



DETROIT PUBLIC SCHOOLS

**Detroit Public School District
Office of Emergency Manager
Darnell Earley, ICMA-CM, MPA**

**Financial and Operating Plan
February 27, 2015**

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DISCLAIMER

THE EMERGENCY MANAGER FOR THE DETROIT PUBLIC SCHOOL DISTRICT (THE "EMERGENCY MANAGER") PREPARED THIS FINANCIAL AND OPERATING PLAN (THIS "PLAN") IN ACCORDANCE WITH SECTION 11 OF PUBLIC ACT 436 OF 2012 ("PA 436"). THIS PLAN IS PRESENTED IN A FORM DEVELOPED IN CONSULTATION WITH THE STATE TREASURER AND THE EMERGENCY MANAGER'S ADVISORS AND IS BASED ON (AND LIMITED BY) THE INFORMATION AVAILABLE TO THE EMERGENCY MANAGER AS OF THE DATE OF THIS PLAN. SUBSTANTIAL ADDITIONAL DATA IS BEING GATHERED OR DEVELOPED, AND CRITICAL FINANCIAL AND OPERATIONAL ANALYSES CONTINUE. THIS ADDITIONAL INFORMATION AND ANALYSIS, AS WELL AS CHANGES IN CIRCUMSTANCES, ARE EXPECTED TO HAVE A SIGNIFICANT IMPACT ON THE EMERGENCY MANAGER'S RESTRUCTURING PLAN. THUS, THIS PLAN IS A PRELIMINARY REPORT BASED ON THE EMERGENCY MANAGER'S WORK TO DATE AND REMAINS SUBJECT TO MATERIAL CHANGE AS THIS WORK PROGRESSES.

AS CONTEMPLATED BY SECTION 11(2) OF PA 436, THIS PLAN WILL BE REGULARLY REEXAMINED BY THE EMERGENCY MANAGER AND THE STATE TREASURER AND MAY BE MODIFIED FROM TIME TO TIME BY THE EMERGENCY MANAGER ON NOTICE TO THE STATE TREASURER. WITHOUT LIMITING THE FOREGOING, IF THE EMERGENCY MANAGER MODIFIES HIS REVENUE ESTIMATES, THE PLAN WILL BE MODIFIED TO CONFORM TO THE REVISED REVENUE ESTIMATES.

THIS PLAN IS BASED ON NUMEROUS PROJECTIONS AND ASSUMPTIONS CONCERNING FUTURE UNCERTAIN EVENTS. THESE PROJECTIONS AND ASSUMPTIONS INCLUDE, AMONG OTHERS, ESTIMATES OF TAX AND OTHER REVENUES AND FUTURE BUSINESS AND ECONOMIC CONDITIONS IN THE DISTRICT, ALL OF WHICH ARE BEYOND THE CONTROL OF THE DISTRICT. THIS PLAN LIKEWISE IS PREMISED ON THE FAVORABLE OUTCOME OF CERTAIN RESTRUCTURING INITIATIVES AND NEGOTIATIONS, SOME OF WHICH MAY BE SUBJECT TO LEGAL CHALLENGES, THE OUTCOME OF WHICH IS UNCERTAIN. THERE CAN BE NO ASSURANCE THAT THE PROJECTED OUTCOMES WILL OCCUR. FOR ALL OF THESE REASONS, THE EMERGENCY MANAGER'S RESTRUCTURING PLAN MAY NEED TO BE MODIFIED FROM THE TERMS PRESENTED HEREIN, AND SUCH DIFFERENCES COULD BE MATERIAL.

1. INTRODUCTION

The Emergency Manager submits this Financial and Operating Plan (this "Plan") to the State Treasurer as required by section 11(2) of Public Act 436 of 2012 ("PA 436"). Consistent with section 11(1) of PA 436, the objectives of this Plan are to ensure that the Detroit Public School District ("DPS" or the "District") is able to provide or cause to be provided governmental services essential to the public health, safety and welfare of its citizens and to assure the fiscal accountability and stability of the District. In doing so, it is imperative that a stable financial foundation for the District be established in a manner that also promotes the District's educational priorities and revitalization of the community in a sustainable fashion.

As provided in section 11(3) of PA 436, this Plan is presented in a form developed in consultation with the State Treasurer. In preparing this report, the Emergency Manager necessarily relied on information available or developed in the initial weeks of his engagement. After his appointment approximately six weeks ago, the Emergency Manager commenced an intensive period of outreach and study of the significant reform work performed to date. Specifically, the Emergency Manager relied substantially on prior EM office materials and the input received from a variety of stakeholders.

As a result of the significant efforts commenced by predecessors and the District's partners in State government regarding comprehensive District reform over the past several years, the Emergency Manager has a solid foundation from which to build a comprehensive restructuring plan for the District. Substantial additional data are being gathered and organized, and various critical financial and operational analyses remain in process as of the date of this Plan. Accordingly, this Plan is a preliminary report based on the Emergency Manager's work to date and remains subject to material change in all respects as his work progresses. See Disclaimer at page ii. The Emergency Manager believes that finalization of a comprehensive restructuring plan will continue to be a collaborative effort among interested stakeholders. As contemplated by section 11(2) of PA 436, this Plan shall be regularly reexamined by the Emergency Manager and the State Treasurer and may be modified from time to time by the Emergency Manager after notice to the State Treasurer.

While it is expected that revenues will remain at current levels for the near term, there is the possibility that revenues may decline due to a number of factors, including decreases in enrollment, changing demographics, and property assessment rationalizations. Accordingly, this current snapshot of the District's financial health might change as the Emergency Manager continues to collect and analyze additional data. What is clear, however, is that continuing along the current path is not acceptable if the District is to be put on the path to a sustainable future.

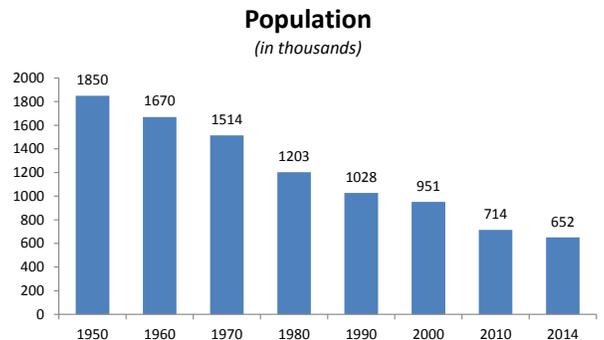
Finally, the Emergency Manager anticipates conducting a public informational meeting with respect to this Plan as required by section 11(4) of PA 436 within the next 30 days. Prior to that time, it is likely that the Emergency Manager will discuss this Plan in various public venues to further illuminate these initial observations.

2. CURRENT SITUATION

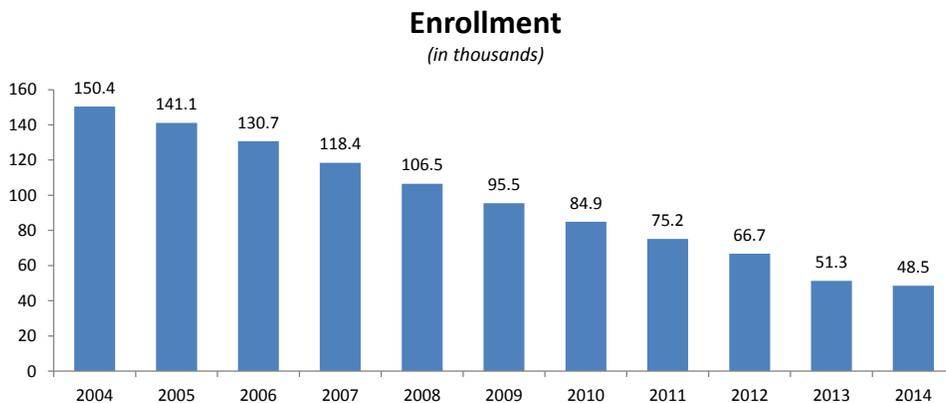
a. Detroit Educational Landscape

DPS operates within a broader system of education in Detroit. There are approximately 120,000 students and 228 schools across Detroit Public Schools, Charter Schools and the Education Achievement Authority. DPS operates 103 schools within the system and educates approximately 48,000 students across grades preK-12.

There has been an overall decline in enrollment in Detroit schools over the last ten years while at the same time parents have exercised choice. This trend has been exacerbated by the inadequate performance of DPS. The City of Detroit has lost more than 30% of its population since 2000, which has left the city with a large footprint and very low density.



The school-aged population in the City of Detroit has dropped even more over the same time period (approximately 40%), while a growing number of schools and education providers have entered the market. Over the last 10 years, the District lost more than 100,000 students. In 2002, the District served nearly 85% of Detroit's K-12 public school students, but by 2013 the District's market share had fallen to 42%. This has resulted in significant excess capacity within the Detroit Public School system, where DPS currently operates at 60% capacity in its buildings across the city.¹



¹ 2014 CAFR

b. Educational Outcomes

Overall DPS educational outcomes are inadequate and the District must do a better job of preparing students for a successful college education and/or technical career. In 2013, only 14% of students were proficient in math and only 35% were proficient in reading on the Michigan state tests. In addition, the graduation rate was less than 65%. Looking at how Detroit compares nationally, only 4% of 8th graders scored proficient on the NAEP achievement test.

While overall performance is low there are some schools that are in high demand and serving students well. Excellent Schools Detroit, an organization focused on improving schools in Detroit, developed a scorecard for schools to allow parents, the community and others to evaluate schools. Some DPS schools received high marks on that scorecard, including Renaissance High School (which is also the only Detroit school listed in the most recent U.S. News and World Reports national ranking of high schools) and Bates Academy. DPS must build upon the success of these high performing schools so that students in the greater District can benefit.

c. Financial condition

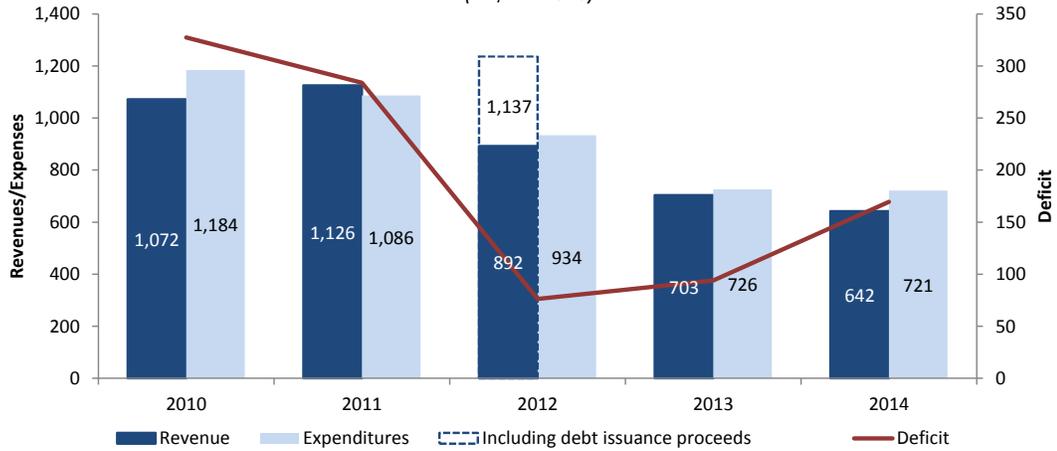
Accumulated Deficit

The District has faced, and continues to face, difficult economic conditions and demographic challenges, including declining population, declining enrollment and decreases in property tax assessments and collections.

Excluding one-time revenue from a debt issuance in fiscal year 2012, the District's expenditures have exceeded revenues by an average of \$43 million annually for the past five years. Contributing factors include declining enrollment, high special education costs, high personnel related costs, transportation costs, and debt service costs.

Revenues/Expenses and Deficit

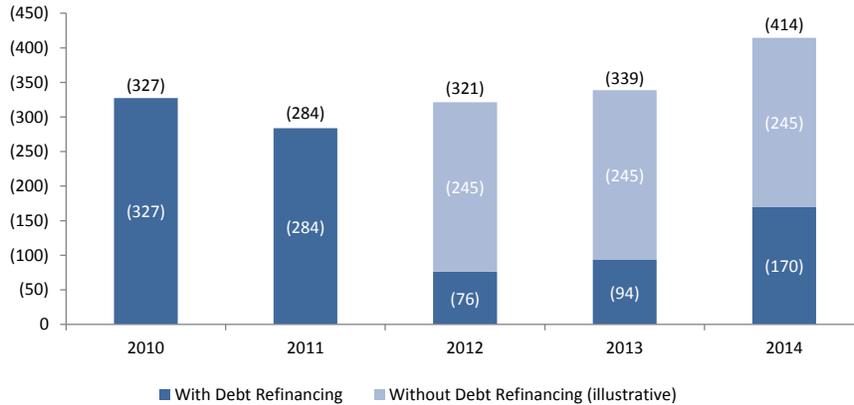
(in \$ millions)



As a result, the accumulated unrestricted deficit has grown to \$169.5 million at the end of fiscal year 2014 (an increase of \$75.6 million from fiscal year 2013). At the current run rate, the District will likely face another increase in the accumulated unrestricted deficit balance in fiscal year 2015 (year ending June 30, 2015). Excluding the proceeds from the debt refinancing in fiscal year 2012, the deficit would be over \$400 million.

General Fund Deficit

(in \$ millions)



Note: Net refinancing proceeds of \$245 million in 2012 caused a one-time deficit reduction.

The latest version of the Amended Budget was filed by the District on December 15, 2014 (see Appendix A), however, a number of changes have occurred since the last amendment was filed. The District is currently in the process of finalizing this amendment to the fiscal year 2015 Budget to address these changes.

Additionally, under the prior Emergency Manager, Mr. Jack Martin, the District filed a Deficit Elimination Plan (the “DEP”) on December 17, 2014 with the Michigan Department of Education (“MDE”). The DEP has not been approved by MDE as of the date of this Plan, but remains the current version of the District’s DEP (see Appendix B). This DEP will need to be further reviewed and amended in consultation with the Michigan Department of Education and other parties as the District’s financial and educational strategy evolves.

Cash Flows and Liquidity

The recurring annual deficits have put significant pressure on the cash needs of the District. The District has addressed these liquidity challenges with issuances of short-term and long-term debt, payment deferrals, and working capital strategies such as cash pooling to manage liquidity. The District will need to address these payments and outstanding obligations in the near term.

The District is anticipating facing cash challenges during the remainder of the current fiscal year (year ended June 30, 2015), and has identified and is in the process of implementing a corrective action plan to address the cash challenges which includes targeted cost reductions, repurposing of grant dollars, payment deferrals and other measures without further compromising the quality of education delivery. To ensure sustainability, the District is developing a structured plan to address outstanding amounts owed.

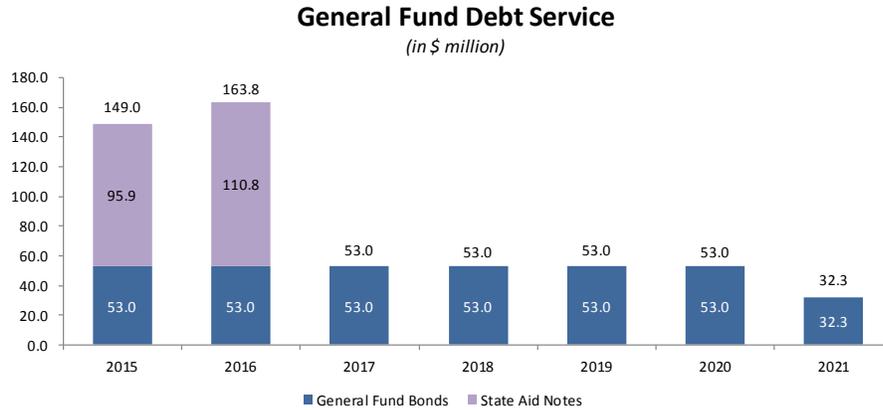
District Obligations

As of June 30, 2014, the District had outstanding debt and long-term obligations of more than \$2.2 billion. These obligations can be categorized into two pools: (a.) those funded by general fund operating revenue; and (b.) those funded by dedicated property tax millage (Bond Redemption Fund). The general fund obligations (pool (a.)) are particularly problematic in the management of District operations and finances. The following table summarizes the long-term obligations between these two categories:

Summary of Obligations as of 6/30/2014			
<i>in \$ millions</i>	General Fund	Bond Redemption	Total
Bonds/Notes Payable	\$ 299	\$ 1,609	\$ 1,908
State Aid Note (SAN)	92		92
School Loan Revolving Fund		162	162
Other Long Term Obligations ¹	53		53
Total	\$ 444	\$ 1,770	\$ 2,214

Note: Figures above do not include any payment deferrals or accounts payable.
¹ *Includes compensated absences, Employee Severance Plan, worker's compensation claims, legal and other miscellaneous*
Source: FY2014 CAFR, Page 74 and 93

As illustrated, the General Fund’s portion of the outstanding debt and long-term obligations is \$444 million (or 20% of total), comprised of operating debt (\$299 million), State Aid Note (“SAN”; \$92 million), and other long-term obligations (\$53 million). In addition to these obligations, during the current fiscal year, the District settled the \$92 million SAN, but issued another SAN for \$107 million (which matures in August 2015), and has deferred operating payments and further stretched its vendor base. The SAN and deferrals are other forms of borrowing and should be considered in the picture of total obligations of the District’s General Fund.



Note: Chart does not include assumption for issuance of State Aid Notes beyond 2016.

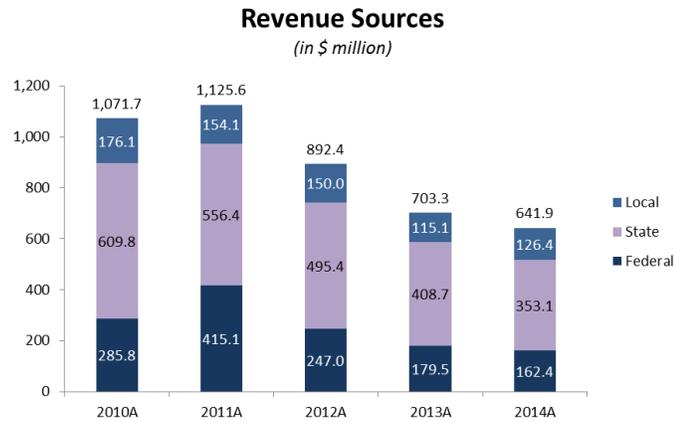
The Bond Redemption Fund’s portion of the debt is \$1.77 billion (or 80% of total) comprised of the School Building and Site Improvement Bonds (\$1.61 billion) and School Loan Revolving Fund debt (\$162 million), which is funded by a dedicated property tax millage (13 mills). In recent years, due to declining property values, resident flight, and delinquencies, the collections from the millage (capped at 13 mills) have been insufficient to cover the debt service on the School Building and Site Improvement Bonds. The School Loan Revolving Fund is the mechanism used to cover the shortfall in property tax collections, which has resulted in additional borrowings by the Bond Redemption Fund. The activity in the Bond Redemption Fund and School Loan Revolving Fund has not negatively impacted the District’s general fund (i.e. operations) and is not expected to in the future.

To promote revitalization and educational improvement, the District must establish itself on firm financial footing. The strain of servicing outstanding general fund obligations, particularly as revenues have decreased, has required deep cuts across the District. Restructuring some of the District’s liabilities may likely be necessary for its operational and financial survival. Without a strong balance sheet and the financial foundation to make the necessary changes, the District will be unable to break the current cycle and dedicate sufficient resources to its educational priorities in order to perform the critical task of improving the educational experience and quality of life for District residents and their families.

d. Operational structure and challenges

Revenue

In fiscal year 2014, DPS received approximately \$642 million in revenue from state, local and federal sources. The primary revenue sources are the State Foundation Allowance, property taxes and federal sources.



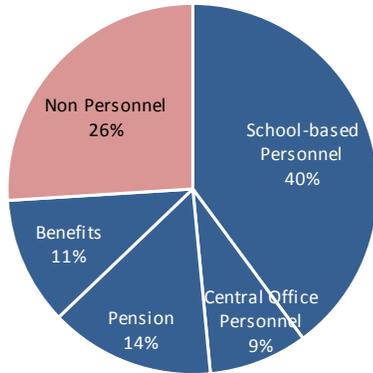
At the current level of enrollment (approximately 48,000 students), this equates to \$13,000 per student. By comparison, most other schools in Detroit receive only \$9,000 per student. In addition to property tax revenue (which only DPS receives), DPS receives more funding than other Detroit schools due to the characteristics of the student population. Federal and some local funding is allocated based on the student population - specifically, DPS serves a higher percentage of students who qualify for free or reduced lunch (82%) and Special Education (18% with IEPs 0-21 year, 8.5% in K-12 schools) compared to other schools in Detroit.

Expenses

In fiscal year 2014, DPS expenditures totaled \$721 million, which equates to approximately \$15 thousand per student. This means the District spent \$2 thousand more per student than it received in revenue.

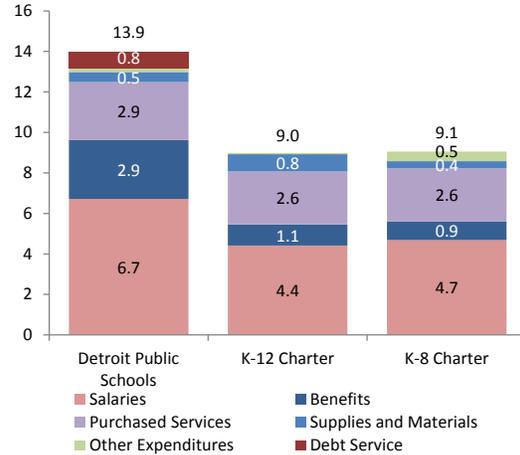
FY14 Operating Expenses

(in %)



FY12 Per Pupil Comparison

(in \$ thousands)



DPS has higher operating costs compared to other Detroit schools and some other districts in Michigan due to a combination of legacy and operational costs such as the compensation structure, age of the workforce, transportation costs, high overhead (including operating debt), and the additional costs associated with the student population which includes the following, all of which can be addressed by increasing academic outcomes and other changes mentioned in this document:

- DPS serves a higher proportion of high school students than other LEAs in Detroit. High school students traditionally cost more to educate than K-8 students due to the additional courses and services provided;
- DPS serves a higher proportion of special education students than other schools in Detroit, which are a higher cost to operate. In addition, DPS pays tuition for students to attend schools outside of the District and serves special education students from the ages of 0-3 and in pre-K, to meet their specific needs. In fiscal year 2014, DPS spent approximately \$146 million on special education services for 4,136 students in traditional DPS schools in K-12, including transportation. That is the equivalent of \$36,000 per student.² While the majority of special education costs are funded through local and federal grants, approximately \$28 million (20% of total cost; almost \$7,000 per special education student) is funded by the general operating fund currently;

² Audited Forms 4096, 4094 and State of Michigan State Aid Status Report (FY 2014 data)

- DPS serves a higher proportion of English Language Learners, homeless students and other students that require additional support and services. DPS partners with organizations to provide additional support for these students and hires staff to provide these services through specialized grants and general operating funds.

Debt service is an additional expense that must be paid out of the DPS general fund. DPS currently pays approximately \$53 million in debt service annually related to general operating debt. This is a fixed obligation that remains at this level regardless of fluctuations in enrollment. As DPS enrollment has declined year-over-year, this fixed obligation represents a growing burden to the District on a per student basis. At the current level of enrollment, this means that approximately \$1,100 of revenue per student must be used to pay debt service (representing approximately 8% of the \$13 thousand of revenue DPS receives per student).

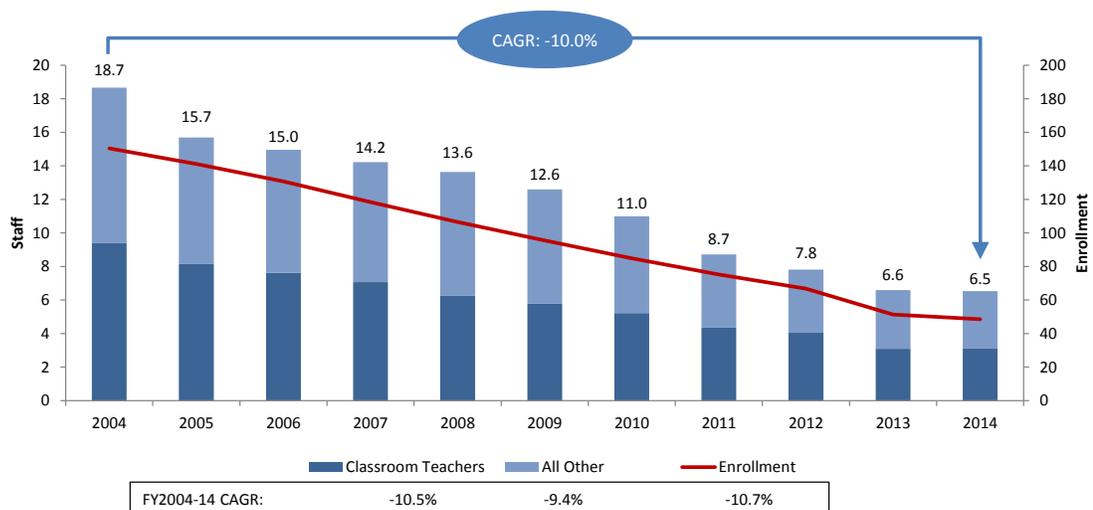
Operating Cost Reductions

The District’s revenues have declined 40% since 2010, primarily due to steady enrollment decrease, delinquency of property tax collections, and poor academic performance resulting in parents seeking other options.

DPS has made significant efforts to address the declining enrollment by reducing staff. The number of staff has declined by 65% from approximately 18,000 to approximately 6,500 over the last 10 years. DPS has reduced the number of teachers at the same rate as enrollment has declined. However, the number of non-teacher staff has not declined at the same rate as enrollment (9% vs. 11%).

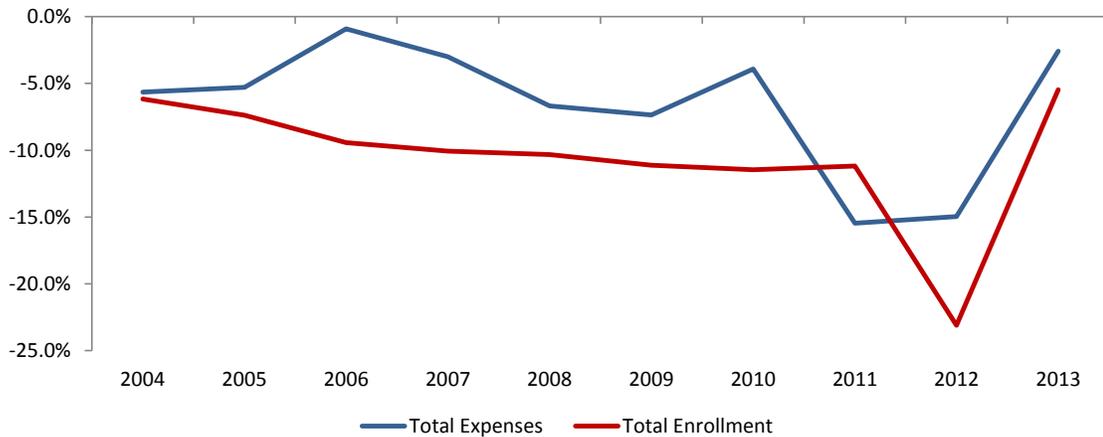
Decline of Total Staff and Enrollment 2004-2014

(in thousands)



Expenses have not declined at the same rate as enrollment. Over the last 10 years, enrollment has declined at an annual rate of 10%, while expenses have declined at a rate of 7%. Since 2011, enrollment has declined at a rate of 13% while expenses have declined at 11%.

Year Over Year Decline in Expenses and Enrollment (in %)



Note: While enrollment has declined faster than expenditures, the large decline in enrollment in 2012 was primarily due to the creation of the Education Achievement Authority (“EAA”) when a number of schools were transferred from DPS to EAA.

3. EDUCATION AND OPERATIONAL PLAN

a. Implications for 2015-16 School Year

DPS, in cooperation with The Coalition for the Future of Detroit Schoolchildren (the “Coalition”) and partnership with the State of Michigan, is in the process of developing a long-term structure for the district that provides strong educational outcomes and fiscal stability. The Coalition’s report is due by March 31, 2015. This transformation will take time, and cannot reasonably be fully achieved before the next school year. Therefore, fiscal year 2016 will need to be a transitional year.

Since DPS is currently facing both a large operating deficit, as well as liquidity challenges, fiscal year 2016 will likely involve significant actions taken to transform the District to the new structure. These actions will likely include measures that make targeted cuts to meet cash obligations and balance the budget without further compromising the quality of education delivery. The fiscal year 2016 budget to be developed in the coming months, with the participation of the staff, will need to focus on the following key areas:

Central Office: DPS will need to transform the Central Office into a more efficient and leaner organization that is oriented around school improvement.

Special Education: DPS will need to ensure that special education students continue to receive the necessary services and quality education they deserve in a way that leverages the grant funding and delivers efficient services.

Curriculum and Instruction: DPS will look closely at all contracts with outside vendors to ensure that they are providing quality services that align with the District's priorities. DPS will also continue to support teachers and principals, but look for ways to deliver professional development in a more cost effective way.

Grants: DPS will work to maximize the flexibility of grants and ensure that they align with the educational priorities and school staffing needs.

Staffing Models: DPS will need to look closely at the staffing models for each school to ensure that the staffing allocations meet both the needs of the students while also achieving efficiencies where possible.

Other services: DPS will also have to look closely at other services and non-core programs.

b. Transformation Plan

Cost reductions

While fiscal year 2016 ("FY16") will be a year of further cost reductions, it will provide the opportunity for DPS to develop a long-term vision for the future of the District. As DPS develops the FY16 budget and plans for the future, there are a set of tough decisions that will need to be made. The following guiding principles will be used when evaluating these tough decisions:

- DPS budgets should be long-term plans to stabilize finances while sustaining a long-term plan to improve education services for all the school children in Detroit;
- The safety of students and their families is of the utmost priority and all steps will be taken to ensure their safety;
- The community will become a full and participatory partner in the District's reform efforts. This will be accomplished through unprecedented transparency and community engagement in decision-making, through expanded educational choices, and by local empowerment;
- Efficiencies and budget expenditure reductions will not be secured at the expense of quality education, but will be achieved by the type of organizational and programmatic changes that can improve educational services while increasing efficiency;

- Central Administration will be reorganized in a lean way that focuses on the critical functions required to support schools in providing an excellent education for students;
- The District will seek to partner with all institutions, both public and private, to secure additional resources, to expand student learning opportunities and to provide more effective delivery of services;
- DPS will work with other school operators (charters, EAA) to ensure coordinated action in areas that impact everyone (e.g. enrollment planning).

10-Point Plan

As DPS looks to transform into a stable, viable organization the leadership has identified 10 areas of focus. These 10 areas provide a vision for how DPS will address key areas of the organization over the long term. The 10 points are broad areas of focus, and the leadership will continue to develop a plan for implementation. The 10 areas are as follows:

1. Governance
2. Staff Development
3. Organizational Development
4. Comprehensive Funding Strategy
5. Cash Flow Stability
6. Academic Competitiveness
7. Higher Education/ Collaboration with Colleges and Universities
8. Special Education
9. Transportation
10. Customer Service

While the specific implementation plan will be developed in the coming months, the following is the vision for what each of the 10 areas of focus will look like for DPS:

Governance

Develop and implement a policy that governs right-sizing the District and reflects the fact that DPS is one node in the education landscape of Detroit. There is a need to stabilize the system both in terms of funding and student mobility, and this must be done across the entire system of schools, not just at DPS. This will require a city-wide strategy to align the supply and demand for schools. It will also require stronger oversight of schools and strong collaboration between federal and state agencies.

Staff Development

Develop and implement a comprehensive human capital program that ensures DPS has a highly qualified and effective workforce at all levels. This will include systems for identifying areas of need and providing necessary training. There will be systems put into place to create school-based instructional leadership teams to drive instruction and to build local capacity.

This will also include efforts to use data more effectively to drive improvements in staff performance across all levels of the organization.

Organizational Development

Reorganization of DPS' Central Administration into a school improvement organization with the mission of ensuring that all schools have access to the best practice educational, financial and operational models. The models will be consistent with those that are characteristic of effective schools. The Central Administration will ensure schools have the financial and technical support to implement and sustain those models. DPS will also become a data-driven organization with performance metrics and targets along with operational transparency, accountability and integrity.

Comprehensive Funding Strategy

Development and implementation of a comprehensive strategy for securing and managing both public and private grants, and for engaging in partnerships with public and private institutions and organizations. With respect to grants, there would be a new-found balance between grant acquisition and management. The reformed grant-making strategy would need to be carefully aligned to the District's comprehensive reform efforts. With respect to partnerships with both public and private organizations, the strategy should seek to expand student education and training options, as well as secure access to human resources by aligning the District's needs to the institutions' needs *and* resources.

Cash Flow Stability

Develop long-term, *integrated* financial and education improvement plans. These annually updated plans will be designed to guarantee long-term financial stability and predictability, while ensuring continuity and sustainability of education reforms and investments.

Academic Competitiveness

Develop and implement, a PreK-12 Instructional Management System that ensures all schools are implementing the best curriculum and instructional models, as well as the practices essential to high performing schools.

Higher Education

Identify partnerships with colleges, universities, the business community and other units of government to expand educational choices while simultaneously increasing the District's access to quality human resources. Dual enrollment, early college, P-TECH, work-study and onsite training apprenticeships are just a few of the potential options to create expanded choices. Student-teacher candidates, university interns, teacher apprentice programs, students completing clinicals, and university in-service-learning are just some sources to tap into for additional human capital.

Special Education

DPS will develop and implement a comprehensive student intervention and support system to help students with special needs. The objective is to ensure the equitable distribution of special education services, and to ensure that data is driving interventions and supports. Data should also be utilized to ensure the interventions are appropriate to address individual student academic and behavioral needs.

Transportation

While DPS would like to provide busing for all students to allow them to take advantage of more educational choices, it is cost prohibitive. DPS will collaborate with other willing local education providers to evaluate affordable and efficient busing proposals.

Customer Service

Quality school offerings and special programs will help individual schools and the District at-large to attract and retain students and stabilize school funding. In addition to the plan to improve the overall quality of its schools' instruction and the learning environments, DPS will develop a strategy for each school to offer a program(s) that are unique.

To implement these programs, DPS will develop a high school and middle school strategy that may include the International Baccalaureate ("IB") Program, Advanced Placement ("AP") Academies, Math and Science Academies, World Language Academies, and/or a Military and First Responders Academy. DPS will also work to connect high schools with the college and the work arena through early college, dual enrollment, work study, and apprenticeship programs to help high schools attract, retain and graduate more students.

In addition to the academic program, DPS must create a safe environment for students and a welcoming environment for parents/guardians. This includes creating forums for communication to ensure that parents/guardians understand what is happening in schools and across the District.

While the District's Amended Academic Plan has been amended as of February 24, 2015 (see Appendix C), it will need to be further reviewed and amended in consultation with Michigan Department of Education and other parties as the District's financial and educational strategy evolves.

4. IMPLEMENTATION OF THE TRANSFORMATION PLAN

The transformation of DPS will not be possible without the ability to do long-term enrollment planning. This long-term enrollment planning must be done in collaboration with the state, the city and other educational entities, and may require additional policy changes in the long term. In addition to collaborative enrollment planning, there will need to be a system to hold all schools accountable and take action on schools that are not serving students well. A comprehensive plan for Detroit must address chronically failing schools and create high quality options for all students.

In addition, this long-term planning will require addressing DPS-owned facilities and the excess capacity within the system.

Achieving this transformed vision will require significant changes to the current operations and require close collaboration with educational entities across the city. The Coalition for the Education of Detroit Schoolchildren has been tasked with developing solutions to the problems facing all schools in Detroit. It will be important to incorporate their recommendations into the transformation plans for DPS. DPS is committed to working with the Coalition and the State to ensure these recommendations can be integrated into the restructuring plan.

The items outlined in the Education and Operational Plan section above provide a set of high level recommendations that will move DPS towards both operational and educational improvement. The implementation of this plan will not be easy but must be done to ensure that DPS can achieve sustainability and exit receivership.