

**Detroit Public Schools Community District  
Steven W. Rhodes, Transition Manager**

Order 2017-TMSR-05

**ORDER**

**APPROVING THE TRANSFER OF THE SPONSORSHIP AND  
ADMINISTRATION OF THE DETROIT PUBLIC SCHOOLS  
FLEXIBLE SPENDING PLAN TO DETROIT PUBLIC SCHOOLS  
COMMUNITY DISTRICT**

**Whereas**, on June 21, 2016, Public Act 192 of 2016 (“Act 192”) amending The Revised School Code, 1976 PA 451, as amended, MCL 380.1 to 380.1853 (the “Code”), was enacted with immediate effect; and

**Whereas**, once Act 192 took effect, the School District of the City of Detroit (“DPS”) became a qualifying school district under section 12b of the Code, MCL 380.12b, and a community district was created for the same geographic area of DPS to provide public educational services for residents of that geographic area (the “Community District”) under section 383 of the Code, MCL 380.383; and

**Whereas**, on June 21, 2016, acting pursuant to section 12b(3) of the Code, MCL 380.12b(3), Governor Richard D. Snyder designated Steven W. Rhodes as the transition manager for the Community District (the “Transition Manager”); and

**Whereas**, under section 12b(3) of the Code, the Transition Manager performs the functions and satisfies the responsibilities of the Community District, of the Board of Education and superintendent of schools of the Community District, and of the transition manager under section 12b of the Code, MCL 380.12b, until the elected members of the school board of the Community District are elected and take office under section 384 of the Code, MCL 380.384; and

**Whereas**, on June 21, 2016, Transition Manager Steven W. Rhodes issued an Order of the Transition Manager of the Detroit Public Schools Community District Designating Community District Name, Appointing Executive Leadership, Establishing Bank Accounts, Approving Publication of Budget Hearing Notice, and Other Matters, including, but not limited to

the authorization of the actions by officers, administrators, agents, staff and attorneys of the Community District to execute and deliver all other agreements document and certificates and to take all other actions necessary to enable the Community District to carry out its purposes, powers and obligation in accordance with Act 192; and

**Whereas**, officers, employees, agents, and contractors of the Community District are subject to direction and supervision by the Transition Manager and shall actively cooperate with the Transition Manager in the Transition Manager’s performance of functions and responsibilities; and

**Whereas**, pursuant to Subsection 12(b)(7)(g) of Act 192, employees of DPS entitled to employment on July 1, 2016 became entitled to employment by the Community District as of such date and the Community District is treated as a successor employer to DPS; and

**Whereas**, DPS adopted and maintains a cafeteria plan pursuant to Section 125 of the Internal Revenue Code, referred to as the Detroit Public Schools Flexible Benefit Plan, as originally effective as of January 1, 2006, and as most recently amended and restated effective January 1, 2016 (the “Flex Plan”); and

**Whereas**, DPS, Plan Sponsor and Plan Administrator of the Flex Plan, has the authority to transfer sponsorship and administration of the Flex Plan to a successor employer; and

**Whereas**, DPS desires to transfer sponsorship and administrative duties under the Flex Plan to the Community District, effective July 1, 2016 (“Effective Date”); and

**Whereas**, the Community District desires to sponsor and administer

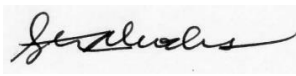
the Flex Plan for the benefit of its eligible team members as of the Effective Date.

**NOW, THEREFORE, IT IS HEREBY ORDERED, THAT:**

1. The sponsorship and administration of the Flex Plan from the District to the Community District is hereby transferred, such that the Community District is the Plan Sponsor and Plan Administrator of the Flex Plan effective July 1, 2016.
2. The Community District adopt and approve any additional documents related to and/or necessary to transfer sponsorship and administration of the Flex Plan to the Community District.
3. Any necessary actions taken to transfer sponsorship and administration of the Flex Plan to the Community District prior to the date hereof are hereby approved.

This Order may be amended, modified, repealed or terminated by any subsequent Order issued by the Transition Manager.

DETROIT PUBLIC SCHOOL  
COMMUNITY DISTRICT  
Charter County of Wayne  
State of Michigan

By:   
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Steven W. Rhodes  
Its: Transition Manager

Dated: October 31, 2016