	\$0	0.00%	
8	Total Grants & P.A.D. Received	\$565,364	\$56,234	\$1,831,064	\$633,333	\$450,042	0.75%	
9	TOTAL RESOURCES AVAILABLE	\$56,662,315	\$17,552,244	\$20,554,212	\$20,554,212	\$1,099,563	2.45%	
10	Less: Expenditures							
11								
12	Classroom Instruction	\$26,832,807	\$17,652,244	\$20,554,212	\$20,218,574	\$1,352,957	3.75%	Assumed 4% Commissions - Only Received 4%
13	Support Services							
14	Plant Support	\$1,000,723	\$1,009,692	\$2,443,214	\$4,029,605	\$1,348,145	2.75%	Higher Social Work Costs Additional Title I
15	Instructional Staff Support	\$1,023,230	\$752,351	\$880,498	\$1,642,277	\$18,833	1.17%	Training Expenses
16	General Admin.	\$773,225	\$568,694	\$413,738	\$773,131	\$13,547	-0.49%	
17	School Admin.	\$3,588,870	\$1,626,471	\$1,645,231	\$3,543,992	\$44,578	-1.15%	Changed Insurance Plan
18	Business Admin.	\$1,452,068	\$738,634	\$777,125	\$1,376,758	\$24,691	2.34%	Open Software Upgrade Custodial Payroll
19	Open Maintenance	\$3,743,998	\$4,738,327	\$3,875,239	\$3,603,636	\$848,361	-1.01%	No Replacement
20	Transportation	\$1,263,771	\$2,589,576	\$2,158,612	\$4,228,345	\$337,618	7.37%	Purchase New Buses
21	General Admin.	\$1,445,188	\$759,248	\$759,247	\$1,653,613	\$208,425	2.75%	New Secretary
22	Other	\$742,998	\$350,210	\$350,941	\$743,151	\$2,253	0.30%	
23	Community Services	\$0	\$0	\$0	\$0	\$0	0.00%	
24	Outgoing Transfers	\$0	\$0	\$0	\$0	\$0	0.00%	
25	Facilities Acquisition	\$0	\$0	\$0	\$0	\$0	0.00%	
26	Other Services	\$0	\$0	\$0	\$0	\$0	0.00%	
27	Fund Modifications	\$0	\$0	\$0	\$0	\$0	0.00%	
28	TOTAL EXPEND. & OUTGOING TRANSFERS	\$50,999,158	\$11,818,937	\$20,631,661	\$26,342,736	\$1,352,692	2.19%	
29	ENDING FUND BALANCE	\$5,663,157	\$5,733,307	\$5,633,651	\$5,633,651	\$16,544	-0.24%	

Notes: