



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

May 1, 2015

BY ELECTRONIC MAIL

Sharon James, President
Board of Education
Benton Harbor Area Schools
636 Pipestone Road
Benton Harbor, MI 49022

Dear Ms. James:

I write to inform you that the purported action by the Benton Harbor Area Schools Board of Education at its April 30, 2015, meeting to appoint an acting Superintendent is contrary to the Consent Agreement executed with this Department on September 23, 2014. Therefore, please be advised that your purported action will be treated by this Department as null and void. As such, the administrative structure of the Benton Harbor Area Schools remains unchanged.

It should be noted that Section 8(j) of the Consent Agreement provides as follows:

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 [State] 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 [State] Treasurer, shall terminate the Superintendent.

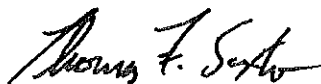
Nothing in the Consent Agreement authorizes the Board of Education to appoint in an acting capacity an individual to the Superintendent's position when that position has not been vacated. Furthermore, the Consent Agreement prohibits the Board of Education from filling a vacancy in that position, even in an acting capacity, without the approval of the State Treasurer. Such approval by the State Treasurer has neither been sought, nor granted, in this matter.

This Department is very concerned about the long-term ramifications of this purported action, as well as the lack of adherence by Board of Education officials to the provisions of the Consent Agreement. The failure of the Board of Education to conform its conduct to the provisions of the Consent Agreement and Public Act 436 of 2012, the Local Financial Stability and Choice Act, may result in this Department pursuing any available remedies under either the Act or the Consent Agreement.

Sharon James
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Should you wish to discuss this matter, please contact my Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas F. Saxton". The signature is written in a cursive style with a large initial 'T'.

Thomas F. Saxton,
Chief Deputy Treasurer

cc: Board of Education, Benton Harbor Area Schools
Timothy Haynes, Assistant Attorney General
Kyle Guarrant, Deputy State Superintendent
Kevin Ivers, Berrien Regional Education Service Agency