

## **CONSEQUENCES OF NO STATE MANAGEMENT**

If no state management (and accompanying financial assistance) is offered to Monticello by February 27, 2013, and the district became insolvent, the following catastrophic events will occur in short order:

### **1. STUDENTS SENT HOME**

- 750 students would be sent home in the middle of the school year.
- Spring testing schedule would be halted.
- There would be a disruption of legally mandated services to students, including those with special needs.
- Graduation of current seniors would be derailed.
- Non-resident agreements with other districts would become void, causing a disruption to other districts as well.

### **2. DISTRICT EMPLOYEES UNPAID**

- 68 teachers would be sent home without pay, resulting in a breach of teacher contracts.
- Approximately 60 other district employees would also be sent home without pay.
- The net impact of 128 employees filing for unemployment insurance simultaneously will also negatively impact claims and insurance premiums for carriers.

### **3. DEFAULT OF DEBT SERVICE OBLIGATIONS**

- Monticello would be in default of current debt obligations. This could negatively impact the credit rating of other school districts also and may adversely impact the state's overall credit rating.

### **4. DISRUPTION TO DISTRICT FACILITIES AND OTHER OPERATIONS**

- Utilities would be disconnected and buildings will become vulnerable to deterioration and vandalism (e.g. bursting pipes in cold weather, inoperable fire alarms, security systems, cameras, freezers, coolers, food storage, and servers).
- This may also void insurance coverage (failure to maintain).
- The bus fleet, all of which are diesel, will have inoperable plug-in heaters to protect the engines and these assets would deteriorate.
- With lack of staff oversight, other resources in the buildings would be subject to theft, vandalism, etc.