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Gov. Rick Snyder: Muskegon Heights School District ready to move forward as financial emergency resolved

Transition Advisory Board of community leaders to help with financial stability

LANSING, Mich. –The financial emergency in the Muskegon Heights School District has been resolved and a Receivership Transition Advisory Board has been appointed to ensure a smooth transition to local control and continued financial stability for the school district, Gov. Rick Snyder said.

“I was pleased to receive and accept Steve Schiller’s recommendation that the financial emergency in Muskegon Heights schools has been sufficiently addressed,” Snyder said. “This is a new day for Muskegon Heights and the community is ready to move toward a brighter future. These are important steps as we work together to transition back to local control in the district.”

Snyder said Schiller, and those who preceded him, worked diligently to finalize several critical reforms in the district, so it can return to local control. The Receivership Transition Advisory Board appointed today will work closely with local leaders to ensure the school district continues on a path toward long-term financial stability.

Schiller notified the governor last week of his determination, noting numerous accomplishments in Muskegon Heights since a financial emergency was declared in April, 2012:

- The deficit has declined \$9.9 million from \$(11.9) million at 6/30/12 to a

projected \$(2.0) million at 6/30/16.

- The district has negotiated a remediation schedule with the Office of Retirement Services (ORS) to repay its past due balance of \$2.3 million by 2029.
- A strong financial oversight partnership among the district, the public school academy providing education to the community's students, and Muskegon Area Intermediate School District (MAISD) has been created.
- The MAISD is now responsible for all business services of the academy, creating a greater level of financial transparency and fiduciary oversight for all stakeholders of the district.
- A recent Bond Refunding saved Muskegon Heights taxpayers more than \$1.6 million.

Schiller issued his final order as emergency manager outlining responsibilities of elected officials and their collaboration and cooperation with the RTAB.

The new board includes:

- Ann Storberg, Bureau of Investments (Department of Treasury designee)
- Dale Nesbary, President, Muskegon Community College, (Department of Technology, Management and Budget director designee)
- Clinton Todd, Vice President of Retail Lending Community Shores Bank (Superintendent of Public Instruction designee)
- John Schrier, Partner, Parmenter Law (representing persons with relevant professional experience).
- Patrice Johnson, Director of Programs, Gerald R. Ford Job Corps (representing persons with relevant professional experience).

"I am very pleased to appoint such distinguished people to this important post," Snyder said. "Each of these people cares deeply about the future of this school district and I'm certain they will work closely with the Board of Education and Superintendent to maintain a strong financial path."

For more information about Public Act 436 of 2012, the Local Financial Stability and Choice Act, visit the Local Government Fiscal Health page on the Department of Treasury's web site at www.michigan.gov/treasury.