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December 20, 2005

Mr. Thomas E. White
Executive Director
Michigan School Business Officials
1001 Centennial Way, Suite 200
Lansing, MI 48917-9279

Re: *Effect of New School Safety Initiative on MSBO Associate Members and Vendors*

Dear Mr. White:

You have requested that we prepare a brief overview of the new School Safety Initiative (SSI) for you to share with your MSBO business associates. The SSI is a compilation of various amendments to the Revised School Code and Michigan's criminal statutes. Although good in theory, the SSI will greatly affect how MSBO associate members and vendors do business with Michigan's School Districts as of January 1, 2006.

Effective January 1, 2006, schools are required to secure fingerprints and request criminal background checks for all newly contracted "individuals assigned to regularly and continuously work under contract in schools" (hereinafter "covered individuals"). Moreover, regarding current individuals under contract, schools must secure fingerprints and on or before July 1, 2008, request criminal background checks for all covered individuals. Schools are prohibited from allowing covered individuals who are convicted of "listed offenses" to work under contract in any school.

The SSI requires covered individuals to report to schools within three business days when they are charged with certain crimes and must immediately report convictions of those crimes. Additionally, registered sex offenders are prohibited from working in a school safe zone.

The SSI will significantly affect how contractors and vendors work with schools. Most schools will require contractors or vendors to certify they are in compliance with these new laws in order for the contractor or vendor to secure a contract with the school. Moreover, compliance with these laws is backed by criminal penalties for failure to comply. Contractors and vendors will need to have all workers "certified" and continue to monitor workers' criminal status to ensure compliance. Furthermore, many terms under the SSI, such as "regularly and

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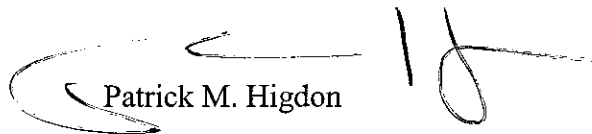
continuously" are not defined, and thus schools will be taking a "conservative approach" to ensure their compliance unless and until contrary directives are given by the state. As a consequence, the cost of doing business with schools may increase.

Even though schools are presently analyzing the effects of the SSI and quickly preparing for the onset, many contractors and vendors are completely unaware of the SSI and its requirements. It is necessary for these contractors and vendors to be informed of these laws and how they will affect the way in which they do business with the schools.

Please contact me at your earliest convenience to discuss these issues. Thank you for your assistance in the matter.

Sincerely,

Clark Hill PLC

 Patrick M. Higdon

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Enclosures