

SCHEDULE 4

FIRST AMENDED AND RESTATED OVERSIGHT AGREEMENT

This first amended and restated oversight agreement is part of the Contract issued by the Board of Education of the School District of the City of Muskegon Heights (the “District Board”), an authorizing body as defined by The Revised School Code, Public Act 451 of 1976, as amended, MCL 380.1 to 380.1853 (the “Code”), to the Muskegon Heights Public School Academy System, a public school academy (the “System”).

Preliminary Recitals

WHEREAS, the District Board, is subject to the leadership and general supervision of the State Board of Education over all public education, and is responsible for overseeing the System’s compliance with the Contract and all Applicable Law;

NOW, THEREFORE, the parties therefore agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

“Agreement” means this oversight agreement as first amended and restated.

“Compliance Certification Duties” means the System’s duties set forth in Section 2.02 of this Agreement.

“District Board” means that term as defined in the Terms and Conditions of the Contract.

“Oversight Responsibilities” means the District Board’s oversight responsibilities set forth in Section 2.01 of this Agreement.

“State School Aid Payment” means any payment of money the System receives from the state school aid fund established under Section 11 of Article 9 of the State Constitution of 1963 and under Article I of The State School Aid Act of 1979, 1979 PA 94, as amended, MCL 388.1601 to 388.1772.

ARTICLE II

OVERSIGHT AND COMPLIANCE CERTIFICATION RESPONSIBILITIES

Section 2.01. Oversight Responsibilities. The District Board, as it deems necessary to fulfill the District Board's Oversight Responsibilities, may undertake the following:

- a. Conduct a review of the System's audited financial reports as submitted, including the auditor's management letters, and report to the System Board any exceptions as well as any failure on the part of the System to meet generally accepted public sector accounting principles.
- b. Conduct a review of the records, internal controls or operations of the System to determine compliance with the Contract and Applicable Law.
- c. Conduct a meeting annually between the System Board of Directors and a designee of the District Board to determine compliance with the Contract and Applicable Law.
- d. Institute action pursuant to the terms of the Contract to suspend, terminate, revoke, or reform the Contract.
- e. Monitor the System's compliance with the Contract, the Code, and all other Applicable Law.
- f. Request periodic reports from the System regarding any aspect of its operation, including, without limitation, whether the System has met or is achieving its targeted educational goals and applicable academic performance standards set forth in the Contract.
- g. Request evidence that the System has obtained the necessary permits and certificates of compliance to operate as a public school from the applicable governmental agencies, including, without limitation, the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes and the Bureau of Fire Services, and local health departments.
- h. Determine whether the System has failed to abide by or meet the educational goals or applicable academic performance standards as set forth in the Contract.
- i. Provide supportive services to the System as deemed necessary and/or appropriate by the District Board.

- j. Evaluate whether the Michigan Student Test of Educational Program (the “M-STEP”) or the Michigan Merit Examination (the “MME”), or any successor test, as applicable, a nationally recognized norm-referenced achievement test(s) or other assessment programs selected by the System are or have been appropriately administered to the System’s student population, goals and programs.
- k. Take other actions, as authorizing body, as permitted or required by the Code.

Section 2.02. Compliance Certification Duties. The System agrees to perform all of the following Compliance Certification Duties:

- a. Submit information to the District Board in accordance with the Master Calendar of Reporting Requirements adopted by the District Board. The Master Calendar may be amended from time to time as deemed necessary by the District Board.
- b. Submit quarterly financial reports to the District Board in a form and manner determined by the District Board. Submit other financial reports as established by the District Board.
- c. Permit inspection of the System’s records and/or premises at any reasonable time by the District Board.
- d. Report any litigation or formal proceedings alleging violation of any Applicable Law by the System to counsel for the District Board as designated in Article XII of the Terms and Conditions.
- e. Upon request, provide copies of information submitted to the Michigan Department of Education, the Superintendent of Public Instruction, or State Board of Education to the District Board.
- f. Provide proposed minutes of all System Board of Directors’ meetings to the District Board no later than ten (10) business days after such meeting, and provide approved final minutes to the District Board within five (5) business days after the minutes are approved.
- g. Submit to the District Board prior to the issuance of the Contract, copies of insurance policies evidencing all insurance as required by the Contract.
- h. Submit to the District Board a copy of the System’s lease, deed or other purchase arrangement for its physical facilities as required by the Contract.
- i. Submit to the District Board, copies of all fire, health and safety approvals required by Applicable Law for the operation of a school.

- j. Submit annually to the District Board, the dates, times and a description of how the System will provide notice of the System's pupil application and enrollment process. The System's pupil application and enrollment admission process must be conducted in a fair and open manner in compliance with the Contract and the Code. At a minimum, the System shall make a reasonable effort to advertise its enrollment openings by newspaper, mail, media, internet or other acceptable communication process. All System notices of the open enrollment period must include language that the open enrollment period includes evening and weekend times for enrolling students in the System. In addition, the System must set forth in all public notices the date for the holding of a random selection drawing if such a drawing becomes necessary.
- k. Upon receipt from the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes and the Bureau of Fire Services, the System shall submit to the District Board a copy of any Certificate of Occupancy approval for the System's school facility outlined in Schedule 6. The System shall not occupy or use the school facility identified in Schedule 6 until such facility has been approved for occupancy by the Bureau of Construction Codes and the Bureau of Fire Services or other local authorized building department.
- l. Submit to the District Board copies of ESP agreements, if any, in compliance with the Contract and the Code.
- m. By July 1st of each year, the System Board shall provide a copy of the System Board's public meeting schedule for the upcoming school year. The System Board's public meeting schedule shall include the date, time and location of the public meetings for the upcoming school year. Within ten (10) business days of System Board approval, the System Board shall provide a copy to the District Board of any changes to the System Board public meeting schedule.
- n. Prior to December 31 of each year and whenever necessary thereafter, the System Board shall approve and submit a revised operating school budget that includes, without limitation, the following: (i) the total projected amount of state school aid revenues based on the System's September pupil membership count; (ii) revised personnel costs; (iii) any start-up expenses incurred by the System; and (iv) the total amount of short-term cash flow loans obtained by the System. The System will make budget revisions in a manner prescribed by law. Within thirty (30) days of the System Board approving the budget (original and amended, if applicable), the System shall place a copy of that budget on the System's website within a section of the website that is accessible to the public.

To the extent that any dates for the submission of materials by the System under Section 2.02

conflict with dates set forth in the Master Calendar, the dates in the Master Calendar shall control.

Section 2.03. Waiver and Delegation of Oversight Procedures. The District Board or its designee and the System may agree to modify or waive any of the Oversight Duties or Compliance Certification Duties. The District Board may delegate its Oversight Duties, or any portion of its Oversight Duties, to an officer of the District or other designee.

ARTICLE III

RECORDS AND REPORTS

Section 3.01. Records. The System will keep records in which complete and correct entries shall be made of all Compliance Certification Duties conducted, and these records shall be available for inspection at reasonable hours and under reasonable conditions by the District Board.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Administrative Fee. The System agrees to pay to the District Board an administrative fee of 3% of the State School Aid Payments received by the System. This fee shall be retained by the District Board from each State School Aid Payment received by the District Board for forwarding to the System. This fee shall compensate the District Board for overseeing the System's compliance with the Contract and all Applicable Law and other related activities for which compensation is permissible.

Section 4.02. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the System and the District Board by this Agreement.

Section 4.03. Audit and Evaluation. The System:

- a. hereby authorizes the District Board to perform audit and evaluation studies using System data including, but not limited to, personally identifiable information about the System's students and staff submitted by the System to agencies including, but not limited to, Center for Educational Performance and Information ("CEPI"), Office of Educational Assessment and Accountability ("OEAA"), State School Reform/Redesign Office ("SRO") and the Michigan Department of Education ("MDE"). Pursuant to this authorization, the District Board shall abide by the regulations that govern the use of student data within the Family Educational Rights and Privacy Act (FERPA - 34 CFR Part 99), the Michigan Identity Theft Protection Act of 2004, and the Privacy Act of 1974.

- b. shall upon request, provide the District Board with copies or view access to data, documents or information submitted to the MDE, the Superintendent of Public Instruction, the State Board of Education, the Center for Educational Performance and Information, the SRO, or any other state or federal agency.

ARTICLE V
TRANSPARENCY

Section 5.01. Information to Be Made Publicly Available by the System and ESP.

A. Information to Be Made Publicly Available by the System. The following described categories of information are specifically included within those to be made available to the public and the District Board by the System in accordance with the Terms and Conditions:

1. Copy of the Contract;
2. Copies of the executed Constitutional Oath of public office form for each serving Director;
3. List of currently serving Directors with name, address, and term of office;
4. Copy of the System Board's meeting calendar;
5. Copy of public notice for all System Board meetings;
6. Copy of System Board meeting agendas;
7. Copy of System Board meeting minutes;
8. Copy of System Board approved budget and amendments to the budget;
9. Copies of bills paid for amounts of \$10,000.00 or more as submitted to the System Board;
10. Copy of the quarterly financial reports submitted to the District Board;
11. Copy of curriculum and other educational materials given to the District Board;
12. Copy of school improvement plan (if required);
13. Copies of facility leases, mortgages, modular leases and/or deeds;
14. Copies of equipment leases;
15. Proof of ownership for System owned vehicles and portable buildings;

16. Copy of System Board approved ESP Agreement(s);
17. Copy of System Board approved services contract(s);
18. Office of Fire Safety certificate of occupancy for all System facilities;
19. MDE letter of continuous use (if required);
20. Local County Health Department food service permit (if required);
21. Asbestos inspection report and Asbestos management plan (if required);
22. Boiler inspection certificate and lead based paint survey (if required);
23. Phase 1 environmental report (if required);
24. List of current System teachers and school administrators with names and addresses and their individual salaries as submitted to the Registry of Educational Personnel;
25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff;
26. Evidence of fingerprinting, criminal back-ground and record checks and unprofessional conduct check required by the Code for all System teachers and administrators;
27. System Board approved policies;
28. Copy of the annual financial audit and any management letters issued to the System Board;
29. Proof of insurance as required by the Contract; and
30. Any other information specifically required under the Code.

B. Information to Be Made Publicly Available by the ESP. The following information is specifically included within the types of information available to the System by the Educational Service Provider (if any) in accordance with the Terms and Conditions:

1. Any information needed by the System in order to comply with its obligations to disclose the information listed under Section 5.01(A) above.