

Muskegon Heights Public Schools
Office of the Emergency Manager
Steven Schiller



Financial and Operating Plan
July 1, 2015

Financial and Operating Plan

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1. CURRENT SITUATION

Demographics

- * Income
- * Race
- * Educational Attainment

Income

INCOME AND BENEFITS	Muskegon Heights		Muskegon County		State of Michigan	
	Count	Percentage	Count	Percentage	Count	Percentage
Total households	4,270	100%	65,008	100%	3,823,280	100%
Less than \$10,000	1,041	24%	5,914	9%	312,673	8%
\$10,000 to \$14,999	521	12%	4,519	7%	215,695	6%
\$15,000 to \$24,999	1,010	24%	9,513	15%	452,251	12%
\$25,000 to \$34,999	617	14%	8,460	13%	426,840	11%
\$35,000 to \$49,999	448	10%	9,772	15%	557,516	15%
\$50,000 to \$74,999	301	7%	12,409	19%	704,343	18%
\$75,000 to \$99,999	226	5%	6,853	11%	455,719	12%
\$100,000 to \$149,999	83	2%	5,284	8%	436,587	11%
\$150,000 to \$199,999	23	1%	1,499	2%	143,832	4%
\$200,000 or more	0	0%	785	1%	117,824	3%
Median household income	\$19,368		\$40,979		\$48,411	
Mean household income	\$28,441		\$52,917		\$64,753	

Source: U.S. Census Bureau. 2009-2013 5-Year American Community Survey (City of Muskegon Heights, County of Muskegon and State of Michigan).

Race

RACE	Muskegon Heights		Muskegon County		State of Michigan	
Total population	10,856	100%	171,153	100%	9,883,640	100%
White	1,739	16%	138,074	81%	7,803,120	79%
Black or African American	8,501	78%	23,614	14%	1,400,362	14%
American Indian and Alaska Native	33	0%	1,047	1%	62,007	1%
Asian	14	0%	1,061	1%	238,199	2%
Asian Indian	11	0%	134	0%	77,132	1%
Filipino	1	0%	208	0%	22,047	0%
Korean	1	0%	211	0%	24,186	0%
Other Asian [1]	1	0%	190	0%	42,640	0%
Some Other Race	153	1%	1,408	1%	147,029	1%
Two or More Races	416	4%	5,894	3%	230,319	2%
White; American Indian Alaska Native [3]	50	0%	1,703	1%	52,202	1%
White; Asian [3]	8	0%	300	0%	38,198	0%
White; Black or African American [3]	215	2%	2,630	2%	72,344	1%
White; Some Other Race [3]	25	0%	536	0%	22,133	0%

Source: U.S. Census Bureau. 2009-2013 5-Year American Community Survey (City of Muskegon Heights, County of Muskegon and State Michigan).

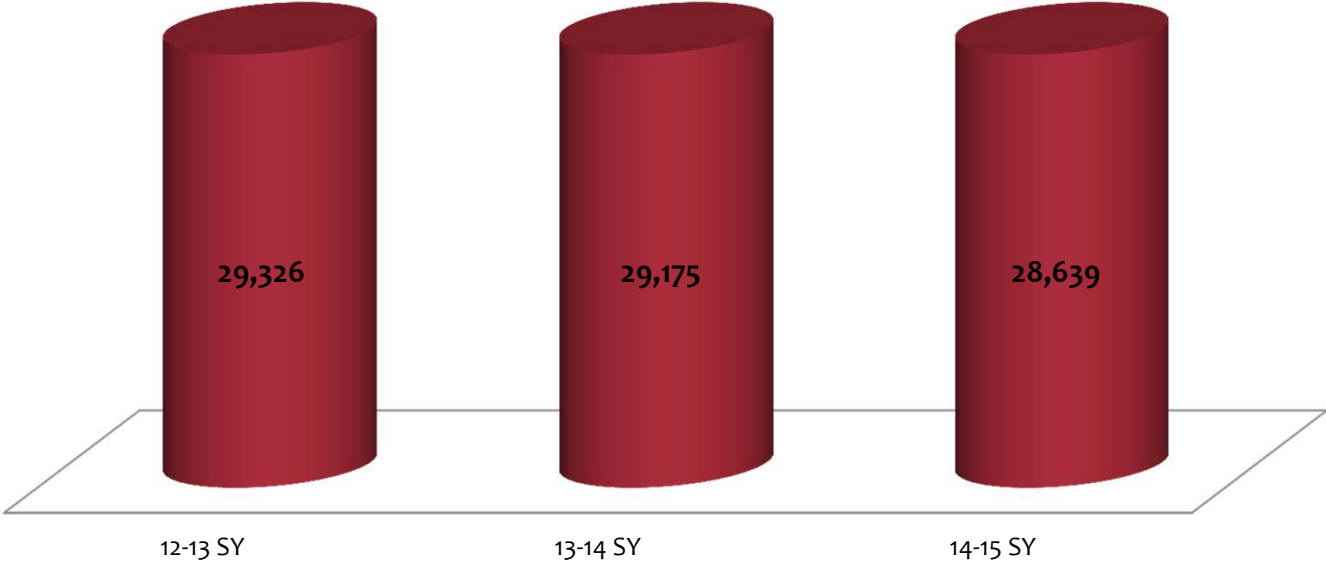
Educational Attainment

EDUCATIONAL ATTAINMENT	Muskegon Heights	Muskegon County	State of Michigan
Less than 9th grade	5.6%	3.3%	3.4%
9th to 12th grade, no diploma	15.7%	8.7%	7.7%
High school graduate (includes equivalency)	39.1%	35.0%	30.4%
Some college, no degree	24.4%	25.2%	24.0%
Associate's degree	10.2%	10.6%	8.6%
Bachelor's degree	3.6%	11.8%	15.9%
Graduate or professional degree	1.5%	5.4%	10.0%
Percent high school graduate or higher	78.8%	88.0%	88.9%
Percent bachelor's degree or higher	5.1%	17.2%	25.9%

Source: U.S. Census Bureau. 2009-2013 5-Year American Community Survey (City of Muskegon Heights, County of Muskegon and State Michigan).

Educational Landscape

Enrollment in Grades Pre-K through Twelfth



Source: 2014/15 Fall MEIS/MSDS Residency Related Information

Non-Resident FTE by Resident District September 2014

Educating Resident	Total # of FTEs That Were in											
	Fruitport	Holtan	Mesa Shores	Montague	Muskegon	North Muskegon	Calbridge	Orchard View	Ravenna	Roethlis- Puffer	Whitehall	Another District
Fruitport			28.00		24.91	6.00	4.00	11.45	24.28	9.00	6.44	114.09
Holtan	4.64			7.00	1.85	15.00	5.00	2.00	3.00	103.00	17.72	159.21
Mesa Shores	49.92	1.00			67.27	8.00		20.01	1.00	16.00	5.65	168.85
Montague	2.00				3.36	3.30		0.34		10.40	43.90	63.30
Muskegon	145.56		377.00	12.00		53.00	2.00	360.06	4.00	169.00	8.52	1,181.14
Muskegon Heights	10.00		147.00		284.80	5.00		47.74	2.00	23.00	4.00	523.54
North Muskegon	2.36	1.00			6.24					44.00	6.80	60.40
Calbridge	31.86	1.00	11.00		7.25	3.00		29.20	25.00	6.00		114.31
Orchard View	64.97		6.00		34.20	9.00	13.00		11.60	45.00	3.24	187.01
Ravenna	47.28				2.92		3.00	1.00				54.20
Roethlis-Puffer	10.00	50.00	4.00	8.00	20.85	240.50	1.00	10.26	6.17		100.66	451.44
Whitehall		10.00	1.00	89.00	3.66	23.00			1.62	77.87		206.15

Charter Enrollment by Resident District

September 2014

	Covenant House		Muskegon Heights PSA		Muskegon Montessori		Three Oaks		Timberland		Resident District Totals	
	2013	2014	Diff.	2013	2014	Diff.	2013	2014	Diff.	2013	2014	Diff.
Fruitport	-	-	-	-	-	-	-	1	1	3	3	-
Hoban	-	-	-	-	-	-	-	-	-	-	-	-
Monn Shores	-	1	1	3	-	(3)	-	-	-	5	9	4
Montague	-	-	-	-	-	-	-	-	-	-	1	1
Muskegon	-	79	79	39	29	(10)	205	300	95	365	408	43
Muskegon Heights	-	9	9	859	876	17	166	91	(75)	212	250	38
North Muskegon	-	-	-	-	-	-	1	1	-	-	-	-
Oakridge	-	-	-	-	-	-	-	-	-	12	4	(8)
Orchard View	-	-	-	1	1	-	-	-	-	39	30	(9)
Ravenna	-	-	-	-	-	-	-	-	-	-	1	1
Roscher-Purifer	-	-	-	-	-	-	-	-	-	5	2	(3)
Whitehall	-	-	-	-	-	-	-	-	-	4	-	(4)
Muskegon County Subtotal	-	89	89	902	906	4	372	333	21	645	708	63
Spring Lake	-	-	-	-	-	-	-	-	-	3	-	(3)
Total Charter Enrollment	-	89	89	902	906	4	372	333	21	648	708	60
										1,975	2,219	244



2. ACADEMIC SUMMARY

History of Muskegon Heights Public School Charter Creation

- * The District's cumulative General Fund (GF) deficit increased by 102 percent in one year (from \$4.2 million to \$8.5 million), and was expected to be \$9.4 million by the end of the 2012 fiscal year.
- * The District's year-end GF balances had been negative since 2006.
- * The District's pupil enrollment had decreased by more than 52 percent since 2006 to 2012 (from 2,142 to 1,408).

History of Muskegon Heights Public School Charter Creation

- ⇒ The establishment of a new public school academy (charter) system to provide educational services to students in the District.
- ⇒ On May 1, 2014, Dr. Weatherspoon released a Request for Proposals (RFP) seeking an operator for the newly formed Muskegon Heights Public School Academy System.
- ⇒ On July 9, 2012, Dr. Weatherspoon signed an order establishing a contract between the former district and the Muskegon Heights Public School Academy System as a means to provide education for the students of Muskegon Heights.
- ⇒ Implemented management agreement between the Muskegon Heights Public School Academy and Mosaica Education Inc. (MEI) was signed, declaring that MEI would become the PSA's Education Service Provider (ESP).

History of Muskegon Heights Public School Charter Creation

- ⇒ Contract Modified in 2014 to create a new self-managed model.
- ⇒ Order 2014-6 enabled the Academy to contract for all services necessary to operate the Public School Academy.
- ⇒ Following that order, MHPSA contracted with the following:
 - Alena Zachery Ross – Superintendent of Schools
 - Muskegon Area Intermediate School District – Financial Services
 - Access Point – Human Resources and Payroll

Muskegon Heights Public School Academy Board Members

- Arthur Scott, President - Term Expires 2017
- Carmella Ealom, Vice President - Term Expires 2015
- Stephen Parker, Secretary & Treasurer - Term Expires 2016

Muskegon Heights Public School Academy Academic Performance and Educational Plans

Current academic performance and educational plans of the Muskegon Heights Public School Academy can be found on our District's website (www.mhpsnet.org).



3. FINANCIAL SUMMARY

Deficit Elimination Plan

Muskegon Heights Public Schools

Deficit Elimination Plan

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Beginning Fund Balance	\$ (1,044,991)	\$ (1,345,104)	\$ (1,529,361)	\$ (1,397,724)	\$ (1,266,073)	\$ (1,134,288)
Revenue						
Property taxes	\$ 1,192,591	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813
Oversight fees	\$ 195,728	\$ 196,216	\$ 196,216	\$ 196,216	\$ 196,216	\$ 196,216
Asset Sales	\$ 5,000	\$ 45,000				
Transfers and Other	\$ 100,000	\$ 50,000				
Total Revenue	\$ 1,493,319	\$ 1,448,029	\$ 1,353,029	\$ 1,353,029	\$ 1,353,029	\$ 1,353,029
Expenditures						
Technology	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Student Assessment Software	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Board of Education	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000
Executive Administration	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500
Business Services	\$ 374,216	\$ 324,216	\$ 294,216	\$ 294,216	\$ 294,216	\$ 294,216
Building Services	\$ 110,100	\$ 67,100	\$ 67,100	\$ 67,100	\$ 67,100	\$ 67,100
District Technology	\$ 34,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Transfers to Other Districts	\$ 422,434	\$ 381,000	\$ -	\$ -	\$ -	\$ -
Emergency Loan Payments	\$ 501,090	\$ 506,378	\$ 506,484	\$ 506,470	\$ 506,336	\$ 506,083
Transfers and Other	\$ 182,092	\$ 182,092	\$ 182,092	\$ 182,092	\$ 182,092	\$ 182,092
Total Expenditures	\$ 1,793,432	\$ 1,632,286	\$ 1,221,392	\$ 1,221,378	\$ 1,221,245	\$ 1,220,991
Revenues Less Expenditures	\$ (300,113)	\$ (184,257)	\$ 131,637	\$ 131,651	\$ 131,785	\$ 132,038
Projected Ending Fund Balance	\$ (1,345,104)	\$ (1,529,361)	\$ (1,397,724)	\$ (1,266,073)	\$ (1,134,288)	\$ (1,002,250)

Muskegon Heights Public Schools
Deficit Elimination Plan

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Beginning Fund Balance	\$ (1,002,250)	\$ (864,897)	\$ (732,111)	\$ (416,614)	\$ (268,683)	\$ (120,466)
Revenue						
Property taxes	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813	\$ 1,156,813
Oversight fees	\$ 196,216	\$ 196,216	\$ 196,216	\$ 196,216	\$ 196,216	\$ 196,216
Asset Sales						
Transfers and Other						
Total Revenue	\$ 1,353,029	\$ 1,353,029	\$ 1,353,029	\$ 1,353,029	\$ 1,353,029	\$ 1,353,029
Expenditures						
Technology	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Student Assessment Software	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Board of Education	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000
Executive Administration	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500
Business Services	\$ 294,216	\$ 294,216	\$ 294,216	\$ 294,216	\$ 294,216	\$ 294,216
Building Services	\$ 67,100	\$ 67,100	\$ 67,100	\$ 67,100	\$ 67,100	\$ 67,100
District Technology	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Transfers to Other Districts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Loan Payments	\$ 500,768	\$ 505,333	\$ 504,716	\$ 672,283	\$ 671,996	\$ 676,295
Transfers and Other	\$ 182,093	\$ 182,094				
Total Expenditures	\$ 1,215,677	\$ 1,220,243	\$ 1,037,532	\$ 1,205,099	\$ 1,204,812	\$ 1,209,111
Revenues Less Expenditures	\$ 137,352	\$ 132,786	\$ 315,497	\$ 147,931	\$ 148,217	\$ 143,918
Projected Ending Fund Balance	\$ (864,897)	\$ (732,111)	\$ (416,614)	\$ (268,683)	\$ (120,466)	\$ 23,452

Deficit Elimination Plan Highlights:

Revenues

- * Property Taxes
- * Oversight Fees
- * Asset Sales
- * Transfers and Other

Expenditures

- * Board of Education
- * Executive Administration
- * Business Services
- * Building Services
- * Transfers to Other Districts
- * Emergency Loan Payments
- * Transfers and Other

Links to PSA Budget and Deficit Elimination Plan

Information in regard to the financials of the Muskegon Heights Public School Academy can be found by using the following link:

<http://mhtigers.org/school-budget/>

QUESTIONS ???



King School Auction is July 7th

Have a Safe and Pleasant Evening!