

I hope this is helpful.

Terry

From: Stephen Fehr [mailto:sfehr@stateline.org]
Sent: Monday, February 08, 2016 10:46 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Question from Pew please

Terry, you have helped us before with answering questions about Michigan's EM system. I wanted to reach out to you again. My boss has asked me to put together this week a brief report (5 pages) on the Michigan EM system in light of current news events in Flint and Detroit public schools. The idea is to explain to people what the EM system is and link to our previous work. I guess I need to ask you a few obvious questions:

1. What, if anything, do the setbacks in Flint and Detroit schools say about the effectiveness of the EM system?
2. Will Michigan now re-evaluate whether the EM system is worth keeping?
3. Depending on how you answer #1 and #2: Is the EM system something other states should consider implementing to assist distressed local governments?

Thanks for your help. I am around all week.

Stephen C. Fehr
Senior officer
State and Local Fiscal Health
The Pew Charitable Trusts
901 E St. NW
Washington, DC 20004
202-552-2189 (direct)
Twitter: @scfehr1

Robert, Carla M. (Treasury)

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, February 09, 2016 10:01 AM
To: Saxton, Thomas (Treasury); Khouri, Nick (TREASURY)
Cc: Headen, Frederick (Treasury)
Subject: RE: emergency managers
Attachments: EM Accomplishments v5 02-08-16.docx

Just FYI, I have attached a larger document we put together on accomplishments in the EM communities. Fred highlighted a couple but this is a good resource for reference on some of our successes across the communities.

From: Saxton, Thomas (Treasury)
Sent: Tuesday, February 09, 2016 5:49 AM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: Re: emergency managers

I would agree schools are more challenging because of the 'academic side' and the way they are funded... While it may be a pretty low bar in terms of gauging success I would say Muskegon Hts & HPS could be mentioned... The schools have stabilized. There was not the disruption associated with a dissolution. There is community support. The reason we have had to keep EMs place is somewhat tied to the fact they are psa districts. Pontiac schools has been a 'success'. Again, when we first got involved they were a week or two from making payroll. That situation involves a consent agreement not a EM. The 'jury' is still out on BHS. DPS is in a category by itself.

On Feb 8, 2016, at 1:26 PM, Khouri, Nick (TREASURY) <KhouriN@michigan.gov> wrote:

Thanks

Maybe it's just easier to turn around a city than it is a school

From: Headen, Frederick (Treasury)
Sent: Monday, February 08, 2016 1:19 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: RE: emergency managers

Not in my view. The school districts that have had EFMs/EMs (Detroit, Highland Park, Inkster, and Muskegon Heights) have not fared well. Inkster was dissolved and the other school districts have had multiple EMs.

Prior to 2011, I would have said the reason was that Act 72 drew an artificial distinction between fiscal matters and instruction/academics and granted EFMs authority only over the former. However, under both Acts 4 and 436, EMs have had control over both fiscal matters and